# BOLIVARIAN REPUBLIC OF VENEZUELA

## 1. General trends

Economic activity in the Bolivarian Republic of Venezuela contracted by 19.4% in the first three quarters of 2018,[1] making this the fifth consecutive year in which GDP has shrunk. Between 2013 and 2018, GDP decreased by a cumulative 47.8%. In the first three quarters of 2018, oil GDP fell by 26.2% relative to the year-earlier period, while non-oil activity dropped by 18.4%. Mining was the only non-oil activity to expand in 2018 (+12.1%), while the other sectors posted contractions ranging from 5.1% in the communications sector to 55.3% in construction. Aggregate demand decreased by 34.2% externally and by 14.2% domestically. While all components of domestic demand declined in the first three quarters of 2018, the steepest fall was in gross fixed capital formation (-40.1%). Private consumption retreated by 18.2%, and government consumption fell by 9.5%.

The Bolivarian Republic of Venezuela is going through what could be the most severe inflationary episode in the history of Latin America and the Caribbean, with inflation reaching 130,060.2% in 2018 after hyperinflation had taken hold in November of the previous year.[2] High levels of monetary financing, together with major exchange rate corrections, significant nominal increases in the minimum wage, difficulties in obtaining foreign exchange and scarcity of productive inputs, as well as a sharp slowdown in economic activity, explain the intensity and duration of this episode. In 2019, initiatives aimed at reducing inflationary pressures have led to an increase in legal reserve ratios (both ordinary and marginal), thus limiting the capacity of financial institutions to expand credit. Nonetheless, given the high level of public sector financing provided by the Central Bank of Venezuela (BCV), these measures have proven insufficient and may generate additional tensions that could disturb the country's medium- and long-term macrofinancial stability.

For 2019, the Economic Commission for Latin America and the Caribbean (ECLAC) is projecting a further reduction in Venezuela's GDP, on the order of 23%. The sharp and prolonged fall in oil production, has been compounded by a prolonged contraction in domestic aggregate demand, problems with electricity and fuel supply, and severe economic policy constraints imposed by hyperinflation and limited access to international financial markets. The import growth recorded in 2018 and the expansion of the mining sector may be seriously hindered by the financial and trade sanctions imposed on the country.

## 2. Economic policy

### (a) Fiscal policy

In August 2018, the government announced the Economic Recovery, Growth and Prosperity Program, which consists of a set of policy measures aimed at stabilizing inflation and returning the economy

[1] Since no data are available for the fourth quarter of 2018, the year-on-year comparison is based on the cumulative values for the first three quarters of the year under review.

[2] The Cagan (1956) definition of hyperinflation is used in this document: a hyperinflationary episode starts when prices rise by more than 50% per month, and it ends when monthly inflation is below 50% for 12 consecutive months. See P. Cagan, "The monetary dynamics of hyperinflation", *Studies in the Quantity Theory of Money*, M. Friedman (ed.), Chicago, University of Chicago Press, 1956.

to a path of growth. The measures included a zero fiscal deficit target, for which the value-added tax rate was raised, and the collection period was shortened. In addition, advance payments on income tax and a tax on large financial transactions were established. The Venezuelan tax authority, Servicio Nacional Integrado de Administración Aduanera y Tributaria (SENIAT), has not published any information that would make it possible to assess the impact of these measures. The sharp drop in crude oil output since 2013 and the reduction in Venezuelan oil exports suggest that the oil activity tax base has shrunk, so the capacity of the authorities to collect taxes from this source will also have diminished.

The central bank reports an increase in the external public debt of US$ 2.552 billion in 2018, which is equivalent to 2% of the balance outstanding at the end of the previous year (US$ 128.768 billion). An analysis of the term structure of the country's public debt, excluding that of the central bank, reveals an increase in the share of short-term instruments, from 9.3% of the total in 2013 to 20.4% at end-2018. As a result of the financial difficulties faced by the country, various public sector bonds have entered into default (bonds issued by the electric power company Corporación Eléctrica Nacional or by Petróleos de Venezuela S.A. (PDVSA), and sovereign bonds), or else are otherwise overdue (debt owed to the Development Bank of Latin America and the Inter-American Development Bank). In 2018 the behaviour of Venezuelan bond prices was mixed, with sovereign bonds scheduled to expire in 2027 gaining 4.3% in value since December 2017, while the prices of PDVSA bonds maturing in 2022 fell again (-31.7%) in the same period.

To compensate for dwindling revenues and limited access to international markets, the Venezuelan Treasury has resorted to monetary financing of its fiscal management. Between 2016 and 2018, monetary financing (seigniorage and inflation tax) is estimated to have averaged more than 20% of GDP. The entity in charge of Venezuelan public finances has not published figures on expenditure, but this now seems to have been sharply reduced, judging by the 9.5% reduction in the government's final consumption spending in the first three quarters of 2018.

### (b) Monetary policy

In 2018, the growth of the monetary aggregates that has been ongoing since mid-2015, surged to record year-on-year increases of over 100%. At the end of 2018, the monetary base had expanded by 43,950%, while broader aggregates, such as M1 and M2, grew by even more, posting year-on-year expansions of 68,463% and 68,307%, respectively.

In 2018, Venezuela's monetary policy was tailored to facilitate the financing of public sector management, as reflected by the significant increase in net domestic assets linked to the public sector, especially non-financial public enterprises, which grew by 1,118,963% during the course of 2018, or by 25.5 times the growth of the monetary base (43,950%). Credit to the private sector increased by a nominal 25,940% in 2018; but this represented a real contraction of 80%. On the other hand, nominal interest rates have remained very stable; but real rates (corrected for inflation) are heavily negative. In conjunction with the fall in household income and the sharp exchange rate corrections, this discourages the demand for bolivar-denominated assets.

In 2019, the BCV has attempted to rein in growth of the broad monetary aggregates by altering the ordinary and marginal reserve ratios. The former was raised from its January 2019 level of 31% to 57% as from February; while the marginal reserve ratio, which has been increasing since October 2018, was raised from 60% in January 2019 to 100% in February 2019. Nonetheless, these measures failed to restrain the growth of the monetary base, which at the end of the first quarter of 2019 had expanded by 100,173%. In contrast, it has proven possible to slow down the growth of the broader aggregates, which are expanding at rates of 90,786.9% in the case of M1 and 91,004.5% in the case of M2.

Despite the soaring monetary aggregates, cash shortages persist and have intensified following the monetary reform of 2017, owing to delays in the entry into circulation of the banknotes that comprise the new “monetary cone”. These problems were aggravated by the onset of hyperinflation, owing to the low denomination of the banknotes that came into circulation at the time. Moreover, problems with the functioning of the electricity service have made it difficult to carry out transactions electronically, fuelling an increase in the use of foreign currency to pay for goods and services in local markets.

### (c) Exchange-rate policy and international reserves management

In 2018, various amendments were made to the exchange rate regime, with the aim of simplifying it and making it more flexible. The current arrangement, which has been in force since May 2019, involves an official exchange rate that fluctuates according to the rates set in competitive auctions held by the central bank. As a result of these changes, the official rate rose by 1,907,762.5% in 2018 relative to its level at the end of the previous year (3,345 bolivars per dollar). The rate on the parallel market also rose by 68.508% during the year. Due to adjustment differences between the two exchange rates, the spread between the official and parallel exchange rates narrowed from 31.8 times at the end of 2017 to 2.7 times a year later. By the end of the first half of 2019 the gap between the two exchange rates had practically vanished, and the official and parallel foreign exchange markets recorded depreciations of 867.9% and 787%, respectively.

As a result of the sharp reduction in the oil industry’s capacity to generate foreign exchange, the country’s international reserves have remained at historically low levels, thereby restricting financing for imports and causing a suspension of payments on much of Venezuela’s public debt. In 2018, the country’s net international reserves declined for the fourth consecutive year, this time by 9%. In the first half of 2019 reserves continued to dwindle, and by May the balance was US$ 7.945 billion, 10% less than in the previous December. Gold is increasingly being used as a means to obtain foreign exchange and short-term financing, with the mineral being used initially as collateral for financial operations, but more recently in direct sales.

## 3. The main variables

### (a) Economic activity

In the first three quarters of 2018 the Venezuelan economy shrank by 19.4% —even more than the previous year’s contraction of 14.6%. Since 2013, the economy has been experiencing one of the worst crises in the modern history of Latin America and the Caribbean, accumulating 19 consecutive quarters of declining output, with double-digit reductions in the last 12 quarters and a cumulative loss of 47.8% of GDP in the period overall.

The slump in activity has been quite widespread, with losses in all production sectors in 2018; but the steepest deterioration occurred in the oil sector, the country’s main foreign exchange earner. In the first three quarters of the year, oil GDP decreased by 26.2%, that is by 12.7 percentage points more than in 2017; and the third quarter of 2018 represented the fourteenth consecutive quarter of contraction (year-on-year) in Venezuela’s oil GDP, making a cumulative reduction of 44.2% since 2013.

Judging by the trend of data published by the Organization of Petroleum Exporting Countries (OPEC), in the fourth quarter of 2018 Venezuelan oil GDP decreased again, with a more-than 30% year-on-year fall in crude production, representing close to 700 fewer barrels per day than the output attained in the year-earlier period. The production of refined petroleum products has also been severely hit, triggering a sharp increase in Venezuelan imports of products such as gasoline, while also aggravating the shortage in the local market.

The plunge in non-oil activity also intensified in 2018, and the first three quarters saw a year-on-year fall of 18.4%, 4.2 percentage points more than the previous year's fall of 14.2%. As of the third quarter of 2018 the non-oil sector of the Venezuelan economy had accumulated 19 consecutive quarters of declining output, the last 11 involving losses in excess of 10%. Mining is the only non-oil activity to have grown (+12.1%) during the first three quarters, while all others have shrunk. Sectors such as construction, financial and insurance institutions, manufacturing, commerce and repair services, as well as transport and storage, all suffered losses of more than 25% during the first three quarters of the year. As a consequence of the GDP trend described above, the structure of the Venezuelan economy changed significantly between 2013 and 2018. While in the third quarter of 2013 the public sector accounted for 35% of total GDP, five years later its share had expanded to around 52%.

On the demand side, all components of aggregate demand sank in the first three quarters of 2018. External aggregate demand fell by 34.2%, significantly more than in 2017 (6.8%); while domestic demand slid by 14.3% in 2018, compared to the previous year's 19.5% drop.

The various components of domestic aggregate demand all retreated in the first three quarters of 2018, with gross fixed capital formation posting the steepest decline of 40.1%. The third quarter of 2018 was the fourteenth consecutive quarter in which gross fixed capital formation has decreased. Private consumption was 18.2% lower in the first three quarters of 2018; and the third quarter of that year was the nineteenth in which private consumption has fallen. Relative to 2013 levels, gross fixed capital formation is down by a cumulative 86.7%, while private consumption is 49.9% lower. Government consumption also fell back by 9.5% in the first three quarters of 2018, following the previous year's 6.8% reduction. The large imbalance in the dynamics of public and private sector consumption increased the government share of total consumption from 19.9% to 28.8% between 2013 and 2018.

The outlook for 2019 is for the economic depression to continue and for Venezuela's GDP to shrink for the sixth straight year, this time by 23%. The expected slowdown in international trade and the sanctions imposed by the United States make it less likely that external aggregate demand will be able to revive growth, or even to slow the fall in GDP in 2019. Moreover, the task of restoring capacity in the Venezuelan oil industry is likely to be difficult, given the severe external constraint, the lack of inputs, serious difficulties in obtaining new financing and the loss of skilled labour as a result of the previous three years' migration. Furthermore, with restrictions on Venezuelan gold sales, even mining could contract in 2019. Non-oil activity has continued to decline in the first few months of 2019; and production sectors argue that the lack of inputs and electricity, compounded by weak domestic demand, make a new contraction likely. From the standpoint of domestic aggregate demand, the loss of purchasing power induced by hyperinflation, the steep devaluations of the bolivar and reductions in the capacity of the Venezuelan financial system to issue credit make it unlikely that private consumption will recover. Strict limits on the importation of inputs and intermediate goods and also on access to foreign exchange and external financing can be expected to hinder the growth of gross fixed capital formation. On the policy front, it will be difficult for the public sector to obtain the resources needed to stimulate domestic aggregate demand, while monetary and exchange rate policy could be targeted on restoring the functioning of the foreign exchange market and ending an extremely violent and prolonged hyperinflationary process.

### (b) The external sector

Central bank figures show a surplus of US$ 6.298 billion in the Venezuelan current account in 2018, or US$ 2.408 billion (30%) less than in 2017. This result has occurred in a context in which the merchandise trade balance deteriorated by 15% relative to the previous year's figure, but the deficits on the service and income accounts narrowed by 2.7% and 5.4%, respectively.

The increased trade gap is explained mainly by a 23.7% increase in the value of imports and, to a lesser extent, by a 1% drop in exports. The import growth has occurred despite the financial constraints faced by the Venezuelan public sector. Notwithstanding their behaviour in 2018, total imports have been shrinking since 2012, accumulating a 74% reduction between 2013 and 2018. Another significant factor has been is the significant increase in oil imports to over US$ 9 billion, up by 117% over the level recorded in 2017. Non-oil imports fell by 25.7% in 2018, closing the year at US$ 5.835 billion, for a cumulative reduction of 86.8% between 2013 and 2018. As for the destination of imports, those intended for final consumption shrank by 52.7% in 2018, thereby making a cumulative reduction of 86.5% relative to the 2013 level. Although imports for intermediate consumption and gross capital formation increased by 59.1% and 5.0% in that order in 2018, both variables are below their 2013 levels, by 62.7% and 88.8%, respectively.

On the export side, the 1% reduction in total foreign sales results from a 5.4% drop in oil exports and a 52.7% rise in non-oil exports. The loss of production capacity in the Venezuelan oil industry has dissipated the positive effect of the increase in the price of the Venezuelan oil basket, which rose by 33% in 2018 relative to its average level in the previous year. The growth of non-oil exports is explained by a significant increase in exports of mining products, especially gold, in 2017 and 2018.

In 2018, the deficit on the capital and financial account of the balance of payments narrowed sharply by US$ 5.400 billion, or by 78.4% of the previous year's US$ 7.011 billion shortfall. The accounts registering the largest changes were direct investment, which turned a deficit of US$ 2.3 billion in 2017 into a surplus of US$ 225 million in 2018; and "Other investment", which managed to halve its 2017 deficit of US$ 4.3 billion. The errors and omissions account, traditionally used to measure capital outflows, increased by 75.2% between 2017 and 2018, to US$ 3.829 billion, its highest level since 1997.

### (c) Prices, wages and employment

While enduring an unprecedented economic depression, the Venezuelan economy is also going through the most ferocious hyperinflation episode that the Latin America and the Caribbean region has ever experienced. In 2018 the Bolivarian Republic of Venezuela recorded an annual inflation rate of 130,060.2%, the highest in the region's history; and, up to April 2019, it had suffered 17 months of hyperinflation. As usually happens in such hyperinflationary processes, increases have been generalized, with the prices of all items in the consumer price index (CPI) soaring. Nonetheless, inflation has had its greatest impact on items such as housing rent and expenses on non-phone housing services, where prices rose at rates of 486,684.5% and 315,580.4%, respectively. Although not among the fastest rising items, the prices of food and non-alcoholic beverages rose by 143,786.9% in 2018, outpacing the general price index by 13,726.7 percentage points.

In the first four months of 2019, the inflation rate remained high, especially in January and February, when the CPI recorded month-on-month variations of 204% and 116%, respectively. Between March and April 2019, however, inflation has slowed to settle at inter-month rates above 30%.

During 2018, the integrated minimum wage (basic wage plus food bonus) was raised seven times, to make a cumulative increase of 108.332%, comparing the rate at end-2018 with its level a year earlier. Nonetheless, the high inflation rate meant that the real minimum wage lost 16.7% in value from December 2017 to December 2018 —less than the year-earlier fall of 47.8%. In the first half of 2019 the minimum wage increased again (by 788.9%) with respect to the closing value of 2018. Once again, the effects of inflation eroded the real minimum wage by approximately 22.5%.

Although no employment data are available, the sharp GDP contraction in 2018, in activities such as construction, manufacturing and commerce, would suggest an increase in unemployment (or informality), since these activities accounted for 44.2% of the employed workforce at the end of the third quarter of 2015, the last date on which this information was published.

Table 1

**BOLIVARIAN REPUBLIC OF VENEZUELA: MAIN ECONOMIC INDICATORS**

| | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 a/ |
|---|---|---|---|---|---|---|---|---|---|
| | **Annual growth rates b/** | | | | | | | | |
| Gross domestic product | -1.5 | 4.2 | 5.6 | 1.3 | -3.9 | -6.2 | -17.0 | -15.7 | … |
| Per capita gross domestic product | -2.9 | 2.7 | 4.2 | 0.0 | -5.1 | -7.4 | -18.1 | -16.7 | … |
| Gross domestic product, by sector | | | | | | | | | |
| Gross domestic product, by type of expenditure | | | | | | | | | |
| Final consumption expenditure | -1.1 | 4.4 | 6.9 | 4.4 | -2.5 | -7.7 | -18.3 | -14.1 | … |
| Government consumption | 2.1 | 5.9 | 6.3 | 3.3 | 0.6 | -3.2 | -14.7 | -7.2 | … |
| Private consumption | -1.9 | 4.0 | 7.0 | 4.7 | -3.4 | -8.9 | -19.4 | -16.2 | … |
| Gross capital formation | 1.0 | 15.2 | 24.1 | -14.0 | -22.9 | -23.7 | -54.1 | -64.8 | … |
| Exports (goods and services) | -12.9 | 4.7 | 1.6 | -6.2 | -4.7 | -0.9 | -11.7 | 0.0 | … |
| Imports (goods and services) | -2.9 | 15.4 | 24.4 | -9.7 | -18.5 | -23.1 | -50.1 | -34.7 | … |
| Investment and saving c/ | **Percentages of GDP** | | | | | | | | |
| Gross capital formation | 22.0 | 23.1 | 26.6 | 27.3 | 24.8 | 30.9 | 0.1 | -3.7 | … |
| National saving | 24.3 | 28.2 | 27.3 | 28.5 | 25.8 | 29.6 | 0.0 | -3.7 | … |
| External saving | -2.3 | -5.2 | -0.7 | -1.2 | -1.0 | 1.3 | 0.1 | 0.0 | … |
| Balance of payments | **Millions of dollars** | | | | | | | | |
| Current account balance | 5 585 | 16 342 | 2 586 | 4 604 | 4 919 | -16 051 | -3 870 | 8 706 | 6 298 |
| Goods balance | 25 153 | 41 172 | 31 926 | 31 570 | 27 421 | 3 928 | 11 033 | 22 007 | 18 811 |
| Exports, f.o.b. | 66 887 | 93 747 | 97 877 | 88 753 | 74 676 | 37 236 | 27 403 | 34 030 | 33 677 |
| Imports, f.o.b. | 41 734 | 52 575 | 65 951 | 57 183 | 47 255 | 33 308 | 16 370 | 12 023 | 14 866 |
| Services trade balance | -12 460 | -14 950 | -17 238 | -17 041 | -14 870 | -12 163 | -8 159 | -6 321 | -6 491 |
| Income balance | -6 208 | -9 079 | -11 099 | -8 707 | -7 425 | -7 661 | -6 918 | -7 567 | -7 973 |
| Net current transfers | -900 | -801 | -1 003 | -1 218 | -207 | -155 | 174 | 587 | 1 951 |
| Capital and financial balance d/ | -13 645 | -20 374 | -3 582 | -9 194 | -5 637 | 12 000 | -2 938 | -9 196 | -5 343 |
| Net foreign direct investment | -918 | 6 110 | 1 679 | 1 928 | -3 401 | 370 | 27 | -2 302 | 225 |
| Other capital movements | -12 727 | -26 484 | -5 261 | -11 122 | -2 236 | 11 630 | -2 965 | -6 894 | -5 568 |
| Overall balance | -8 060 | -4 032 | -996 | -4 590 | -718 | -4 051 | -6 808 | -2 302 | 225 |
| Variation in reserve assets e/ | 8 060 | 4 032 | 996 | 4 590 | 718 | 4 051 | 6 808 | 758 | 1 300 |
| Other external-sector indicators | | | | | | | | | |
| Terms of trade for goods | | | | | | | | | |
| (index: 2005=100) f/ | 100.0 | 120.2 | 121.4 | 118.9 | 111.8 | 65.9 | 55.3 | 64.8 | 78.6 |
| Net resource transfer (millions of dollars) | -19 853 | -29 453 | -14 681 | -17 901 | -13 062 | 4 339 | -9 856 | -16 763 | -13 316.0 |
| Total gross external debt (millions of dollars) | 102 354 | 118 285 | 130 785 | 132 362 | 135 767 | 150 976 | 149 859 | 149 967 | 151 209.0 |
| Employment g/ | **Average annual rates** | | | | | | | | |
| Labour force participation rate | 64.6 | 64.4 | 63.9 | 64.3 | 65.3 | 63.7 | 64.0 | … | … |
| Open unemployment rate | 8.7 | 8.3 | 8.1 | 7.8 | 7.2 | 7.0 | 7.3 | … | … |

Table 1 (concluded)

| | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 |
|---|---|---|---|---|---|---|---|---|---|
| Prices | **Annual percentages** | | | | | | | | |
| Variation in consumer prices (December-December) | 27.2 | 27.6 | 20.1 | 56.2 | 68.5 | 180.9 | 274.4 | 862.6 | 130 060.2 |
| Variation in wholesale prices (December-December) | 22.3 | 19.8 | 19.1 | 75.9 | 56.6 | 207.3 | 488.7 | 2 297.3 | 357 206.6 |
| Variation in nominal exchange rate h/ (annual average) | 97.6 | 1.2 | 0.0 | 41.5 | 3.6 | 0.0 | 47.2 | 8.3 | 50 009 060.1 |
| Variation in average real wage | -5.3 | 3.0 | 5.9 | -4.4 | ... | ... | ... | ... | ... |
| Nominal deposit rate i/ | 14.8 | 14.6 | 14.5 | 14.5 | 14.7 | 14.9 | 15.1 | 14.7 | 14.7 |
| Nominal lending rate j/ | 18.2 | 17.5 | 16.4 | 15.7 | 17.1 | 19.9 | 21.4 | 21.5 | 21.9 |
| Central government | **Percentages of GDP** | | | | | | | | |
| Total revenue | 19.3 | 22.5 | 23.5 | 26.8 | 33.0 | ... | ... | ... | ... |
| Tax revenue | 11.1 | 12.5 | 13.2 | 13.5 | 17.9 | ... | ... | ... | ... |
| Total expenditure | 22.9 | 27.5 | 28.4 | 30.5 | 35.9 | ... | ... | ... | ... |
| Current expenditure | 19.2 | 21.0 | 23.7 | 24.9 | 29.8 | ... | ... | ... | ... |
| Interest | 1.5 | 2.1 | 2.7 | 3.1 | 3.0 | ... | ... | ... | ... |
| Capital expenditure | 2.9 | 6.5 | 4.8 | 5.5 | 6.1 | ... | ... | ... | ... |
| Primary balance | -2.1 | -1.8 | -2.2 | 1.1 | 1.1 | ... | ... | ... | ... |
| Overall balance | -3.6 | -4.0 | -4.9 | -2.0 | -1.9 | ... | ... | ... | ... |
| Central government public debt | 29.0 | 25.1 | 27.5 | 32.9 | 28.5 | 31.7 | 31.1 | ... | ... |
| Domestic | 14.0 | 11.3 | 15.6 | 20.1 | 19.5 | 23.8 | 21.3 | ... | ... |
| External | 14.9 | 13.7 | 11.9 | 12.8 | 9.0 | 7.8 | 9.8 | ... | ... |
| Money and credit | **Percentages of GDP, end-of-year stocks** | | | | | | | | |
| Domestic credit k/ | 2 756.1 | 3 079.4 | 4 036.8 | 4 965.2 | 5 974.6 | 4 244.2 | 2 667.1 | 2 256.2 | 2 599 706.8 |
| To the public sector | 555.3 | 783.3 | 1 281.5 | 1 616.7 | 1 555.3 | 772.7 | 425.4 | 192.5 | 52 841 274.9 |
| To the private sector | 1 858.6 | 2 035.8 | 2 515.7 | 2 973.5 | 3 948.6 | 3 159.4 | 2 154.8 | 2 038.0 | 15 553 529.4 |
| Others | 342.2 | 260.4 | 239.6 | 375.0 | 470.7 | 312.0 | 86.9 | 25.7 | 50 713 206.3 |
| Monetary base | 1 210.1 | 1 272.6 | 1 640.9 | 1 981.0 | 2 500.6 | 1 991.9 | 1 915.0 | 4 919.3 | 338 246.0 |
| Money (M1) | 2 676.6 | 3 142.5 | 4 266.5 | 5 342.0 | 6 442.1 | 4 892.5 | 3 658.3 | 6 290.0 | 623 312.7 |
| M2 | 2 841.5 | 3 269.8 | 4 356.3 | 5 432.9 | 6 602.0 | 4 996.4 | 3 704.9 | 6 324.3 | 62 544.5 |

**Source**: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of official figures.
a/ Preliminary figures.
b/ Based on figures in local currency at constant 1997 prices.
c/ Based on values calculated in national currency and expressed in current dollars.
d/ Includes errors and omissions.
e/ A minus sign (-) indicates an increase in reserve assets.
f/ Economic Development Division, calculations for Economic Survey of Latin America and the Caribbean, 2019.
g/ Nationwide total.
h/ On the basis of information from Bloomberg.
i/ 90-day deposits rate.
j/ Average rate for loan operations for the six major commercial banks.
k/ Credit granted by the commercial and universal banks.

Table 2
**BOLIVARIAN REPUBLIC OF VENEZUELA: MAIN QUARTERLY INDICATORS**

| | 2017 | | | | 2018 | | | | 2019 | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Q.1 | Q.2 | Q.3 | Q.4 | Q.1 | Q.2 | Q.3 | Q.4 | Q.1 | Q.2 a/ |
| Gross domestic product (variation from same quarter of preceding year) b/ | -12.2 | -15.6 | -15.8 | -18.9 | -18.1 | -17.6 | -22.5 | ... | ... | ... |
| Gross international reserves (millions of dollars) | 10 513 | 10 264 | 10 043 | 9 858 | 9 512 | 9 695 | 8 464 | 8 796 | 8 630 | 8 240 c/ |
| Consumer prices (12-month percentage variation) | 317.0 | 250.7 | 370.1 | 862.6 | 2 127.9 | 10 470.7 | 44 950.5 | 130 060.2 | 329 567.6 | 282 972.8 d/ |
| Nominal interest rates (average annualized percentages) | | | | | | | | | | |
| Deposit rate e/ | 14.6 | 14.8 | 14.9 | 14.6 | 14.5 | 14.7 | 14.8 | 14.8 | 21.0 | 24.0 c/ |
| Lending rate f/ | 21.5 | 21.6 | 21.5 | 21.5 | 22.1 | 21.8 | 21.6 | 22.0 | 29.5 | 31.3 c/ |
| Interbank rate | 0.3 | 1.1 | 0.5 | 0.2 | 0.1 | 5.7 | 6.2 | 10.8 | 24.3 | 96.6 |
| Monetary policy rates | 6.5 | 6.4 | 6.4 | 6.1 | 6.5 | 6.2 | 6.1 | 6.0 | 6.1 g/ | ... |
| Sovereign bond spread, Embi + (basis points to end of period) h/ | 2 330 | 2 450 | 3 178 | 5 780 | 4 422 | 5 367 | 5 730 | 6 799 | 5 071 | 5 498 c/ |
| Risk premiia on five-year credit default swap (basis points to end of period) | 3 571 | 3 562 | 5 191 | ... | ... | 11 154 | 9 284 | 8 236 | 7 785 | 5 611 |
| Stock price index (national index to end of period, 31 December 2005 = 100) | 1 467 | 4 100 | 16 300 | 42 100 | 154 900 | 3 097 733 | 11 421 933 | 53 508 667 | 285 596 333 | 615 128 333 |
| Domestic credit (variation from same quarter of preceding year) | 132.0 | 189.8 | 312.8 | 456.7 | 3 118.1 | 9 969.9 | 119 947.3 | 414 319.8 | 550 201.0 | 264 530.8 c/ |

**Source**: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of official figures.
a/ Preliminary figures.
b/ Based on figures in local currency at constant 1997 prices.
c/ Figures as of May.
d/ Figures as of April.
e/ 90-day deposits rate.
f/ Average rate for loan operations for the six major commercial banks.
g/ Figures as of April.
h/ Measured by J.P.Morgan.

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