



Venezuela Economic Outlook

By Arca Análisis Económico

Here is our monthly summary of recent economic developments in Venezuela:

- The presidential elections were held in Venezuela on July 28, 2024, and since then the results and the country have been fraught with uncertainty and political tension, a situation that remains latent at the time this report is written.
- Despite the political tensions that characterized the week following the presidential elections, the official dollar rate barely rose 0.13 percent in the period to 36.66 bolivars, which is the official value for all exchange operations as of Aug. 5, 2024.
- The Central Bank of Venezuela (BCV) sold US\$80 million to banks on Aug. 5, at a price that breaks the barrier of 40 bolivars per euro and, for the first time so far in 2024, exceeds the closing price of 2023 by a modest 0.33 percent.
- With these US\$80 million of intervention with which August starts, the accumulated cost of intervention reaches US\$3.1 million so far in 2024, an increase of 18.76 percent compared to the amount placed in the same period of 2023.
- Prior to the elections, according to the projections of the International Monetary Fund (IMF), Venezuela's gross domestic product (GDP) will have a growth of 4.2 percent, but given the situation in the country, after the events of July 28 and the temporary suspension of flights to and from the Caribbean nation, this estimate could decrease.
- For its part, the Venezuelan Observatory of Finance (OVF) reported that economic activity in the country expanded 3.6 percent in the second quarter of 2024. In this sense, the OVF highlighted on its social networks that this figure is higher than the 2 percent of the previous quarter, given that both figures were calculated in interannual terms. The OVF said that oil production increased by 2.4 percent, a figure lower than the 21.6 percent of the previous quarter.
- As for non-oil activity, it grew by 3.7 percent, determined by the higher spending expressed in an increase in real liquidity and the higher collection of value-added tax (VAT), due to the decrease in inflation observed in the first part of the year.

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