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VENEZUELA RENACE

National program for recovery and prosperity

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Table of Contents

1. Introduction 10
2. State of the economy 13
2.1. Venezuela's productive apparatus 13
2.1.1. The oil & gas sector 13
2.1.2. Non-hydrocarbon sectors 16
2.2. Overview of the public finances 17
2.2.1. Public budget 17
2.2.2. Public debt 18
2.3. Overview of the external sector 20
2.4. Overview of the monetary sector 21
3. Venezuela's economic policy agenda 22
3.1. Program pillars 22
3.1.1. Pillar #1 – Growth agenda // Building an economy centered on human dignity and prosperity 22
3.1.2. Pillar #2 – Fiscal agenda // Managing the nation's resources efficiently & responsibly 24
3.1.3. Pillar #3 – Monetary & financial sector // Stabilizing the economy and protecting Venezuelan household purchasing power 27
3.1.4. Pillar #4 – Governance // Developing transparent institutions that serve the people 29
3.2. Timeline 30
3.2.1. Phase 1 – Normalization (0–12 months) 30
3.2.2. Phase 2 – Recovery (1–3 years) 31
3.2.3. Phase 3 – Diversification (3+ years) 31
3.3. Program governance & performance 31
3.4. Program funding 32
3.5. Program risk assessment 33
4. Technical appendix 36
4.1. Overview of Venezuela's economic performance and productive apparatus 36
4.1.1. Brief overview of Venezuela's economic imbalances & potential 36
4.1.2. Overview of Venezuela's social development indicators 37
4.1.3. Overview of the oil sector 38
4.1.4. Overview of the gas sector 48
4.1.5. Overview of the other sectors 49
4.2. Overview of Venezuela's fiscal sector 53
4.2.1. Public budget 53
4.2.2. Public debt 59
4.2.3. Public assets 66
4.3. Overview of Venezuela's external sector 71
4.3.1. Overview of current account performance 71
4.3.2. Overview of Venezuela's exports 72
4.3.3. Overview of Venezuela's imports 72
4.3.4. Overview of financial & capital account performance 72
4.3.5. Overview of foreign exchange reserves 73
4.3.6. Overview of the foreign exchange regime & rate performance 73
4.4. Overview of Venezuela's monetary sector 74

4.4.1. Overview of inflation history 74
4.4.2. Overview of the financial sector 75
4.5. Focus on public debt restructuring 76
4.6. Overview of Venezuela's macroeconomic framework 78
4.6.1. Presentation of the macroeconomic framework 78
4.6.2. Detailed tables of the macroeconomic framework 84

Index of figures, tables, focus and maps

Figures

Figure 1. Evolution of Venezuela's GDP in real terms (base 100 = 2012) 36
Figure 2. Evolution of the share of households without access to basic services (% of total) 37
Figure 3. Evolution of 3- to 24-year-old education coverage (in % of total) 38
Figure 4. Proven oil reserves by country (in billion barrels) 39
Figure 5. Venezuela's historical oil production (in mbpd) 39
Figure 6. Reserve life per country (in years) 40
Figure 7. Estimated capacity utilization in the oil & gas sector, as of August 2026 45
Figure 8. Evolution of natural gas production (in billion cubic feet per day) 49
Figure 9. Evolution of Venezuela's manufacturing industry capacity utilization 51

Tables

Table 1. Overview of Venezuela's key economic indicators at end-2025 11
Table 2. Overview of Venezuela's non-financial public sector fiscal performance 18
Table 3. Overview of Venezuela's public debt structure as of end-2025 19
Table 4. Program's risk assessment matrix 34
Table 5. Compared evolution of life expectancy (in years) 38
Table 6. Overview of Venezuela's top 20 oil fields – by expected 2036 production 42
Table 7. Overview of Venezuelan refineries' key characteristics (2024) 47
Table 8. Overview of different hydrocarbon business models 48
Table 9. Overview of Venezuela's private manufacturing industry structure 51
Table 10. Evolution of Venezuela's non-financial public sector fiscal indicators 54
Table 11. Overview of Venezuela's Central Government fiscal revenue structure 56
Table 12. Overview of Venezuela's Central Government expenditure structure 57
Table 13. Overview of PDVSA's net result 58
Table 14. Overview of Venezuela's multilateral debt – as of end-2025 60
Table 15. Overview of Venezuela's bilateral debt – as of end-2025 60
Table 16. Overview of Venezuela's Eurobonds – as of end-2025 61
Table 17. Overview of Venezuela's Central Government bank loans – as of end-2025 63
Table 18. Overview of PDVSA's bank loans and credit facilities – as of end-2025 63
Table 19. Overview of PDVSA's non-financial debt obligations (excl. intra public sector) – as of end-2025 64
Table 20. Overview of PDVSA's non-financial intra public sector debt – as of end-2025 64
Table 21. Overview of arbitration debt – as of end-2025 65
Table 22. Overview of Venezuela's balance of payments 71
Table 23. Evolution of Venezuela's foreign exchange reserves 73
Table 24. Evolution of national consumer price index (annual, %) 74
Table 25. Evolution of national consumer price index over the past 12 months (annual, %) 75
Table 26. Selected monetary indicators (annual, in BSm) 75
Table 27. Selected economic and financial indicators 84

Table 28. Summary of public sector operations (USDbn-equivalent) *85*
Table 29. Summary of public sector operations (% of GDP) *86*
Table 30. Balance of payments (USDbn) *87*
Table 31. Balance of payments (% of GDP) *88*
Table 32. Overview of the hydrocarbon sector – 2026-36 ..... *89*

Focus

Focus 1. The economic and humanitarian impact of the June 2026 earthquakes *13*
Focus 2. The U.S.-Venezuela oil agreement *15*
Focus 3. The impact of sanctions on Venezuela's ability to meet its debt service obligations *19*
Focus 4. Digitalization and its impact on revenue mobilization *25*
Focus 5. Public debt restructuring *27*
Focus 6. Venezuela's type of oil *40*
Focus 7. 2026 Hydrocarbons Law and Fiscal Regime *43*
Focus 8. Recent agreements reached with international oil companies (IOCs) *44*
Focus 9. Venezuela's relationship with OPEC, OPEC+ and its member states *44*
Focus 10. PDVSA's quasi-fiscal expenditures *55*
Focus 11. Overview of Plataforma Patria's role in the social protection architecture *58*
Focus 12. Overview of BCV's role and organizational structure *76*

Maps

Map 1. Overview of Venezuela's oil reserves *41*
Map 2. Overview of PDVSA's pipeline and refinery networks *46*

Acronyms

API	*American Petroleum Institute*
BANDES	*Banco de Desarrollo Económico y Social de Venezuela*
BBVA	*Banco Bilbao Vizcaya Argentaria*
BCV	*Banco Central de Venezuela (Central Bank of Venezuela)*
BDV	*Banco de Venezuela*
BEPS	*Base Erosion and Profit Shifting*
BNDES	*Banco Nacional de Desenvolvimento Econômico e Social*
CAF	*Development Bank of Latin America and the Caribbean*
CANTV	*Compañía Anónima Nacional Teléfonos de Venezuela*
CDB	*China Development Bank*
CG	*Central Government*
CNPC	*China National Petroleum Corporation*
CORPOELEC	*Corporación Eléctrica Nacional*
CPP	*Convenio de Participación Productiva*
CRP	*Complejo Refinador Paraguaná*
CVM	*Corporación Venezolana de Minería*
DCO	*Diluted Crude Oil*
EBITDA	*Earnings Before Interest, Taxes, Depreciation and Amortization*
EDC	*Export Development Canada*
EITI	*Extractive Industries Transparency Initiative*
ELECAR	*Electricidad de Caracas*
ENCOVI	*Encuesta Nacional de Condiciones de Vida*
FIEM	*Fondo de Inversión para la Estabilización Macroeconómica*
FIV	*Fondo de Inversiones de Venezuela (Venezuelan Investment Fund)*
FONDEN	*Fondo de Desarrollo Nacional*
FPOHC	*Faja Petrolífera del Orinoco Hugo Chávez*
FX	*Foreign Exchange*
GDP	*Gross Domestic Product*
GE	*General Electric*
GRADE	*Global Rapid Post-Disaster Damage Estimation*
ICC	*International Chamber of Commerce*
ICO	*Instituto de Crédito Oficial*
ICSID	*International Centre for Settlement of Investment Disputes*
IDB	*Inter-American Development Bank*
IFAD	*International Fund for Agricultural Development*
ILO	*International Labor Organization*
IMF	*International Monetary Fund*
INE	*Instituto Nacional de Estadística*
IOCs	*International Oil Companies*
ISLR	*Impuesto Sobre la Renta (Income Tax)*
IVA	*Impuesto al Valor Agregado (Value-Added Tax)*

JBIC	*Japan Bank for International Cooperation*
MINERVEN	*Compañía General de Minería de Venezuela*
MT	*Metric Tons*
NABEP	*North American Blue Energy Partners*
O&G	*Oil & Gas*
OECD	*Organization for Economic Co-operation and Development*
OFAC	*Office of Foreign Assets Control*
ONGC	*Oil and Natural Gas Corporation*
OPEC	*Organization of the Petroleum Exporting Countries*
PCA	*Permanent Court of Arbitration*
PDI	*Past Due Interest*
PDVSA	*Petróleos de Venezuela, S.A.*
ROA	*Return on Assets*
ROE	*Return on Equity*
SDR	*Special Drawing Rights*
SENIAT	*Servicio Nacional Integrado de Administración Aduanera y Tributaria*
SMEs	*Small and Medium-sized Enterprises*
SOEs	*State-Owned Enterprises*
SWF	*Sovereign Wealth Fund*
UCAB	*Universidad Católica Andrés Bello*
USD	*United States Dollar*
VAT	*Value-Added Tax*

1. Introduction

1. **Over the past decade, Venezuela's economic performance has remained subdued**. The hydrocarbon sector, long a key engine of the national economy, was hit by a succession of shocks – from the end of the commodity super-cycle to international sanctions and COVID – alongside a marked decline in investment. This drove a sharp contraction in the sector between 2012 and 2025, with oil activity down c. 60% and oil exports falling by more than 80%, and led to the deterioration of the country's oil and electricity infrastructure.

2. **In turn, this triggered broader economic hardship**: national activity severely contracted over the period, government budget capacity narrowed sharply, public debt climbed to unsustainable levels, and the scarcity of foreign currency fueled episodes of elevated inflation and severe exchange-rate distortions. While a recovery is underway, with resilient growth over the past five years, Venezuela's 2025 real GDP accounted for only 36% of its 2012 level.

3. **The economy today remains heavily constrained by a handful of structural brakes**. The hydrocarbon productive apparatus has deteriorated significantly, and its recovery will require the mobilization of substantial foreign investment over the coming years. In addition, international sanctions have eroded economic activity beyond the oil and gas sector and have triggered significant migration flows. Institutional weaknesses have constrained monetary and fiscal policymaking and have been compounded by the most recent external shocks.

4. **On June 24, 2026, Venezuela was struck by two devastating earthquakes of magnitude 7.2 and 7.5, among the most severe seismic events recorded in the country's modern history**. The disaster caused a major humanitarian crisis, with more than 6,000 confirmed fatalities and approximately 18,000 people left homeless, while damage assessments and search operations continued in the most affected areas. La Guaira and Distrito Capital were particularly severely impacted. The earthquakes have added an unprecedented urgency to Venezuela's reform agenda: in addition to addressing the country's longstanding structural challenges, the Government has had to organize and finance emergency relief to restore essential services and undertake a large-scale recovery and reconstruction effort.

5. **Venezuela has benefited from substantial support from the international community and civil society in responding to the disaster.** Partner countries, international organizations, humanitarian agencies, faith-based organizations, non-governmental organizations and private-sector actors have mobilized financial resources, technical expertise, logistical capacity and emergency supplies. The United States announced a humanitarian assistance commitment of more than USD 386 million, channeled through international and civil-society partners providing emergency medical assistance, food, water, sanitation and shelter. The IMF facilitated Venezuela's access to approximately USD 346 million from its reserve tranche resources to support housing, infrastructure and essential public services. The World Bank Group, working alongside the Government and development partners including the IDB and CAF, has also provided critical technical support through the preparation of the initial damage assessment and the identification of further recovery and reconstruction needs.

6. **The social needs of the Venezuelan population are sizable.** Social outcomes have remained subdued since the early 2010s in a context of macroeconomic instability and reduced fiscal space. Access to basic services has deteriorated, while health and educational outcomes also point to a weakening in living conditions. Informality remains a major structural barrier to income security, productivity, and social protection coverage. The Government is therefore prioritizing social development in its national policy agenda.

Table 1. Overview of Venezuela's key economic indicators at end-2025

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
>>> REAL ECONOMY														
Nominal GDP (USDbn)	366.5	178.9	118.4	49.5	72.5	37.7	86.3	30.0	17.8	36.4	60.4	59.7	83.5	98.1
GDP per capita (USD)	12,478	6,016	3,937	1,627	2,361	1,223	2,846	1,026	624	1,286	2,145	2,115	2,945	3,445
Crude oil production (in millions of barrels per day – mbpd)[1]	2.80	2.79	2.68	2.65	2.37	2.03	1.51	1.07	0.61	0.69	0.76	0.82	0.95	1.12
Real GDP growth (%)	4.2	0.1	(2.3)	(3.9)	(17.0)	(14.4)	(21.4)	(29.0)	(33.2)	1.1	15.1	5.7	8.9	9.0
Inflation (end of period, %)	20.1	56.2	68.5	180.9	274.4	862.6	130,060.2	9,585.5	2,959.8	686.4	234.1	189.8	48.0	475.3
Inflation (average, %)	21.1	40.6	62.2	121.7	254.9	438.1	65,374.1	19,906.0	2,355.1	1,588.5	186.7	337.2	49.3	252.0
Population (million inhabitants)[2]	29.4	29.7	30.1	30.4	30.7	30.8	30.3	29.3	28.6	28.3	28.2	28.3	28.4	28.5
Unemployment rate (% of labor force) [2]	6.6	7.5	6.8	6.1	5.3	5.0	5.5	5.9	7.5	7.0	5.6	5.4	5.3	5.3
>>> EXTERNAL POSITION														
Current account balance (USDm)	2,543	4,357	6,190	(11,812)	(2,469)	4,463	13,602	1,254	(8,574)	(1,938)	1,982	637	2,354	569
Gross international reserves (USDm)	29,890	21,481	22,080	16,370	10,995	9,665	8,840	6,633	6,367	10,917	9,924	9,817	10,266	13,309
Total exports of goods (USDm)	97,669	88,198	76,090	41,883	28,737	34,150	38,508	21,905	8,724	15,527	21,618	19,731	25,071	24,911
Hydrocarbon exports (USDm)	93,097	84,631	72,090	34,998	25,996	31,010	33,066	14,644	4,815	10,761	15,320	13,478	18,372	17,068
Non-hydrocarbon exports (USDm)	4,572	3,567	4,000	6,885	2,741	3,140	5,442	7,261	3,909	4,766	6,298	6,253	6,699	7,843
Total imports of goods (USDm)	65,944	57,836	47,043	33,298	16,355	13,918	12,920	9,901	11,446	11,519	12,793	13,072	17,151	17,517

Sources: BCV, Ministry of People's Power for the Economy and Finance, International Labor Organization (ILO), United Nations, World Bank
Notes: (1) Including condensate; (2) Population and unemployment data presented are respectively sourced from the United Nations' World Population Prospects and the World Bank, based on the ILO database.

7. Venezuela boasts unique economic potential, both on the continent and globally. It is home to an exceptional natural wealth – from the world's largest oil reserves to significant gas and mineral endowments – its population is young and educated, with a unique entrepreneurial culture, its strategic location – with direct sea access – offers proximity to major global markets, and the proven resilience of its national institutions provides a strong basis for recovery.

8. The Government has designed a comprehensive economic policy plan aimed at addressing the country's current economic and social challenges and placing Venezuela on a sustainable path toward prosperity. The plan is based on a sequenced approach progressing from normalization to recovery and, ultimately, diversification. This strategy rests on four mutually reinforcing pillars:

- Enhancing growth (Pillar #1) and building an economy centered on human dignity and prosperity. With an initial focus on the recovery of the extractive industries, the Government is committed to supporting a strategic diversification of the nation's productive apparatus – towards competitive sectors – as well as addressing informality and encouraging the participation of all Venezuelan productive forces in this effort, with a strong focus on improving human capital and guaranteeing dignity;
- Restoring fiscal sustainability (Pillar #2) and ensuring that the nation's resources are managed efficiently and responsibly. Through enhanced revenue mobilization capacity, from the extractive industries and beyond, the Government is committed to strengthening the delivery of essential public services to the population and the national economy – from social services (such as health and education) to critical infrastructure (energy, transport, communication). Considering the large investment component of such an agenda, the normalization of the public debt situation and the mobilization of new concessional funding will be critical;

- Enhancing the monetary and financial sector (Pillar #3), with the aim of stabilizing the economy and best protecting Venezuelan citizens – notably from price and foreign exchange volatility. The government is hereby committed to controlling inflation dynamics and stabilizing the exchange rate. In the near term, it will also support the re-connection of the country to the international financial system, and strengthen regulatory standards in the domestic banking system;
- Supporting economic governance (Pillar #4), through the development of transparent institutions that serve the Venezuelan people. The Government's strategy is built around two key dimensions: inclusive public policymaking and institutional capacity building.

2. State of the economy

2.1. Venezuela's productive apparatus

9. Venezuela's economy is primarily driven by the hydrocarbon sector, which remains the country's principal source of foreign currency revenues, although the broader productive base remains relatively diversified. In the first quarter of 2026, oil-related activities accounted for approximately a fifth of total GDP.

Focus 1. The economic and humanitarian impact of the June 2026 earthquakes

On June 24, 2026, two devastating earthquakes of magnitude 7.2 and 7.5 struck northwestern and central Venezuela. The magnitude 7.5 mainshock was among the most powerful seismic events recorded in the country's modern history. The earthquakes generated a major humanitarian crisis, with more than 6,000 confirmed fatalities and approximately 18,000 people left homeless. The states of La Guaira and Distrito Capital were the most severely affected areas, accounting for around half of the total physical damage identified to date.

The World Bank Group's Global Rapid Post-Disaster Damage Estimation ("GRADE") assessed direct physical damage at approximately USD 19.6 billion. Residential buildings accounted for 47% of total damage, infrastructure for 27% and non-residential buildings for 26%. The assessment provides an initial estimate of direct physical destruction and does not represent the full cost of reconstruction, broader economic losses or the social consequences of the disaster.

Venezuela's oil and gas production and key export terminals were not materially affected. Some downstream and petrochemical facilities experienced brief interruptions, primarily due to electricity outages and transmission-system damage rather than damage to hydrocarbon assets. The reliability of the national electricity grid will therefore remain an important factor during the recovery.

The Government has launched a comprehensive emergency and reconstruction program aimed at supporting affected communities, restoring essential services and rebuilding damaged areas on a more resilient basis. In this context, in July 2026, Venezuela secured access to approximately USD 346 million from its reserve tranche position at the IMF. These resources are intended to support the reconstruction of housing and infrastructure and the restoration of essential public services. This initial contribution underscores the Government's commitment to leading the recovery effort while continuing to engage international partners on the broader financing needs. Additionally, two key laws on leasing and construction were approved to support the real estate market by easing regulations, enabling more favorable sector arrangements and facilitating the development of new housing projects.

Venezuela has benefited from the support of the international community, which has responded to the disaster with broad solidarity. Partner countries, international organizations, humanitarian agencies, civil-society organizations and private-sector actors have mobilized financing, supplies, logistical support and technical expertise. The United States announced more than USD 386 million in humanitarian assistance. The World Bank Group, together with the Government, the IDB, CAF and other partners, prepared the initial GRADE assessment and is supporting the identification of further recovery and reconstruction needs.

2.1.1. The oil & gas sector

10. Venezuela holds the world's largest proven, recoverable crude oil reserves, with over 300 billion barrels, accounting for around 19% of global reserves. More than 85% of these reserves are located in the Orinoco Oil Belt, with additional significant deposits in the Lake Maracaibo region and the eastern basin.

11. Venezuela is currently producing well below its potential. In 2025, the country produced about 1 million barrels per day, mainly due to international sanctions and a subsequent lack of investment in

infrastructure. This remains significantly below the average of 2 million barrels per day a decade ago and 3.5 million barrels per day in the 1990s. As a result, Venezuela now accounts for less than 1% of global oil production, while its reserve life at the current level of production is the highest in the world, highlighting both current output constraints and future production potential.

12. In the near term, Venezuela could increase production by up to 1 million additional barrels per day through the rehabilitation of existing infrastructure, without requiring immediate greenfield developments. This upside reflects the scope to restore idle or underutilized capacity. Average upstream operating expenditures across all fields stand at around USD 18.4 per barrel, suggesting that a recovery in output could be achieved at reasonable cost. Over the medium term, further production increases would depend on the availability of foreign investment to support the development of additional capacity.

13. Venezuela's hydrocarbon reserves are predominantly composed of extra-heavy crude, which accounts for around 86% of the total, while heavy and light crude each represent around 5% and medium crude and condensates the remainder. This composition has important operational and commercial implications, as extra-heavy crude requires dilution or upgrading and more sophisticated refining capabilities. In practice, this creates a strong structural fit with complex refining hubs, notably on the U.S. Gulf Coast, and implies differentiated pricing across the crude slate, with extra-heavy grades trading at materially wider discounts than lighter grades.

14. Oil production is currently governed under three main frameworks, all based on the principle that hydrocarbon resources remain the property of the State. First, state-operated activities are carried out directly by PDVSA, which acts as sole operator, investor, and beneficiary. Second, foreign participation has traditionally taken place through *empresas mixtas* (joint ventures), under which PDVSA typically retains a majority ownership stake and operational control, while private partners participate through risk-sharing structures. Third, Venezuela introduced *Convenios de Participación Productiva* (CPPs), under which private companies finance and increasingly operate oil fields at their own risk, while being remunerated through a share of production or revenues without acquiring equity ownership. Compared with *empresas mixtas*, CPPs provide a more flexible, contract-based framework and are expected to play an increasingly important role going forward. CPPs have been extensively used since the revision of the Hydrocarbons Law and fiscal regime in 2026, and have contributed to the increase in activity over the past months.

15. The Government has expressed its commitment to stimulating investment in the hydrocarbons sector. Recent amendments to the Organic Hydrocarbons Law, together with the publication of its implementing regulations and new contract framework, aim to expand private-sector participation, increase operational flexibility and reduce legal uncertainty. The new framework lowers the maximum aggregate royalty and integrated tax rate with differentiated ceilings depending on the type and maturity of each project while preserving scope for project-by-project negotiation. Operating profits remain subject to a separate income tax. The reforms also introduce alternative dispute-resolution mechanisms and strengthen legal protections for investors, supporting the conclusion of new agreements with major international oil companies.

16. The Government expects to raise oil production to 2.9 million barrels over the next decade. Output is expected to be driven primarily by the Orinoco Oil Belt, which is expected to account for more than half of output in that year, followed by Lake Maracaibo at around a third and other regions accounting for the rest. By crude type, the projected expansion would remain dominated by heavy and extra-heavy oil.

17. Beyond the headline production target, the expansion scenario rests on a selective and capital-intensive development strategy. Capital expenditures will be allocated to the most promising fields, based on their expected growth potential and yields for the government, with the 20 fields with the greatest potential projected to account for around 60% of total production. At the same time, the envisaged scale-up remains

constrained by limited capital availability (including shortfalls in upgrading, transportation, storage and shipping infrastructure, and power generation and transmission), as well as financing constraints affecting both PDVSA and international partners. External financing and foreign direct investment will therefore be critical to achieving the Government's production objectives.

18. Venezuela's midstream and downstream sectors rely on an extensive hydrocarbon transportation, refining, and marketing infrastructure network. The country's oil pipeline system extends over 7,500 kilometers and connects the main producing basins to domestic refineries and export terminals. While its design capacity exceeds 3 million barrels per day, effective operating capacity is estimated at approximately 2 million barrels per day. The ramp up of its operations would however require a substantial overhaul, as asset integrity diligences have not been performed in years. Downstream, Venezuela has a refining system of 12 refineries with combined crude processing capacity of about 2.1 million barrels per day, of which roughly two thirds is located domestically, and one third in the United States – through CITGO –, and the remainder in Europe – through Nynas AB. Local refineries have a sufficient capacity to cover domestic demand for refined products (gasoline, diesel, and others), and produce fuel oil as a by-product, which is ultimately exported. Marketing channels remain diversified, including crude oil and feedstock sales to refining affiliates under long-term supply arrangements, crude sales to third parties at market-based prices – including a discount related to the current sanctions environment –, and sales of refined products.

19. In addition to oil, Venezuela holds substantial natural gas reserves of over 190 trillion cubic feet, among the largest in the world and in Latin America. Production has nonetheless declined by roughly half since its 2015 peak, driven mainly by the fall in associated gas – tied to crude oil output – which dropped from 6,646 MMcf/d in 2015 to 3,014 MMcf/d in 2025 (-55%), while non-associated gas proved more resilient (-25% over the same period) and now represents close to a quarter of total gas production. This decline reflects both international sanctions and the parallel collapse in oil output. The easing of sanctions, together with new cross-border fields (Loran and Dragon) expected to come online as early as 2028, could support a recovery and new revenue sources for the State.

20. Though the human toll has been devastating, the June 2026 earthquakes did not materially affect Venezuela's oil and gas productive apparatus. Major producing regions, pipelines and key export terminals remained operational in the immediate aftermath, preserving the country's principal source of foreign exchange revenues and an essential foundation of any viable economic recovery scenario.

Focus 2. The U.S.-Venezuela oil agreement

On August 28, 2026, the U.S. and Venezuela announced a landmark 25-year bilateral oil deal covering 17 strategic oilfields with approximately 65 billion barrels of proven reserves.

The deal perimeter comprises a mix of greenfield and brownfield assets. The eight greenfields – Boyacá 5, Boyacá 8, Junín Sur, Junín 1, Junín 3, Junín 11, Ayacucho 6 and Ayacucho 7 – account for approximately 71% of total reserves. The remaining reserves are located across nine brownfield assets, including Lagunillas Lago, Lagocinco, Sinovenezolana, Lagomar, Tía Juana Lago, Rosa Mediano, Lagomedio, Petrocedeño and Petrozamora.

At the core of the deal, North American Blue Energy Partners (NABEP) plans to fully bear the development costs of these 17 fields, and to provide the associated infrastructure under CPP agreements.[1] The U.S. government, through the Department of War's Office of Strategic Capital (OSC), will retain significant economic and strategic interests in the project through a 35% stake in NABEP's parent

[1] *See details on selected fields in Table 6*

company, coupled with the right to purchase 20% of NABEP's production at cost and a right of first refusal over the remaining 80% - with no impact on Government's revenue.

The partnership is expected to bring significant capital and operational resources into Venezuela's oil sector, accelerating the development of its substantial reserve base and helping the country maximize its long-term production capacity. The development is also expected to generate more than USD 200 billion of revenues for the Venezuelan state over the 25-year period, while outsourcing a sizable capital expenditure program to the binational partner, thus providing a positive long-term impact on the Government's financial position.

2.1.2. Non-hydrocarbon sectors

21. Beyond hydrocarbons, Venezuela possesses a broad productive base spanning mining, agriculture, industry, and services. While these sectors have operated below their potential in recent years, they remain central both to domestic economic activity and to the country's long-term diversification strategy.

22. Mining is the country's second most important source of foreign currency earnings. Gold extraction, together with copper, bauxite, tin, and rare earth elements, are central activities to the sector. The sector's principal assets are concentrated in the Orinoco Mining Arc, notably the Las Cristinas/Brisas and Los Pijiguaos deposits. At the same time, formal output remains limited relative to the country's geological potential: Venezuela is estimated to hold approximately 2,300 metric tons of gold reserves, while reported production remained below 10 metric tons in 2025. Recent reforms aim at improving project bankability and facilitating investment to further tap the sector's potential, even if pending arbitration proceedings continue to weigh on the outlook.

23. Outside the extractive industries, the primary sector is anchored in agriculture, livestock, fisheries, and forestry. Agriculture accounted for approximately 5% of GDP in the first quarter of 2026 and continues to play an important role in food security, employment, and territorial cohesion. The secondary sector also retains a meaningful industrial base, with food and beverages accounting for more than 60% of manufacturing output. Average capacity utilization reached 48.4% in the first quarter of 2026 and only 27% in metal-producing industries, pointing to the continued underutilization of existing productive assets.

24. The electricity sector remains one of the principal constraints on a broader economic recovery. Power generation continues to rely heavily on the Bajo Caroní hydroelectric complex, whose largest asset, the Simón Bolívar Hydroelectric Plant (Guri), accounts for more than 70% of the country's electricity generation. This high degree of concentration has increased dependence on a limited number of assets and, together with insufficient thermal generation capacity and aging transmission and distribution networks, has contributed to recurrent service disruptions affecting both households and productive sectors. The recovery of the electricity sector will therefore require the implementation of a comprehensive strategy to rehabilitate and expand critical infrastructure.

25. The tertiary sector has become increasingly important as the Venezuelan economy has adjusted to the prolonged weakness of more capital-intensive industries, although performance remains uneven across subsectors. Telecommunications accounted for approximately 12% of GDP in the first quarter of 2026 and stand out as an example of relatively rapid adaptation, driven by private operators such as Movistar, Digitel, Inter, and NetUno. By 2024, the country counted 265 active internet service providers. At the same time, internet access reached only 62% of the population in 2025, reflecting limited network coverage and a persistent technological gap, which continue to highlight significant connectivity challenges across the country.

26. The banking sector is operational, although financial intermediation continues to be relatively shallow. Financial intermediation and insurance activities accounted for approximately 2% of GDP in the first quarter of 2026. Total credit stood at approximately USD 3.2 billion in December 2025 and increased to USD 4.0 billion in June 2026, equivalent to 4.0% of 2025 GDP, while Banco de Venezuela accounted for around a quarter of the national credit market in early 2026. The reintegration of the sector into the global financial system is currently underway.

27. The tourism sector has witnessed a strong recovery, with around 3.5 million foreign visitors in 2025. However, it remains underdeveloped relative to Venezuela's significant tourism potential – with unique destinations along and off the coast, as well as inside the country, and a well-preserved and centuries-old cultural heritage.

2.2. Overview of the public finances

2.2.1. Public budget

28. Venezuela's fiscal performance should be assessed on a consolidated non-financial public sector basis, in order to reflect both the Central Government budget and the fiscal operations carried out through key public entities, notably PDVSA. This broader perimeter provides a more comprehensive view of the public finances, as it captures hydrocarbon-sector operating balances, fiscal subsidies and other public sector flows that affect the overall fiscal position.

29. On this basis, the non-financial public sector primary balance has been in deficit throughout the period, although it improved from -8.7% of GDP in 2022 to -3.3% in 2023 and -3.2% in 2024, before widening moderately to -4.0% of GDP in 2025. This overall position reflects contrasting developments within the public sector: the Central Government recorded a primary surplus of 1.3% of GDP in 2025, while PDVSA posted a net deficit equivalent to 5.3% of GDP, largely reflecting the cost of oil and gas subsidies.

30. Public revenues continue to rely on both hydrocarbon and non-hydrocarbon sources, reflecting the structure of the Venezuelan economy and the central role of the oil and gas sector in the public finances. In 2025, total Central Government revenues amounted to 22.4% of GDP, compared with 24.2% in 2024. Hydrocarbon revenues represented 11.4% of GDP, comprising oil and gas royalties of 7.1% of GDP, other hydrocarbon-sector taxes of 1.5% and non-tax hydrocarbon revenues of 2.8%. Non-hydrocarbon revenues reached 11.1% of GDP. VAT was the largest non-hydrocarbon revenue instrument, at 4.0% of GDP, followed by import duties at 2.1% and income tax at 1.8%.

31. Total Central Government expenditure amounted to 21.1% of GDP in 2025, down from 23.6% in 2024, with operating expenditure representing the largest spending category, at 14.5% of GDP. Wages and salary compensation accounted for 11.8% of GDP, while purchases of goods and services represented a further 2.7% of GDP.

32. Transfers amounted to 5.4% of GDP in 2025, including social transfers and pensions, representing respectively 2.5% and 2.4% of GDP, as well as other transfers to the regions of 0.6%. Public investment was comparatively limited, at 1.2% of GDP, of which 0.8% was undertaken by the Central Government and 0.4% through FONDEN. In parallel, oil and gas subsidies represented 5.1% of GDP and were the principal driver of PDVSA's net deficit, as PDVSA's result excluding these subsidies was broadly balanced in 2025.

33. Venezuela's financing strategy has continued to rely primarily on domestic liquidity sources, in a context where domestic financial intermediation is limited and access to international debt markets continues

to be constrained by sanctions and the unresolved public debt situation. This financing environment has influenced budget execution and reinforced the need to align spending commitments with available domestic resources and hydrocarbon-related revenues.

Table 2. Overview of Venezuela's non-financial public sector fiscal performance

% of GDP	2021	2022	2023	2024	2025
NFPS[1] primary fiscal balance	**(5.4%)**	**(8.7%)**	**(3.3%)**	**(3.2%)**	**(4.0%)**
PDVSA net result	**(2.8%)**	**(6.2%)**	**(4.5%)**	**(3.8%)**	**(5.3%)**
PDVSA net result (excl. hydrocarbon subsidies)	10.7%	8.8%	4.6%	2.3%	(0.2%)
Hydrocarbon subsidies	(13.5%)	(15.0%)	(9.0%)	(6.0%)	(5.1%)
CG primary fiscal balance	**(2.6%)**	**(2.5%)**	**1.2%**	**0.6%**	**1.3%**
Total revenues	**14.3%**	**18.8%**	**25.3%**	**24.2%**	**22.4%**
Hydrocarbon revenues	**8.2%**	**11.2%**	**15.7%**	**13.5%**	**11.4%**
Hydrocarbon royalty	4.6%	7.4%	7.1%	4.9%	7.1%
Other hydrocarbon sector tax	0.5%	0.8%	1.4%	5.2%	1.5%
Other non-tax hydrocarbon revenues	3.1%	2.9%	7.1%	3.5%	2.8%
Non-hydrocarbon revenues	**6.1%**	**7.6%**	**9.7%**	**10.7%**	**11.1%**
IVA	3.1%	3.4%	4.3%	4.4%	4.0%
ISLR	1.2%	1.4%	1.7%	2.1%	1.8%
Import duties	0.6%	0.8%	1.2%	1.7%	2.1%
Others	1.2%	2.1%	2.6%	2.5%	3.2%
Financial transactions tax	*0.9%*	*1.1%*	*1.4%*	*0.8%*	*0.2%*
Other non-hydrocarbon tax revenues	*0.3%*	*0.9%*	*1.1%*	*1.3%*	*1.6%*
Other non-tax non-hydrocarbon rev.	*0.0%*	*0.0%*	*0.0%*	*0.4%*	*1.4%*
Total expenditures	**16.9%**	**21.3%**	**24.2%**	**23.6%**	**21.1%**
Operating expenditures	**12.3%**	**16.9%**	**17.5%**	**16.0%**	**14.5%**
Wages and salary compensations	11.0%	15.5%	15.6%	13.7%	11.8%
Purchase of goods and services	1.3%	1.4%	1.9%	2.3%	2.7%
Transfers	**3.7%**	**3.3%**	**5.6%**	**6.3%**	**5.4%**
Social transfers	3.4%	2.8%	3.5%	3.0%	2.5%
Pensions	0.0%	0.0%	1.5%	2.1%	2.4%
Other transfers (regions)	0.3%	0.6%	0.6%	1.2%	0.6%
Public investment	**0.9%**	**1.1%**	**1.1%**	**1.3%**	**1.2%**
Central government	0.5%	0.7%	0.7%	0.8%	0.8%
FONDEN	0.4%	0.4%	0.4%	0.5%	0.4%

Note: (1) Non-Financial Public Sector, including Central Government and PDVSA

2.2.2. Public debt

34. Venezuela's public debt is in a state of protracted default and is unsustainable, reflecting the constraints imposed by financial sanctions, the decline in hydrocarbon revenues and years of macroeconomic imbalances. Total identified public sector liabilities amounted to USD 237.5 billion as of end-2025, equivalent to around 242% of GDP. Since the 2017 default, arrears have continued to accumulate,

including unpaid interest and penalties, while limited access to external financing has further constrained fiscal space.

35. The public debt stock is predominantly composed of commercial and non-financial obligations. Commercial debt amounted to approximately USD 116.5 billion at end-2025, or 49.1% of total liabilities, including USD 110.1 billion of Eurobonds and USD 6.4 billion of bank loans and credit facilities. Non-financial debt, entirely concentrated at the PDVSA level, represented a further USD 67.3 billion, or 28.3% of the total, and included promissory notes, supplier and joint-venture liabilities, certificates of investment, *pagarés* and pension obligations. Arbitration debt accounted for 11.1% of total liabilities, bilateral debt for 9.8%, and multilateral debt for 1.8%. The scale, diversity and legal complexity of these obligations underscore the need for a comprehensive approach to public debt normalization.

36. Against this backdrop, restoring public debt sustainability will require a comprehensive approach anchored in a credible macroeconomic stabilization program and supported by strengthened institutional frameworks. Key priorities include supporting debt transparency, normalizing relations with external creditors, and re-engaging with international financial institutions. Absent such measures, the current public debt overhang will continue to weigh on growth prospects and delay economic recovery.

Table 3. Overview of Venezuela's public debt structure as of end-2025

in USDm	TOTAL	Central Gov.	PDVSA	BANDES	ELECAR[2]	% of total
Multilateral Debt	**4,163**	4,163	–	–	–	**1.8%**
IDB	2,735	2,735	–	–	–	*1.2%*
CAF[1]	1,423	1,423	–	–	–	*0.6%*
Others	5	5	–	–	–	*0.0%*
Bilateral Debt	**23,262**	6,396	–	16,866	–	**9.8%**
China Development Bank	16,866	–	–	16,866	–	*7.1%*
Vnesheconombank (Russia)	5,080	5,080	–	–	–	*2.1%*
BNDES (Brazil)	1,128	1,128	–	–	–	*0.5%*
Others	187	187	–	–	–	*0.1%*
Commercial Debt	**116,549**	66,475	48,997	–	1,077	**49.1%**
Eurobonds	110,134	64,976	44,082	–	1,077	*46.4%*
Principal	64,196	36,466	27,079	–	650	*27.0%*
PDI	45,939	28,510	17,002	–	427	*19.3%*
Bank Loans and Credit Facilities[3]	6,415	1,499	4,915	–	–	*2.7%*
Arbitration Debt	**26,288**	26,288	–	–	–	**11.1%**
Non-Financial Debt	**67,282**	–	67,282	–	–	**28.3%**
Promissory Notes	4,310	–	4,310	–	–	*1.8%*
Suppliers Debt	17,097	–	17,097	–	–	*7.2%*
"Mixtas" Debt	10,834	–	10,834	–	–	*4.6%*
Certificates of Investment[4]	3,534	–	3,534	–	–	*1.5%*
Pagarés[4]	25,299	–	25,299	–	–	*10.7%*
Pensions[4]	6,209	–	6,209	–	–	*2.6%*
Total	**237,544**	103,322	116,279	16,866	1,077	**100.0%**

Notes: (1) Only includes debt owed to the Central Government; (2) ELECAR is now part of CORPOELEC; (3) Partly intra-public sector debt, with debt owed to BANDES representing USD 240m as of end-2025; (4) Intra-public sector debt

Focus 3. The impact of sanctions on Venezuela's ability to meet its debt service obligations

In August 2017, the United States issued Executive Order (E.O.) 13808, which prohibited U.S. persons from engaging in transactions related to new debt (of maturity above 30 days for the Republic and above

90 days for PDVSA) and restricted dealings in certain existing Venezuelan bonds. This measure effectively barred Venezuela from issuing new international debt or refinancing existing obligations through U.S. markets.

Subsequent measures, most notably E.O. 13850 (November 2018), under which PDVSA was designated in January 2019, and E.O. 13884 (August 2019), which imposed a de facto embargo on the Government of Venezuela, further restricted financial flows by blocking government assets under U.S. jurisdiction and prohibiting transactions with designated entities. In parallel, OFAC regulations limited the ability of U.S. financial institutions and investors to participate in secondary market trading of Venezuelan securities, while licensing requirements created legal uncertainty even for permissible transactions.

Sanctions disrupted Venezuela's ability to process external payments and coordinate with creditors, even where resources were available. Restrictions on financial intermediaries and clearing systems, particularly in U.S. dollars, complicated coupon and principal payments and limited the feasibility of liability management operations, contributing to payment arrears and default dynamics.

By prohibiting U.S. investor participation in new issuances and discouraging secondary market activity, sanctions led to a loss of market access. The sovereign was effectively unable to roll over maturing obligations or secure bridge financing. The exclusion from international capital markets, combined with heightened legal and reputational risks for non-U.S. counterparties, resulted in a de facto financing cutoff, a key driver of Venezuela's default in late 2017.

Sanctions targeting the oil sector, particularly PDVSA, significantly reduced export revenues and foreign exchange inflows, exacerbating the economic contraction. Financial and oil-sector sanctions accelerated the decline in hydrocarbon production and fiscal revenues, weakening the State's capacity to generate the resources necessary to meet its external debt service obligations. More broadly, restrictions on imports, investment, and financial transactions disrupted productive activity, particularly in the energy sector and in industries reliant on imported inputs, contributing to the macroeconomic downturn, further weakening debt sustainability, and weighing on Venezuelan households' living standards.

2.3. Overview of the external sector

37. Venezuela's external position has improved in recent years, following the accumulation of large current account deficits in 2020-21 driven by the combined effects of the COVID-19 shock and lower oil prices. Since then, the current account has returned to a moderate surplus, supported primarily by the recovery in exports, particularly in the oil sector. More broadly, the external adjustment has taken place in the context of limited access to external financing, with the current account playing a central role in balancing external accounts.

38. Oil exports are the principal driver of external sector dynamics. Following a sharp contraction in 2019, they recovered to USD 17.1 billion in 2025, making a significant contribution to the improvement of the current account balance. Non-oil exports have followed a more moderate but gradually positive trajectory, reaching approximately USD 7.8 billion in 2025, supported in part by gold exports and other non-traditional sectors. At the same time, remittances, estimated at around USD 3 billion annually, continue to represent a stable and structurally important source of foreign exchange.

39. On the import side, non-oil imports contracted alongside the broader economic downturn, reflecting in part the decline in oil-sector activity and its impact on hydrocarbon-related imports, including equipment, inputs, and services used throughout the energy value chain. Subsequently, these imports recovered gradually, increasing from approximately USD 9.8 billion in 2020 to USD 15.1 billion in 2025. In practice, imports are increasingly financed through private-sector foreign exchange holdings and intermediated by domestic financial intermediation, rather than through traditional external financing channels.

40. The capital account has been negligible, while the financial account has shown significant variability over time. It continues to be shaped by trade credits, intercompany balances, oil-related operational flows, and the domestic intermediation of foreign exchange through the central bank and the banking system.

41. International reserves have gradually recovered, rising from approximately USD 6.4 billion in 2020 to USD 12.8 billion in July 2026, supported by higher oil prices and the allocation of IMF Special Drawing Rights (SDRs). Nevertheless, reserve buffers are modest relative to external requirements, and include gold reserves held in London, estimated at around USD 4 billion, and the IMF SDR holdings of approximately SDR 3.3 billion.

42. The foreign exchange regime operates a single official exchange rate determined through a market-based mechanism, with the BCV playing a central role in intermediating oil-related inflows and providing foreign exchange liquidity through the domestic banking system. While the official arrangement is market-based, limited foreign exchange market depth and a persistent parallel market premium continue to require periodic central bank intervention to smooth market conditions.

2.4. Overview of the monetary sector

43. Inflation in Venezuela is closely tied to exchange rate dynamics and foreign exchange availability. Higher foreign exchange inflows, largely driven by oil exports, have generally supported exchange rate stability and lower inflation, whereas tighter foreign exchange conditions have tended to intensify depreciation pressures and fuel inflation.

44. This relationship was evident in 2024, when the recovery in oil exports supported a sharp disinflation, with end-of-period inflation falling to around 48%. However, this proved temporary, as inflation accelerated again in 2025 amid renewed pressure on foreign currency availability and the exchange rate, as well as fiscal imbalances. More recent data point to some easing in monthly inflation in the second quarter 2026, although twelve-month inflation remained exceptionally high.

45. The financial sector is operational but constrained. The banking system is relatively concentrated and increasingly focused on payments, collections, and short-term intermediation, while broader credit creation continues to be limited. High inflation, exchange-rate volatility, sanctions-related frictions, and the growing use of foreign currency continue to limit deeper financial intermediation.

3. Venezuela's economic policy agenda

3.1. Program pillars

46. The Government of Venezuela is committed to restoring macroeconomic stability, rebuilding productive capacity and creating the conditions necessary for a sustained and inclusive growth path. This reform agenda reflects a comprehensive strategy aimed at unlocking the country's economic potential and strengthening its institutions in order to improve the well-being of all Venezuelans.

47. Building on Venezuela's abundant natural resources, strategic geographic location, and human capital, the Government will implement a coherent set of policies structured around four mutually reinforcing pillars: (i) a growth agenda aimed at stimulating economic activity and rebuilding the nation's productive apparatus; (ii) a fiscal agenda focused on restoring fiscal sustainability and ensuring the efficient and responsible management of public resources; (iii) monetary and financial sector reforms designed to restore price stability, stabilize the currency and normalize financial relations; and (iv) governance reforms aimed at strengthening transparency, institutional capacity and policy effectiveness.

48. These efforts will be implemented in a phased and coordinated manner, with a strong emphasis on social inclusion, private sector participation, international integration, and the mobilization of all productive forces of the Venezuelan economy.

3.1.1. Pillar #1 – Growth agenda // Building an economy centered on human dignity and prosperity

49. The Government has launched an ambitious growth strategy aimed at restoring Venezuela's productive capacity, fostering private investment, creating quality employment opportunities, and supporting a gradual transition toward a more diversified and less hydrocarbon-dependent economy over the medium term.

50. The June 2026 earthquakes have added a critical near-term dimension to the growth agenda. Rebuilding affected communities, restoring damaged productive and public infrastructure and supporting the recovery of economic activity in the most severely affected regions will be a cornerstone of the national strategy. Reconstruction will be designed not merely to replace damaged assets, but to improve resilience, address pre-existing infrastructure vulnerabilities and support a broader recovery in employment, private investment and regional economic activity.

51. A key priority will be to fully realize the potential of the extractive sector, which is expected to serve as the principal engine of near-term expansion. In the oil and gas industry, the Government is establishing a stable, transparent, and competitive framework to attract foreign direct investment, particularly in exploration and production activities, with the objective of increasing output and strengthening export capacity (*Policy #1.1*). A critical step was taken with the amendment of the Hydrocarbons Law, in January 2026, which paved the way for a series of long-term partnerships with first-class international partners. The revamp of the hydrocarbon sector will also rely on the modernization and upgrading of the existing hydrocarbon infrastructure (*Policy #1.2*). The government is equally committed to supporting the development of mining activities in Venezuela – including gold, copper, bauxite, and rare earth elements –, while being mindful of ensuring the sustainability and the responsibility of the operations (*Policy #1.3*). In this regard, the adoption of Organic Law of Mines, in April 2026, has set up a robust framework for mining activity and introduced a set of incentives to encourage investment.

52. The modernization and expansion of key enabling sectors will also constitute a central pillar of the growth agenda. The Government will progressively advance the restructuring of selected public service

sectors as well as their opening to greater private-sector cooperation and participation. This will be achieved through the revision of regulatory frameworks, the introduction of transparent licensing processes and the introduction of concession or public-private partnership arrangements (*Policy #1.4*). These reforms will seek to improve service quality and ensure effective public investment, in the best interest of the Republic's public finances.

53. The Government will actively promote economic diversification. A targeted industrial policy will be implemented to support high-potential strategic sectors in which Venezuela enjoys significant comparative advantages, particularly in energy-intensive industries or sectors linked to the hydrocarbon value chain, such as metals and fertilizers (*Policy #1.5*). This strategy will leverage the country's access to competitive energy resources and existing export infrastructure, while staying aligned with evolving global demand trends.

54. In the services sector, the Government will introduce modern and enabling legal frameworks in areas such as banking, insurance, and the digital economy, thereby fostering innovation and competitiveness (*Policy #1.6*). Special attention will be given to the development of small and medium-sized enterprises (SMEs), through improved access to finance, streamlined administrative procedures and targeted support programs to encourage entrepreneurship and job creation (*Policy #1.7*).

55. Many of the Government's reforms will actively promote the formalization of economic activity and the promotion of decent work. This will be decisive to ensure a fair and efficient allocation of productive resources, better protect workers, and broaden access to social protection. A strategy will be deployed to provide incentives – both to business owners and to workers – to join the formal sector, including through a simplified tax regime, improved access to public services, and a closer linkage between formalization and sustainable access to welfare benefits (*Policy #1.8*).

56. Reducing regional disparities and strengthening national integration will be another key objective. The Government will prioritize investments to improve transport and connectivity infrastructure, addressing critical bottlenecks both within the country and with neighboring markets, including Colombia and the Caribbean (*Policy #1.9*). Similar initiatives will be rolled out to improve access to digital infrastructure – including mobile and internet connectivity – throughout the national territory (*Policy #1.10*). These efforts will enhance trade, facilitate mobility, and promote balanced regional development.

57. Finally, the Government will implement a set of targeted measures to mobilize all productive forces of the economy. A comprehensive framework will be established to encourage the return of Venezuelan nationals and the mobilization of diaspora investment, including measures to facilitate access to employment, housing, and competitive tax arrangements (*Policy #1.11*). The return of skilled professionals and entrepreneurs, alongside diaspora capital, will be an important driver of growth and innovation. In addition, the Government will encourage collaboration between the public and private sectors around priority sectors and shared development objectives (*Policy #1.12*), while sustaining a continuous assessment of Venezuela's performance in international business-environment indicators and implementing targeted initiatives to improve the ease and speed of doing business in the country (*Policy #1.13*).

>> Pillar #1 – Growth enhancing initiatives

	Initiative	Timeline	Key milestone
>> Recovering the extractive potential			
1	O&G – Mobilization of foreign direct investment in the upstream sector	Phases 1-2	Enactment of sector-specific law & regulation
2	O&G – Modernization and upgrading of the hydrocarbon infrastructure	Phases 1-2	Deployment of PDVSA strategic plan
3	Mining – Mobilization of foreign direct investment in the sector	Phases 1-2	Enactment of sector-specific law & regulation
>> Strengthening the broader productive apparatus			
4	Corporatization and opening of public service sectors (electricity, water, transport, etc.)	Phases 1-2	Enactment of sector-specific law
5	Design of a strategy to reactivate high-potential industrial sectors (metalworking, fertilizers, etc.)	Phases 2-3	Design of a sectoral growth strategy
6	Introduction of sector-specific laws favorable to growth (banking, insurance, digital, etc.)	Phase 2	Enactment of service sectorial laws & regulations
7	Support for the development of small and medium-sized enterprises	Phase 2	Design of a sectoral growth strategy
>> Encouraging formality			
8	Introduction of economic & social incentives to formalize economic activity (e.g. positive taxation, access to public services, etc.)	Phases 1-2	Formalization Law
9	Identification of bottlenecks in transport infrastructure (internal and regional)	Phase 2	Territorial Inclusion Law
10	Improvement of access to digital infrastructure (mobile, internet)	Phase 2	Territorial Inclusion Law
>> Mobilizing all productive forces			
11	Introduction of a plan to encourage the return of Venezuelans (incentives or facilitation in terms of employment, access to housing, tax)	Phase 1	Return to the Homeland policy
12	Development of public-private dialogue on sectorial topics, to encourage collaboration	Phases 1-2	-
13	Strategy to improve Venezuela's performance in global indicators (World Bank Ease of Doing Business, etc.)	Phases 1-2	-

3.1.2. Pillar #2 – Fiscal agenda // Managing the nation's resources efficiently & responsibly

58. The Government is committed to restoring fiscal sustainability while ensuring that public resources are managed efficiently and equitably in support of national development objectives.

59. The June 2026 earthquakes have materially affected the near-term fiscal and financing outlook. While reconstruction expenditures will be shared among the public sector, households, businesses and international partners, the Government recognizes that the recovery effort will require a significant public contribution, spanning emergency relief, the restoration of essential services and public infrastructure, housing support and the protection of vulnerable populations affected by the disaster. Support from international partners has proven critical to deliver immediate response and will have to be sustained over time.

60. These exceptional financing needs will be transparently identified, prioritized and managed within the overall fiscal framework. The Government will seek to preserve macroeconomic stability and public

debt sustainability, by mobilizing external support (concessional resources, external grants, private investment and technical assistance).

61. A central element of this strategy will be the enhanced mobilization of revenues. To strengthen hydrocarbon revenues, the Government will implement measures to improve management standards in the hydrocarbon sector (*Policy #2.1*). To increase non-hydrocarbon revenues, reforms will aim at broadening the tax base, simplifying the tax system, and modernizing tax instruments – towards a diversified and modern tax system anchored around value-added, personal income, corporate income, and property taxes. These tax initiatives will rely on progressivity, moderate rates and broad coverage so that they also encourage compliance and contribute to the reduction of informality (*Policy #2.2*). The tax administration – SENIAT – will be modernized and strengthened, including through digitalization, electronic invoicing, enhanced monitoring of tax activity through digital networks, and stronger enforcement (*Policy #2.3*). Venezuela will also seek to align with international best practices, including through participation in the OECD/G20 Inclusive Framework on Base Erosion and Profit Shifting (BEPS) (*Policy #2.4*).

Focus 4. Digitalization and its impact on revenue mobilization

Venezuela has undergone a near-complete transition toward electronic payments, driven by years of cash shortages and high inflation that rendered the use of physical currency increasingly impractical. By 2025, 98% of banking transactions were conducted through digital channels. Mobile payments surpassed point-of-sale terminals as the country's leading payment method for the first time in mid-2025, recording year-on-year growth of 70%. Cash transactions – whether in bolívares or U.S. dollars – now account for only 11% of total payment operations.

Financial inclusion has expanded in parallel. The banking penetration rate reached 95% by the end of 2025, encompassing traditional bank accounts, mobile wallets, and state-linked platforms such as the *Plataforma Patria*. This places Venezuela among the most highly banked economies in Latin America and implies that the vast majority of taxable transactions leave a traceable digital footprint.

A 95% banking penetration rate combined with near-universal adoption of electronic payments provides an exceptionally strong structural foundation for tax collection and represents a significant comparative advantage for Venezuela. The principal challenge lies not in the payment infrastructure itself, but rather in its limited integration with SENIAT's tax administration systems. Mobile payment networks and point-of-sale terminals generate real-time transactional data that flow through the banking system without automatically triggering corresponding tax reporting obligations.

SENIAT's digital invoicing reform (Administrative Ruling SNAT/2024/000121), in force since March 2025, requires the use of certified invoicing software and grants SENIAT access to fiscal records. However, the current framework remains anchored to the issuance of invoices rather than to the underlying payment event itself.

The introduction of a standardized data-sharing protocol between the banking system and SENIAT would allow the reconciliation between actual payment flows and declared tax liabilities. Such a framework would facilitate the identification of discrepancies, strengthen tax compliance, and enhance revenue collection capacity.

62. On the expenditure side, the Government will strengthen essential public services and enhance the efficiency and effectiveness of public spending. Reforms will seek to maximize the social impact of public expenditure through the gradual and sustainable recovery of public pensions and public-sector compensation (*Policy #2.5*). The planned reform of wages and pensions will aim to further improve living standards, avoid salary erosion and support critical public service delivery. Additional reforms will focus on optimizing operating expenditures and strengthening public procurement systems (*Policy #2.6*). The revamp of the energy subsidies and of the direct social transfers will protect household purchasing power and support the

most vulnerable segments of the population (*Policies #2.7 and #2.8*), in line with the reforms implemented in 2025. Finally, public investment will be carefully prioritized to maximize its economic and social impact, with a focus on high-impact projects and – where applicable – the mobilization of the private sector (*Policy #2.9*). All these initiatives will be informed and guided by the conclusions of the Commission on the Restructuring and the Re-engineering of the Government.

63. The fiscal consolidation plan is designed to support macroeconomic stabilization while preserving social and political acceptability. Domestically, the adjustment will aim to durably reduce inflation and rebuild business confidence, while preserving households' purchasing power. Externally, the fiscal path will help rebuild foreign exchange reserves and stabilize the currency. The credibility of this adjustment will be anchored in a transparent and socially acceptable fiscal framework, further developed in Appendix (*Section 4.6*), which combines gradual expenditure optimization, strengthened non-hydrocarbon revenue mobilization, and targeted social protection measures.

64. The Government will take decisive steps to enhance the public debt situation and restore the sustainability of public finances. A comprehensive restructuring of external liabilities will aim at normalizing relations with creditors and ensuring that international market access is restored over time (*Policy #2.10*). This initiative will be essential to ensure that the nation's development agenda is adequately financed. Simultaneously, the Government will introduce a transparent fiscal framework aimed at anchoring fiscal discipline, including through key indicators such as the overall fiscal balance, the non-hydrocarbon primary balance, and the coverage of current expenditures by non-hydrocarbon revenues (*Policy #2.11*).

65. Finally, the Government will develop a diversified and prudent State financing strategy. This initiative aims to ensure the mobilization of necessary financing – including concessional financing – at all times and at optimal conditions, while containing public debt sustainability risks and supporting the development of domestic debt capital markets (*Policy #2.12*). This strategy will support sustained investment in essential public services and critical infrastructure. These efforts will support the functioning of the economy and the well-being of the population (including through access to electricity, water, transportation, and other key public services).

>> Pillar #2 – Fiscal and public debt initiatives

	Initiative	*Timeline*	*Key milestone*
>> Mobilizing revenues			
1	*Strengthening of hydrocarbon sector revenues, through enhanced management*	*Phases 1-2*	*-*
2	*Simplification of taxation (revision of the tax bases – VAT, income tax, property tax)*	*Phases 1-2*	*Revenue Reform Law*
3	*Improvement of tax administration (with the introduction of electronic invoicing and monitoring of tax activity through digital networks)*	*Phases 1-2*	*Revenue Reform Law*
4	*Application to the OECD/G20 Inclusive Framework on Base Erosion & Profit Shifting (BEPS)*	*Phases 1-2*	*-*
>> Strengthening essential public services			
5	*Improvement of social investment (public wages)*	*Phases 1-2*	*Public Service Law*
6	*Optimization of operating expenditures*	*Phases 1-2*	*Spending Law*
7	*Streamlining of oil & gas subsidies*	*Phases 1-2*	*Subsidy Reform*
8	*Better targeting of social programs*	*Phases 1-2*	*Subsidy Reform*

	Initiative	Timeline	Key milestone
9	*Development of public investment in priority sectors (electricity, road, etc.)*	*Phases 1-2*	*Public Investment Plan*
>> *Enhancing the public debt situation*			
10	*Restructuring of public debt*	*Phases 1-2*	*Public Debt Exchange*
11	*Introduction of fiscal rules*	*Phases 1-2*	*Public Finance Framework*
>> *Unlocking concessional financing*			
12	*Development of a diversified and prudent State financing strategy*	*Phases 1-2*	*Financing strategy*

Focus 5. Public debt restructuring

Restoring public debt sustainability is a necessary pillar of Venezuela's economic normalization phase. The current debt burden and the complexity of its structure currently constrain the country's access to external financing, hence limiting the Government's ability to support growth, rebuild critical infrastructure, and protect the most vulnerable populations. A comprehensive and well-designed public debt restructuring is therefore necessary to restore fiscal space, rebuild confidence, and foster a sustainable recovery of the economy.

The Government's primary objective is to implement a restructuring that supports economic recovery while ensuring long-term public debt sustainability. This entails normalizing relations with international creditors and restoring access to external funding. This also includes containing near-term financing pressures and placing public debt levels on a firmly declining trajectory. In this regard, the restructuring will be designed to balance the need for meaningful debt relief with the objective of maintaining constructive relationships with creditors and preserving future market access.

To this end, the Government will adopt a clear and credible restructuring framework, anchored in its broader economic reform agenda and guided by principles of sustainability, comprehensiveness and transparency. The process will be conducted in good faith, with proactive engagement across all creditor groups. The timeline will be aligned with the broader stabilization program, with early actions focused on establishing the necessary policy anchors and conducting dialogue with creditors – towards a successful and mutually agreed restructuring agreement.

3.1.3. Pillar #3 – Monetary & financial sector // Stabilizing the economy and protecting Venezuelan household purchasing power

66. The Government, in close coordination with the Central Bank of Venezuela (BCV), will implement a set of monetary and financial sector reforms to restore price stability, unify the exchange rate, rebuild confidence, and reintegrate Venezuela into the international financial system.

67. The authorities will make price stabilization a central pillar of their economic strategy. In the near term, exchange rate stability and improved foreign currency availability will be critical to reducing inflation in Venezuela. Control over monetary base growth will serve as a key anchor of the disinflation process, alongside a broader stabilization of the exchange rate. Over the medium term, a gradual transition toward a modern monetary policy framework focused on price stability will be undertaken, including the development of an inflation-targeting regime supported by appropriate monetary policy instruments and clear communication from the central bank (*Policy #3.1*).

68. Stabilizing the national currency and rebuilding international reserves will be another key priority. The authorities will undertake efforts to unify the exchange rate system (*Policy #3.2*), reducing distortions and enhancing transparency, and will design a clear strategy to gradually replenish foreign exchange reserves to adequate levels through stronger external balances and fiscal adjustment rather than borrowing, supporting exchange rate and monetary stability (*Policy #3.3*). Over time, the exchange rate level should reflect supply and demand dynamics and act as a buffer to absorb potential external shocks.

69. The institutional framework of monetary policy will be strengthened. The BCV will reinforce its institutional role through complete macroeconomic data transparency, including the regular publication of key data and accounts (*Policy #3.4*), a well-defined public interest mandate, and a reaffirmed commitment to operational independence (*Policy #3.5*). These measures will support credibility and help anchor inflation expectations.

70. To support the return of capital and deepen the domestic financial system, the Government will consider the introduction of an asset repatriation program. Such a program would be temporary and include a Productive Capital Repatriation Law to channel offshore private wealth back into national development, providing structured mechanisms to invest in high-yield opportunities (*Policy #3.6*). It could be linked to investment opportunities in domestic financial instruments, including government securities, under attractive and transparent conditions.

71. The normalization of Venezuela's relations with the international financial system is actively pursued. The Government will work to re-establish a correspondent banking relationship network (*Policy #3.7*) and restore access to international clearing and settlement platforms, including Euroclear and Clearstream (*Policy #3.8*). These steps will facilitate trade, investment, and financial flows, and support the broader normalization of Venezuela's external financial connectivity as the reform program advances.

72. Strengthening the financial stability of the domestic banking system will also be a core objective, enabling it to play its full role as a driver of economic growth. The stability of the banking system will be reinforced through reforms focused on regulation, supervision, restructuring schemes and the safeguarding of deposits (*Policy #3.9*). The Government will also seek to align the domestic banking framework with international standards, including Basel regulation.

>> Pillar #3 – Monetary and financial initiatives

	Initiative	*Timeline*	*Key milestone*
>> Stabilizing price levels			
1	*Development of an inflation targeting framework at BCV (incl. review of intervention mechanisms)*	*Phase 1*	*Publication of BCV strategy*
>> Stabilizing the currency			
2	*Unification of foreign exchange rates*	*Phases 1-2*	*Publication of BCV strategy*
3	*Design of a strategy to replenish the level of foreign currency reserves*	*Phase 1*	*Publication of BCV strategy*
4	*Regular publication of BCV's key data*	*Phase 1*	*Publication of BCV accounts*
5	*Clarification of the BCV's mandate & objectives (incl. reaffirmation of BCV's independence)*	*Phase 1*	*Publication of BCV strategy*
6	*Draft a Productive Capital Repatriation Law to channel offshore private wealth back into national development, providing structured mechanisms to invest in high-yield opportunities*	*Phase 1*	*Introduction of a Productive Capital Repatriation Law*

	Initiative	Timeline	Key milestone
>> ***Normalizing the relation with the international financial system***			
7	*Developing Correspondent Banking Relationship (CBR) network*	*Phase 1*	*Application to CBR*
8	*Re-connecting with international clearing houses (e.g. Euroclear, Clearstream)*	*Phase 1*	*Reconnection to clearing houses*
>> ***Enhancing the domestic banking system***			
9	*Reinforcing regulatory and supervisory standards of the financial system*	*Phases 1-2*	*Banking supervision law*

3.1.4. Pillar #4 – Governance // Developing transparent institutions that serve the people

73. Strengthening governance and institutional quality is at the core of the administration's reform agenda. The Government is committed to enhancing transparency and accountability, as well as to strengthening institutional capacity and reaffirming the rule of law. This will be crucial to ensure sustainable development.

74. The Government will take significant steps to strengthen transparency. This includes encouraging the participation of key stakeholders in public policymaking – including the private sector, civil society, and development partners – as well as pursuing adherence to international transparency standards such as the Extractive Industries Transparency Initiative (EITI) (*Policy #4.1*). The Government will also ensure the regular and timely publication of comprehensive economic and financial statistics (*Policy #4.2*), including national accounts, fiscal data, public debt, balance of payments statistics, and the financial statements of state-owned enterprises. Key laws and regulations, particularly those affecting trade and investment, will be systematically published (*Policy #4.3*).

75. Public financial management will be strengthened to support the country's economic recovery trajectory. A broad-based institutional reorganization reform ("*reestructuración y reingeniería del Gobierno*") will strengthen coordination within the public administration and adapt the government structure to the country's economic and political priorities (*Policy #4.4*). A comprehensive reform of procurement systems (*Policy #4.5*) will enhance transparency, efficiency, and competition. In parallel, the Government will implement a robust transparency framework (*Policy #4.6*), supported by clear rules, effective enforcement, and strong institutional oversight, so as to reinforce the rule of law. In addition, the review of the budgetary framework will allow for a proactive management of public finances and a stronger assessment of fiscal risks (*Policy #4.7*).

76. Reforming the governance of state-owned enterprises will be a key priority. The Government will strengthen accountability and reporting standards for state-owned enterprises (*Policy #4.8*) and clarify their financial relationships with the State (*Policy #4.9*). In particular, PDVSA's financial governance framework will be strengthened, notably with respect to dividend policies, operational financing, and debt management, with the objective of enhancing accountability and supporting the company's role as the principal engine of Venezuela's economic recovery. In this regard, PDVSA will not support quasi-fiscal expenditures.

77. Over the medium term, the Government will promote the establishment of a sovereign wealth fund (*Policy #4.10*) to manage extraordinary revenues derived from natural resources in a transparent and rules-based manner. This institution will be key to support macroeconomic stability and ensure intergenerational equity. Its setup will rely on a gradual capitalization strategy, as well as a robust investment strategy.

>> Pillar #4 – Governance initiatives

	Initiative	Timeline	Key milestone
>> Enhancing inclusiveness & transparency			
1	Application to the Extractive Industry Transparency Initiative (EITI)	Phases 1-2	Application to EITI
2	Regular publication of public statistics, in Spanish and in English (national accounts, budget, public debt, balance of payments, financial statements of SOEs, etc.)	Phase 1	Publication of statistics
3	Publication of key regulations & laws, in Spanish and in English (notably in relation to trade)	Phases 1-2	Publication of legislation
4	Reorganization of the public administration	Phase 1	Introduction of an institutional reorganization reform
5	Revamp of the public procurement reform	Phases 1-2	Introduction of public procurement law
6	Development of a transparency framework	Phases 1-2	Introduction of a transparency law
7	Review of the budgetary framework and development of a medium-term approach to public financial management	Phase 1	Implementation of a revised budgetary framework
>> Strengthening SOEs' governance			
8	Definition of state-owned enterprises' (SOEs) transparency guidelines	Phases 1-2	Publication of SOEs accounts
9	Clarification of PDVSA's financial policy, notably with respect to its relationship with State (dividend policy, funding of operations) as well as to its indebtedness	Phases 1-2	Publication of PDVSA strategic report
10	Development of the Sovereign Wealth Fund (in particular, the funding and capitalization strategy)	Phases 2-3	Incorporation of SWF; Capitalization of SWF

3.2. Timeline

78. The Government's reform agenda will be implemented through a carefully sequenced approach, recognizing the need to first restore macroeconomic stability and confidence. Structural reforms will then deliver a sustained and diversified growth. The sequencing of reforms has been designed to ensure that early policy measures build credibility and stabilize expectations. They will create the conditions necessary for investment and economic recovery, while preserving social acceptability and political feasibility. In this context, reforms will be structured around three phases: (i) an initial normalization phase focused on stabilization (*Phase #1*); (ii) a recovery phase aimed at restoring growth and rebuilding key sectors of the economy (*Phase #2*); and (iii) a longer-term diversification phase designed to achieve a more resilient and balanced economic model (*Phase #3*). Throughout all phases, strong policy coordination and social protection mechanisms will be maintained to ensure an inclusive adjustment process.

3.2.1. Phase 1 – Normalization (0–12 months)

79. The normalization phase will focus on restoring macroeconomic stability and rebuilding confidence across domestic producers, investors, and international partners. Priority will be given to establishing a credible fiscal anchor, including the introduction of fiscal rules and the implementation of a comprehensive public debt restructuring to restore sustainability. In parallel, the Government will adopt a clear and unified exchange rate regime, supported by measures to enhance BCV transparency and independence. Early actions will also include strengthening tax administration, initiating subsidy optimization with appropriate social safeguards, and enhancing the transparency of public finances and economic statistics. In the real sector, initial steps will be taken to mobilize investment in the oil and gas sector and to establish the regulatory

foundations for broader private sector participation, particularly in utilities. These measures are expected to stabilize the macroeconomic environment and lay the groundwork for recovery.

80. This phase will also need to account for the urgent reconstruction needs, from restoring critical infrastructure and essential services to supporting the rehousing of displaced population.

3.2.2. Phase 2 – Recovery (1–3 years)

81. The recovery phase will focus on reigniting economic growth, scaling up investment, and rebuilding strategic sectors of the economy. The expansion of oil and gas production will serve as the primary engine of growth and external rebalancing, while economic diversification efforts will be accelerated through targeted industrial policies and the development of high-potential sectors. At the same time, the Government will advance the opening and modernization of public service sectors, support the growth of small and medium-sized enterprises, and undertake significant infrastructure investments to improve connectivity. Fiscal reforms will deepen through the full implementation of a modern tax system and the effective operationalization of fiscal rules, while subsidy reform will be completed through more effective management and targeting mechanisms aimed at strengthening social equity. In the monetary and financial sphere, the transition toward a modern framework focused on price stability will be consolidated, alongside the rebuilding of international reserves and the full normalization of international financial relations. Governance reforms will continue to advance, including strengthened oversight of state-owned enterprises and enhanced statistical capacity.

82. The medium-term recovery phase will also encompass the broader reconstruction of earthquakes-affected areas, with a particular emphasis on rebuilding resilient housing and public infrastructure. These efforts will support the long-term economic reintegration of the most vulnerable populations affected by the disaster.

3.2.3. Phase 3 – Diversification (3+ years)

83. Over the longer term, the Government will focus on consolidating a diversified, resilient economy supported by a dynamic private sector. As macroeconomic stability becomes firmly established, public policy efforts will shift toward deepening economic diversification, expanding higher value-added industries, and fostering a vibrant services sector. The financial system will continue to mature, supporting domestic investment and innovation, while monetary policy will operate within a fully credible inflation-targeting framework. Fiscal policy will be anchored by well-established fiscal rules, ensuring sustainability and preserving the capacity to respond countercyclically to economic shocks. Institutional reforms will reach full maturity, supported by robust governance frameworks across the public sector and state-owned enterprises. The establishment of a sovereign wealth fund will enable the effective management of extraordinary revenues derived from natural resources, contributing to macroeconomic stability and intergenerational equity while helping safeguard the living standards of Venezuelans against future external shocks. Taken together, these reforms will position Venezuela to achieve sustained, inclusive, and globally integrated growth.

3.3. Program governance & performance

84. Effective implementation of this reform agenda will require strong coordination across all levels of government, supported by clear institutional responsibilities and robust monitoring mechanisms. The Government will establish a central coordination framework to ensure policy coherence across ministries and agencies, with particular emphasis on aligning fiscal, monetary, and structural reforms. Dedicated implementation teams will be tasked with driving priority reforms, supported by clear timelines, accountability

frameworks, and performance indicators. Regular inter-ministerial reviews will be conducted to assess progress, address bottlenecks, and ensure that reforms stay on track. This approach will be critical to delivering timely and credible results.

85. The Government will place strong emphasis on inclusive dialogue and partnership with domestic stakeholders, including the private sector, civil society, and local communities. Close collaboration with the private sector will be essential to mobilize investment and support job creation. Structured consultation mechanisms will be established to provide regular feedback on policy design and implementation, while ensuring transparency and predictability in the business environment. Particular attention will be given to supporting SMEs and fostering entrepreneurship. Social dialogue will also play a fundamental role in ensuring that reforms are inclusive and that adjustment costs are managed in a fair and equitable manner.

86. For each pillar, the Government may identify a set of priority actions to support effective program implementation and monitoring. Depending on their nature, these measures may be articulated as key milestones and, where relevant, translated into quantitative objectives.

87. The Government is committed to constructive reintegration into the international community to support Venezuela's recovery and long-term development. In this context, significant progress has notably been made in normalizing relations with CAF and the Inter-American Development Bank (IDB) Group. Following the formal resumption of relations with the IDB Group on June 24, 2026, dialogue has advanced rapidly, including a mission to Caracas and exchanges on technical assistance, public policy and macroeconomic issues, laying the groundwork for broader cooperation in the future. Similarly, the World Bank has provided technical support, notably in the context of the response to the earthquakes, and is considering ramping up its operations in the country.

88. In addition, the Government will seek to advance the normalization of bilateral relations. In September 2026, Venezuela and the United Kingdom agreed to upgrade their diplomatic relations and move toward ambassador-level representation. This normalization also enabled the recovery of the gold reserves held by the Bank of England.

89. The Government is committed to restoring the full and active exercise of Venezuela's rights and participation within the International Monetary Fund. To this end, the Government has initiated a structured re-engagement process with Fund staff with a view to benefiting from the IMF's expertise and support in priority areas in the near term. The Government regards Venezuela's return as an active member of the Fund as a clear signal of the Republic's commitment to macroeconomic stability, sound economic management, and international cooperation.

90. Overall, the Government will efficiently mobilize technical assistance from international financial institutions and peer countries, so as to best inform the policy reforms and ensure their smooth and effective implementation. Such efforts have already been initiated, with technical assistance underway from leading multilateral development banks.

3.4. Program funding

91. Under the program, the Government expects to meet its financing needs through a combination of multilateral support, bilateral contributions, and private sector involvement, supported by a comprehensive public debt restructuring. Official sector support would constitute the central pillar of the financing package, providing front-loaded balance of payments support to facilitate macroeconomic stabilization and the rebuilding of reserve buffers. This would be unlocked through the normalization of Venezuela's relations with key multilateral institutions, including the International Monetary Fund, the World Bank, the Inter-American

Development Bank and CAF, and the clearance of existing arrears. Their financial contribution would be focused on social spending, infrastructure rehabilitation, and institutional capacity building. In this regard, the Government has already initiated discussions with these institutions both for arrears clearance – where applicable – and for additional funding.

92. The program also assumes a comprehensive restructuring of external public debt, delivering substantial debt relief and improved cash-flow sustainability over the medium term. Private sector participation would be expected to proceed through an orderly debt exchange, consistent with restoring debt sustainability. At the same time, claims held by bilateral creditors would be expected to undergo a consistent treatment, including through the reprofiling of existing claims and, where feasible, the provision of new concessional financing.

93. Taken together, the envisaged financing mix – combining multilateral and bilateral support, and debt restructuring – would aim to close large external financing gaps. This approach would help reduce gross financing needs to manageable levels, support the normalization of external payments, and create space for priority social and reconstruction spending. Over time, successful implementation of the program and restructuring would be expected to catalyze additional external financing and support a gradual return to international capital markets.

3.5. Program risk assessment

94. The reform agenda is subject to a set of identifiable risks, which the Government has carefully assessed and for which mitigation strategies have been incorporated into the policy design.

- On the production side, a slower-than-expected recovery in oil output or adverse global shocks – particularly oil price volatility – could weigh on growth and external balances; these risks will be mitigated through efforts to diversify the economy and the introduction of fiscal policies and foreign exchange reserve targets to strengthen resilience.
- Financing risks, including potential shortfalls in external funding, banking sector fragilities, or delays in debt restructuring, could affect the pace of stabilization. To address these, the Government will prioritize maintaining policy credibility, securing multilateral support, and conducting debt negotiations in a transparent and coordinated manner across creditors.
- On the monetary front, persistent inflationary pressures remain a key concern and will be addressed through a combination of strengthened central bank independence, prudent control of monetary base growth, and exchange rate unification, while broader institutional reforms will help mitigate risks arising from political uncertainty.
- Finally, implementation risks – such as political acceptability, reform acceptance, administrative capacity constraints, and the persistence of international sanctions – will be managed through targeted social protection measures, careful sequencing of reforms, mobilization of technical assistance, and proactive diplomatic engagement.

95. Overall, while risks are moderate, the Government's strategy is designed to anticipate and mitigate them, thereby supporting a credible and durable recovery path.

Table 4. Program's risk assessment matrix

Source of risk	Likelihood	Impact on Pillar …				Potential policy response
		#1	#2	#3	#4	
>>> PRODUCTION-RELATED						
Slow oil recovery. Operational constraints, underinvestment, and infrastructure bottlenecks could delay the recovery in oil production, limiting export receipts and fiscal revenues	Medium	Medium	Medium	Medium	Low	➢ Support economic diversification to reduce reliance on hydrocarbons and broaden sources of growth and fiscal revenues
Global economic shock (oil price volatility). Oil price shocks or volatility would weaken fiscal revenues and the external position, increasing macroeconomic instability	Medium	Medium	**High**	**High**	Medium	➢ (If transitory) Mobilize financing and/or drawdown on Sovereign Wealth Fund as per its counter-cyclical objectives ➢ (If permanent) Revisit fiscal balance
Environmental shock. Protracted recovery from the recent earthquakes, or occurrence of additional large-scale environmental shocks would weigh on growth, weaken fiscal performance, crowd out access to financing and could ultimately weaken social cohesion	Medium	Medium	**High**	Medium	**High**	➢ Catalyze reconstruction through the mobilization of concessional funding ➢ Ensure adequate monitoring and anticipation of potential environmental risks, including through enhanced construction and industrial standards
>>> FINANCING						
Shortfall in external financing. Weaker-than-expected external support or market access could create financing gaps, forcing fiscal adjustment or arrears accumulation	Medium	Medium	Medium	**High**	Low	➢ Secure multilateral support and maintain policy credibility
Banking sector fragility. Structural weaknesses and low confidence could constrain credit provision and hinder monetary transmission	Medium	Medium	Medium	**High**	Low	➢ Strengthen banking supervision and resolution framework
Delayed restructuring. Prolonged or uncoordinated debt restructuring could delay normalization of external financing conditions and weigh on investment	Medium	**High**	**High**	**High**	Medium	➢ Conduct transparent, good-faith negotiations with creditors
>>> MONETARY						
Inflation persistence. Entrenched inflation dynamics, including fiscal dominance, could slow disinflation and erode real incomes	Medium	Medium	Medium	**High**	Low	➢ Strengthen central bank independence, eliminate monetary financing, and unify the exchange rate
FX rate fragmentation. Persistence of multiple FX rates, due to insufficient level of foreign currency flowing into and being distributed across the economy, could distort the economy	Medium	Medium	Medium	**High**	Low	➢ Improve financial plumbing to allow all economic agents to have easy and swift access to foreign currency
>>> POLITICAL						
Political instability. Elevated political uncertainty could weaken reform ownership, delay policy implementation, and deter investment	Medium	Medium	Medium	Medium	**High**	➢ Promote institutional reforms
Reform acceptance. Adjustment costs and distributional effects could trigger social resistance and undermine reform momentum	Medium	Medium	**High**	Medium	Medium	➢ Implement targeted social protection and appropriately pace reforms

Administrative capacity. Limited institutional capacity and coordination challenges could slow and weaken reform execution	Medium	**High**	**High**	**High**	Medium	➢ Mobilize technical assistance and sequence reforms carefully
Sanctions persistence. Continued sanctions would constrain oil exports, external financing, and private investment, weighing on recovery	Medium	**High**	**High**	**High**	Medium	➢ Foster diplomatic re-engagement

4. Technical appendix

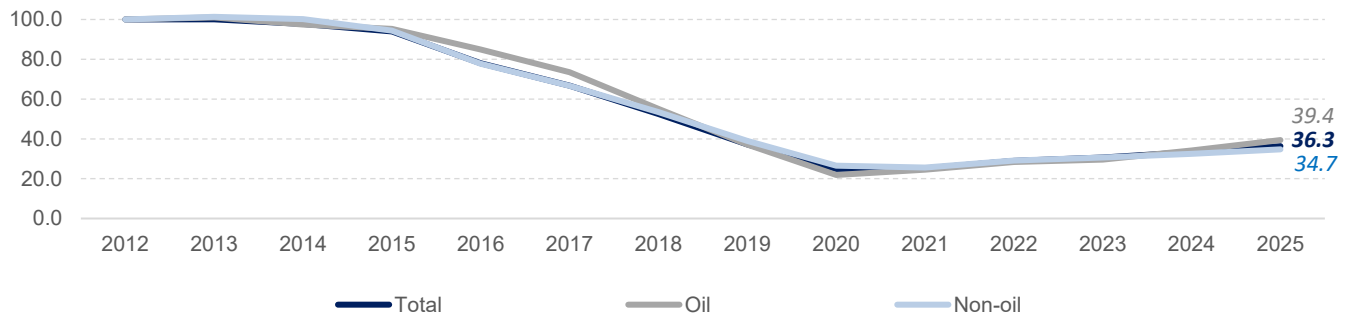
4.1. Overview of Venezuela's economic performance and productive apparatus

4.1.1. Brief overview of Venezuela's economic imbalances & potential

96. Venezuela's economic performance has been subdued over the past decade. The hydrocarbon sector, which stands as the key engine of the national economy, was adversely impacted by a series of external shocks – from the end of the commodity super-cycle to international sanctions and COVID – and a scale-back in investment. This contributed to a sharp contraction in the hydrocarbon sector between 2012 and 2025, with oil activity falling by c. 60% while oil exports dropped by over 80%. In turn, this led to a broader economic hardship characterized by:

- A contraction in national economic activity, owing to a lack of investment and limited access to foreign currency and international markets. While economic recovery is underway, as evidenced by a consistent and resilient growth over the past 5 years, Venezuela's 2025 real GDP only accounted for 36% of its 2012 level.
- A reduction in the Government's budgetary capacity, as the fall in hydrocarbon inflows and the broader economic contraction significantly constrained the Government's revenue base. In addition, the authorities' capacity to mobilize financing was considerably restricted by newly imposed international sanctions and led to a contraction in investment. Non-financial public sector primary fiscal deficit reached 4.0% in 2025 despite a Central Government primary surplus, owing to the weight of hydrocarbon-related subsidies.
- A public debt overhang, which climbed up to c. 242% of GDP or 1,079% of Government revenues as at end-2025 – the largest in the world. As fiscal and external imbalances accumulated in the 2010s, the public debt trajectory had become unsustainable. At the same time, the international sanctions restricted the authorities from honoring their debt payment obligations and contributed to the ballooning of the overall public debt.
- A volatility in price and foreign exchange rate, mainly driven by the scarcity of foreign currency in the economy. Venezuela hence evidenced episodes of very high inflation – reaching up to 130,000% in December 2018 – and the development of a parallel foreign exchange rate – with a gap to the official rate of over 2,800% in June 2018.

Figure 1. Evolution of Venezuela's GDP in real terms (base 100 = 2012)



97. Against this backdrop, Venezuela boasts a unique economic potential on the continent and globally:

- The country's unique natural wealth is yet to be fully developed to the benefit of national prosperity and global security. Venezuela's oil reserves stand as the largest in the world, estimated at 19% of the global

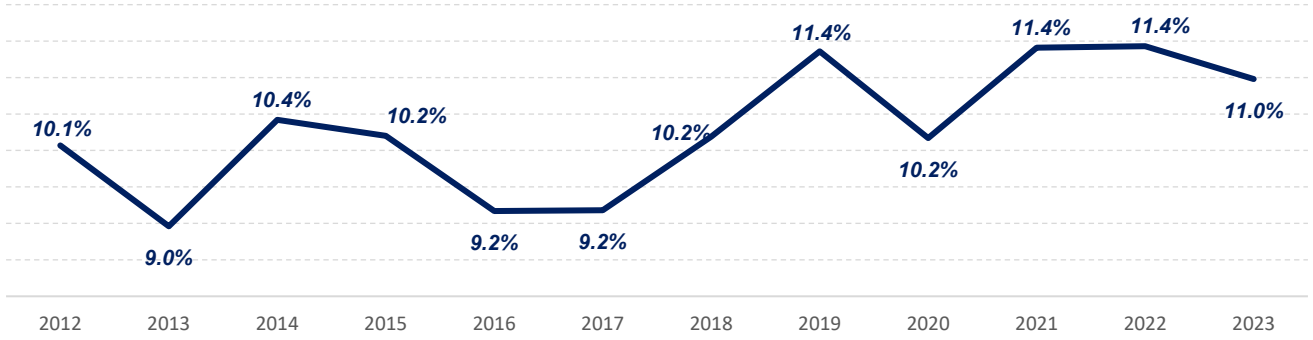
reserves, while its gas and minerals endowment can meaningfully support global production – from gold to copper, tin and rare earths.

- Venezuela's vibrant, young and educated population stands as another source of prosperity for the decades to come, with 28.5 million inhabitants inland according to the United Nations and millions of Venezuelans living abroad. The Venezuelan population has proven to be exceptionally innovative and entrepreneurial throughout the economic cycles, and will decisively contribute to the country's recovery.
- The nation's strategic location, with direct sea access and close proximity with prime markets – from Brazil to the United States of America, Asia and Europe – represents a valuable vector of growth recovery and diversification.
- The proven resilience of key national economic institutions is supporting the current stabilization phase and set to efficiently unleash activity recovery in the near term.

4.1.2. Overview of Venezuela's social development indicators

98. Venezuela's main development indicators have been adversely impacted by the economic downturn. Despite the authorities' strong commitment to prioritizing social development in the national policy agenda, social outcomes have been subdued since the early 2010s in a context of macroeconomic instability and reduced fiscal space.

Figure 2. Evolution of the share of households without access to basic services (% of total)



99. Access to basic services has deteriorated relative to the beginning of the period. According to INE data, the share of households without basic services increased from 10.1% in 2012 to 11.0% in 2023 (the latest year available), reflecting the combined effects of reduced fiscal space and prolonged economic contraction.

100. The weakening in access to basic services has also been accompanied by a deterioration in health outcomes. According to World Bank data, life expectancy at birth in Venezuela declined from 73.1 years in 2012 to 72.7 years in 2024, when it increased both in Latin America and Caribbean – from 74.2 to 75.5 years – and globally – from 71.3 to 73.5 years.

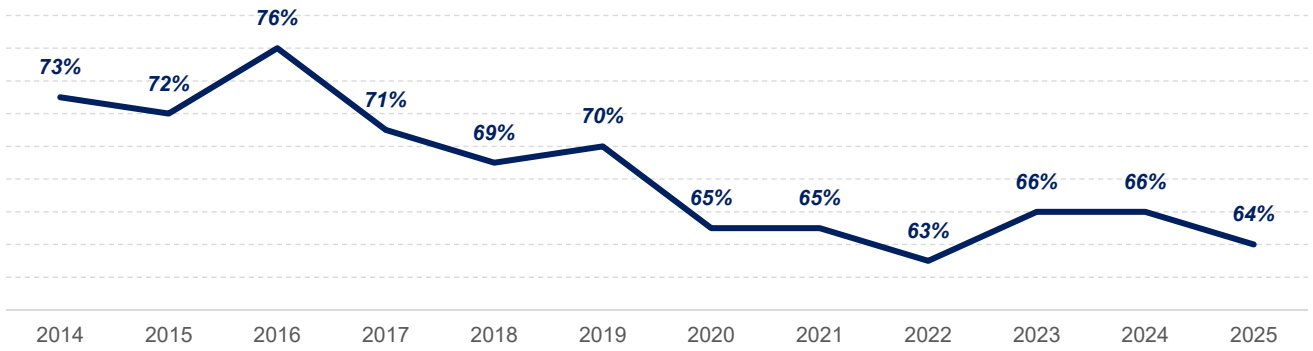
Table 5. Compared evolution of life expectancy (in years)

in years	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Venezuela	**73.1**	**73.1**	**72.8**	**73.0**	**72.0**	**71.9**	**72.6**	**72.8**	**72.4**	**71.5**	**72.6**	**72.5**	**72.7**
Latin America and the Caribbean	74.2	74.4	74.6	74.7	74.7	74.8	75.1	75.2	73.2	71.8	74.6	75.6	75.5
World	71.3	71.5	71.8	72.0	72.2	72.4	72.6	72.9	72.2	71.2	73.0	73.3	73.5

Source: World Bank

101. Educational outcomes also point to a deterioration. Educational coverage for the population aged 3 to 24 declined from 73% in 2014 to 64% in 2025, with an estimated 3.9 million children and young people outside of the school system.

Figure 3. Evolution of 3- to 24-year-old education coverage (in % of total)



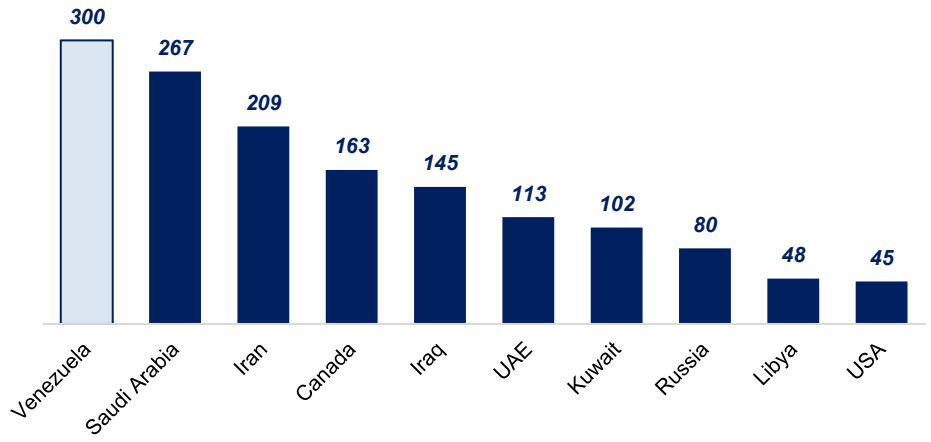
Source: ENCOVI

102. Labor market indicators present a mixed picture. The unemployment rate declined from 6.6% in 2012 to 5.3% in 2025, while informality stands as a main challenge. Formal sector employment declined from 42.1% of total employment in 2012 to 38.0% in 2016, before recovering gradually to 45.5% in 2023. Informality is widespread and continues to constitute a major structural constraint on income security, productivity, and social protection coverage.

4.1.3. Overview of the oil sector

103. With over 300 billion barrels, Venezuela holds the world's largest proven, recoverable crude oil reserves, accounting for almost 19% of global totals. More than 85% of these reserves are located in the Orinoco Oil Belt, with additional significant deposits in the Lake Maracaibo region and the eastern basin.

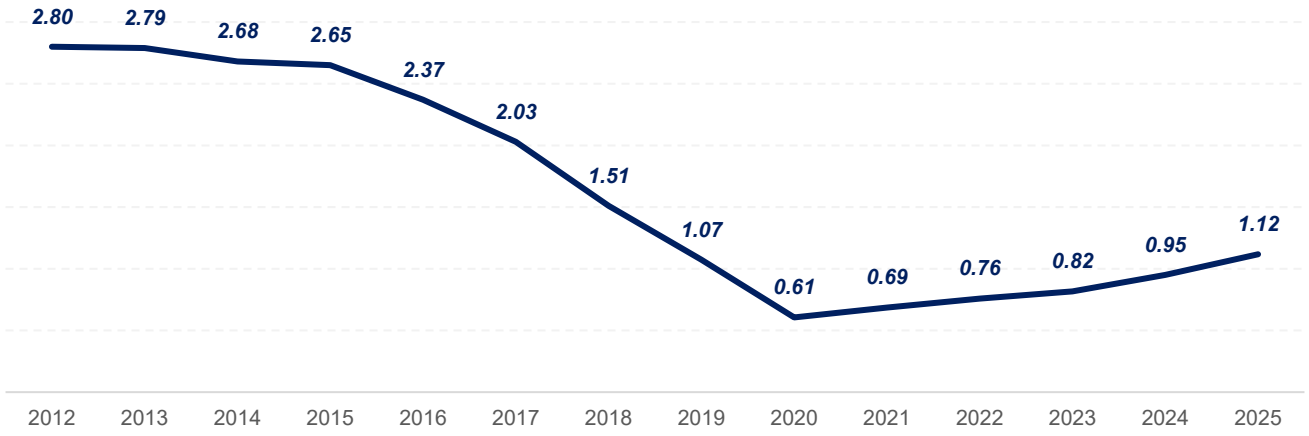
Figure 4. Proven oil reserves by country (in billion barrels)



Sources: OPEC (Annual Statistical Bulletin 2025), Canadian authorities
Note: OPEC data excludes oil sands. Accordingly, Canada's reserves, which consist predominantly of oil sands, are sourced directly from Canadian authorities.

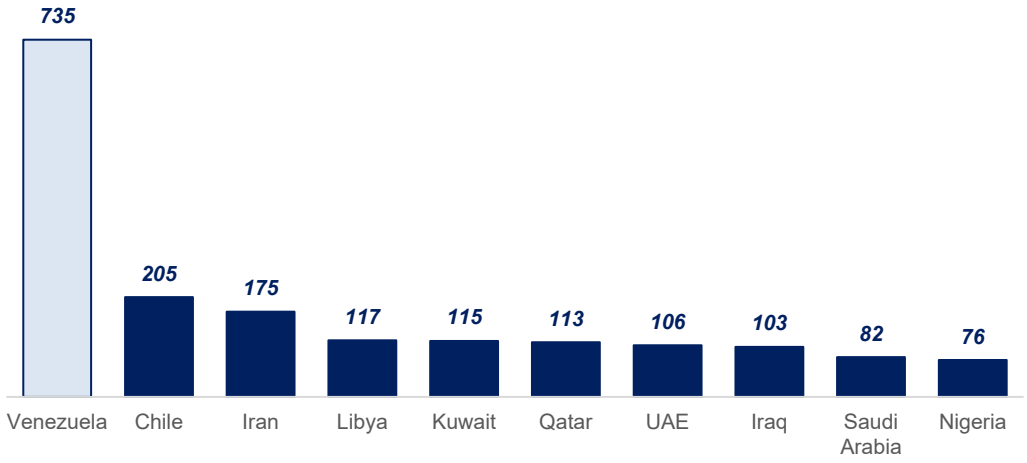
104. Venezuela is currently producing well below its potential. In 2025, the country produced c. 1.12 million barrels per day, mainly due to the combined impact of international sanctions, limited access to financing and a subsequent lack of investment in production and infrastructure. This remains significantly below the average of c. 2.0 million barrels per day a decade ago and c. 3.5 million barrels per day in the 1990s. Today, the country accounts for less than 1% of global oil production, down from over 3% in the early 2010s, around 4% in the early 2000s, and approximately 7% in the 1970s. As a result, Venezuela's reserve life is currently the highest in the world. At current production levels, the country has enough reserves to produce for several centuries, far longer than any other country. This figure highlights both current output constraints and the country's significant future production potential.

Figure 5. Venezuela's historical oil production (in mbpd)



Sources: OPEC, PDVSA

Figure 6. Reserve life per country (in years)



Sources: OPEC (Annual Statistical Bulletin 2025), PDVSA
Note: Based on 2025 production data for Venezuela, and 2024 production data according to OPEC for other countries

105. Average upstream operating expenditures across all fields currently stand at around USD 18.4 per barrel.

106. The country could increase production by up to one million additional barrels per day through the rehabilitation of existing infrastructure, without requiring immediate greenfield developments. This upside is generally viewed as "low-hanging fruit," relying primarily on restoring idle or underutilized capacity. Looking ahead, the Government expects a further increase in production over the coming years, contingent on the availability of foreign investment to support the development of additional capacity. Additional capital expenditures will be required to improve the ramp-up potential beyond the additional 1 million barrels.

107. The Government is committed to opening Venezuela's hydrocarbons sector to foreign investment. Recent amendments to the Organic Hydrocarbons Law, together with the publication of its implementing regulations and new contract framework, establish a more flexible regulatory and fiscal regime intended to support a recovery in oil and gas production. In particular, the regulations reduce the maximum aggregate royalty and integrated tax rate from 45% to 35%, with differentiated ceilings depending on the nature and maturity of each project, while preserving scope for project-by-project negotiation. With these measures, the Government is progressively unlocking the country's untapped potential through increased private investment and the development of new capacity.

Focus 6. Venezuela's type of oil

Venezuela's hydrocarbon reserves are predominantly composed of extra-heavy crude (c. 86%), with heavy and light crude accounting for around 5% each and medium crude and condensate making up the remaining 4%. For valuation purposes, condensate streams are generally referenced to light crude benchmarks.

These differences reflect variations in key physical and chemical properties, notably API gravity and sulfur content, which directly affect production, transportation, refining, and pricing. Extra-heavy crude (7-10° API) is particularly viscous and typically requires blending or upgrading to be transported and processed efficiently.

As a result, Venezuelan crude oil, largely sourced from the Orinoco Oil Belt, requires complex refining capabilities, including deep-conversion units. These capabilities are concentrated in sophisticated refining hubs such as those located along the U.S. Gulf Coast, creating a strong structural fit with U.S. refiners and

suggesting that any easing of sanctions could support a recovery in Venezuelan exports to the United States. In parallel, it would support the modernization of extraction technologies, whose upgrading has been constrained in recent years by sanctions-related restrictions and limited investment.

Within Venezuela's crude slate, a distinction is generally made between export blends such as Merey and diluted crude oil ("DCO"). While both are linked to extra-heavy production systems, DCO typically trades at a discount to Merey, reflecting its blending characteristics and refining profile.

Prices per barrel vary depending on the type of crude. Under an environment marked by international sanctions constraining oil marketing, Venezuelan light crude and condensate typically trade at a discount of around USD 5 per barrel to Brent, while medium crude trades at a discount of about USD 8, heavy crude at USD 14, and extra-heavy crude at approximately USD 20.

4.1.3.1. Overview of the upstream sector

108. Venezuela's oil sector can be divided into six divisions. The three principal divisions in terms of production are the Orinoco Oil Belt, Lake Maracaibo, and the East.

- The Orinoco Oil Belt (Faja Petrolífera del Orinoco Hugo Chávez - FPOHC) is by far the biggest one both in terms of production and of proven reserves. It contains one of the largest single deposits of hydrocarbons in the world, and almost exclusively consists of extra-heavy crude oil.
- Lake Maracaibo (Occidente) is the most developed and mature of the six divisions, accounting for over 29% of expected 2026 production. Feeding the Paraguaná Refinery Complex, it is located close to the Colombian border, and already connected to its neighboring country through a gas pipeline.
- The East (Oriente) has the strategic advantage of being situated between the Orinoco Oil Belt and the Anzoátegui oil terminal and petrochemical complex, and hosting much of the infrastructure required to process heavy oil. It is responsible for around 15% of expected 2026 oil production.

Map 1. Overview of Venezuela's oil reserves



Note: DEP = Dirección Ejecutiva de Producción (Executive Production Directorate)

109. Across the six divisions, a total of 432 fields containing 32,988 wells can be found across the country. However, not all of these are currently being developed.

4.1.3.2. Overview of oil fields

Table 6. Overview of Venezuela's top 20 oil fields – by expected 2036 production

Field name	Region	Crude type	2036 Prod. (kbpd)	2026 Prod. (kbpd)	1P Res. (mbbl)	Royalty (% gross rev.)	ISLR rate (% of net rev.)	CPP lease rate	Capex 26-36 (USDbn)	Instit. set-up
Petrozamora	Lake Maracaibo	Heavy	180	98	5,614	32.0%	50.0%	8.0%	$6.4bn	CPP
Petropiar + Ayacucho 8	Orinoco Oil Belt	Extra-Heavy	154	111	11,749	20.0%	42.5%	0.0%	$5.6bn	EM
PetroBoscan	Lake Maracaibo	Heavy	126	110	1,389	20.0%	50.0%	0.0%	$4.8bn	EM
Sinovensa	Orinoco Oil Belt	Extra-Heavy	117	90	3,044	20.0%	50.0%	0.0%	$4.2bn	EM
Petromonagas	Orinoco Oil Belt	Extra-Heavy	106	101	4,147	20.0%	50.0%	0.0%	$3.7bn	EM
Extrapesado Morichal	Orinoco Oil Belt	Extra-Heavy	99	64	5,955	35.0%	50.0%	10.0%	$4.8bn	CPP
Petroindependencia	Orinoco Oil Belt	Extra-Heavy	89	41	20,868	20.0%	34.0%	0.0%	$4.3bn	EM
Junin Sur	Orinoco Oil Belt	Extra-Heavy	87	24	10,357	20.0%	34.0%	5.0%	$3.0bn	CPP
Carito/Muri-Musipan	Others	Light	76	53	1,986	35.0%	50.0%	0.0%	$3.5bn	EP
Petrolera Roraima	Orinoco Oil Belt	Extra-Heavy	73	35	3,640	20.0%	46.0%	0.0%	$3.2bn	EM
Tia Juana Lago	Lake Maracaibo	Medium	70	21	1,546	25.0%	34.0%	5.0%	$2.9bn	CPP
Lagunillas Lago	Lake Maracaibo	Heavy	68	6	1,055	30.0%	34.0%	2.0%	$2.3bn	CPP
Petrocedeño	Orinoco Oil Belt	Extra-Heavy	62	39	8,040	25.0%	50.0%	10.0%	$2.3bn	CPP
UP Furrial	Others	Medium	61	45	955	35.0%	50.0%	0.0%	$2.0bn	EP
Dobokubi	Orinoco Oil Belt	Heavy	58	35	1,450	35.0%	50.0%	15.0%	$2.0bn	CPP
Pirital	Others	Light	57	29	1,498	35.0%	50.0%	0.0%	$2.5bn	EP
Petroquiriquire Occ	Lake Maracaibo	Medium	56	35	1,479	20.0%	50.0%	0.0%	$2.0bn	EM
Petroregional del Lago	Lake Maracaibo	Heavy	55	22	1,244	30.0%	50.0%	0.0%	$2.0bn	EM
Petrovictoria	Orinoco Oil Belt	Extra-Heavy	49	8	15,590	20.0%	34.0%	0.0%	$2.2bn	EM
Junin 11	Orinoco Oil Belt	Extra-Heavy	46	-	6,822	15.0%	34.0%	1.0%	$1.4bn	CPP

Note: EM stands for Empresas Mixtas (Joint ventures); CPP stands for Convenios de Participación Productiva (Production Participation Agreements) and EP stands for Empresas Publicas (Public companies).

110. Oil production in Venezuela is governed by three main frameworks: state-operated activities, joint ventures, and production participation agreements. At the core of the system is the principle that all hydrocarbon resources belong to the state, which retains ultimate ownership regardless of the operating model.

111. Historically, upstream activities have been reserved for the State and carried out directly by PDVSA. Under this fully state-operated model, PDVSA acts as the sole operator, investor, and beneficiary of oil projects, maintaining full control over assets, production, and revenues**.**

112. Foreign participation has traditionally taken place through joint ventures, known as *empresas mixtas*. These were governed by the Organic Hydrocarbons Law (as amended in 2006), under which PDVSA retained a majority and controlling stake. The joint venture was incorporated as a separate legal entity that owned and operated the oil assets, while private partners participated as minority shareholders and received returns through dividends or crude liftings. This model has historically served as the principal vehicle for international oil companies operating in Venezuela. In practice, mixed companies operate as ring-fenced project vehicles in which the State maintains majority ownership, while private partners contribute capital and operational support within a defined corporate structure.

113. In parallel, Venezuela introduced Production Participation Agreements (*Convenios de Participación Productiva* or CPPs). Under these arrangements, established under the 2020 Anti-Blockade Law to attract investment in a sanctions-constrained environment, private companies finance and increasingly operate oil fields at their own risk, while the State retains ownership of the underlying hydrocarbon resources. Contractors are compensated through a share of production or revenues, but do not acquire any equity interest in the underlying assets. Compared with the traditional *empresas mixtas* model, CPPs provide greater operational autonomy to private operators and constitute a more flexible, contract-based framework. While CPPs have so far been used primarily by smaller or non-traditional operators, recent amendments to the Hydrocarbons Law aim to formalize and expand their use. In addition, CPPs allow operators to market their share of production directly and may also provide for the commercialization of PDVSA's entitlement under agreed arrangements between the parties, with a view to optimizing market access and securing more favorable pricing conditions for Venezuelan crude.

114. The June 2026 earthquakes did not materially affect Venezuela's oil and gas productive capacity, with major producing regions and key export terminals remaining operational and the country's main source of foreign exchange preserved. The main operational point to monitor is the national power grid. While outages in the central states and transmission damage caused brief interruptions at El Palito refinery and the Morón Petrochemical Complex, both facilities resumed operations quickly. Grid stability will represent an important factor for the oil sector outlook, reflecting vulnerabilities that predated the earthquakes.

Focus 7. 2026 Hydrocarbons Law and Fiscal Regime

In January 2026, the Government of Venezuela enacted amendments to its Organic Hydrocarbons Law aimed at expanding private sector participation in the oil and gas industry. The subsequent publication of the implementing regulations and new contract framework represents a further step in operationalizing these reforms, providing greater clarity on the legal, contractual and fiscal conditions applicable to new and existing projects.

Under the revised framework, private companies are now authorized to undertake hydrocarbon exploration and production activities ("Primary Activities") without the direct involvement of PDVSA, as well as to commercialize hydrocarbons and derived products. Previously reserved for state-owned entities and mixed companies, these activities may now be carried out by private companies domiciled in Venezuela under contractual arrangements with the State. In parallel, amendments to the mixed companies regime introduce greater flexibility, further enhancing the attractiveness of the sector for publicly listed international investors.

The fiscal framework has also been streamlined. The implementing regulations reduce the maximum aggregate royalty and integrated tax rate from 45% under the original framework to 35%, while establishing differentiated maximum rates according to project characteristics: 20% for greenfield projects, 25% for extra-heavy crude fields, 30% for non-producing brownfield projects and 35% for producing brownfield assets. These rates are subject to negotiation on a project-by-project basis, while operating profits continue to be subject to a separate income tax. Existing projects are also provided with transitional arrangements to migrate to the new contractual structure.

In addition, the reforms introduce alternative dispute resolution mechanisms, allowing disputes to be settled through international arbitration and mediation rather than exclusively within domestic courts. Venezuela has also entered into various international investment protection treaties, providing protections such as fair and equitable treatment, protection against expropriation, and the free transfer of funds. While these measures are expected to enhance legal security for investors, certain aspects of the framework are subject to

further clarification by the Government.

Focus 8. Recent agreements reached with international oil companies (IOCs)

Since January, Venezuela has concluded several deals with international oil companies.

Chevron completed an asset swap with PDVSA in April, increasing its stake in the Petroindependencia joint venture to 49% and securing rights to develop the adjacent Ayacucho 8 area in the Orinoco Oil Belt. In exchange, Chevron transferred its equity interest in the offshore Loran gas field.

Shell signed agreements in March covering offshore gas, onshore oil and gas, exploration, local content and workforce development. On June 11, 2026, Venezuela signed five additional agreements with Shell to advance oil and gas projects, including Shell's participation in the Loran offshore gas field, a c. 7 trillion cubic feet reservoir. The agreements also included a technical alliance to support procurement and production expansion at oilfields in Monagas North, as well as equipment and parts procurement aimed at reducing gas flaring. In August 2026, UCC Oil and Gas also entered Venezuela's upstream sector through the Loran Phase 2 offshore gas project, alongside BP and XRG.

Repsol signed an agreement with the Venezuelan Ministry of Hydrocarbons and PDVSA in April to increase oil production at the Petroquiriquire joint venture and strengthen its operational framework in the country. Eni and Repsol have also committed to jointly investing USD 2 billion over five years in their PDVSA joint ventures.

Eni and Repsol have also reached agreements to more than double offshore gas production at the Cardón IV field in the Gulf of Venezuela and export the fuel as liquefied natural gas via a floating terminal, targeting the start of exports by the end of 2031.

In August 2026, Venezuela and the United States concluded a landmark binational oil agreement with North American Blue Energy Partners (NABEP), providing a framework for large-scale investment across a portfolio of oilfields (*see Focus 2 for further details*).

In September 2026, Eni entered into a long-term production participation agreement for Junín-5, while Chevron agreed revised terms for its existing joint ventures and announced more than USD 7 billion of planned investment over five years. Continental Resources has also signed a preliminary agreement with PDVSA to develop the Ayacucho-2 block, further illustrating the renewed interest of international operators in Venezuela's hydrocarbons sector.

In November 2026, ExxonMobil and Venezuela signed a Memorandum of Understanding, marking the return of the company on the ground after nearly two decades.

Focus 9. Venezuela's relationship with OPEC, OPEC+ and its member states

Together with Iran, Iraq, Kuwait, and Saudi Arabia, Venezuela stands as one of the five founding members of the OPEC in 1960. This reflects the country's long-standing historical role in coordinating global oil policy and advocating for producer interests within the international energy landscape.

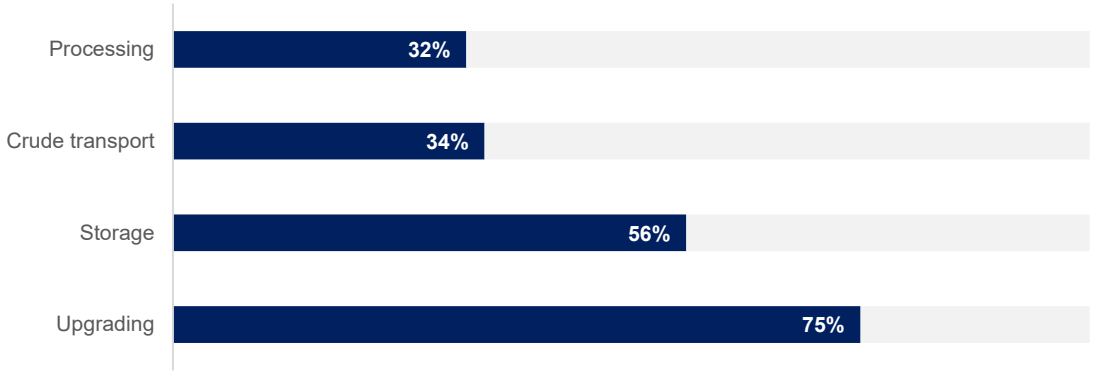
In the decades that followed, Venezuela became one of the most important oil producers in the Western Hemisphere, leveraging its vast reserves – particularly in the Orinoco Oil Belt – to support both domestic development and export revenues. However, since the mid-2010s, its production capacity has declined significantly following international sanctions and limited access to financing, which led to underinvestment in the sector.

As a result, Venezuela has been formally exempted from OPEC+ production cuts since 2019, its output having already fallen well below its 2016 quota. This situation has limited its ability to participate actively in coordinated supply management, while also distinguishing it from other major producers that adjust output in line with collective agreements.

>> Overview of the midstream and downstream sectors

115. Venezuela boasts extensive midstream and downstream infrastructure that is currently operating well below capacity. As of August 2026, utilization rates ranged from 32% in processing to 75% in upgrading, highlighting significant scope to increase throughput using existing assets.

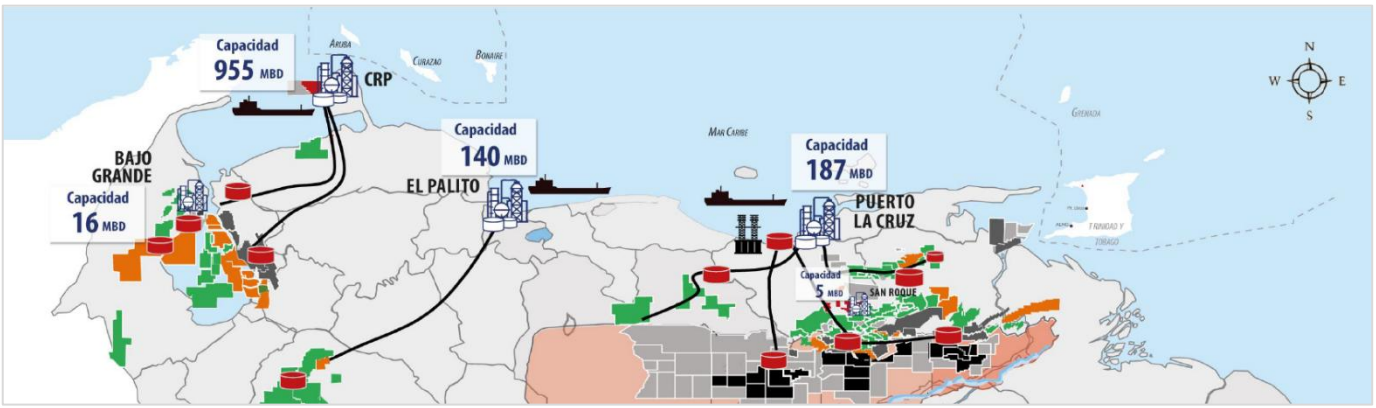
Figure 7. Estimated capacity utilization in the oil & gas sector, as of August 2026



Source: DeGolyer and MacNaughton

116. Crude oil transportation across Venezuela is supported by an extensive pipeline network spanning over 7,500 km. With many of its major oil fields located inland, this infrastructure enables producers to efficiently move crude from production sites to refineries and export terminals. Venezuela's principal pipelines connect the Orinoco Oil Belt to the José Antonio Anzoátegui Petrochemical Complex and Puerto La Cruz, and the Maracaibo basin to Puerto El Palito and the Paraguaná Refining Complex. Although the network is designed to handle up to 3 million barrels per day, actual operating capacity is estimated at approximately 2 million barrels per day.

Map 2. Overview of PDVSA's pipeline and refinery networks



117. PDVSA also boasts a network of 1,615 gas stations across the country, and of over 4,000 in the United States. These U.S. gas stations are independently owned, CITGO-branded retail outlets.

118. Venezuela has a national and international refining system of 12 refineries, with a combined crude processing capacity of 2.1 million barrels per day. Six of these refineries are located in Venezuela, accounting for 1,303 kbpd or 63% of the total processing capacity in 2024, three in the United States (749 kbpd, 36% of total capacity), and three in Europe (with a combined rated capacity of 68 kbpd in 2024, of which 27 kbpd corresponds to PDVSA's net interest).

119. The refineries located in Venezuela operate under the PDV brand, while those in the United States operate under the CITGO brand, a wholly owned subsidiary of PDVSA. At present, sanctions-related restrictions prevent CITGO from distributing dividends to PDVSA, with the result that cash flows generated by its operations largely remain within the company. In Europe, PDVSA does not hold a controlling interest in any of its three refineries, which are owned by the Swedish company Nynas.

120. Venezuela's domestic refining system has sufficient nominal capacity to meet current domestic demand for refined products, including gasoline, diesel and other fuels, which account for approximately half of the overall product slate. Domestic refineries also produce fuel oil as a by-product, generating exportable surpluses that represent the remaining half of the product slate.

Table 7. Overview of Venezuelan refineries' key characteristics (2024)

Region	Location	Owner	PDVSA Interest (%)	Total Crude Refin. Cap. (mbpd)	PDVSA Net Interest (mbpd)
VENEZUELA	Amuay (CRP)	PDVSA	100	645	645
	Cardón (CRP)	PDVSA	100	310	310
	Puerto La Cruz (PLC), Anzoátegui	PDVSA	100	187	187
	El Palito (ELP), Carabobo	PDVSA	100	140	140
	Bajo Grande (RBG), Zulia	PDVSA	100	16	16
	San Roque (RSR), Anzoátegui	PDVSA	100	5	5
	Total			**1,303**	**1,303**
UNITED STATES	Lake Charles	CITGO	100	425	425
	Lemont	CITGO	100	167	167
	Corpus Christi	CITGO	100	157	157
	Total			**749**	**749**
EUROPE	Nynas Nynäshamn	Nynas	50	28	14
	Nynas Eastham	Nynas	25	27	7
	Nynas Gothenburg	Nynas	50	13	6
	Total			**68**	**27**
TOTAL				2,120	2,079

Note: The refineries in Amuay and Cardón together form the Complejo Refinador Paraguaná (CRP)

>> Overview of marketing

121. PDVSA relies on different channels to sell, depending on the customer base of its products:

- A first form are sales of crude oil and feedstock to (refining) affiliates. In most cases, they have signed long-term supply contracts that require PDVSA to supply minimum quantities of crude oil and other feedstock to such affiliates. Prices for conventional crude types are based on specific price formulas, while they are negotiated on a case-by-case basis for other specific heavy crude oils.
- A second type are sales of crude oil to third parties. These sales are usually conducted at market price, depending on the type of crude (*see Focus 6)*.
- Finally, PDVSA also sells refined products. In the United States, this is carried out through CITGO. Examples of refined products include light fuels, industrial products, petrochemicals and lubricants.

Table 8. Overview of different hydrocarbon business models

PARAMETERS	LICENSES	EMPRESA MIXTA	CPP
GOVERNING LAW	Organic Law on Gaseous Hydrocarbons	New Organic Hydrocarbons Law	New Organic Hydrocarbons Law
PROJECTS	Non-Associated Natural Gas Fields	Hydrocarbon Fields	Hydrocarbon Fields
EXAMPLES	Loran/Dragon; Ypergas; Gas Guárico; Quiriquire Gas (4 active)	Petromonagas; Petrosucre (45 executed)	Petrozamora; Lagocinco; Lagunillas (31 executed)
REVENUE SOURCE	Sale of Natural Gas	Sale of Crude Oil and Gas	Sale of Crude Oil and Gas
TERM	35 years (Renewable +30)	25 years (Renewable +15)	25 years (Renewable +25)
FINANCING RESPONSIBILITY	License Holder	Shareholders	Private Company
OWNERSHIP OF ASSETS	100% of the License	100% of the Joint Venture	Existing: PDVSA New Assets: Private Company (against lease payment to PDVSA)
PRIVATE PARTICIPATION	Up to 100%	Up to 49%	100%
ROYALTIES	20% of Gas Value	Field by field royalty rate (average for active EM at 21%)	Field by field royalty rate (average for active CPP at 30%)
CORPORATE INCOME TAX	34%	34% / 50%	34% / 50%
OPERATOR	License Holder	Joint Venture	Private Company

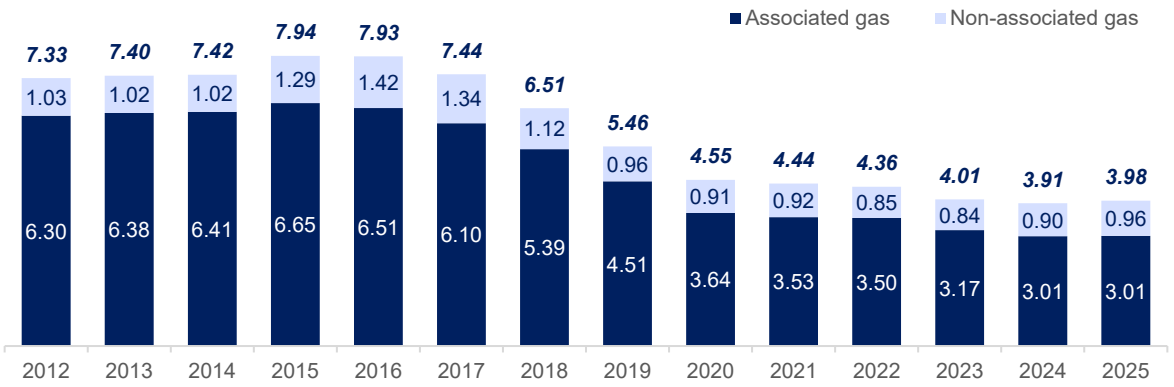
4.1.4. Overview of the gas sector

122. In addition to its vast oil reserves, Venezuela holds significant natural gas reserves exceeding 190 trillion cubic feet, more than 80% of which are undeveloped. This endowment places Venezuela among the largest natural gas reserve holders globally, accounting for approximately 3% of worldwide reserves, and makes it the largest reserve holder in Latin America. Currently, more than 75% of the country's natural gas production is generated as a by-product of oil extraction.

123. Natural gas production has declined by roughly half since its 2015 peak, with the associated segment – tied to crude oil output – driving most of the decline. Associated gas, which historically accounted for the vast majority of total production, fell from 6,646 million cubic feet per day (MMcf/d) in 2015 to 3,014 MMcf/d in 2025, a decline of nearly 55%, closely tracking the collapse in oil production. Non-associated gas proved comparatively more resilient, falling by only around 25% over the same period (1,292 to 963 MMcf/d), and now represents close to a quarter of total output, up from roughly 16% in 2015.

124. Two cross-border fields shared with Trinidad and Tobago – Loran and Dragon – are expected to bring meaningful new gas production online as early as 2028. Given their scale, these projects represent one of the more visible avenues to reverse the decline in output and generate new hydrocarbon-related revenues for the State, contingent on the resolution of sanctions and the mobilization of the necessary financing and technical partnerships.

Figure 8. Evolution of natural gas production (in billion cubic feet per day)



4.1.5. Overview of the other sectors

125. Beyond oil and gas, Venezuela retains a broad productive base across mining, agriculture, industry and services. In the first quarter of 2026, these non-hydrocarbon sectors accounted for nearly 75% of total economic activity, with significant contributions from telecommunications, public administration, real estate activities, and manufacturing. While these sectors have operated below their potential in recent years, they continue to be central both to domestic economic activity and to the country's longer-term diversification strategy. In most cases, the principal challenge lies not in the absence of productive assets, but rather in the need to improve the broader operating environment, including infrastructure, investment conditions, and macroeconomic stability. In certain areas, sanctions have also added complexity to normal commercial and financial operations.

4.1.5.1. Overview of the mining sector

126. Mining represents a strategic sector for Venezuela's foreign exchange generation and economic diversification. While centered on gold, the country's resource base is considerably broader and also includes bauxite, tin, copper and rare earth elements. The nation's most strategic mining assets are concentrated in the Orinoco Mining Arc in Bolívar State, notably the Las Cristinas/Brisas complex, which contains an estimated 60.2 million ounces of gold and 5 billion pounds of copper, as well as Los Pijiguaos, which combines significant bauxite, tin and rare earth potential.

127. At the same time, the sector's current contribution is more limited than its geological potential would suggest. Venezuela holds an estimated 2,300 metric tons of gold in the ground. At the same time, gold production continues to be modest, with less than 10 tons per year reportedly extracted while a significant share of activity appears to occur outside fully formal commercial circuits. As of December 2025, 19 of the 24 gold mines that have reserve data were inactive, 3 were temporarily suspended, and only 2 were active, one of which was producing at limited levels. As a result, mining combines a substantial geological endowment with a still limited level of formal productive development.

128. The sector remains structured around a strong State presence, notably through the Corporación Venezolana de Minería (CVM), while recent reforms are expected to enhance project bankability and attract investment. In particular, the consolidation of MINERVEN into CVM, the extension of concession terms from 20 to 30 years, the reintroduction of international arbitration, the strengthening of legal and fiscal stability provisions, and greater flexibility in determining the government take constitute important steps toward a more attractive investment framework. Overall, the sector could become a significant driver of non-oil exports and economic diversification, provided that legal certainty, formalization and project execution continue to improve.

129. Venezuela's mining sector has been facing several arbitration cases by international mining companies in recent years. The country's gold industry was nationalized in 2011. As a result, the country has faced numerous arbitration claims, amounting to sums in the tens of billions USD. While some of these cases have been resolved, many other cases are still pending.

4.1.5.2. Overview of the primary sector (excl. oil and gas and mining)

130. Beyond the extractive industries, Venezuela's primary sector is anchored in agriculture, livestock, fisheries and forestry. In the first quarter of 2026, agriculture accounted for approximately 5% of GDP, broadly outperforming recent years. Although these activities are less prominent than hydrocarbons or mining in terms of external revenues, they are essential for food security, territorial cohesion and employment, particularly outside major urban centers. As such, they constitute an important component of a broader and more inclusive recovery path. Public policy will be geared toward strengthening private-sector production across these activities while ensuring a level playing field between domestic producers and imported goods.

131. Its recent performance has been shaped by the same factors affecting the wider economy: limited investment, restricted access to financing and inputs, pressure on logistics and storage, and interruptions in basic utilities, especially electricity. The sector's recovery potential is therefore closely linked to the gradual restoration of the conditions needed for production and commercialization.

132. Over time, the primary sector could play a more important role in supporting inclusive growth and reducing regional disparities. In that context, improvements in rural infrastructure, storage capacity, transport connectivity and access to financing would likely generate significant economic and social returns, while strengthening the sector's contribution to food security, employment and territorial development.

4.1.5.3. Overview of the secondary sector

133. Venezuela's manufacturing sector is composed of several segments, with food and beverages standing out as by far the largest. This reflects the sector's exposure to essential, non-cyclical demand and its reliance on relatively simpler, locally available inputs. By contrast, more complex and import-dependent industries have contracted sharply, further increasing the relative weight of food and beverages within total manufacturing.

Table 9. Overview of Venezuela's private manufacturing industry structure

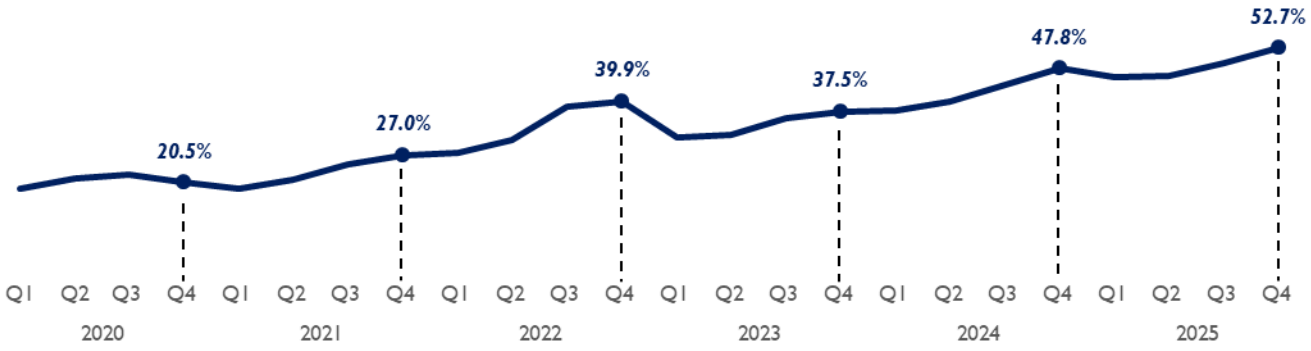
Sector	% of production
Food	35.2%
Beverages	30.8%
Chemicals	9.8%
Pharmaceuticals	7.4%
Plastics and Rubber	5.8%
Non-metallic Products	2.6%
Metals and Metal Products	1.4%
Machinery and Equipment	1.4%
Wood and Paper	1.4%
Textiles and Footwear	0.9%
Automotive and Auto Parts	0.6%
Other Industries	2.7%

Source: Conindustria – Encuesta de Coyuntura Industrial III Trimestre 2026

134. Venezuela retains a meaningful industrial base, especially in metals, steel transformation and other energy-intensive activities, although a significant share of installed capacity is currently not fully utilized. The Guayana industrial hub illustrates this clearly: Sidor reportedly reached a peak of 4.3 million metric tons (MT) of liquid steel in 2007; Briqven has installed capacity estimated at 1.5 million MT/year; Orinoco Iron, 2.2 million MT/year; Briquetera del Caroní, 815,000 MT/year; and Sidetur, 835,000 MT of melting capacity and 615,000 MT of rolling capacity.

135. Current utilization levels remain constrained by investment needs, input availability, logistics and electricity supply. A 2025 survey of manufacturing firms found that average capacity utilization stood at just 52.7% in the fourth quarter of the year, the highest level recorded since 2014, yet still indicative of significant underutilization. Utilization was substantially lower in metal-producing industries, reaching 23% in the fourth quarter of 2025, compared with 13% in the third quarter. The challenge therefore lies not in the absence of industrial assets, but rather in the deterioration of the operating environment required to reactivate them. This is particularly relevant given Venezuela's potential comparative advantage in selected energy-intensive industries, including metals and fertilizers.

Figure 9. Evolution of Venezuela's manufacturing industry capacity utilization



Source: Conindustria – Encuesta de Coyuntura Industrial IV Trimestre 2025

>> Focus on the electricity sector

136. The electricity sector stands as one of the principal constraints on a broader economic recovery. Prior to the consolidation and nationalization of the system under CORPOELEC in 2007, the sector operated through a more decentralized structure involving regional utilities such as Elecar, Enelven and Seneca, with differentiated regional generation and distribution models.

137. Today, the system is heavily dependent on hydroelectric generation: power generation continues to rely heavily on the Bajo Caroní hydroelectric complex, whose largest asset, the Simón Bolívar Hydroelectric Plant (Guri), accounts for more than 70% of the country's electricity generation. Natural gas accounts for 14.7% of national electricity generation and other fossil fuels for 7.0%, while solar and wind power remain marginal. At the same time, the reduced contribution of parts of the thermal generation fleet has increased dependence on a narrower set of assets and transmission corridors, contributing to recurrent service disruptions affecting both households and productive regions. Over the past fifteen years, Venezuela's electricity system, across generation, transmission and distribution activities, has experienced significant underinvestment as a result of international sanctions and limited access to financing, leading to chronic operational instability**.**

138. Recent efforts have focused on opening the sector to private investment. On June 2, 2026, the National Assembly approved in first reading a bill amending the Organic Law on the Electricity System and Service. The proposed reform would allow electricity generation, transmission, distribution and commercialization activities to be carried out by mixed companies with either majority or minority State participation, as well as by fully private companies, thereby opening the sector to both domestic and foreign private capital. The bill must still undergo a public consultation process and receive approval in a second reading before entering into force. The initial phase of the sector's opening is expected to focus primarily on supporting the needs of the oil and mining industries.

139. The sector nevertheless represents a priority area for rehabilitation. Over time, a more durable recovery will likely require both the rehabilitation of existing assets and further progress in establishing a more investment-friendly operating framework.

4.1.5.4. Overview of the tertiary sector

140. The tertiary sector has become increasingly important as the Venezuelan economy has adjusted to the prolonged weakness of capital-intensive industries. Within this broad sector, telecommunications accounted for approximately 12% of GDP in the first quarter of 2026. Services now play a central role in connectivity, payments, commerce, and household intermediation, although performance is uneven across subsectors. Telecommunications stand out as a case of relatively rapid adaptation, while the banking sector remains relatively shallow and tourism continues to be significantly underdeveloped relative to its potential.

>> Focus on the telecommunications sector

141. The telecommunications sector was historically dominated by CANTV, which was nationalized in 2007, after the State secured 86.2% of its shares. Its mobile subsidiary, Movilnet, at one point captured at least 50% of the domestic mobile market.

142. The market structure has since shifted materially. Mobile services are now led by private operators, notably Movistar and Digitel, while CANTV has lost ground in both mobile and fixed broadband. Fixed connectivity has improved rapidly, with 343% growth in new fiber deployment, driven almost entirely by private capital, including Inter, NetUno and numerous regional providers. In 2024, the country counted 265 active internet providers, a 597% increase since 2019. The telecommunications sector therefore provides one of the clearest examples of private-led adaptation in the Venezuelan economy. Despite this, data from 2025 reveal that only 62% of the population had internet access, the same level as in 2017, while mobile network coverage dropped significantly to 79%, down from 99% in 2017, reflecting the ongoing economic downturn.

>> Focus on the banking sector

143. The banking sector is operational, but credit intermediation continues to be significantly constrained relative to the size of the economy. Financial intermediation and insurance activities accounted for approximately 2% of GDP in the first quarter of 2026. In 2025, the Central Bank of Venezuela (BCV) reported 27 banks connected to and actively participating in the national electronic clearing system, including three microfinance institutions. Within this landscape, Banco de Venezuela (BDV) occupies a dominant position. The State acquired a 96% stake in the bank from Santander in 2009 for USD 1.1 billion. The financial sector, which also includes insurance activities, accounted for 0.9% of GDP in 2025, broadly unchanged from previous years.

144. The sector's development has taken place within a complex macroeconomic environment characterized by a very low credit-to-GDP ratio and disruptions in international financial connectivity. Total credit stood at approximately USD 3.166 billion in December 2025 and at USD 3.958 billion in June 2026, equivalent to 4.0% of 2025 GDP, representing an improvement relative to previous years, but remaining significantly below historical levels. In particular, sanctions have complicated correspondent banking relationships, cross-border settlements and the broader normalization of financial relations, constraining the pace of credit deepening and private-sector intermediation. Over time, a more stable macroeconomic framework and improved external financial connectivity could enable the banking sector to play a more significant role in supporting investment and economic recovery. Recent efforts have focused to reintegrate Venezuela's banking sector into to the global financial system, and will contribute to the broader economic recovery.

>> Focus on the tourism sector

145. The tourism sector has experienced a strong recovery over the past two years, yet it remains relatively underdeveloped compared with Venezuela's significant tourism potential. Official government figures indicate that more than 3.5 million foreign visitors traveled to the country in 2025, representing an increase of more than 43% compared with 2024. However, this performance largely reflects a rebound from the sharp decline in arrivals observed since 2020 as a result of international sanctions and the COVID-19 pandemic, rather than sustained long-term growth. Venezuela's combination of natural assets, Caribbean access and strategic location has yet to translate into a tourism sector that fully reflects its potential. The recent resumption of international flights connecting Venezuela to major hubs could accelerate the sector's recovery.

146. In practice, the sector has developed in a constrained environment, shaped by infrastructure needs, service reliability challenges, connectivity limitations and an investment climate that continues to evolve. Sanctions have also complicated international connectivity, cross-border transactions and the normalization of external commercial relationships, making it more difficult for the sector to expand despite its underlying appeal. Tourism should therefore be viewed as a medium-term diversification opportunity, with significant upside potential as operating conditions continue to improve.

4.2. Overview of Venezuela's fiscal sector

4.2.1. Public budget

4.2.1.1. Overview of historical budget performance

147. Venezuela's recent budget performance has been shaped by a highly constrained financing environment. In the absence of meaningful access to market financing, fiscal management has had to be closely aligned with available resources, leaving limited room for sustained deficits. Recent fiscal outturns have remained in deficit, with budget execution primarily geared toward preserving core public functions under tight

financing constraints. In parallel, PDVSA has accumulated operational deficits in recent years, financed in part through instruments such as *pagarés* held by the BCV.

148. Venezuela's overall budget continues to be structured around hydrocarbon and non-hydrocarbon revenues on the one hand, and a limited number of major expenditure categories on the other. These include operating expenditure related primarily to public-sector compensation and purchases of goods and services, social transfers and pensions, transfers to the regions, and a comparatively limited public investment envelope. At Central Government level, total revenues amounted to 22.4% of GDP in 2025, compared with 24.2% in 2024, while total expenditure declined from 23.6% to 21.1% of GDP. This broader presentation captures fiscal and quasi-fiscal operations, notably PDVSA and FONDEN.

149. Fiscal indicators also underscore the continued role of hydrocarbon-sector operations in shaping budget outcomes. Hydrocarbon revenues amounted to 11.4% of GDP in 2025, while PDVSA recorded a net deficit equivalent to 5.3% of GDP. This deficit was primarily attributable to oil and gas subsidies, which represented 5.1% of GDP, while PDVSA's net result excluding these subsidies was broadly balanced. By contrast, the Central Government recorded a primary surplus of 1.3% of GDP in 2025, up from 0.6% in 2024. Overall, the consolidated non-financial public sector primary balance stood at -4.0% of GDP in 2025, reflecting the combined effect of lower total revenues, the continued weight of current expenditure, and the incorporation of hydrocarbon-sector operations within the consolidated non-financial public sector perimeter.

Table 10. Evolution of Venezuela's non-financial public sector fiscal indicators

% of GDP	2021	2022	2023	2024	2025
NFPS primary fiscal balance	**(5.4%)**	**(8.7%)**	**(3.3%)**	**(3.2%)**	**(4.0%)**
PDVSA net result	**(2.8%)**	**(6.2%)**	**(4.5%)**	**(3.8%)**	**(5.3%)**
PDVSA net result (excl. hydrocarbon subsidies)	10.7%	8.8%	4.6%	2.3%	(0.2%)
Hydrocarbon subsidies	(13.5%)	(15.0%)	(9.0%)	(6.0%)	(5.1%)
CG primary fiscal balance	**(2.6%)**	**(2.5%)**	**1.2%**	**0.6%**	**1.3%**
Total revenues	14.3%	18.8%	25.3%	24.2%	22.4%
Total expenditures	16.9%	21.3%	24.2%	23.6%	21.1%

4.2.1.2. Overview of the Central Government revenue structure

150. The revenue structure can be broken down into hydrocarbon and non-hydrocarbon revenues. At the Central Government level, total revenues amounted to 22.4% of GDP in 2025, down from 24.2% in 2024. Hydrocarbon revenues accounted for 11.4% of GDP, while non-hydrocarbon revenues represented 11.1% of GDP, pointing to a broadly balanced contribution from hydrocarbon-linked flows and the domestic revenue base.

>> Overview of hydrocarbon revenues

151. Hydrocarbon revenues represent a central component of Venezuela's public revenue structure, although their weight and composition have fluctuated over time. In 2025, hydrocarbon revenues represented 11.4% of GDP, compared with 13.5% in 2024. Oil and gas royalties increased significantly, from 4.9% to 7.1% of GDP, and were the largest conventional hydrocarbon-related revenue item. By contrast, other hydrocarbon sector taxes declined from 5.2% to 1.5% of GDP, while other non-tax hydrocarbon revenues decreased from 3.5% to 2.8% of GDP.

152. These developments illustrate both the continued relevance of hydrocarbon-related revenues and their sensitivity to changes in production, prices, the applicable fiscal regime and PDVSA's financial

performance. The relative contribution of royalties, hydrocarbon sector taxes and non-tax hydrocarbon revenues may vary significantly from year to year. In particular, the increase in royalties in 2025 partly offset the decline in other hydrocarbon sector taxes and non-tax hydrocarbon revenues, but was not sufficient to prevent an overall decrease in hydrocarbon revenues relative to the previous year. More broadly, the consolidated non-financial public sector approach allows the fiscal accounts to capture the different channels through which the hydrocarbon sector contributes to public resources.

Focus 10. PDVSA's quasi-fiscal expenditures

PDVSA's persistent financial imbalance reflects the cost of oil and gas subsidies, which are borne entirely by the company rather than by the Central Government budget. Historically, PDVSA and its joint ventures also undertook quasi-fiscal expenditures – public expenditures for other critical public services carried out outside the Central Government budget – in the context of external sanctions and financial restrictions.

Over the past decade, PDVSA has shifted from being the government's principal fiscal anchor to a structurally imbalanced entity, with deficit reaching around 5% of GDP in 2025. PDVSA's financial position has deteriorated, reflecting in large part the burden of oil and gas subsidies.

Historically, meeting quasi-fiscal expenditures required arrangements that affected PDVSA's flow of funds and fiscal revenue collection at the Central Government level. In practice, expenditures undertaken by partners were frequently netted against oil proceeds otherwise due to PDVSA or the Republic.

This expenditure has been reclassified under the Central Government budget. Such arrangements were exceptional and have ceased.

>> Overview of non-hydrocarbon revenues

153. Venezuela's non-hydrocarbon fiscal revenue base is organized around the principal domestic taxes commonly found in modern tax systems. Its main components include indirect taxation, led by the value-added tax (IVA), and direct taxation, led by the income tax (ISLR). In 2025, non-hydrocarbon revenues reached 11.1% of GDP, broadly stable compared with 10.7% in 2024. IVA continued to be the largest non-hydrocarbon revenue instrument, at 4.0% of GDP, although its yield declined from 4.4% in 2024. ISLR amounted to 1.8% of GDP, compared with 2.1% in the previous year, while ordinary import duties increased from 1.7% to 2.1% of GDP.

Table 11. Overview of Venezuela's Central Government fiscal revenue structure

% of GDP	2021	2022	2023	2024	2025
Total revenues	**14.3%**	**18.8%**	**25.3%**	**24.2%**	**22.4%**
Hydrocarbon revenues	**8.2%**	**11.2%**	**15.7%**	**13.5%**	**11.4%**
Hydrocarbon royalty	4.6%	7.4%	7.1%	4.9%	7.1%
Other hydrocarbon sector tax	0.5%	0.8%	1.4%	5.2%	1.5%
Other non-tax hydrocarbon revenues	3.1%	2.9%	7.1%	3.5%	2.8%
Non-hydrocarbon revenues	**6.1%**	**7.6%**	**9.7%**	**10.7%**	**11.1%**
IVA	3.1%	3.4%	4.3%	4.4%	4.0%
ISLR	1.2%	1.4%	1.7%	2.1%	1.8%
Import duties	0.6%	0.8%	1.2%	1.7%	2.1%
Others	1.2%	2.1%	2.6%	2.5%	3.2%
Financial transactions tax	0.9%	1.1%	1.4%	0.8%	0.2%
Other non-hydrocarbon tax revenues	0.3%	0.9%	1.1%	1.3%	1.6%
Other non-tax non-hydrocarbon rev.	0.0%	0.0%	0.0%	0.4%	1.4%

154. Beyond IVA, ISLR and import duties, the non-hydrocarbon revenue structure also includes the tax on large financial transactions, a range of smaller internal levies and non-tax revenues. In 2025, the financial transactions tax amounted to 0.2% of GDP, other non-hydrocarbon tax revenues reached 1.6%, and other non-tax non-hydrocarbon revenues represented 1.4%. Taken together, these streams provide the basis for a relatively diversified non-hydrocarbon revenue structure, even though effective collection is concentrated around IVA, ISLR and trade-related taxation. Strengthening tax administration, broadening the tax base and improving compliance are therefore important to increase the resilience and predictability of domestic revenues.

4.2.1.3. Overview of the spending structure

155. On the expenditure side, primary expenditure within the Central Government perimeter is predominantly oriented toward operating expenditure, reflecting the weight of public-sector compensation, purchases of goods and services, pensions, and the broader operating needs of public institutions. Total Central Government expenditure reached 21.1% of GDP in 2025, compared with 23.6% in 2024, with operating expenditure representing the largest component at 14.5% of GDP. In practice, this suggests that the expenditure envelope is primarily directed toward current policy priorities and the preservation of core public functions rather than capital spending.

156. Wages and salary compensation constituted the largest individual expenditure category, amounting to 11.8% of GDP in 2025, down from 13.7% in 2024. Purchases of goods and services amounted to a further 2.7% of GDP. This structure reflects the continued importance of public-sector compensation and operating expenditure in maintaining the functioning of public institutions and supporting household incomes.

Table 12. Overview of Venezuela's Central Government expenditure structure

% of GDP	2021	2022	2023	2024	2025
Total expenditures	**16.9%**	**21.3%**	**24.2%**	**23.6%**	**21.1%**
Operating expenditures	**12.3%**	**16.9%**	**17.5%**	**16.0%**	**14.5%**
Wages and salary compensations	11.0%	15.5%	15.6%	13.7%	11.8%
Purchase of goods and services	1.3%	1.4%	1.9%	2.3%	2.7%
Transfers	**3.7%**	**3.3%**	**5.6%**	**6.3%**	**5.4%**
Social transfers	3.4%	2.8%	3.5%	3.0%	2.5%
Pensions	0.0%	0.0%	1.5%	2.1%	2.4%
Other transfers (regions)	0.3%	0.6%	0.6%	1.2%	0.6%
Public investment	**0.9%**	**1.1%**	**1.1%**	**1.3%**	**1.2%**
Central government	0.5%	0.7%	0.7%	0.8%	0.8%
FONDEN	0.4%	0.4%	0.4%	0.5%	0.4%

157. Transfers are also an important component of expenditure, amounting to 5.4% of GDP in 2025. Social transfers and pensions represented respectively 2.5% and 2.4% of GDP, while other transfers, primarily directed to the regions, amounted to 0.6%. Social transfers continue to play a central role in supporting vulnerable households and preserving core social programs, while pension expenditure has increased materially in recent years and now represents a comparable share of the expenditure envelope.

158. Public investment, by contrast, has remained limited over time. In 2025, capital expenditure amounted to only 1.2% of GDP, broadly stable compared with 1.3% in 2024. Central Government investment represented 0.8% of GDP, while investment undertaken through FONDEN accounted for 0.4%. This comparatively low level reflects both the decline in available public resources and the absence of meaningful access to external financing, which have constrained the State's ability to rehabilitate infrastructure and expand productive capacity.

159. The composition of expenditure therefore underscores the importance of preserving priority social spending and maintaining essential public services, while progressively rebuilding the capacity to finance productive investment. The policy orientations accompanying the 2026 budget confirm this objective, with continued emphasis on education, health, housing, infrastructure, public services, and science and technology. Over time, a more sustainable expenditure structure will require improving the efficiency of operating spending, preserving well-targeted social support, and increasing the share of resources allocated to high-impact public investment.

160. In March 2026, the Government announced an initial increase in the minimum comprehensive income ("*ingreso mínimo integral*") from USD 160 to USD 190 per month. In May, a further increase raised the minimum comprehensive income from USD 190 to USD 240 per month, representing a 26% increase and a cumulative increase of 50% since the beginning of the year. The measure was accompanied by a 40% increase in pensions, from USD 50 to USD 70 per month. These adjustments form part of the Government's broader strategy to support household incomes, while maintaining a distinction between statutory wages, bonuses and pension-related transfers.

Focus 11. Overview of Plataforma Patria's role in the social protection architecture

Plataforma Patria plays a central role in Venezuela's social protection and payment architecture. Launched in 2017, it currently serves approximately 23 million registered users and is used to deliver a broad range of social programs, stipends and targeted transfers to the most vulnerable households. Programs administered through the platform reach approximately 14 million beneficiaries each month.

The platform has progressively become an important operational tool for the execution of public transfers, including Hogares de la Patria, José Gregorio Hernández, Parto Humanizado, Amor Mayor pensions and school-related support. In aggregate, more than 2.5 billion transfers of resources to the banking system have been executed through the platform, equivalent to an average of around 840,000 operations per day.

Beyond social transfers, Plataforma Patria also functions as a digital payment and financial inclusion infrastructure through Monedero Patria, which is linked to individual identity and provides access to digital financial services for more than two million people without traditional bank accounts. Overall, it forms part of the broader expenditure execution framework through which social programs, public sector bonuses and selected public-service payments are implemented, supporting the Government's objective of preserving priority social spending while improving expenditure traceability, targeting and efficiency.

4.2.1.4. Overview of PDVSA's net result

161. Hydrocarbon-related fiscal subsidies are sizable, and primarily cover natural gas, gasoline and diesel. Natural gas subsidies include gas supplied to the electricity sector as well as to other segments of the economy, while subsidies on refined products cover diesel, gasoline and other petroleum products. Incorporating these flows within the consolidated public sector perimeter allows the fiscal accounts to capture the financing requirements associated with the oil sector, including the compensation of PDVSA's operating deficits and the fiscal cost of maintaining energy prices below cost-recovery levels for households and productive sectors.

Table 13. Overview of PDVSA's net result

% of GDP	2021	2022	2023	2024	2025
PDVSA net result	**(2.8%)**	**(6.2%)**	**(4.5%)**	**(3.8%)**	**(5.3%)**
PDVSA net result (excl. hydrocarbon subsidies)	10.7%	8.8%	4.6%	2.3%	(0.2%)
Hydrocarbon subsidies	(13.5%)	(15.0%)	(9.0%)	(6.0%)	(5.1%)

162. PDVSA's net result must be added to the Central Government balance to derive the overall fiscal position of the non-financial public sector. In assessing PDVSA's financial position, implicit hydrocarbon subsidies should be reflected as the counterpart to the revenues the company would have earned had natural gas, gasoline, diesel and other petroleum products been sold at market prices. These implicit subsidies therefore reduce PDVSA's net result and represent a financing requirement for the consolidated public sector. On this basis, PDVSA recorded a deficit in 2025, which weakened the overall balance of the non-financial public sector relative to the Central Government position alone.

163. Historically, PDVSA's net result has been consistently negative, owing to the level of hydrocarbon subsidies over the period. The deficit stood at 2.8% of GDP in 2021, widened sharply to 6.2% in 2022, and then narrowed to 4.5% in 2023 and 3.8% in 2024. In 2025, however, the deficit increased again to 5.3% of GDP, highlighting the continued fiscal burden associated with PDVSA's operations and implicit hydrocarbon subsidies.

4.2.2. Public debt

164. Venezuela's public debt is distributed around four principal public sector debtors:

- The Central Government, which carries direct sovereign obligations, including Eurobonds, bank loans, bilateral and multilateral debt, as well as liabilities arising from international arbitration awards;
- Petroleos de Venezuela S.A. (PDVSA), the national oil company, whose liabilities span financial instruments and commercial obligations;
- Banco de Desarrollo Económico y Social de Venezuela (BANDES), which serves as the financial vehicle for the Republic to secure bilateral financing arrangements with the China Development Bank (CDB) under the "Fondo Chino";
- Electricidad de Caracas (ELECAR), the national integrated electricity company, with a more limited but clearly identified debt footprint, primarily through a Eurobond issuance. The company has since been incorporated into Corporación Eléctrica Nacional (CORPOELEC).

165. Venezuela's public debt is primarily composed of commercial liabilities, owed primarily to bondholders and a broader set of private creditors. This commercial exposure is largely concentrated at the level of the Republic and PDVSA and amounted to USD 116.5 billion at end-2025, representing 49.1% of identified public-sector obligations. As a result, the overall debt structure is closely linked to market-based instruments and commercial relationships.

166. In contrast, exposure to official creditors is relatively contained in proportion to the total debt stock and is characterized by a high degree of concentration. Multilateral debt amounted to USD 4.2 billion, or 1.8% of identified public-sector debt, and was mainly held by the IDB and CAF. Bilateral debt was more substantial, at USD 23.3 billion, or 9.8% of the total, and is highly concentrated among China, Russia and Brazil.

167. Eurobond liabilities constitute a significant component of Venezuela's overall debt profile. Outstanding amounts reached USD 110.1 billion in total, of which USD 65 billion related to the Republic, USD 44.1 billion to PDVSA, and USD 1.1 billion to ELECAR, including accrued interest. These instruments formed a core part of the creditor base and represented a key interface with international capital markets, both in terms of their scale and their dispersion across investors.

168. Beyond financial debt, a considerable share of liabilities arises from non-financial obligations, particularly within PDVSA. These include payables to suppliers, obligations related to *empresas mixtas*, promissory notes and intra-public-sector arrangements. Estimated at approximately USD 67.3 billion in aggregate at end-2025, these liabilities add an additional layer of complexity to the overall debt profile and underline the importance of a comprehensive approach when assessing the perimeter and dynamics of public-sector indebtedness.

4.2.2.1. Multilateral debt

169. Multilateral debt is relatively moderate in scale compared with the overall debt portfolio at end-2025, as it amounted to USD 4.2 billion including accrued interest, representing around 1.8% of total identified public-sector debt. Given the preferred creditor status of multilateral institutions, these claims are typically excluded from the perimeter of a sovereign debt restructuring and instead require normalization through arrears clearance and the restoration of financial relations.

Table 14. Overview of Venezuela's multilateral debt – as of end-2025

in USDm	Maturity	Amount			
		Nominal[1]	Accr. Int.	Total	% total
>>> Central Government					
IDB	Dec-37	2,011	724	**2,735**	**65.7%**
CAF[2]	Jun-35	1,275	148	**1,423**	**34.2%**
IFAD	2032	4	1	**5**	**0.1%**
Nordic Investment Bank	Nov-18	0	0	**0**	**0.0%**
Total		**3,290**	**873**	**4,163**	**100.0%**

Note: (1) Includes arrears; (2) Only includes debt owed to the Central Government

170. This debt stock was highly concentrated, with the Inter-American Development Bank (IDB) and CAF holding approximately USD 2.7 billion and USD 1.4 billion, respectively, accounting for virtually the entirety of Venezuela's outstanding multilateral exposure. Other creditors, such as IFAD and the Nordic Investment Bank, represent only marginal amounts. The amount outstanding to CAF is presented net of proceeds from the repurchase by CAF of part of Venezuela's shareholding, which were applied to outstanding principal and interest. As part of the normalization of Venezuela's relationship with CAF, the restoration of its former shareholding position could subsequently require a corresponding recapitalization by Venezuela.

171. The total stock includes a significant portion of arrears, whose clearance could be a prerequisite for the negotiation of any funding package from these institutions.

4.2.2.2. Bilateral debt

172. Bilateral debt amounted to USD 23.3 billion at end-2025, including accrued interest, and represents a larger component of Venezuela's external debt profile than multilateral debt, accounting for approximately 9.8% of total identified public-sector debt. This reflects the important role that bilateral financing has played in supporting the country's development over time.

Table 15. Overview of Venezuela's bilateral debt – as of end-2025

in USDm	Maturity	Amount			
		Nominal[1]	Accr. Int.	Total	% total
>>> Central Government					
Vnesheconombank	Sep-26	3,070	2,011	**5,080**	**21.8%**
BNDES	Sep-24	751	378	**1,128**	**4.9%**
JBIC	Jun-23	77	32	**109**	**0.5%**
ICO	Multiple	66	7	**73**	**0.3%**
EKSA / SNOR	May-18	2	1	**3**	**0.0%**
EDC	Apr-18	2	0	**3**	**0.0%**
Total - Central Government		**3,967**	**2,429**	**6,396**	**27.5%**
>>> BANDES					
China Development Bank	n.a.	13,335	3,531	**16,866**	**72.5%**
Total - BANDES		**13,335**	**3,531**	**16,866**	**72.5%**
Total		**17,302**	**5,960**	**23,262**	**100.0%**

Note: (1) Includes arrears

173. This debt is highly concentrated among a small number of creditors. At the level of the Central Government, the main exposures were to Russia (USD 5.1 billion) and Brazil, through BNDES (USD 1.1 billion). In addition, a significant share of bilateral debt was owed to China through BANDES under the "Fondo Chino" framework with the China Development Bank (CDB), amounting to USD 16.9 billion and representing the largest single creditor exposure.

174. This Chinese debt, structured as part of a broader intergovernmental financing framework linked to oil flows, originated in the mid-2000s and has since become a central component of Venezuela's bilateral financing arrangements.

175. Other bilateral exposures were more limited and dispersed, including obligations to JBIC, EKSA/SNOR and other export credit agencies, which together account for a relatively small share of the total.

4.2.2.3. Eurobonds

Table 16. Overview of Venezuela's Eurobonds – as of end-2025

	Amount			
in USDm	**Nominal[1]**	**Accr. Int.**	**Total**	**% total**
>>> Central Government				
REP VENEZUELA 2018	300	342	**642**	**0.6%**
REP VENEZUELA 2018	753	859	**1,612**	**1.5%**
REP VENEZUELA 2018	1,000	601	**1,601**	**1.5%**
REP VENEZUELA 2019	2,496	1,686	**4,182**	**3.8%**
REP VENEZUELA 2020	1,500	771	**2,271**	**2.1%**
REP VENEZUELA 2022	3,000	3,196	**6,196**	**5.6%**
REP VENEZUELA 2023	2,000	1,558	**3,558**	**3.2%**
REP VENEZUELA 2024	2,496	1,795	**4,291**	**3.9%**
REP VENEZUELA 2025	1,600	1,064	**2,664**	**2.4%**
REP VENEZUELA 2026	3,000	3,065	**6,065**	**5.5%**
REP VENEZUELA 2027	4,000	3,069	**7,069**	**6.4%**
REP VENEZUELA 2028	2,000	1,601	**3,601**	**3.3%**
REP VENEZUELA 2031	4,200	4,220	**8,420**	**7.6%**
REP VENEZUELA 2034	1,500	1,191	**2,691**	**2.4%**
REP VENEZUELA 2036	5,000	2,681	**7,681**	**7.0%**
REP VENEZUELA 2038	1,250	722	**1,972**	**1.8%**
REP OIL-LINKED CERTIFICATES	372	88	**460**	**0.4%**
Total - Central Government	**36,466**	**28,510**	**64,976**	**59.0%**

in USDm	Amount			
	Nominal[1]	Accr. Int.	Total	% total
>>> PDVSA				
PDVSA 2020	1,684	1,027	**2,711**	**2.5%**
PDVSA 2021	2,394	1,858	**4,252**	**3.9%**
PDVSA 2022	3,000	3,202	**6,202**	**5.6%**
PDVSA 2022	3,000	1,472	**4,472**	**4.1%**
PDVSA 2024	5,000	2,588	**7,588**	**6.9%**
PDVSA 2026	4,500	2,330	**6,830**	**6.2%**
PDVSA 2027	3,000	1,325	**4,325**	**3.9%**
PDVSA 2035	3,000	2,522	**5,522**	**5.0%**
PDVSA 2037	1,500	678	**2,178**	**2.0%**
Cerro Negro	1	1	**2**	**0.0%**
Petrozuata	0	0	**0**	**0.0%**
Total - PDVSA	**27,079**	**17,002**	**44,082**	**40.0%**
>>> ELECAR				
ELECAR 2018	650	427	**1,077**	**1.0%**
Total - ELECAR	**650**	**427**	**1,077**	**1.0%**
Total	**64,196**	**45,939**	**110,134**	**100.0%**

Sources: Bloomberg, ELECAR, Ministry of People's Power for the Economy and Finance, PDVSA
Note: (1) Includes arrears

176. Eurobonds represent a very significant component of Venezuela's external debt, with a total outstanding amount of approximately USD 110.1 billion at end-2025, including accrued interest. This stock was distributed across the three main public-sector issuers, with around USD 65.0 billion for the Republic, approximately USD 44.1 billion for PDVSA, and a more limited USD 1.1 billion for ELECAR.

177. The Eurobond stock is composed of a diverse set of instruments with heterogeneous contractual features. This diversity reflects the different issuance periods and legal frameworks under which the instruments were structured.

178. In addition, certain Eurobonds exhibit specific structural features that distinguish them from the broader debt stock. Most notably, the PDVSA 2020 bond benefits from a collateral structure linked to shares of CITGO.

179. Overall, the Eurobond stock is characterized not only by its scale, but also by its instrument-level complexity, reflecting both the diversity of issuance formats and the presence of specific legal and structural features across instruments.

4.2.2.4. Bank loans and credit facilities

180. Bank debt is relatively limited in scale within Venezuela's overall external debt profile, amounting to approximately USD 6.4 billion, including accrued interest, of which around USD 1.5 billion was held at the level of the Central Government and USD 4.9 billion at the level of PDVSA.

>>>> *Republic Bank Loans*

Table 17. Overview of Venezuela's Central Government bank loans – as of end-2025

in USDm	Maturity	Amount Nominal[1]	Accr. Int.	Total	% total
>>> Central Government					
Bank Loans		**991**	**509**	**1,499**	**100.0%**

Note: (1) Includes arrears

181. At the level of the Central Government, bank debt was concentrated among a small number of international financial institutions, with the three main institutions representing almost 99% of total exposure.

>>>> *PDVSA bank loans and credit facilities*

Table 18. Overview of PDVSA's bank loans and credit facilities – as of end-2025

in USDm	Maturity	Amount Nominal[1]	Accr. Int.	Total	% total
>>> PDVSA					
Bank Loans					
Total – Bank Loans[2]		**1,953**	**607**	**2,559**	**52.1%**
Credit Facilities					
Total – Credit Facilities		**1,474**	**882**	**2,356**	**47.9%**
Total – Bank Loans and Credit Facilities		**3,427**	**1,489**	**4,915**	**100.0%**

Notes: (1) Includes arrears; (2) Of which USD 240m is considered intra-public sector debt

182. PDVSA's bank debt is more material and diversified, totaling approximately USD 4.9 billion including accrued interest at the end of 2025, and split between bank loans of approximately USD 2.6 billion and credit facilities of approximately USD 2.4 billion.

4.2.2.5. Non-financial debt

183. PDVSA's non-financial debt can be divided into two main categories: the first category includes debt owed to commercial partners, mostly in relation with the extraction of the country's oil resources, while the second category represents debt owed to Venezuela's public sector, including BCV and BANDES.

184. PDVSA's commercial non-financial debt includes several additional categories of liabilities beyond financial instruments, with a total outstanding amount estimated at approximately USD 32.2 billion at end-2025. These firstly include promissory notes, which are debt instruments issued primarily to oilfield service providers in order to formalize and defer the settlement of outstanding obligations, and which represented around USD 4.3 billion of debt lines. Second, PDVSA carries a significant stock of supplier-related arrears. This category is complex, notably due to the distinction between accounts payable and accounts receivable, with gross balances significantly exceeding net positions. A large share of these balances reflects constraints on financial flows under the sanction environment, which have limited the ability to settle transactions. At end-2025, the outstanding amount was estimated at USD 17.1 billion, but its precise magnitude remains subject to reconciliation through audits and the verification of contractual and operational performance requirements. Third, PDVSA also carries liabilities at the level of the *empresas mixtas*, which operate oil fields

in partnership with international counterparties. These obligations are partly linked to retained dividends and operational arrangements, resulting in imbalances between accounts payable and accounts receivable across entities. The outstanding amount was estimated at around USD 10.8 billion at end-2025.

>>>> *PDVSA's non-financial commercial debt*

Table 19. Overview of PDVSA's non-financial debt obligations (excl. intra public sector) – as of end-2025

		Amount			
in USDm	**Maturity**	**Nominal[1]**	**Accr. Int.**	**Total**	**% total**
>>> PDVSA - Non-financial external debt					
Promissory notes					
Total - Promissory notes		**2,357**	**1,952**	**4,310**	**13.4%**
Suppliers Debt					
Total - Suppliers Debt		**17,097**	**…**	**17,097**	**53.0%**
"Empresas mixtas" Debt					
Total - *"Empresas mixtas"*		**10,834**	**…**	**10,834**	**33.6%**
Total		**30,289**	**1,952**	**32,241**	**100.0%**

Note: (1) Includes arrears

185. PDVSA also carries a significant stock of other non-financial liabilities, which are public sector exposures and represent a material component of PDVSA's debt, and which amounted to approximately USD 35 billion at the end of 2025.

>>>> *PDVSA's non-financial intra public sector debt*

Table 20. Overview of PDVSA's non-financial intra public sector debt – as of end-2025

		Amount			
in USDm	**Maturity**	**Nominal[1]**	**Accr. Int.**	**Total**	**% total**
>>> PDVSA - Non-financial intra public sector debt					
Certificates of investment					
BCV		2,400	817	**3,217**	**9.2%**
BANDES		293	24	**317**	**0.9%**
Total - Certificates of Investment		**2,693**	**841**	**3,534**	**10.1%**
Pagarés					
BCV		23,675	1,624	**25,299**	**72.2%**
Total - Pagarés		**23,675**	**1,624**	**25,299**	**72.2%**
Pensions					
PDVSA Pensions		3,790	2,419	**6,209**	**17.7%**
Total - Pensions		**3,790**	**2,419**	**6,209**	**17.7%**
Total		**30,158**	**4,884**	**35,042**	**100.0%**

Note: (1) Includes arrears

186. This stock is composed of pagarés (promissory note-type obligations), certificates of investment, and pension-related liabilities. These obligations are owed to public sector entities, most notably the Central Bank of Venezuela (BCV), particularly through certificates of investment and pagarés, as well as to other institutions such as BANDES and PDVSA's employee pension fund.

187. Certificates of investment represented a significant portion of this stock, with approximately USD 3.5 billion outstanding, largely held by the BCV. These instruments reflect financing arrangements within the public sector and are closely linked to liquidity management and monetary operations.

188. Pagarés constituted the largest component, amounting to approximately USD 25.3 billion as of end-2025, corresponding to a broad set of obligations that have been formalized but continue to be outside the standard financial debt perimeter.

189. Pension-related liabilities were also material, at around USD 6.2 billion, and are associated with obligations to PDVSA's workforce.

4.2.2.6. Arbitration debt

190. In addition to its financial debt, Venezuela is exposed to a large stock of arbitration-related claims – USD 26.3 billion as of end-2025 – arising from past expropriations and contractual disputes with international companies. These disputes are concentrated primarily in the oil and gas, agriculture and mining sectors and involve several major counterparties. Proceedings have been brought before a range of arbitral fora, notably the International Centre for Settlement of Investment Disputes (ICSID), the Permanent Court of Arbitration (PCA), UNCITRAL tribunals and, in certain cases, the International Chamber of Commerce (ICC). As a result, arbitration claims constitute a material component of the State's external liabilities, alongside more traditional financial obligations.

Table 21. Overview of arbitration debt – as of end-2025

in USDm	Award date	Principal awarded	Accrued interest	TOTAL	% of total
>>> Arbitration debt					
ConocoPhillips (CP-1)	Mar-19	8,506	2,908	**11,414**	**43.4%**
Agroinsumos Iberoamericanos	Mar-22	1,629	2,207	**3,836**	**14.6%**
Rusoro Mining	Aug-16	968	586	**1,553**	**5.9%**
ConocoPhillips[1] (CP-3)	Aug-18	1,888	(377)	**1,511**	**5.7%**
Crystallex[1]	Apr-16	1,202	60	**1,262**	**4.8%**
Gold Reserve[1]	Sep-14	713	464	**1,177**	**4.5%**
Venezuela Holdings[1]	Jul-23	985	(110)	**874**	**3.3%**
Valores Mundiales / Consorcio Andino	Jul-17	430	277	**707**	**2.7%**
OI European Group	Mar-15	372	308	**681**	**2.6%**
García Armas and García Gruber	Apr-19	214	292	**506**	**1.9%**
Smurfit Holdings	Aug-24	395	106	**501**	**1.9%**
Koch	Oct-17	307	140	**447**	**1.7%**
Diamante Trading	May-25	98	234	**331**	**1.3%**
Tanaris S.A. y Talta	Jan-16	87	194	**282**	**1.1%**
Tanaris S.A. y Talta	Dec-16	137	125	**262**	**1.0%**
Huntington Ingalls[1]	Feb-18	129	10	**139**	**0.5%**
Clorox	Aug-23	104	38	**142**	**0.5%**
Venezuela US	Nov-22	59	82	**141**	**0.5%**
Vestey Group	Apr-16	98	8	**106**	**0.4%**
Longreef Investment	Nov-17	42	38	**81**	**0.3%**
Flughafen Zurich	Nov-14	19	50	**70**	**0.3%**

Tidewater	Mar-15	36	33	**69**	**0.3%**
Saint Gobain	Nov-17	30	25	**55**	**0.2%**
ConocoPhillips (CP-2)	Jul-19	34	17	**51**	**0.2%**
Air Canada	Sep-21	21	18	**39**	**0.1%**
Gambrinus	Jan-25	30	8	**37**	**0.1%**
Dick Fernando Abanto Ishivata	Oct-24	6	10	**16**	**0.1%**
Total		**18,538**	**7,750**	**26,288**	**100.0%**

Note: (1) Total amount owed, net of partial payments made by Venezuela, or PDVSA, as applicable

191. To date, arbitration awards and judgments represent a significant volume of claims and expose the Republic to enforcement risk. The precise financial perimeter remains subject to the procedural status of each matter, including annulment, post-award and post-judgment interests, settlement discussions and arrangements and enforcement actions across jurisdictions.

192. The Republic's position is to seek an orderly and pragmatic resolution of these claims. The Government has indicated its willingness to resolve arbitration awards and judgments in a manner consistent with the broader normalization of Venezuela's external obligations. In that respect, they are expected to be addressed through a structured engagement strategy with claimants, with a view to reducing litigation risk, containing enforcement uncertainty and supporting the country's wider re-engagement with external investors and creditors.

4.2.2.7. Contingent liabilities

193. Contingent liabilities are an important, albeit difficult to quantify, component of Venezuela's broader balance sheet. They arise in particular from PDVSA-related obligations, including unaudited arrears owed to suppliers and other commercial counterparties, as well as from arbitration claims and awards. In addition, the public sector remains exposed to social liabilities, which are reflected in the budget framework but are sensitive to demographic trends and labor market developments.

194. While the precise magnitude of these liabilities is uncertain and may evolve over time, the Government is committed to addressing these exposures proactively, as they represent a potential source of pressure on public finances. In this regard, the Government is seeking to regularize legacy situations by limiting the build-up of new contingent obligations.

4.2.3. Public assets

4.2.3.1. Petróleos de Venezuela SA (PDVSA)

195. Petróleos de Venezuela, S.A. ("PDVSA") is Venezuela's state-owned oil and gas company and the central entity of the country's hydrocarbon sector. Established following the nationalization of the oil industry in 1976, PDVSA was created to consolidate State control over the nation's energy resources and has since evolved into a fully integrated oil company operating across exploration and production, refining, transportation and marketing activities. It represents a key pillar of the Venezuelan economy and the country's principal source of export earnings and foreign exchange inflows.

196. PDVSA's asset base is underpinned by one of the largest hydrocarbon endowments in the world, with the country holding more than 300 billion barrels of proven crude oil reserves. These reserves are overwhelmingly concentrated in the Orinoco Oil Belt, a vast extra-heavy oil province that represents the core of Venezuela's long-term production potential. In addition, PDVSA operates significant upstream assets in the

Lake Maracaibo Basin, one of the most mature producing regions globally, and in the Eastern Basin, which benefits from its proximity to key export and upgrading infrastructure. Together, these regions form the backbone of the company's production system.

197. The company's upstream activities are supported by extensive infrastructure, including oil fields, gathering systems, pipelines, storage facilities and export terminals. In particular, the José industrial complex plays a central role in blending, upgrading and exporting extra-heavy crude from the Orinoco Oil Belt. PDVSA also operates through a network of joint ventures with international partners, particularly in the Orinoco region, which have historically been used to develop large-scale projects and provide access to technical expertise and capital.

198. Beyond upstream operations, PDVSA maintains a significant refining platform. Domestically, its refining system includes large-scale assets such as the Paraguaná Refining Complex, as well as refineries in Puerto La Cruz and El Palito, supplying both domestic demand and export markets. Internationally, PDVSA has historically maintained downstream integration through foreign assets, most notably CITGO in the United States, providing access to key end-markets and supporting crude placement.

199. Operationally, PDVSA's production profile is heavily weighted toward heavy and extra-heavy crude oil, reflecting the geological characteristics of its resource base. Recent production levels have been slightly above 1.0 million barrels per day, with the majority of output originating from the Orinoco Oil Belt, followed by Lake Maracaibo and the Eastern region. This concentration highlights both the strategic importance of the Orinoco Oil Belt and the company's reliance on complex, capital-intensive developments to sustain output.

200. Overall, PDVSA combines an extensive resource base with significant upstream and downstream infrastructure, positioning it among the world's leading national oil companies. At the same time, its operations are concentrated in technically complex heavy-oil developments and mature fields, making its performance closely dependent on infrastructure reliability, investment levels and operational execution.

4.2.3.2. Citgo Petroleum Corporation (CITGO)

201. Citgo Petroleum Corporation ("CITGO") is a U.S.-based downstream oil company and a major independent refiner and marketer of transportation fuels, petrochemicals and lubricants. The company operates as an indirect wholly owned subsidiary of PDVSA (through PDV Holding, Inc. and CITGO Holding, Inc.) and constitutes the group's primary downstream platform in North America.

202. CITGO operates an integrated downstream business model combining refining, logistics and marketing activities across the United States, primarily east of the Rocky Mountains. Its commercial platform includes both wholesale distribution and a large-branded network of approximately 4,000 independently owned retail outlets, providing diversified and relatively stable product offtake. In addition, the company markets a broad portfolio of products, including gasoline, diesel, jet fuel, petrochemicals and lubricants, supported by established brands such as CITGO, Mystik and Clarion.

203. The company's asset base is anchored by three refineries located in Lake Charles (Louisiana), Lemont (Illinois) and Corpus Christi (Texas), with a combined refining capacity of approximately 829 thousand barrels per day (kbpd) in 2025, following organic capacity expansions, primarily at Lake Charles (479 kbpd) and Lemont (183 kbpd). These facilities are supported by a substantial midstream infrastructure, including 43 active terminals and multiple pipeline systems (five wholly owned and three joint interest pipelines), enabling efficient crude sourcing, storage and product distribution across key U.S. regions. This integrated logistics platform enhances operational flexibility and margin capture.

204. Operationally, CITGO benefits from a complex refining configuration capable of processing a wide range of crude slates, including heavier grades, allowing it to optimize feedstock sourcing depending on market conditions. In 2025, the company processed approximately 760 kbpd of crude oil – a new annual crude processing record – with total refinery throughput of 833 kbpd and an average crude utilization rate of 92% (based on the revised total rated crude capacity of 829 kbpd), reflecting strong operational performance despite a major crude system turnaround at the Corpus Christi Refinery. High reliability across its refining system and continued expansion of domestic sales volumes further supported performance.

205. Financially, CITGO generated approximately USD 1.28 billion of EBITDA, USD 1.25 billion of adjusted EBITDA and USD 452 million of net income in 2025, reflecting year-on-year improvements across all three metrics, supported by stronger refining margins and solid operational performance. The company maintains a strong liquidity position, providing financial flexibility in a cyclical refining margin environment.

206. Within the PDVSA group, CITGO plays a critical strategic role. Industrially, it provides a key outlet for crude oil and enables vertical integration into the U.S. downstream market. Financially, it represents one of PDVSA's most valuable international assets, generating hard-currency cash flows and supporting the group's liquidity. In this context, a controlling stake in CITGO Holding has been used as collateral in secured financing transactions.

207. Overall, CITGO combines a large-scale, complex refining platform with an integrated logistics and marketing network, positioning it as a significant player in the U.S. downstream sector, albeit with earnings inherently exposed to refining margin cycles.

4.2.3.3. CANTV / MOVILNET

208. CANTV is Venezuela's historic telecommunications operator and one of the State's main non-oil corporate assets. Following the 2007 nationalization process, the State secured a controlling stake of approximately 86.2% of CANTV's outstanding common shares, consolidating public control over fixed-line telephony, broadband infrastructure and related telecommunications services. Its mobile subsidiary, Movilnet, forms part of the same state-controlled platform and historically occupied a leading position in the domestic mobile market. In practical terms, CANTV should be understood as a core public connectivity asset with a nationwide infrastructure footprint and a longstanding role in the provision of essential communications services.

209. The strategic value of CANTV lies in its infrastructure base and its central role in domestic connectivity. The sector has evolved materially in recent years, with private operators gaining ground in both mobile and fixed broadband and with recent growth in fiber deployment driven largely by private capital. In that context, CANTV is a significant public infrastructure asset with an important national footprint, although one operating in a market that has become more competitive and more dynamic over time. More broadly, the company should be viewed as a core enabling asset for commerce, digital services and household connectivity.

210. Over time, the sector could also offer scope for additional value creation through a more structured approach to network modernization, spectrum allocation and passive infrastructure management. Targeted network rehabilitation, selective expansion of higher-quality connectivity and more predictable spectrum assignment processes could support investment planning across the sector. The progressive development of tower and site infrastructure could serve as a potential lever to support partnership-based models. In January 2025, CONATEL launched a public auction process for 4G and 5G frequency blocks, illustrating the extent to which the medium-term value of the telecommunications platform will also depend on the broader regulatory and licensing framework.

4.2.3.4. BANCO DE VENEZUELA (BDV)

211. Banco de Venezuela (BDV) is the State's principal banking asset and the core of public banking in the country. Acquired by the State in 2009 through the purchase of a controlling stake from Santander, the bank occupies a dominant position in the domestic financial system and plays a central role in deposit mobilization, retail payments, credit intermediation and public sector liquidity management. It serves as the main public sector banking platform in a relatively concentrated banking system comprising 27 institutions, including four large banks and three public sector banks.

212. Beyond its commercial banking role, BDV has broader strategic importance for the public sector and for domestic financial intermediation. Its large deposit base, supported in part by the concentration of public sector payroll flows, gives it a structural role in the circulation of domestic liquidity. The bank has a strong market position and serves as a platform for financial inclusion, access to banking services and the delivery of public services through electronic channels.

213. More broadly, BDV's importance reflects the structure of the Venezuelan financial system, where banking activity is centered on payments, collections, transactional services and short-term intermediation, while broader credit creation continues to be relatively limited. In this context, the bank's strategic value lies not only in its scale, but also in its centrality to payments, liquidity intermediation and the operational functioning of the domestic financial system.

4.2.3.5. CORPORACIÓN VENEZOLANA DE MINERÍA (CVM) AND OTHER KEY MINING ASSETS

214. The Corporación Venezolana de Minería (CVM) is the State's central mining vehicle and the main public counterparty for the development of strategic mineral assets. Its role has become more prominent as the institutional structure of the sector has been consolidated, notably through the announced absorption of MINERVEN into CVM. In practical terms, CVM now sits at the center of the State's mining platform, with responsibility for interfacing with investors and supporting the development of priority projects.

215. The State's mining asset base is significant and includes some of the country's most strategic non-oil resource endowments. It includes major gold and copper assets such as Las Cristinas / Brisas, as well as strategic bauxite, tin and rare earth deposits such as Los Pijiguaos. The State's strategic mining platform also includes the Siembra Minera project. These assets represent an important source of medium-term upside for export diversification and public revenue generation.

216. At the same time, the effective value of these assets is closely linked to the broader legal and operating environment. Venezuela's mining assets combine substantial geological value with a still-developing investment and operating framework, and their medium-term bankability will depend on continued progress in concession stability, operating rights and counterpart continuity.

4.2.3.6. CORPOELEC

217. CORPOELEC is the State-owned electricity company and the owner of the core assets of Venezuela's power sector. It was created through the consolidation of a previously decentralized network of regional utilities into a single national operator and now encompasses a broad range of legacy electricity assets across generation, transmission, distribution and commercialization activities. CORPOELEC is established by law as the State operator of the electricity sector, with its share capital held entirely by the Republic through the

Ministry of Electricity, thereby integrating the company into the broader governance and financing architecture of the public sector.

218. The company's strategic significance lies in the breadth of the infrastructure under its control and in its centrality to the functioning of the broader economy. The reorganization framework integrated legacy regional utilities into CORPOELEC's perimeter, including ENELVEN, ENAGEN, CADAFE, EDELCA, ENELCO, ENELBAR and SENECA, alongside other subsidiaries. This broader consolidation also included Electricidad de Caracas (ELECAR), which had been brought under public control in 2007 and was subsequently incorporated into the national electricity platform. CORPOELEC should therefore be understood as the national entity that absorbed the country's main legacy electricity operators and now controls the core system across generation, transmission and distribution.

219. While the sector currently faces significant operational constraints, the underlying asset base is substantial. CORPOELEC's medium-term agenda will depend largely on maintenance efforts, loss-reduction initiatives, the rehabilitation of transmission and distribution bottlenecks, and improvements in tariff-setting, procurement practices and corporate governance. CORPOELEC should therefore be understood as a large and strategic public infrastructure platform whose rehabilitation is likely to be a prerequisite for broader economic normalization.

4.2.3.7. BANDES

220. The Banco de Desarrollo Económico y Social de Venezuela (BANDES) was established in 2001 as the successor to the former Venezuelan Investment Fund (FIV). Operating as a State-owned autonomous technical institution attached to the Ministry of People's Power for the Economy and Finance, BANDES serves as the principal financial arm of the Venezuelan State's long-term development strategy. Its core mandate is to promote the diversification of the economy, foster regional development and encourage both private and public investment in non-traditional sectors. Through the provision of long-term financing and technical assistance, the institution seeks to support the transition of the national economy toward a more diversified productive structure.

221. BANDES' operational focus is centered on large-scale infrastructure, telecommunications and industrial modernization. The bank has played a key role in financing the expansion of the national electricity grid, the modernization of the Simón Bolívar satellite system and major railway infrastructure projects. Beyond heavy industry, BANDES manages a range of thematic funds that channel resources toward social programs and urban redevelopment initiatives. These efforts are designed to strengthen domestic productivity and social cohesion, although the bank's operational capacity has been significantly affected in recent years by international financial sanctions, high inflation and domestic fiscal volatility.

222. A defining feature of BANDES's recent history is its role as the primary intermediary for the Sino-Venezuelan Joint Fund (*Fondo Mixto Chino-Venezolano*). This bilateral mechanism has facilitated billions of dollars in credit lines from the China Development Bank (CDB), primarily structured as "loans-for-oil" arrangements. Under this framework, BANDES has managed the disbursement of Chinese financing for domestic infrastructure projects, while the State oil company, PDVSA, has serviced the associated debt through crude oil shipments. This relationship has placed BANDES at the center of Venezuela's bilateral debt management framework.

4.3. Overview of Venezuela's external sector

Table 22. Overview of Venezuela's balance of payments

in USDm	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	Q1-2026
Current account	**(2,469)**	**4,463**	**13,602**	**1,254**	**(8,574)**	**(1,938)**	**1,982**	**637**	**2,354**	**569**	**2,445**
Balance on goods	**12,382**	**20,232**	**25,588**	**12,004**	**(2,722)**	**4,008**	**8,825**	**6,659**	**7,920**	**7,394**	**3,700**
Goods exports (fob)	**28,737**	**34,150**	**38,508**	**21,905**	**8,724**	**15,527**	**21,618**	**19,731**	**25,071**	**24,911**	**7,759**
Hydrocarbon exports	25,996	31,010	33,066	14,644	4,815	10,761	15,320	13,478	18,372	17,068	5,491
Goods imports (fob)	**(16,355)**	**(13,918)**	**(12,920)**	**(9,901)**	**(11,446)**	**(11,519)**	**(12,793)**	**(13,072)**	**(17,151)**	**(17,517)**	**(4,059)**
Balance on services	**(8,384)**	**(8,947)**	**(6,469)**	**(6,374)**	**(4,026)**	**(4,808)**	**(4,672)**	**(4,783)**	**(4,932)**	**(4,855)**	**(918)**
Balance on income	**(6,842)**	**(7,583)**	**(7,571)**	**(7,509)**	**(4,395)**	**(4,769)**	**(5,798)**	**(4,401)**	**(3,888)**	**(5,673)**	**(1,363)**
Balance on goods, services and income	**(2,844)**	**3,702**	**11,548**	**(1,879)**	**(11,143)**	**(5,569)**	**(1,645)**	**(2,525)**	**(900)**	**(3,134)**	**1,419**
Current transfers	**375**	**761**	**2,054**	**3,133**	**2,569**	**3,631**	**3,627**	**3,162**	**3,254**	**3,703**	**1,026**
Capital and financial account	**(2,291)**	**(5,275)**	**(9,430)**	**(3,851)**	**7,301**	**5,023**	**(1,451)**	**(3,071)**	**(5,304)**	**(2,544)**	**(1,895)**
Capital account	**–**	**–**	**–**	**–**	**–**	**–**	**(70)**	**–**	**(1,547)**	**–**	**–**
Financial account	**(2,291)**	**(5,275)**	**(9,430)**	**(3,851)**	**7,301**	**5,023**	**(1,381)**	**(3,071)**	**(3,757)**	**(2,544)**	**(1,895)**
Direct investment	**(789)**	**(2,628)**	**(1,429)**	**1,366**	**(952)**	**(429)**	**1,800**	**(2,086)**	**(2,531)**	**(799)**	**(263)**
Abroad	(1,033)	(2,329)	(2,051)	163	(923)	(1,287)	(385)	(626)	(203)	(266)	(45)
In the country	244	(299)	622	1,203	(29)	858	2,185	(1,460)	(2,328)	(533)	(218)
Portfolio investment	**(931)**	**31**	**3,717**	**4,224**	**4,658**	**4,495**	**2,863**	**2,033**	**1,855**	**3,073**	**926**
Assets	895	747	628	508	1,057	1,072	(113)	(390)	(357)	(899)	(122)
Liabilities	(1,826)	(716)	3,089	3,716	3,601	3,423	2,976	2,423	2,212	3,972	1,048
Other investment	**(571)**	**(2,678)**	**(11,718)**	**(9,441)**	**3,595**	**957**	**(6,044)**	**(3,018)**	**(3,081)**	**(4,818)**	**(2,558)**
Assets	1,673	(1,936)	(2,126)	2,702	976	(4,652)	(8,599)	(4,242)	(258)	(1,046)	(1,719)
Liabilities	(2,244)	(742)	(9,592)	(12,143)	2,619	5,609	2,555	1,224	(2,823)	(3,772)	(839)
Errors and omissions	**(2,048)**	**322**	**(3,217)**	**324**	**1,035**	**1,963**	**(675)**	**2,308**	**3,137**	**2,384**	**(347)**
Overall balance	**(6,808)**	**(490)**	**955**	**(2,273)**	**(238)**	**5,048**	**(144)**	**(126)**	**187**	**409**	**203**
Net reserve transactions[1]	**6,808**	**490**	**(955)**	**2,273**	**238**	**(5,048)**	**144**	**126**	**(187)**	**(409)**	**(203)**
Assets	**6,346**	**304**	**(1,334)**	**1,593**	**538**	**(5,175)**	**49**	**70**	**(192)**	**(412)**	**(203)**
BCV	6,346	304	(1,334)	1,593	538	(5,175)	49	70	(192)	(412)	(203)
FIV	–	–	–	–	–	–	–	–	–	–	–
FIEM / FEM	–	–	–	–	–	–	–	–	–	–	–
BCV liabilities	**462**	**186**	**379**	**680**	**(300)**	**127**	**95**	**56**	**5**	**3**	**–**

Note: (1) A positive sign indicates a decrease in the corresponding asset or an increase in the corresponding liability. A negative sign indicates an increase in the corresponding asset or a decrease in the corresponding liability.

4.3.1. Overview of current account performance

223. Venezuela's current account has shown a marked improvement in recent years, following a period of deficit in 2020-2021 driven by the combined effects of the COVID-19 shock and the decline in oil prices. Since then, the current account has returned to a moderate surplus, supported primarily by a recovery in exports, particularly in the hydrocarbon sector. More broadly, the external position reflects an adjustment process taking

place in a context of limited access to external financing, with the current account playing a central role in balancing external accounts.

4.3.2. Overview of Venezuela's exports

224. Oil exports are the principal driver of Venezuela's external sector dynamics, both historically and in the recent recovery. Prior to the tightening of sanctions, export performance was supported by both favorable prices and production volumes. A sharp contraction subsequently occurred, with oil exports declining from USD 33.1 billion in 2018 to USD 14.6 billion in 2019, representing a decrease of approximately 56%. Compared with the USD 84.6 billion recorded in 2013, oil exports in 2019 were approximately 83% lower.

225. After remaining subdued for several years, oil exports recovered to approximately USD 18.4 billion in 2024 (and USD 17.1 billion in 2025), making a significant contribution to the improvement of the current account balance. Net oil exports followed a similar trajectory, underscoring the central role of hydrocarbons in shaping Venezuela's external balances. At the same time, oil-related foreign exchange inflows are centralized through the central bank and redistributed through the domestic banking system, which plays a key role in transmitting external revenues to the broader economy.

226. Data for the first quarter of 2026 point to a further strengthening of the external position. The current account recorded a surplus of USD 2.445 billion during the quarter, driven primarily by a merchandise trade surplus of USD 3.7 billion. This performance reflects the continued strength of exports – particularly oil exports – and confirms the continuation of the external adjustment process observed since 2022.

227. Non-oil exports have displayed a more moderate and stable trajectory, despite a temporary decline during the pandemic period, when they fell to approximately USD 3.9 billion in 2020. Since then, they have gradually recovered to around USD 7.8 billion in 2025, supported in part by gold exports and other non-traditional sectors. In parallel, remittances, estimated at approximately USD 3 billion annually, constitute a stable and structurally important source of foreign exchange, contributing directly to the financing of imports and supporting the resilience of the current account.

4.3.3. Overview of Venezuela's imports

228. On the import side, non-oil imports have exhibited relatively limited volatility in recent years, remaining broadly stable despite the economic contraction and increasing gradually over time, from approximately USD 9.8 billion in 2020 to USD 15.1 billion in 2025 for goods, and from USD 4.0 billion to USD 4.9 billion for services. This evolution reflects a gradual normalization of domestic demand, while staying consistent with prevailing external constraints. Importantly, imports are increasingly financed through private-sector foreign exchange holdings and domestic financial intermediation, rather than through traditional external financing channels.

4.3.4. Overview of financial & capital account performance

229. The capital account was negligible over the period, with only marginal and sporadic flows.

230. By contrast, the financial account exhibits significant variability over time, with alternating periods of net inflows and outflows. While the positive balances observed in 2020–2021 reflect temporary financing dynamics, the negative financial account positions recorded in other years should be interpreted in

light of Venezuela's constrained access to external capital markets. In this context, net outflows do not primarily reflect active capital export or deleveraging, but rather the absence of sustained capital inflows, combined with adjustments in non-market financial flows.

231. Financial account dynamics are largely driven by movements in the "other investment" category, including trade credits, intercompany balances and oil-related operational flows, which are intermediated through the domestic banking system. In addition, the accumulation of arrears and the partial or non-servicing of external obligations introduce distortions in the recording of flows, leading to apparent net outflows that may not correspond to actual capital movements. These dynamics are further shaped by the structure of the financial system, in which external flows are channeled through the central bank and domestic banks, and where key operators may not hold local foreign currency accounts.

232. Finally, the broader balance of payments framework is influenced by the exchange rate regime, which is characterized by a market-based official exchange rate alongside a persistent parallel market premium. The Central Bank intervenes periodically in the foreign exchange market, recently in amounts on the order of USD 1.3 billion per month, to stabilize market conditions. Overall, Venezuela's balance of payments reflects an economy operating under external financing constraints, where adjustment occurs through trade dynamics, private-sector financing channels and the domestic intermediation of foreign exchange, rather than through conventional capital inflows.

4.3.5. Overview of foreign exchange reserves

Table 23. Evolution of Venezuela's foreign exchange reserves

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	Jul-26
Total *(USDm)*	**10,995**	**9,665**	**8,840**	**6,633**	**6,367**	**10,917**	**9,924**	**9,817**	**10,266**	**13,309**	**12,826**
BCV *(USDm)*	10,992	9,662	8,837	6,630	6,364	10,914	9,921	9,814	10,263	13,306	12,823
FIEM / FEM[1] *(USDm)*	3	3	3	3	3	3	3	3	3	3	3

Note: (1) Fondo de Inversión para la Estabilización Macroeconómica

233. International reserves have shown a gradual recovery in recent years, increasing from approximately USD 6.4 billion in 2020 to USD 12.8 billion in July 2026, following a period of decline between 2016 and 2020. This upward trend reflects the improvement in the current account balance and the accumulation of foreign exchange, supported by higher gold prices, the recovery in oil exports and sustained remittance inflows. The reported stock of international reserves includes IMF Special Drawing Rights (SDRs), estimated at SDR 3.3 billion, or approximately USD 4.5 billion, as well as gold reserves held in London, estimated at USD 4 billion.

234. At the same time, reserve dynamics are closely linked to the centralized management of foreign exchange by the BCV, which intermediates oil-related inflows and actively intervenes in the foreign exchange market. Overall, the level of reserves is moderate relative to external needs, highlighting the continued importance of current account surpluses and controlled foreign exchange allocation in maintaining external stability.

4.3.6. Overview of the foreign exchange regime & rate performance

235. Venezuela currently operates under a market-based official exchange rate regime, with foreign exchange distributed through the domestic banking system. In practice, foreign-currency proceeds generated by PDVSA are converted at the Central Bank and subsequently redistributed to local banks through auction-based mechanisms, which in turn supply end users. The current framework does not rely on an import-

prioritization system, and private-sector imports benefit from access to foreign exchange under the prevailing exchange rate regime.

236. At the same time, exchange rate performance continues to reflect the balance between foreign exchange availability and domestic demand for hard currency. The official rate has diverged from the parallel market rate, largely reflecting constraints in the availability of foreign exchange. In response, the BCV has intervened in the foreign exchange market to restore more orderly price formation. Overall, the regime can therefore be described as a market-based official arrangement operating under limited foreign exchange market depth, with the central bank playing an active role in smoothing market conditions.

4.4. Overview of Venezuela's monetary sector

4.4.1. Overview of inflation history

237. Inflation performance in Venezuela continues to be closely linked to exchange rate dynamics and foreign exchange availability. Periods of tighter foreign currency conditions tend to weaken exchange-rate stability and increase imported inflation, while periods of stronger foreign currency availability allow for more effective exchange-rate management and a more favorable price dynamic. In that respect, the inflation process is shaped not only by domestic monetary conditions, but also by the economy's external liquidity position, the capacity of the central bank to supply foreign exchange to the market, and the fiscal stance.

238. Inflation trends in recent years illustrate the importance of external liquidity conditions. As oil exports recovered in late 2023 and throughout 2024, the associated increase in foreign exchange inflows supported exchange rate stabilization and contributed to a sharp disinflation, with end-of-period inflation falling to around 48% in 2024. This more favorable dynamic proved temporary, however, as inflation accelerated again in 2025 amid the effects of sanctions, renewed pressures on foreign exchange availability and exchange rate depreciation.

Table 24. Evolution of national consumer price index (annual, %)

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	Aug-26
End of period	274.4%	862.6%	130,060.2%	9,585.5%	2,959.8%	686.4%	234.1%	189.8%	48.0%	475.3%	534.2%
Average	254.9%	438.1%	65,374.1%	19,906.0%	2,355.1%	1,588.5%	186.7%	337.2%	49.3%	252.0%	339.9%

239. After a renewed acceleration in 2025, recent data suggest a partial easing in annual price pressures over the last 12 months. Annual inflation declined to 534.2% in August 2026, from 594.8% in January 2026. This recent monthly moderation appears consistent with improved foreign exchange availability and a more active exchange rate management by the BCV, in a context where stronger oil activity has supported broader foreign currency inflows. Preliminary indications suggest that this disinflationary trend has continued in recent weeks, supported by improved foreign exchange availability and more orderly exchange rate conditions.

Table 25. Evolution of national consumer price index over the past 12 months (annual, %)

	Sep-25	Oct-25	Nov-25	Dec-25	Jan-26	Feb-26	Mar-26	Apr-26	May-26	Jun-26	Jul-26	Aug-26
Evolution	**336.7%**	**428.7%**	**458.0%**	**475.3%**	**594.8%**	**617.9%**	**649.5%**	**611.9%**	**524.5%**	**544.1%**	**576.0%**	**534.2%**

240. Monetary aggregates also reflect the close interaction between domestic liquidity conditions, foreign-exchange availability and inflation dynamics. In the Venezuelan context, the evolution of net foreign and domestic assets is closely linked to foreign-exchange inflows from crude oil exports, which represent the main source of external liquidity. Periods of stronger oil export receipts tend to improve foreign currency availability, support more orderly exchange-rate conditions and, in turn, contribute to a more favorable inflation dynamic. Conversely, weaker export inflows tend to reduce foreign currency availability and increase pressures on both the exchange rate and domestic prices.

Table 26. Selected monetary indicators (annual, in BSm)

in BSm	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	Jul-26
Net foreign assets	**33**	**160**	**3,603,727**	**276**	**6,268**	**23**	**71**	**126**	**45**	**922**	**2,168**
Net domestic assets	**20**	**828**	**(3,168,404)**	**(244)**	**(5,846)**	**(21)**	**(57)**	**(91)**	**57**	**(232)**	**(711)**
Claims on the public sector	41	1,132	–	1,166	26,113	111	266	106	329	1,030	2,044
Monetary base	54	988	435,324	32	422	2	14	35	101	690	1,457

Note: Monetary redenomination removing six zeros on Oct. 1st, 2021

4.4.2. Overview of the financial sector

241. Venezuela's financial sector is organized around a relatively concentrated banking system combining public and private institutions. Public banking plays a central role, with Banco de Venezuela serving as the main public sector banking platform, while a limited number of large private banks are important for deposit mobilization, payment services and the financing of households and firms. More broadly, the banking system continues to play a key role in the intermediation of trade-related flows, notably through import financing and the distribution of foreign exchange through domestic banks. The sector comprises 27 institutions, including four large banks and three public sector banks.

242. The sector continues to be operational and has adapted to a macroeconomic environment shaped by exchange-rate volatility, high inflation and limited long-term financing capacity. In practice, banking activity is centered increasingly on payments, collections, transactional services and short-term intermediation, while broader credit creation is relatively limited. Payment activity is now largely digitized and continues to be processed primarily within the domestic banking system.

243. The principal constraints affecting the sector are linked primarily to the broader operating environment. External financial connectivity continues to be affected by sanctions and correspondent banking frictions, while the growing use of foreign-currency transactions has supported commercial activity but also reinforced a dual-currency environment that limits local-currency intermediation. As a result, domestic financing continues to rely primarily on deposits, internally generated cash flows and short-term banking products. A more meaningful deepening of financial intermediation would therefore depend on continued macroeconomic stabilization, improved external financial connectivity, a more predictable framework for liquidity and credit conditions, and the easing of external restrictions.

Focus 12. Overview of BCV's role and organizational structure

The Banco Central de Venezuela (BCV) is the country's monetary authority and is legally responsible for preserving price stability and the value of the national currency.

Its core functions include the formulation and implementation of monetary policy, the issuance of currency, the administration of the Republic's international reserves, participation in exchange-rate policy, and the regulation of monetary, credit and payment conditions in the domestic financial system. In operational terms, the BCV also plays a central role in the management of foreign-exchange flows, including the conversion and redistribution of oil-related foreign currency receipts through the banking sector.

The BCV is governed by a Board of Directors chaired by the President of the BCV. The Board comprises the BCV President and six directors, including one government minister, while the Bank also includes a first managing vice president and vice presidents responsible for specific technical areas. The President of the Republic appoints the BCV President and the members of the Board under the framework of the Organic Law of the BCV. This places the BCV at the center of macroeconomic management, with responsibilities that extend across monetary policy, reserve management, exchange operations and the functioning of the domestic payments system.

In October 2026, the BCV and the Ministry of Popular Power for Economy and Finance released the 2027 Annual Agreement on Economic Policies, as stipulated by the Constitution. It outlines baseline assumptions for macroeconomic forecasts, fiscal and monetary policy priorities, as well as the division of labor and reporting requirements for economic authorities.

4.5. Focus on public debt restructuring

244. The Government's approach to public debt restructuring is grounded in a careful calibration of macroeconomic objectives, a comprehensive treatment of the public debt, and a transparent and rules-based engagement with creditors. It will serve three core objectives:

- Supporting economic recovery by creating fiscal space for priority spending and investment, thereby helping reduce financing constraints, rebuilding productive capacity, and supporting a virtuous recovery cycle.
- Normalizing Venezuela's debt obligations, including outstanding external commercial debt issued in the form of Eurobonds by the Republic and PDVSA, while addressing official debt obligations through renewed institutional engagement with the international financial community.
- Restoring public debt sustainability through a restructuring supported by a rigorous debt sustainability analysis that is calibrated to deliver meaningful debt relief.

245. The credibility of the restructuring process will rest on a robust framework, characterized by:

- A strong fiscal and social policy anchor, supported by a coherent set of policy initiatives that demonstrate the Government's commitment to improving living standards, maintaining macroeconomic discipline and advancing structural transformation;
- A clear and comprehensive perimeter of eligible debt, encompassing all relevant external public-sector obligations, including those of the Republic and PDVSA, through a unified restructuring process where appropriate.
- The fairness and consistency of treatment across creditor groups.

246. The restructuring will be underpinned by four key principles:

- Sustainability, with restructuring terms anchored in a rigorous debt sustainability analysis reflecting Venezuela's actual needs and the objective of meaningful debt relief;
- Comprehensiveness, with a perimeter encompassing all relevant external public-sector obligations, including those of the Republic and PDVSA, through a unified process;
- Good faith and transparency, through open, continuous and proactive engagement with creditor groups, supported by a formal data-sharing process;
- Celerity, with the objective of reaching a swift, consensual and comprehensive resolution in the best interests of the Venezuelan people.

247. This approach is underpinned by a credible and transparent framework, grounded in the Government's broader economic reform program and supported by clear policy anchors. It will be implemented in accordance with well-established principles, including comprehensiveness, fairness, transparency, and consistency across creditor groups. These elements are intended to facilitate constructive and good faith engagement with creditors, support an orderly and timely restructuring process, and lay the foundations for a durable restoration of Venezuela's creditworthiness.

4.6. Overview of Venezuela's macroeconomic framework

4.6.1. Presentation of the macroeconomic framework

248. The macroeconomic framework is structured around three core pillars:

a. **Sectoral & macro-consistency:** The framework is built on mutually consistent hydrocarbon, real sector, fiscal, monetary and external accounts, with key macroeconomic interlinkages captured in line with financial programming best practices.

b. **Anchor of the policy agenda:** The framework is underpinned by the set of policy instruments and reform agenda outlined in this Plan, ensuring that the macroeconomic projections are supported by actual economic policy measures. These policy instruments have been calibrated to restore both internal and external macroeconomic balances.

c. **Balanced outlook:** The framework provides a balanced assessment of upside and downside risks, accounting for implementation constraints and social and economic acceptability considerations, while reflecting an ambitious policy direction.

249. Within this framework, the fiscal, real, monetary, and external accounts rest on the assumptions that public debt returns to a sustainable path, sufficient external financing is secured to meet public financing needs, and international reserves rise to an adequate level, in line with policy commitments under Pillar #2.

4.6.1.1. General indicators

250. Real GDP growth is expected to reach 5.0% in 2026, supported by higher hydrocarbon production and the resilience of the rest of the economy, despite the significant impact of the recent earthquakes. While the earthquakes are expected to weigh on non-hydrocarbon real GDP growth in 2026, projected at 4.6%, reconstruction efforts should help mitigate their adverse impact on economic activity, with a gradual recovery expected over the short to medium term.

251. Over the coming years, Venezuela is expected to experience robust economic growth, driven primarily by the expansion of hydrocarbon activity. In this context, real GDP is projected to grow at an average annual growth rate of 6.3% over the next decade (2026-36).

252. Hydrocarbon production is expected to remain a key driver of economic activity, underpinned by a significant increase in oil production. Crude oil production is projected to reach 2.9 million barrels per day by 2036, supported by the proactive mobilization of foreign direct investment, together with the modernization and improvement of hydrocarbon infrastructure. This trajectory implies an average growth rate of approximately 9.1% per year in crude oil production between 2025 and 2036.

253. The expansion of the hydrocarbon sector is also expected to support a recovery in non-hydrocarbon activity, with non-hydrocarbon real GDP projected to grow at an average rate of 5.6% per year over 2026–2036. This recovery is expected to be supported by the normalization and reopening of the economy, positive spillovers from hydrocarbon production ramp-up, the gradual easing of economic sanctions, qualitative and quantitative improvements in labor supply, the expansion of the formal sector, the rebuilding of the productive capital stock, and the progressive removal of key structural constraints to growth. Fiscal consolidation is expected to moderately temper these positive growth dynamics, although its impact on activity is expected to continue to be contained.

254. Inflation is expected to accelerate in 2026 as a result of base effects carried over from the previous year and persistently elevated inflation expectations. Over the medium term, however, inflationary pressures are expected to gradually subside, with inflation converging toward a medium-term average of approximately 24%, supported by the reform and strengthening of the monetary policy framework.

255. As the economy reopens to foreign capital, a substantial increase in capital expenditure and investment flows is expected to exert upward pressure on the real exchange rate, starting from a level that is slightly overvalued relative to fundamentals. In this context, the real exchange rate is projected to appreciate by approximately 32% by 2036, broadly in line with historical episodes of significant increases in capital expenditure and investment.

256. As a result of stronger real economic activity and the projected appreciation of the real exchange rate, nominal GDP expressed in U.S. dollars is expected to double by 2031, from USD 98.1 billion in 2025 to USD 200.9 billion, and is expected to reach USD 290.6 billion in 2036, thereby gradually recovering toward pre-sanctions levels.

4.6.1.2. Fiscal perspectives

257. The primary deficit is expected to stand at 3.2% of GDP in 2026, supported by elevated Brent prices amid persistent geopolitical tensions in the Middle East. The public sector primary deficit is expected to be fully eliminated by 2031, with the primary balance subsequently converging toward a long-term target of 1.0% of GDP by 2036, supported by the implementation of a robust fiscal rules framework.

258. The envisaged fiscal consolidation is expected to represent a tightening of non-hydrocarbon primary balance[2] by 7.2pp of GDP between 2026 and 2031, representing a sizeable fiscal adjustment by international standards. This represents an adjustment of 9.6pp expressed in terms of non-hydrocarbon GDP. This adjustment translates into a USD 37.4/bbl reduction in the primary fiscal breakeven Brent price over the period.

259. Net hydrocarbon public revenues are expected to increase from USD 12.8 billion in 2026, including PDVSA's net fiscal position, to USD 18.4 billion by 2031, representing a 44% increase. This reflects the combined effect of an 88% cumulative increase in production and a 31% decline in Brent prices over the period. The increase in other hydrocarbon-sector taxes, including the sector's corporate income tax, is expected to occur primarily toward the end of the period, as operating and capital expenditures are concentrated in the short to medium term to support production ramp up. Hydrocarbon royalties are expected to increase steadily, from USD 9.0 billion in 2026 to USD 13.2 billion in 2031, while non-tax hydrocarbon revenues items should be phased out as existing distortions are eliminated. PDVSA's net fiscal position is expected to improve substantially, supported by higher production, stronger revenue-generating capacity in a normalized operating environment, and the progressive reform of hydrocarbon subsidies.

260. The tax revenue-to-GDP ratio is expected to increase through stronger domestic revenue mobilization, rationalization of the tax system, and broadening of the tax base. Non-hydrocarbon revenues are projected to increase by 4.4pp of GDP, from 10.7% of GDP in 2026 to 15.2% by 2031, gradually converging toward levels observed among regional peers, at a pace consistent with social and economic objectives.

261. Primary public expenditure, comprising central government spending and hydrocarbon subsidies borne at the PDVSA level, is expected to reach 29.7% of GDP in 2026, including 1.6% of GDP related to post-earthquakes reconstruction, before gradually declining to 25.3% of GDP by 2031 through

[2] *Excluding public expenditures related to reconstruction following the earthquakes*

a set of expenditure-containment measures. This trajectory is underpinned by the Government's reform agenda under Pillar #2. Average public-sector wages are expected to increase from approximately USD 200 per month in January 2026 to USD 561 per month by 2032, gradually converging toward regional benchmarks to improve public service delivery. Hydrocarbon subsidies are expected to be progressively rationalized to improve their targeting and efficiency, while social transfers will be preserved to protect poor and vulnerable households, particularly those whose economic conditions have deteriorated following the recent earthquakes.

262. Non-hydrocarbon public investment is expected to increase from 2.0% of GDP in 2026 to 3.0% by 2028[3], supporting the rebuilding of the productive capital stock and the rehabilitation of critical infrastructure needed to catalyze economic growth. Investment in the electricity sector will be particularly important given its significant enabling effects across the economy.

263. Reconstruction needs related to the earthquakes have been estimated at USD 19.6 billion based on the World Bank's GRADE assessment, of which approximately USD 10 billion is expected to be borne by the public sector. Public reconstruction spending is expected to be spread over approximately five years, given domestic implementation and absorption capacity constraints. The remaining reconstruction needs are expected to be met through private-sector investment.

4.6.1.3. Balance of payments

264. Hydrocarbon exports are expected to increase by USD 13.0 billion between 2025 and 2026, reflecting a combination of higher export volumes and higher realized prices following the increase in international oil prices. Hydrocarbon exports are subsequently expected to increase by a further USD 15.8 billion by 2031, supported by the ramp-up in oil and gas production. Growth is expected to be primarily driven by crude oil and refined fuel oil, with natural and associated gas providing an additional contribution from 2028 onwards, as the Loran and Dragon fields come online.

265. In 2025, approximately two-thirds of non-hydrocarbon exports consisted of gold, of which around 15% of volumes reflected an exceptional sale. From 2026 onwards, gold export volumes are expected to normalize toward their recurring trend and to be valued at projected international gold prices. Other non-hydrocarbon exports are expected to increase gradually over time as the economy reopens, gains access to new export markets, removes key barriers to growth and trade, and progressively diversifies its productive and export base.

266. Regarding hydrocarbon imports, the naphtha import bill, primarily associated with the blending and upgrading of extra-heavy crude oil, is expected to reach USD 3.4 billion. It is projected to decline over the medium term, supported by the normalization of international naphtha prices, improved procurement efficiency, replenishment of upgraders' naphtha stock, and efficiency gains across upgrading facilities.

267. The ramp-up in oil-sector activity is expected to generate a significant increase in associated imports, from 9.4% of GDP in 2026 to 10.5% by 2031. Hydrocarbon-related operating and capital expenditures have a substantial import component, reflecting constrained domestic industrial capacity following a decade of sanctions. As domestic industrial capacity is progressively rebuilt, the import content of upstream and refining expenditures is expected to gradually decline.

268. Remaining non-hydrocarbon imports of goods and services are expected to increase significantly from 16.2% of GDP in 2025 to 21.6% by 2026 before gradually reverting to 18.6% of GDP in 2031. Increases in volumes reflect three main factors. First, earthquakes reconstruction expenditure is expected

[3] *Excluding capital expenditures required to support the reconstruction following recent earthquakes*

to generate substantial demand for imports given its high import content. Second, stronger economic activity should support imports through both higher household incomes and increased demand for imported intermediate goods needed for domestic production. Third, real exchange rate appreciation is expected to strengthen households' purchasing power for foreign goods and services, particularly following several years of constrained access to imports, before equilibrium real exchange rate catches up as the economic ramp up materializes. Over time, this increase should be partly offset by fiscal consolidation, which is expected to weigh on import volumes both directly, through lower import-intensive public expenditure, and indirectly, through more moderate domestic demand. Regarding non-hydrocarbon import prices, the reopening and normalization of import channels should materially reduce shipping costs and trade frictions, narrowing the wedge between FOB and CIF import prices, while FOB prices are expected to increase in line with trading partners' inflation rate.

269. With regard to factor revenues, foreign oil and gas partners are assumed to repatriate their full operating cash flows through dividend distributions, resulting in a medium-term increase in hydrocarbon-related dividend outflows as fields operated under EM and CPP arrangements progressively reach maturity. These outflows are expected to increase from 3.8% of GDP in 2026 to 6.8% by 2031. Income outflows associated with non-hydrocarbon FDI and portfolio investment are also expected to increase as foreign capital progressively returns to the country, and non-hydrocarbon projects reach maturity.[4]

270. On the inflow side of current transfers, remittances are expected to stay resilient, averaging approximately 2.5% of GDP over 2026–2036. In nominal terms, remittance inflows are assumed to grow broadly in line with nominal economic activity in countries hosting sizeable Venezuelan diaspora populations.

271. Hydrocarbon-sector FDI is expected to increase significantly as foreign partners contribute to the financing of oil-sector capital expenditures. This trajectory is supported by recently concluded agreements with investors, alongside proactive measures aimed at attracting additional foreign investment into the upstream hydrocarbon sector. This includes mostly committed financing for the hydrocarbon sector on a field-by-field basis, assuming further commitments to be finalized. In the non-hydrocarbon economy, reforms aimed at reopening the economy and improving the investment environment are expected to support a gradual recovery in FDI and portfolio inflows from 2027 onwards.

272. Public-sector external financial flows – including debt service, financing flows and international reserve accumulation – will largely depend on the outcome and terms of the sovereign debt restructuring process, to be negotiated.

273. External sustainability depends on both hydrocarbon export revenues and foreign capital required to sustain production. Venezuela's net FX revenue generation capacity is therefore best reflected in the *adjusted* non-interest current account, including hydrocarbon FDI, net of hydrocarbon-sector dividend repatriation. In 2026, Venezuela expects a deficit of 0.9% of GDP, supported by elevated hydrocarbon prices, which gradually normalize over the following years. In the medium term, rising hydrocarbon production gradually outweighs upward pressures on the non-hydrocarbon import bill from economic reopening and real appreciation, bringing the *adjusted* non-interest current account to equilibrium by 2031 and to a 2.6% of GDP surplus by 2036.

[4] *By convention, foreign partners are assumed to fully repatriate their operating cash flows, recorded as current-account outflows, while their full gross capital expenditures are recorded as hydrocarbon-sector FDI inflows. This treatment is applied instead of assuming the reinvestment of earnings. This accounting convention is neutral from an overall balance-of-payments perspective.*

4.6.1.4. Overview of the hydrocarbon sector

274. Brent prices reflect the latest 2026 outturn and IMF October World Economic Outlook forecasts, in line with recent market expectations. Venezuelan crude trades at a discount to Brent, reflecting Venezuela's heavy/extra-heavy crude slate as well as ongoing marketing inefficiencies related to sanctions and to market distortions following geopolitical tensions in 2026. The sanctions-related discount is expected to gradually narrow as restrictions are lifted and crude marketing channels diversify. The entire crude oil production is purchased by PDVSA at the "fiscal point", at a price including a commercialization discount to compensate PDVSA for its services of transportation, storage and shipping.

275. Crude oil production is expected to increase from 1.2 mbbl/d in 2026 to 2.9 mbbl/d by 2036, supported by a significant ramp-up in upstream capacity, and to exceed 3.0 mbbl/d by 2038. The trajectory is based on field-by-field business plans, including agreements with foreign partners, and incorporates technical assumptions on reservoir management, natural decline, and the capex required to develop and maintain subsurface capacity. These plans are overlaid with a qualitative assessment of operational risks, including potential disruptions to power generation, processing and export infrastructure. At the macro level, the production trajectory is also consistent with available and planned surface capacity across upgrading, blending, transportation, storage and shipping – subject to delivery of the capital expenditure plan.

276. Refined products are primarily directed to the domestic market, with output driven by demand for gasoline, diesel, jet fuel and other products. Refining losses are expected to become aligned with industry standards as refineries are upgraded and modernized. Fuel oil is produced as a by-product and fully exported, while other refined products are marketed by PDVSA, at a currently subsidized price. Domestic refineries only take light, medium and heavy crude oil as feedstock.

277. Total gas production, including consumable associated gas and natural gas is expected to reach 3,744 MMCF/d by 2036. Associated gas is either flared, reinjected for reservoir management, or supplied for domestic consumption. Consumable associated gas is supplied – alongside part of the natural gas – at subsidized prices to the power sector and other domestic users.

278. Extra-heavy crude oil is exported after either upgrading, blending with imported naphtha, or blending with lighter crude. Other non-refined crude oil is also expected to be exported. On the refined products side, fuel oil is expected to be the largest exported item.

279. Foreign partners are expected to play a significant role in the production ramp-up, with CPPs accounting for more than half of total production by 2036. Fields fully operated by PDVSA are expected to represent less than a tenth of total production, with Empresas Mixtas accounting for the remainder. This production structure determines the allocation of operating and capital expenditure across the upstream and upgrading sector.

280. Regarding Venezuela's capital expenditure plan, oil-sector capex is projected at USD 160 billion over 2026–36 to support the production ramp-up, of which USD 85 billion is expected to be financed by partners and USD 75 billion by PDVSA. Upstream and upgrading account for USD 131 billion, including investments in field-level power self-generation. PDVSA is also expected to invest significantly in the surface infrastructure required to support higher production, including refining (USD 16 billion), transportation (USD 7 billion), storage (USD 3 billion) and shipping (USD 3 billion). In addition, gas sector capital expenditures are expected to be borne by international partners and amount to a total of USD 15 billion over 2026-36.

281. The public sector captures a significant share of hydrocarbon rents. Royalties account for the majority of government take, with rates set on a field-by-field basis and are expected to average 26% on CPP,

22% on EM and 35% on PDVSA fields by 2036, inclusive of the integrated hydrocarbon tax. ISLR rate – applied on net income after royalties and costs – averages 42% on CPP fields, 45% on EM and 50% on PDVSA fields in 2036, in line with industry standards.

282. PDVSA's net financial position is initially negative, as significant upstream and infrastructure investment requirements precede the production ramp-up. Subsidized domestic sales of refined products and associated gas further weigh on cash generation, as PDVSA bears the cost of below-market pricing. This is partly offset by the high hydrocarbon price environment in the short to medium term. From 2028, PDVSA is expected to return to a positive net financial position, supported by higher production, normalizing costs and capex profile, rising CPP lease payments and subsidy reform. PDVSA's negative net financial position will be covered through cash injection by the Central Government in the short-to-medium term.

4.6.2. Detailed tables of the macroeconomic framework

Table 27. Selected economic and financial indicators

		Historical						Est.	Projections										
	Unit	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036
National accounts and prices																			
Nominal GDP	**USDbn**	**30.0**	**17.8**	**36.4**	**60.4**	**59.7**	**83.5**	**98.1**	**122.5**	**137.2**	**150.4**	**167.3**	**182.5**	**200.9**	**217.8**	**235.0**	**253.4**	**271.7**	**290.6**
Non-hydrocarbon	USDbn	12.9	11.5	21.8	39.2	42.4	62.6	77.8	94.0	106.3	117.3	129.7	142.8	156.9	170.8	185.5	201.5	218.1	235.9
Hydrocarbon	USDbn	17.1	6.3	14.5	21.2	17.3	20.9	20.3	28.4	30.9	33.1	37.5	39.7	44.0	47.0	49.5	52.0	53.5	54.7
Real GDP	Index (2012=100)	**37.3**	**24.9**	**25.2**	**29.0**	**30.6**	**33.3**	**36.3**	**38.2**	**41.0**	**44.0**	**48.1**	**51.5**	**55.8**	**59.1**	**62.2**	**65.5**	**68.4**	**71.3**
Non-hydroc. real GDP	Index (2012=100)	39.0	26.5	25.6	29.1	30.6	32.5	34.7	36.3	38.4	40.4	43.2	45.9	48.9	51.6	54.4	57.2	60.1	63.0
Real GDP growth	**%YoY**	**(29.0%)**	**(33.2%)**	**1.1%**	**15.1%**	**5.7%**	**8.9%**	**9.0%**	**5.0%**	**7.3%**	**7.5%**	**9.3%**	**7.0%**	**8.3%**	**5.9%**	**5.3%**	**5.2%**	**4.5%**	**4.2%**
Non-hydrocarbon	%YoY	(27.1%)	(31.9%)	(3.5%)	13.7%	5.3%	6.1%	6.7%	4.6%	5.7%	5.4%	6.7%	6.3%	6.5%	5.5%	5.3%	5.3%	5.0%	4.9%
GDP per capita[1]	**USD/hab**	**1,026**	**624**	**1,286**	**2,145**	**2,115**	**2,945**	**3,445**	**4,286**	**4,782**	**5,217**	**5,778**	**6,277**	**6,877**	**7,415**	**7,962**	**8,545**	**9,112**	**9,702**
Hydrocarbon sector																			
Oil production	kbbl/d	1,073	606	686	759	817	950	1,118	1,207	1,397	1,588	1,807	2,034	2,267	2,440	2,594	2,722	2,829	2,908
Consumable gas production	MMCF/d	1,563	1,452	1,563	1,709	1,684	1,650	1,696	1,720	1,810	2,160	2,881	2,772	3,364	3,476	3,530	3,737	3,727	3,744
PDVSA capital expenditure	USDbn	1.0	0.4	1.2	1.1	0.5	0.9	1.2	2.7	3.7	5.6	7.0	7.8	8.0	8.8	8.6	8.4	7.3	6.8
External sector																			
Current account balance	% of GDP	4.2%	(48.1%)	(5.3%)	3.3%	1.1%	2.8%	0.6%	…	…	…	…	…	…	…	…	…	…	…
Non-interest current acc., adj.[2]	% of GDP	…	…	…	…	…	…	…	(0.9%)	(1.7%)	(2.3%)	(1.4%)	(1.3%)	0.2%	(0.1%)	0.5%	1.3%	1.6%	2.6%
Monetary sector																			
CPI inflation (Avg)	%YoY	19906%	2355%	15889%	187%	337%	49%	252%	458%	119%	45%	30%	26%	24%	24%	24%	24%	24%	24%
CPI inflation (EoP)	%YoY	9585%	2960%	686%	234%	190%	48%	475%	309%	72%	32%	28%	25%	24%	24%	24%	24%	24%	24%
Real exchange rate	Index	…	…	…	…	…	…	100.0	111.5	116.0	119.0	121.0	123.0	124.5	125.9	127.4	128.9	130.5	132.0
World economy parameters																			
USA CPI inflation	%YoY	1.8%	1.3%	4.7%	8.0%	4.1%	3.0%	2.7%	3.6%	2.8%	2.1%	1.9%	1.9%	1.9%	1.9%	1.9%	1.9%	1.9%	1.9%
USA GDP growth	%YoY	4.3%	(0.8%)	11.0%	9.8%	6.7%	5.3%	5.0%	5.8%	5.5%	4.2%	3.8%	3.6%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%
Brent price[3]	USD/bbl	$64.2	$43.3	$70.8	$99.0	$82.3	$79.9	$68.3	$99.1	$85.5	$75.8	$72.3	$70.3	$68.8	$68.8	$68.8	$68.8	$68.8	$68.8
Venezuelan crude oil price	USD/bbl	$47.7	$22.1	$53.6	$70.9	$53.3	$60.2	$51.4	$76.2	$71.4	$62.6	$60.1	$58.1	$56.6	$56.6	$56.6	$56.6	$56.5	$56.4
Henry Hub price	USD/MMBtu	$2.5	$2.1	$3.7	$6.5	$2.7	$2.4	$3.6	$3.1	$3.3	$3.8	$3.7	$3.7	$3.6	$3.6	$3.6	$3.6	$3.6	$3.6
Memorandum items:																			
Population[1]	'000 inhab.	29,288	28,588	28,300	28,175	28,251	28,351	28,460	28,574	28,694	28,823	28,947	29,082	29,222	29,370	29,515	29,659	29,811	29,955

Notes: (1) Population data sourced from the United Nations' World Population Prospects; (2) Including financing flows of hydrocarbon projects (FDI, dividend repatriation); (3) Future Brent spot prices based on the IMF's WEO projections (October 2026)

Table 28. Summary of public sector operations (USDbn-equivalent)

	Historical				Est.	Projections											
In USDbn eq.	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036
Central government revenues	**5.2**	**11.4**	**15.1**	**20.2**	**22.0**	**27.8**	**32.0**	**33.9**	**38.6**	**42.5**	**48.3**	**52.1**	**56.0**	**59.9**	**63.6**	**69.8**
Hydrocarbon revenue	**3.0**	**6.7**	**9.4**	**11.2**	**11.2**	**14.6**	**15.9**	**14.8**	**16.1**	**16.2**	**17.8**	**18.8**	**20.0**	**21.2**	**21.9**	**25.0**
Hydrocarbon royalty	1.7	4.5	4.3	4.1	7.0	9.0	9.8	9.9	11.2	11.9	13.2	14.1	14.8	15.6	16.0	16.4
Other hydrocarbon sector tax	0.2	0.5	0.9	4.3	1.5	5.6	6.0	4.9	4.9	4.4	4.6	4.7	5.2	5.6	5.9	8.7
Non-tax hydrocarbon revenues	1.1	1.7	4.2	2.9	2.7	-	-	-	-	-	-	-	-	-	-	-
Non-hydrocarbon revenue	**2.2**	**4.6**	**5.8**	**8.9**	**10.9**	**13.2**	**16.2**	**19.1**	**22.5**	**26.3**	**30.5**	**33.4**	**36.0**	**38.7**	**41.6**	**44.7**
VAT	1.1	2.0	2.6	3.7	3.9	5.2	6.4	7.6	9.1	10.7	12.5	13.7	14.8	16.1	17.4	18.9
Income tax	0.4	0.8	1.0	1.7	1.7	2.3	3.0	3.9	4.6	5.4	6.3	6.8	7.4	8.1	8.7	9.4
Imports duties	0.2	0.5	0.7	1.4	2.1	3.6	4.3	4.8	5.7	6.6	7.7	8.6	9.0	9.5	10.0	10.5
Others	0.4	1.2	1.5	2.1	3.2	2.1	2.5	2.8	3.1	3.5	4.0	4.3	4.7	5.1	5.5	6.0
Central government primary expenditures	**(6.2)**	**(12.9)**	**(14.5)**	**(19.7)**	**(20.7)**	**(29.9)**	**(34.6)**	**(38.5)**	**(42.3)**	**(46.3)**	**(48.8)**	**(52.2)**	**(55.6)**	**(59.3)**	**(63.2)**	**(68.5)**
Operational	**(4.5)**	**(10.2)**	**(10.5)**	**(13.4)**	**(14.2)**	**(16.5)**	**(19.2)**	**(20.8)**	**(22.5)**	**(24.4)**	**(26.5)**	**(28.4)**	**(30.4)**	**(32.5)**	**(34.8)**	**(36.8)**
Public wages & salary compensation	(4.0)	(9.4)	(9.3)	(11.5)	(11.6)	(13.2)	(15.7)	(17.0)	(18.5)	(20.0)	(21.8)	(23.3)	(24.9)	(26.7)	(28.5)	(30.1)
Purchase of goods and services	(0.5)	(0.8)	(1.2)	(1.9)	(2.7)	(3.3)	(3.5)	(3.8)	(4.1)	(4.4)	(4.7)	(5.1)	(5.4)	(5.8)	(6.2)	(6.7)
Transfers	**(1.4)**	**(2.0)**	**(3.4)**	**(5.3)**	**(5.3)**	**(8.9)**	**(9.9)**	**(11.2)**	**(12.8)**	**(14.4)**	**(16.3)**	**(17.3)**	**(18.2)**	**(19.2)**	**(20.3)**	**(21.5)**
Social & regional transfers	(1.4)	(2.0)	(2.4)	(3.5)	(3.0)	(4.6)	(5.2)	(5.8)	(6.3)	(6.9)	(7.6)	(8.2)	(8.7)	(9.3)	(9.9)	(10.6)
Pensions	-	-	(0.9)	(1.8)	(2.4)	(4.3)	(4.7)	(5.4)	(6.4)	(7.5)	(8.8)	(9.1)	(9.5)	(9.9)	(10.4)	(10.9)
Public investment	**(0.3)**	**(0.6)**	**(0.6)**	**(1.1)**	**(1.2)**	(2.4)	(3.4)	(4.5)	(5.0)	(5.5)	(6.0)	(6.5)	(7.1)	(7.6)	(8.1)	(10.3)
Earthquakes reconstruction	**-**	**-**	**-**	**-**	**-**	(2.0)	(2.0)	(2.0)	(2.0)	(2.0)	-	-	-	-	-	-
Central government primary balance	**(0.9)**	**(1.5)**	**0.7**	**0.5**	**1.3**	**(2.1)**	**(2.6)**	**(4.6)**	**(3.8)**	**(3.8)**	**(0.5)**	**(0.0)**	**0.4**	**0.6**	**0.3**	**1.2**
PDVSA net result	**(1.0)**	**(3.8)**	**(2.7)**	**(3.1)**	**(5.2)**	**(1.8)**	**(2.0)**	**0.1**	**0.7**	**0.7**	**0.6**	**0.5**	**0.4**	**1.1**	**1.8**	**1.7**
PDVSA net result (excl. O&G subsidies)	*3.9*	*5.3*	*2.7*	*1.9*	*(0.2)*	*4.7*	*3.5*	*2.0*	*2.6*	*2.7*	*2.7*	*2.6*	*2.5*	*3.4*	*4.1*	*4.1*
Hydrocarbon subsidies	*(4.9)*	*(9.1)*	*(5.4)*	*(5.0)*	*(5.0)*	*(6.5)*	*(5.5)*	*(1.9)*	*(1.9)*	*(2.0)*	*(2.0)*	*(2.1)*	*(2.2)*	*(2.3)*	*(2.3)*	*(2.4)*
Public sector primary balance	**(2.0)**	**(5.3)**	**(2.0)**	**(2.7)**	**(4.0)**	**(3.9)**	**(4.6)**	**(4.5)**	**(3.1)**	**(3.1)**	**0.1**	**0.4**	**0.7**	**1.7**	**2.1**	**2.9**
Non-hydrocarbon primary balance[1]	**(8.9)**	**(17.3)**	**(14.1)**	**(15.8)**	**(14.9)**	**(21.2)**	**(21.9)**	**(19.3)**	**(19.8)**	**(20.0)**	**(20.4)**	**(20.9)**	**(21.9)**	**(22.9)**	**(23.9)**	**(26.2)**
Primary fiscal breakeven Brent price ($)	**…**	**…**	**…**	**…**	**…**	**$106.0**	**$101.0**	**$86.8**	**$78.8**	**$76.1**	**$68.6**	**$68.1**	**$67.7**	**$66.2**	**$65.7**	**$64.6**

Note: (1) Excluding public expenditures related to earthquakes reconstruction

Table 29. Summary of public sector operations (% of GDP)

	Historical				Est.	Projections										
In % of GDP, unless otherwise indicated	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036
Central government revenues	**14.3%**	**18.8%**	**25.3%**	**24.2%**	**22.4%**	**22.7%**	**23.4%**	**22.5%**	**23.1%**	**23.3%**	**24.0%**	**23.9%**	**23.8%**	**23.6%**	**23.4%**	**24.0%**
Hydrocarbon revenue	**8.2%**	**11.2%**	**15.7%**	**13.5%**	**11.4%**	**11.9%**	**11.6%**	**9.8%**	**9.6%**	**8.9%**	**8.8%**	**8.6%**	**8.5%**	**8.4%**	**8.1%**	**8.6%**
Hydrocarbon royalty	4.6%	7.4%	7.1%	4.9%	7.1%	7.4%	7.2%	6.6%	6.7%	6.5%	6.6%	6.5%	6.3%	6.1%	5.9%	5.6%
Other hydrocarbon sector tax	0.5%	0.8%	1.4%	5.2%	1.5%	4.5%	4.4%	3.3%	2.9%	2.4%	2.3%	2.2%	2.2%	2.2%	2.2%	3.0%
Non-tax hydrocarbon revenues	3.1%	2.9%	7.1%	3.5%	2.8%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Non-hydrocarbon revenue	**6.1%**	**7.6%**	**9.7%**	**10.7%**	**11.1%**	**10.7%**	**11.8%**	**12.7%**	**13.4%**	**14.4%**	**15.2%**	**15.3%**	**15.3%**	**15.3%**	**15.3%**	**15.4%**
VAT	3.1%	3.4%	4.3%	4.4%	4.0%	4.2%	4.6%	5.1%	5.4%	5.9%	6.2%	6.3%	6.3%	6.4%	6.4%	6.5%
Income tax	1.2%	1.4%	1.7%	2.1%	1.8%	1.8%	2.2%	2.6%	2.8%	3.0%	3.1%	3.1%	3.2%	3.2%	3.2%	3.2%
Imports duties	0.6%	0.8%	1.2%	1.7%	2.1%	2.9%	3.2%	3.2%	3.4%	3.6%	3.8%	3.9%	3.8%	3.7%	3.7%	3.6%
Others	1.2%	2.1%	2.6%	2.5%	3.2%	1.7%	1.8%	1.8%	1.9%	1.9%	2.0%	2.0%	2.0%	2.0%	2.0%	2.1%
Central government primary expenditures	**(16.9%)**	**(21.3%)**	**(24.2%)**	**(23.6%)**	**(21.1%)**	**(24.4%)**	**(25.2%)**	**(25.6%)**	**(25.3%)**	**(25.4%)**	**(24.3%)**	**(24.0%)**	**(23.7%)**	**(23.4%)**	**(23.3%)**	**(23.6%)**
Operational	**(12.3%)**	**(16.9%)**	**(17.5%)**	**(16.0%)**	**(14.5%)**	**(13.5%)**	**(14.0%)**	**(13.8%)**	**(13.5%)**	**(13.4%)**	**(13.2%)**	**(13.0%)**	**(12.9%)**	**(12.8%)**	**(12.8%)**	**(12.7%)**
Public wages & salary compensation	(11.0%)	(15.5%)	(15.6%)	(13.7%)	(11.8%)	(10.8%)	(11.4%)	(11.3%)	(11.0%)	(11.0%)	(10.8%)	(10.7%)	(10.6%)	(10.5%)	(10.5%)	(10.4%)
Purchase of goods and services	(1.3%)	(1.4%)	(1.9%)	(2.3%)	(2.7%)	(2.7%)	(2.6%)	(2.5%)	(2.4%)	(2.4%)	(2.3%)	(2.3%)	(2.3%)	(2.3%)	(2.3%)	(2.3%)
Transfers	**(3.7%)**	**(3.3%)**	**(5.6%)**	**(6.3%)**	**(5.4%)**	**(7.3%)**	**(7.2%)**	**(7.5%)**	**(7.7%)**	**(7.9%)**	**(8.1%)**	**(7.9%)**	**(7.8%)**	**(7.6%)**	**(7.5%)**	**(7.4%)**
Social & regional transfers	(3.7%)	(3.3%)	(4.1%)	(4.2%)	(3.0%)	(3.8%)	(3.8%)	(3.8%)	(3.8%)	(3.8%)	(3.8%)	(3.7%)	(3.7%)	(3.7%)	(3.6%)	(3.6%)
Pensions	0.0%	0.0%	(1.5%)	(2.1%)	(2.4%)	(3.5%)	(3.4%)	(3.6%)	(3.9%)	(4.1%)	(4.4%)	(4.2%)	(4.1%)	(3.9%)	(3.8%)	(3.8%)
Public investment	**(0.9%)**	**(1.1%)**	**(1.1%)**	**(1.3%)**	**(1.2%)**	**(2.0%)**	**(2.5%)**	**(3.0%)**	**(3.0%)**	**(3.0%)**	**(3.0%)**	**(3.0%)**	**(3.0%)**	**(3.0%)**	**(3.0%)**	**(3.5%)**
Earthquakes reconstruction	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**(1.6%)**	**(1.5%)**	**(1.3%)**	**(1.2%)**	**(1.1%)**	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**
Central government primary balance	**(2.6%)**	**(2.5%)**	**1.2%**	**0.6%**	**1.3%**	**(1.7%)**	**(1.9%)**	**(3.1%)**	**(2.3%)**	**(2.1%)**	**(0.3%)**	**(0.0%)**	**0.2%**	**0.2%**	**0.1%**	**0.4%**
PDVSA net result	**(2.8%)**	**(6.2%)**	**(4.5%)**	**(3.8%)**	**(5.3%)**	**(1.5%)**	**(1.5%)**	**0.1%**	**0.4%**	**0.4%**	**0.3%**	**0.2%**	**0.2%**	**0.4%**	**0.7%**	**0.6%**
PDVSA net result (excl. O&G subsidies)	*10.7%*	*8.8%*	*4.6%*	*2.3%*	*(0.2%)*	*3.8%*	*2.6%*	*1.3%*	*1.6%*	*1.5%*	*1.3%*	*1.2%*	*1.1%*	*1.3%*	*1.5%*	*1.4%*
Hydrocarbon subsidies	*(13.5%)*	*(15.0%)*	*(9.0%)*	*(6.0%)*	*(5.1%)*	*(5.3%)*	*(4.0%)*	*(1.3%)*	*(1.2%)*	*(1.1%)*	*(1.0%)*	*(1.0%)*	*(0.9%)*	*(0.9%)*	*(0.9%)*	*(0.8%)*
Public sector primary balance	**(5.4%)**	**(8.7%)**	**(3.3%)**	**(3.2%)**	**(4.0%)**	**(3.2%)**	**(3.3%)**	**(3.0%)**	**(1.9%)**	**(1.7%)**	**0.0%**	**0.2%**	**0.3%**	**0.7%**	**0.8%**	**1.0%**
Non-hydrocarbon primary balance[1]	**(24.3%)**	**(28.7%)**	**(23.6%)**	**(18.9%)**	**(15.2%)**	**(17.3%)**	**(16.0%)**	**(12.8%)**	**(11.8%)**	**(11.0%)**	**(10.1%)**	**(9.6%)**	**(9.3%)**	**(9.0%)**	**(8.8%)**	**(9.0%)**
Primary fiscal breakeven Brent price ($)	…	…	…	…	…	**$106.0**	**$101.0**	**$86.8**	**$78.8**	**$76.1**	**$68.6**	**$68.1**	**$67.7**	**$66.2**	**$65.7**	**$64.6**

Note: (1) Excluding public expenditures related to earthquakes reconstruction

Table 30. Balance of payments (USDbn)

	Historical						Est.	Projections										
In USDbn, unless otherwise indicated	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036
Current account	**1.3**	**(8.6)**	**(1.9)**	**2.0**	**0.6**	**2.4**	**0.6**	…	…	…	…	…	…	…	…	…	…	…
Non-hydrocarbon current account	(11.6)	(11.8)	(12.3)	(10.5)	(11.4)	(13.4)	(14.1)	…	…	…	…	…	…	…	…	…	…	…
Trade balance	**5.6**	**(6.7)**	**(0.8)**	**4.2**	**1.9**	**3.0**	**2.5**	**(2.9)**	**(4.5)**	**(6.6)**	**(4.9)**	**(6.1)**	**(2.0)**	**(2.0)**	**0.1**	**3.2**	**5.2**	**7.8**
Non-hydrocarbon trade balance	(7.2)	(10.0)	(11.1)	(8.3)	(10.1)	(12.8)	(12.1)	(29.6)	(33.3)	(36.2)	(40.6)	(44.8)	(45.6)	(49.1)	(49.3)	(49.4)	(48.8)	(47.9)
Exports of goods	**21.9**	**8.7**	**15.5**	**21.6**	**19.7**	**25.1**	**24.9**	**38.4**	**40.6**	**40.7**	**46.6**	**51.5**	**58.7**	**64.3**	**69.2**	**74.5**	**78.6**	**82.7**
Hydrocarbon	*14.6*	*4.8*	*10.8*	*15.3*	*13.5*	*18.4*	*17.1*	*30.1*	*31.5*	*31.3*	*36.5*	*40.2*	*45.9*	*49.9*	*53.0*	*56.3*	*58.2*	*59.9*
Non-hydrocarbon	*7.3*	*3.9*	*4.8*	*6.3*	*6.3*	*6.7*	*7.8*	*8.4*	*9.1*	*9.4*	*10.0*	*11.3*	*12.8*	*14.4*	*16.2*	*18.2*	*20.4*	*22.9*
Imports of goods	**(9.9)**	**(11.4)**	**(11.5)**	**(12.8)**	**(13.1)**	**(17.2)**	**(17.5)**	**(35.3)**	**(38.6)**	**(40.9)**	**(44.7)**	**(50.5)**	**(53.2)**	**(58.1)**	**(60.4)**	**(62.1)**	**(63.8)**	**(64.9)**
Hydrocarbon	*(1.8)*	*(1.6)*	*(0.4)*	*(2.8)*	*(1.5)*	*(2.6)*	*(2.4)*	*(3.4)*	*(2.7)*	*(1.7)*	*(0.8)*	*(1.5)*	*(2.3)*	*(2.9)*	*(3.5)*	*(3.7)*	*(4.2)*	*(4.2)*
Non-hydrocarbon	*(8.1)*	*(9.8)*	*(11.1)*	*(9.9)*	*(11.6)*	*(14.5)*	*(15.1)*	*(31.9)*	*(36.0)*	*(39.2)*	*(43.9)*	*(49.0)*	*(50.9)*	*(55.2)*	*(56.9)*	*(58.5)*	*(59.6)*	*(60.7)*
Services, net	**(6.4)**	**(4.0)**	**(4.8)**	**(4.7)**	**(4.8)**	**(4.9)**	**(4.9)**	**(6.0)**	**(6.4)**	**(6.4)**	**(6.7)**	**(7.1)**	**(7.4)**	**(8.3)**	**(8.7)**	**(9.1)**	**(9.6)**	**(10.1)**
Factor income	**(7.5)**	**(4.4)**	**(4.8)**	**(5.8)**	**(4.4)**	**(3.9)**	**(5.7)**	…	…	…	…	…	…	…	…	…	…	…
Interest on public debt	-	-	-	-	-	-	-	…	…	…	…	…	…	…	…	…	…	…
Non-interest primary revenue	(7.5)	(4.4)	(4.8)	(5.8)	(4.4)	(3.9)	(5.7)	(4.6)	(6.1)	(7.5)	(10.4)	(11.6)	(14.1)	(15.8)	(17.1)	(18.6)	(19.7)	(19.0)
o/w. hydrocarbon sector dividends								*(4.6)*	*(6.1)*	*(7.5)*	*(10.3)*	*(11.4)*	*(13.6)*	*(14.9)*	*(15.8)*	*(16.8)*	*(17.3)*	*(16.1)*
Current transfers	**3.1**	**2.6**	**3.6**	**3.6**	**3.2**	**3.3**	**3.7**	**3.9**	**4.1**	**4.3**	**4.5**	**4.6**	**4.8**	**5.0**	**5.1**	**5.3**	**5.5**	**5.7**
Capital account	**-**	**-**	**-**	**(0.1)**	**-**	**(1.5)**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Financial account	**(3.9)**	**7.3**	**5.0**	**(1.4)**	**(3.1)**	**(3.8)**	**(2.5)**	…	…	…	…	…	…	…	…	…	…	…
FDI, net	1.4	(1.0)	(0.4)	1.8	(2.1)	(2.5)	(0.8)	2.6	4.7	7.4	10.3	13.0	14.3	15.2	15.3	15.4	15.4	14.8
Hydrocarbon								*2.6*	*4.2*	*6.3*	*8.4*	*10.5*	*11.1*	*11.8*	*11.6*	*11.4*	*11.1*	*10.1*
Non-hydrocarbon								-	*0.5*	*1.2*	*1.9*	*2.5*	*3.1*	*3.4*	*3.7*	*4.0*	*4.4*	*4.7*
Portfolio investment	4.2	4.7	4.5	2.9	2.0	1.9	3.1	…	…	…	…	…	…	…	…	…	…	…
Public	*3.8*	*3.6*	*3.5*	*3.0*	*2.4*	*2.3*	*4.0*	…	…	…	…	…	…	…	…	…	…	…
Private	*0.4*	*1.0*	*1.0*	*(0.1)*	*(0.4)*	*(0.5)*	*(0.9)*	-	*0.5*	*0.9*	*1.3*	*2.1*	*2.4*	*2.6*	*2.8*	*3.0*	*3.3*	*3.5*
Other investment	(9.4)	3.6	1.0	(6.0)	(3.0)	(3.1)	(4.8)	…	…	…	…	…	…	…	…	…	…	…
Public	*(9.4)*	*2.7*	*0.4*	*(5.9)*	*(3.5)*	*(3.4)*	*(6.4)*	…	…	…	…	…	…	…	…	…	…	…
Private	*(0.0)*	*0.9*	*0.6*	*(0.2)*	*0.5*	*0.4*	*1.6*	-	-	-	-	-	-	-	-	-	-	-
Errors and omissions	0.3	1.0	2.0	(0.7)	2.3	3.1	2.4	-	-	-	-	-	-	-	-	-	-	-
Overall balance	**(2.3)**	**(0.2)**	**5.0**	**(0.1)**	**(0.1)**	**0.2**	**0.4**	…	…	…	…	…	…	…	…	…	…	…
Non-interest current account, adj.[1]								**(1.0)**	**(2.4)**	**(3.5)**	**(2.4)**	**(2.3)**	**0.4**	**(0.2)**	**1.1**	**3.2**	**4.4**	**7.4**
Memorandum items:																		
Real exchange rate (Index)	…	…	…	…	…	…	100.0	111.5	116.0	119.0	121.0	123.0	124.5	125.9	127.4	128.9	130.5	132.0

Note: (1) Including financing flows of hydrocarbon projects (FDI, dividend repatriation)

Table 31. Balance of payments (% of GDP)

	Historical						Est.	Projections										
In % of GDP, unless otherwise indicated	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036
Current account	**4.2%**	**(48.1%)**	**(5.3%)**	**3.3%**	**1.1%**	**2.8%**	**0.6%**	...	...	...	...	...	...	...	...	...	...	...
Non-hydrocarbon current account	(38.5%)	(66.0%)	(33.7%)	(17.4%)	(19.0%)	(16.0%)	(14.3%)	...	...	...	...	...	...	...	...	...	...	...
Trade balance	**18.7%**	**(37.8%)**	**(2.2%)**	**6.9%**	**3.1%**	**3.6%**	**2.6%**	**(2.4%)**	**(3.3%)**	**(4.4%)**	**(2.9%)**	**(3.3%)**	**(1.0%)**	**(0.9%)**	**0.1%**	**1.3%**	**1.9%**	**2.7%**
Non-hydrocarbon trade balance	(24.0%)	(55.8%)	(30.6%)	(13.8%)	(17.0%)	(15.3%)	(12.3%)	(24.1%)	(24.2%)	(24.1%)	(24.3%)	(24.5%)	(22.7%)	(22.5%)	(21.0%)	(19.5%)	(18.0%)	(16.5%)
Exports of goods	**72.9%**	**48.9%**	**42.7%**	**35.8%**	**33.0%**	**30.0%**	**25.4%**	**31.4%**	**29.6%**	**27.1%**	**27.8%**	**28.2%**	**29.2%**	**29.5%**	**29.4%**	**29.4%**	**28.9%**	**28.5%**
Hydrocarbon	*48.7%*	*27.0%*	*29.6%*	*25.3%*	*22.6%*	*22.0%*	*17.4%*	*24.5%*	*22.9%*	*20.8%*	*21.8%*	*22.0%*	*22.8%*	*22.9%*	*22.6%*	*22.2%*	*21.4%*	*20.6%*
Non-hydrocarbon	*24.2%*	*21.9%*	*13.1%*	*10.4%*	*10.5%*	*8.0%*	*8.0%*	*6.8%*	*6.6%*	*6.2%*	*6.0%*	*6.2%*	*6.4%*	*6.6%*	*6.9%*	*7.2%*	*7.5%*	*7.9%*
Imports of goods	**(33.0%)**	**(64.2%)**	**(31.6%)**	**(21.2%)**	**(21.9%)**	**(20.5%)**	**(17.9%)**	**(28.8%)**	**(28.2%)**	**(27.2%)**	**(26.8%)**	**(27.7%)**	**(26.5%)**	**(26.7%)**	**(25.7%)**	**(24.5%)**	**(23.5%)**	**(22.3%)**
Hydrocarbon	*(6.0%)*	*(9.0%)*	*(1.2%)*	*(4.7%)*	*(2.5%)*	*(3.1%)*	*(2.5%)*	*(2.8%)*	*(2.0%)*	*(1.2%)*	*(0.5%)*	*(0.8%)*	*(1.1%)*	*(1.3%)*	*(1.5%)*	*(1.4%)*	*(1.5%)*	*(1.4%)*
Non-hydrocarbon	*(26.9%)*	*(55.1%)*	*(30.5%)*	*(16.5%)*	*(19.4%)*	*(17.4%)*	*(15.4%)*	*(26.1%)*	*(26.2%)*	*(26.1%)*	*(26.2%)*	*(26.8%)*	*(25.3%)*	*(25.4%)*	*(24.2%)*	*(23.1%)*	*(22.0%)*	*(20.9%)*
Services, net	**(21.2%)**	**(22.6%)**	**(13.2%)**	**(7.7%)**	**(8.0%)**	**(5.9%)**	**(5.0%)**	**(4.9%)**	**(4.7%)**	**(4.2%)**	**(4.0%)**	**(3.9%)**	**(3.7%)**	**(3.8%)**	**(3.7%)**	**(3.6%)**	**(3.5%)**	**(3.5%)**
Factor income	**(25.0%)**	**(24.6%)**	**(13.1%)**	**(9.6%)**	**(7.4%)**	**(4.7%)**	**(5.8%)**	...	...	...	...	...	...	...	...	...	...	...
Interest on public debt			*0.0%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*	...	...	...	...	...	...	...	...	...	...	...
Non-interest primary revenue	*(25.0%)*	*(24.6%)*	*(13.1%)*	*(9.6%)*	*(7.4%)*	*(4.7%)*	*(5.8%)*	*(3.8%)*	*(4.5%)*	*(5.0%)*	*(6.2%)*	*(6.4%)*	*(7.0%)*	*(7.3%)*	*(7.3%)*	*(7.3%)*	*(7.2%)*	*(6.6%)*
o/w. hydrocarbon sector dividends								(3.8%)	(4.5%)	(5.0%)	(6.1%)	(6.2%)	(6.8%)	(6.8%)	(6.7%)	(6.6%)	(6.4%)	(5.5%)
Current transfers	**10.4%**	**14.4%**	**10.0%**	**6.0%**	**5.3%**	**3.9%**	**3.8%**	**3.2%**	**3.0%**	**2.9%**	**2.7%**	**2.5%**	**2.4%**	**2.3%**	**2.2%**	**2.1%**	**2.0%**	**2.0%**
Capital account	**0.0%**	**0.0%**	**0.0%**	**(0.1%)**	**0.0%**	**(1.9%)**	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**
Financial account	**(12.8%)**	**40.9%**	**13.8%**	**(2.3%)**	**(5.1%)**	**(4.5%)**	**(2.6%)**	...	...	...	...	...	...	...	...	...	...	...
FDI, net	4.5%	(5.3%)	(1.2%)	3.0%	(3.5%)	(3.0%)	(0.8%)	2.1%	3.4%	5.0%	6.2%	7.1%	7.1%	7.0%	6.5%	6.1%	5.7%	5.1%
Hydrocarbon								*2.1%*	*3.0%*	*4.2%*	*5.0%*	*5.8%*	*5.5%*	*5.4%*	*4.9%*	*4.5%*	*4.1%*	*3.5%*
Non-hydrocarbon								*0.0%*	*0.4%*	*0.8%*	*1.2%*	*1.4%*	*1.6%*	*1.6%*	*1.6%*	*1.6%*	*1.6%*	*1.6%*
Portfolio investment	14.1%	26.1%	12.4%	4.7%	3.4%	2.2%	3.1%	...	...	...	...	...	...	...	...	...	...	...
Public	*12.7%*	*20.4%*	*9.6%*	*4.9%*	*4.1%*	*2.8%*	*4.0%*	...	...	...	...	...	...	...	...	...	...	...
Private	*1.4%*	*5.7%*	*2.8%*	*(0.2%)*	*(0.7%)*	*(0.6%)*	*(0.9%)*	*0.0%*	*0.4%*	*0.6%*	*0.8%*	*1.2%*	*1.2%*	*1.2%*	*1.2%*	*1.2%*	*1.2%*	*1.2%*
Other investment	(31.4%)	20.2%	2.6%	(10.0%)	(5.1%)	(3.7%)	(4.9%)	...	...	...	...	...	...	...	...	...	...	...
Public	*(31.4%)*	*15.2%*	*1.0%*	*(9.7%)*	*(5.9%)*	*(4.1%)*	*(6.5%)*	...	...	...	...	...	...	...	...	...	...	...
Private	*(0.0%)*	*5.0%*	*1.6%*	*(0.3%)*	*0.8%*	*0.4%*	*1.6%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*
Errors and omissions	1.1%	5.8%	5.4%	(1.1%)	3.9%	3.8%	2.4%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Overall balance	**(7.6%)**	**(1.3%)**	**13.9%**	**(0.2%)**	**(0.2%)**	**0.2%**	**0.4%**	...	...	...	...	...	...	...	...	...	...	...
Non-interest current account, adj.[1]								**(0.9%)**	**(1.7%)**	**(2.3%)**	**(1.4%)**	**(1.3%)**	**0.2%**	**(0.1%)**	**0.5%**	**1.3%**	**1.6%**	**2.6%**
Memorandum items:																		
Real exchange rate (Index)	...	...	...	...	...	...	100.0	111.5	116.0	119.0	121.0	123.0	124.5	125.9	127.4	128.9	130.5	132.0

Note: (1) Including financing flows of hydrocarbon projects (FDI, dividend repatriation)

Table 32. Overview of the hydrocarbon sector – 2026-36

		Projections										
	Unit	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036
Brent price[1]	**USD/bbl**	**$99.1**	**$85.5**	**$75.8**	**$72.3**	**$70.3**	**$68.8**	**$68.8**	**$68.8**	**$68.8**	**$68.8**	**$68.8**
Venezuela basket price	**USD/bbl**	**$76.2**	**$71.4**	**$62.6**	**$60.1**	**$58.1**	**$56.6**	**$56.6**	**$56.6**	**$56.6**	**$56.5**	**$56.4**
PRODUCTION												
Production of crude oil	**kbbl/d**	**1,207**	**1,397**	**1,588**	**1,807**	**2,034**	**2,267**	**2,440**	**2,594**	**2,722**	**2,829**	**2,908**
o/w extra-heavy oil	kbbl/d	*591*	*672*	*751*	*845*	*949*	*1,060*	*1,147*	*1,230*	*1,302*	*1,374*	*1,430*
PDVSA 100%	kbbl/d	139	149	158	170	183	192	199	204	210	214	217
Empresas Mixtas	kbbl/d	611	682	747	812	871	925	959	987	1,008	1,022	1,033
CPPs & Licenses	kbbl/d	457	566	684	826	980	1,150	1,283	1,403	1,503	1,593	1,658
Refined products	**kbbl/d**	**320**	**338**	**356**	**381**	**404**	**431**	**455**	**479**	**504**	**530**	**555**
Consumable gas production	**MMCF/d**	**1,720**	**1,810**	**2,160**	**2,881**	**2,772**	**3,364**	**3,476**	**3,530**	**3,737**	**3,727**	**3,744**
Gas for domestic market	MMCF/d	1,720	1,810	1,955	2,116	2,246	2,345	2,435	2,495	2,515	2,530	2,535
Gas for export	MMCF/d	-	-	205	765	526	1,019	1,041	1,035	1,222	1,197	1,209
COSTS												
Gross capex – Oil sector	**USDbn**	**(5.1)**	**(7.3)**	**(10.9)**	**(14.0)**	**(16.7)**	**(17.4)**	**(18.8)**	**(18.5)**	**(18.1)**	**(16.7)**	**(16.3)**
Upstream	USDbn	(3.1)	(4.6)	(7.3)	(9.6)	(12.2)	(12.7)	(13.7)	(13.5)	(13.2)	(13.0)	(13.2)
PDVSA	USDbn	*(0.9)*	*(1.4)*	*(2.3)*	*(3.0)*	*(3.8)*	*(3.9)*	*(4.2)*	*(4.1)*	*(4.1)*	*(4.0)*	*(4.0)*
Partners	USDbn	*(2.2)*	*(3.2)*	*(5.0)*	*(6.6)*	*(8.4)*	*(8.9)*	*(9.5)*	*(9.3)*	*(9.2)*	*(9.0)*	*(9.2)*
Upgrading	USDbn	(0.6)	(1.2)	(1.3)	(1.5)	(1.6)	(1.6)	(1.7)	(1.8)	(1.7)	(1.3)	(1.0)
PDVSA	USDbn	*(0.4)*	*(0.8)*	*(0.9)*	*(1.1)*	*(1.1)*	*(1.1)*	*(1.2)*	*(1.2)*	*(1.2)*	*(0.9)*	*(0.7)*
Partners	USDbn	*(0.2)*	*(0.4)*	*(0.4)*	*(0.5)*	*(0.5)*	*(0.5)*	*(0.5)*	*(0.6)*	*(0.5)*	*(0.4)*	*(0.3)*
Refining	USDbn	(0.7)	(0.7)	(1.3)	(1.8)	(1.6)	(1.6)	(1.9)	(1.8)	(1.7)	(1.3)	(1.1)
Transportation, storage, shipping	USDbn	(0.6)	(0.8)	(1.0)	(1.2)	(1.4)	(1.4)	(1.5)	(1.5)	(1.5)	(1.1)	(1.0)
Gross capex – gas sector	**USDbn**	(0.3)	(0.7)	(1.0)	(1.4)	(1.8)	(1.9)	(1.9)	(1.9)	(1.8)	(1.8)	(0.8)
Opex - unit cost												
Lifting cost	USD/bbl	$18.4	$14.5	$12.1	$10.4	$10.5	$10.5	$10.6	$10.7	$10.8	$11.0	$11.2
Upgrading	USD/bbl	$4.5	$4.5	$4.5	$4.5	$4.6	$4.7	$4.8	$4.9	$5.0	$5.1	$5.2
Transportation, storage, shipping	USD/bbl	$1.9	$1.9	$1.9	$1.9	$1.9	$2.0	$2.0	$2.1	$2.1	$2.1	$2.2
Refining	USD/bbl	$5.5	$5.5	$5.5	$5.5	$5.6	$5.7	$5.8	$6.0	$6.1	$6.2	$6.3
Associated gas	USD/MMBtu	$0.6	$0.6	$0.6	$0.6	$0.6	$0.7	$0.7	$0.7	$0.7	$0.7	$0.7
Natural gas	USD/MMBtu	…	…	$1.1	$1.1	$1.1	$1.2	$1.2	$1.2	$1.2	$1.2	$1.3

Note: (1) Brent spot prices based on the IMF's WEO projections (October 2026)