

KEY FACTS

Official name: República Bolivariana de Venezuela (Bolivarian Republic of Venezuela)

Head of State: President Nicolas Maduro (elected 14 April 2013 (following the death of Hugo Chávez))

Head of government: President Nicolas Maduro (PSUV) (elected 14 Apr 2013)

Ruling party: Partido Socialista Unido de Venezuela (PSUV) (United Socialist Party of Venezuela) (replaced the defunct Movimiento V República (Quinta) (Fifth Republic Movement) which had won the 2005 election) (from 2007; re-elected 26 Sep 2010)

Area: 916,490 square km

Population: 29.52 million (2012)*

Capital: Caracas

Official language: Spanish

Currency: Bolívar fuerte (Bf) = 100 céntimos (new currency was introduced 1 Jan 2008)

Exchange rate: Bf6.29 per US\$ (Jul 2013)

GDP per capita: US\$12,956 (2012)*

GDP real growth: 5.54% (2012)*

GDP: US\$382.42 billion (2012)*

Labour force: 11.94 million (2011)*

Unemployment: 7.83% (2012)*

Inflation: 21.07% (2012)*

Oil production: 2.73 million bpd (2012)

Natural gas production: 32.80 billion cum (2012)

Balance of trade: US\$38.03 billion (2012)

* estimated figure

Venezuela



To the dismay of Washington and many European capitals, the ailing Mr Chávez had won the October 2012 presidential election. Part of his election campaign had been based on the fact that, against all the odds, he was cured of his unspecified cancer. Although by a narrower margin than some observers had expected (down from the 25 per cent margin of 2006 to only ten points), the Chávez victory assured him a page or two in the history books. His fall in support was attributed to the increased frustration of Venezuelans over everyday problems such as food and basic staple shortages, combined with deteriorating security and an increase in crime levels. None the less, the incumbent president gained over 1.5 million more votes than his younger rival, the leader of the opposition Mesa de la Unidad Democrática (MUD) (Coalition for Democratic Unity), Henrique Capriles.

Mr Chávez then became too ill for his inauguration to take place. However, on 9 January 2013 the Supreme Court ruled

that there was a clear distinction between taking the oath and the beginning of a new mandate so that although the swearing-in ceremony was an important formality, it was not indispensable for the start of a new presidential term. Under the constitution, leader of the National Assembly, Diosdado Cabello, became caretaker president.

In principle the way was then clear for Mr Chávez to continue the construction of his socialist republic, extending and consolidating state control over Venezuela's wobbly economy. That might have been the plan, but for one thing. However successful Cuban doctors had been in arresting Mr Chávez' cancer, it transpired that they had not cured it. Towards the end of November 2012 the newly elected President was back in Havana for further treatment. He returned to Caracas for a few days in early December, addressing the nation on television, when he ventured to make specific references to the gravity of his illness and named Nicolás Maduro, Venezuela's foreign minister and vice

president as his chosen successor. This went against the form books since for some time military insider and caretaker president, Diosado Cabello, had been tipped as Chávez' successor. A less charismatic figure, Mr Maduro is a former bus driver who had rapidly progressed through the ranks as a trades' union leader and congressman. What Mr Chávez lacked in administrative skills, Mr Maduro seemed to possess.

The first litmus test indicator as to the possible fallout from the October elections, the President's absence and likely mortality, were the December 2012 regional elections to appoint, or re-appoint, 23 state governors and state legislators. On a much lower turnout than the presidential election (53 per cent, as against 80 per cent in the October presidential), the ruling Partido Socialista Unido de Venezuela (PSUV) (United Socialist Party of Venezuela) increased the number of governorships it held by two, winning 20 of the country's 23 states. The PSUV not only increased its number of governorships from 18 to 20, but also managed to take two key states from the opposition – Zulia, home to much of Venezuela's oil industry, and Carabobo, often described as Venezuela's industrial heartland. The opposition MUD coalition retained only two states. One of these was the state of Miranda, where the defeated presidential candidate, Henrique Capriles, was re-elected.

Speculation over the country's political future had the unfortunate effect of deflecting attention from the parlous state of the economy. Finally came the long expected death, on 5 March 2013, of Hugo Chávez, marking the end of a fourteen year period of increasingly populist politics and a re-orientation of Venezuela's foreign policy. Nicolás Maduro, as vice president, took over as President until elections could be held.

Another presidential election

On 14 April 2013 Venezuelans returned to the polls, this time to elect the president who would oversee their country's transition into the post-Chávez era. The opposing candidates were Nicolás Maduro Moros, Chávez's designated successor, and Henrique Capriles Radonski, of the MUD, runner up to Mr Chávez in 2012. For the first time in Venezuela's history the electorate was split into two – almost exact – halves.

Mr Maduro was expected to win easily; however, his level of victory turned out to be an almost marginal 1.83 per cent. Mr

Maduro may have assumed the mantle of leading both his party and his country, but the winning margin was small enough to sow a seed of doubt about his legitimacy and his ability to continue as party leader. Mr Capriles challenged the election outcome, alleging numerous contraventions of Venezuela's electoral legislation – of which the most serious seemed to be the illegal use of state controlled media to influence voters. However, the first and most obvious conclusion to be drawn from the April elections was that *Chavismo* without Chávez had got off to a pretty indifferent start. The result called into question not only the movement's domination of Venezuelan politics, but also raised doubts about the movement's ability to survive without its leader. The inescapable truth was that approximately 700,000 people who had once voted for Chávez ended up voting for Capriles on this occasion. Some analysts attributed this substantial electoral swing to Maduro's lack of charisma – 'Maduro no es Chávez' – and the fact that the astute Mr Capriles had maintained his electoral machine in place and was – following the earlier elections – already well known to the Venezuelan electorate.

Mr Maduro's apparent inability to maintain his party's support threw into sharp relief the PSUV's reliance on two conflicting policies. The first,

Venezuela's increasingly close alliance with Cuba could be described as broadly Marxist. Mr Maduro himself could certainly be described as a Marxist, with a political formation directly derived from Cuba's Castro brothers. In contrast, the other platform is the ruling party's *de facto* capitalism controlled by its military members. This political reliance was disguised during the election campaign by *Chavism's* three populist policies: a crusade against so-called imperialism as epitomised by the United States and by Venezuela's establishment oligarchies; second, control not only of Venezuela's working class, but the wider support of Venezuela's *lumpen-proletariat*, its *descamisados* or dispossessed; and third and most important of all, the total control exercised through pro-government media, the police and – most importantly – the military.

The importance of the military in the equation cannot be over-emphasised. The change in the role and in the public perception of the military's political significance was probably Chávez' master-stroke. Under Chávez (himself a former soldier), a once apolitical military was transformed into a relatively well organised political machine. Over virtually every barracks in Venezuela the motto 'Patria, Socialismo o Muerte' ('Country, Socialism or Death') appeared (curiously

KEY INDICATORS

Venezuela

	Unit	2008	2009	2010	2011	2012
Population	m	28.05	*28.61	*28.83	*29.77	*29.52
Gross domestic product (GDP)	US\$bn	319.40	325.70	294.70	315.80	*382.42
GDP per capita	US\$	11,388	11,383	10,099	10,610	*12,956
GDP real growth	%	5.3	-3.2	-1.5	4.2	*5.5
Inflation	%	30.8	27.1	22.9	26.1	*21.1
Unemployment	%	7.4	7.9	8.5	9.3	*7.8
Industrial output	% change	–	-5.0	-3.4	–	–
Agricultural output	% change	–	-2.5	-1.4	–	–
Oil output	'000 bpd	2,566.0	2,437.0	2,471.0	2,720.0	2,725.0
Natural gas output	bn cum	31.5	27.9	28.5	31.2	32.8
Coal output	mtoe	5.7	6.4	6.4	6.3	1.2
Exports (fob) (goods)	US\$m	93,542.0	57,595.0	65,786.0	92,649.0	97,336.0
Imports (fob) (goods)	US\$m	48,095.0	38,442.0	38,613.0	46,197.0	59,305.0
Balance of trade	US\$m	45,447.0	19,153.0	27,173.0	46,452.0	38,031.0
Current account	US\$m	39,202.0	2,258.0	8,812.0	27,325.0	*11,016.0
Total reserves minust gold	US\$m	33,098.0	21,703.0	13,137.0	11,095.0	9,900.0
Foreign exchange	US\$m	32,581.0	2,543.3	9,192.0	7,021.3	5,964.0
Exchange rate	per US\$	2.15	4.29	4.29	4.29	4.29
* estimated figure						

to disappear as Chávez' illness worsened). The military's grip on national institutions was extensive, including eleven provincial governorships and state-owned businesses of all kinds. Whether this state of affairs will continue after Chávez' death was, in mid-2013, an uncertainty. President Maduro was, after all, a bus driver, not a soldier, by vocation. What President Maduro could not do, was to place the blame for Venezuela's problems on his predecessor, even though Sr Chávez had exercised power for some 14 years, during which time oil-rich Venezuela had begun to look like something of a regional basket-case.

In the first half of 2013 a process that was continuing in Venezuela was the threatened collapse of social order. Transparency International (TI) placed it 165 out of the 179 countries surveyed. The different measuring criteria used in a 2006 Gallup Poll Corruption Index, had resulted in Venezuela being ranked 31 out of the 101 countries when measuring how widespread the population perceived corruption to be in government and in business. This index had listed Venezuela as the second least corrupt nation in Latin America, behind only Chile. However, since they started in 1995, Venezuela has been one of the most corrupt countries in TI surveys, ranking 38 out of 41 countries surveyed in that first year and performing similarly badly in following years – 158 out of 180 countries in 2008, the worst in Latin America with the exception of Haiti and one of the 10 most corrupt countries on the index in 2012, ranking 165 out of 176, tied with Burundi, Chad and Haiti.

Foreign relations

Almost inadvertently, under Chávez Venezuela had become Cuba's mainland ambassador, noisily and busily and not always adeptly, exploiting the left-wing sympathies of Bolivia (Evo Morales), Ecuador (Rafael Correa), Nicaragua (Daniel Ortega) and Argentina (Cristina Kirchner). These ideological client states served to bolster the long thwarted ambitions of Cuba to export its ideology, as well as those of a maladroit, *arriviste* Venezuelan government, to become a significant 'anti-Yanqui' regional player. In May 2013 President Maduro undertook an official regional tour to Uruguay, Argentina and Brazil. The tour lacked the charisma of those previously embarked upon by his predecessor whose regional forays were often seen as policy statements and catalysts. In Uruguay little appeared to be achieved by the official visit,

the highlight of which seemed to be a photo-call in which President Maduro drove a municipal bus through the streets of Montevideo.

The Venezuelan party could at least count on a higher profile welcome in Buenos Aires, where President Cristina Kirchner had always seen fit to roll out the red-carpet for Hugo Chávez, an expression of amity which derived in part from Venezuela's loans and subsidies to Argentina. However, this official visit was shadowed by a group representing the Venezuelan opposition, who in each of the three countries met with their local counterparts causing Maduro to claim that there existed a 'powerful renaissance of a *fascistoid* right-wing that was sowing hatred and intolerance and was set on destroying democracy.' At a gala dinner, Mr Maduro – rather clutching at oratorical straws – sought to identify links between the two countries, this time noting that he was 'the first 'Chavista' president of a working class Venezuela, as well as its second 'Peronista' president (the country's first 'Peronista' president had been Hugo Chávez). The two leaders signed a handful of bi-lateral agreements, most of which seemed to boil down to 'oil for food' deals. In Brazil Sr Maduro found himself in a rather bigger league. According to the daily *Folha de Sao Paulo*, before the visit took place Brazil's President Dilma Rousseff had already pressed Mr Maduro to enter into a sensible dialogue with the Venezuelan opposition.

The economy

If these social problems are daunting, the litany of economic problems facing Venezuela is even longer: inflation, corruption, productivity (or the lack of it), capital flight, investment (or, once again, the lack of it). In its annual overview of the Venezuelan economy, the United Nations Economic Commission for Latin America and the Caribbean (CEPAL/ECLAC) noted that Venezuela's gross domestic product (GDP) was estimated to have grown by 5 per cent in 2012, driven by the construction and services sectors, both of which were fuelled by 'burgeoning public spending', in turn funded by higher oil prices and increased public borrowing. Growth in 2013 is projected at 2.5 per cent, on the back of higher public spending and borrowing (including by the oil company *Petróleos de Venezuela* (PdVSA)), drawing on available resources in funds and entities such as the *Fondo Nacional para el Desarrollo*

(Endógeno (FONDEN)) (National Development Fund).

ECLAC noted that inflation remained high throughout 2012, although it was lower than in 2011. The current account surplus declined. According to official budget data, the central government ran a global deficit of 3.9 per cent of GDP, while the primary deficit was 1.3 per cent of GDP. Nevertheless, the budget only reflects a part of total public revenue and expenditure. In 2012, the National Assembly approved a number of additional loans which increased the expenditure budgeted for the year. The budget based oil revenue on a price of US\$50 per barrel, but the actual price averaged US\$104.7 per barrel during the first 10 months of the year, giving the government discretionary use of unbudgeted resources. A number of extra-budgetary funds enable a substantial proportion of public spending, including FONDEN (funded by contributions from PdVSA and by excess central bank reserves) and the joint Chinese-Venezuelan fund (funded by loans from official Chinese entities, which are paid back in oil sales to China and contributions by FONDEN). The central government public debt balance increased in 2012. Domestic debt rose by 60 per cent in nominal terms between December 2011 and September 2012 to reach US\$57.4 billion, while external debt (excluding PdVSA) stood at US\$43.6 billion in September 2012. PdVSA debt, including funding from Banco Central de Venezuela (the central bank), also rose in 2012.

Monetary policy in 2012 was even more expansionary than in 2011. In the first nine months of the year, monetary aggregates M1 and M2 went up by 61.5 per cent and 54 per cent respectively, far outpacing inflation. Lending mushroomed, by almost 50 per cent. The annual rate of inflation to September 2012, as measured by the national consumer price index, was 18 per cent; cumulative inflation stood at 11.5 per cent for the first nine months of the year. This was a slowdown compared with the same period in 2011, when it was 26.5 per cent owing to increases of up to 10 per cent for items that make up a third of the index and include some where government policy can directly impact price. Other elements which helped to moderate price increases included government efforts to increase the supply of goods through direct imports and increased foreign currency sales by the *Comisión de Administración de Divisas* (CADIVI) (Foreign Exchange Administration

Commission) and the Sistema de Transacciones con Títulos en Moneda Extranjera (SITME) (Transaction System for Foreign Currency Denominated Securities). The law on fair costs and prices, which sets the maximum price for a number of products, came into effect in April 2012.

In 2012, the official exchange rate remained unchanged at 4.3 bolívares fuertes (Bf) to the dollar despite the widening gap between the official and the parallel exchange rate (the bolívar fuerte has been Venezuela's official currency since January 2008). The implicit rate of Bf5.3 per dollar was maintained in SITME for transactions that were not eligible for the official exchange rate parity authorised by CADIVI. The high inflation seen during the period explained the overvaluation of the bolívar, because the real effective exchange rate in September 2012 was 43.6 per cent below (currency appreciation) the average recorded between 1990 and 2009. International reserves stood at US\$26.9 billion at the end of October 2012, 11.4 per cent less than the same period in 2011. The Banco Central do Brasil (central bank) transferred US\$4 billion to FONDEN during the first 10 months of 2012.

During the first nine months of 2012, imports at constant prices rose by 21.2 per cent. Investment (particularly public investment in infrastructure and housing, among others) and private consumption were the main drivers of growth. Gross fixed capital formation soared as the government stepped up public construction during the election period, through initiatives such as the Gran Misión Vivienda Venezuela housing programme. The economy was boosted above all by the construction, commerce and financial sectors. Other key sectors such as oil and manufacturing recorded low growth (1.4 per cent and 2.1 per cent, respectively).

According to ECLAC, the unemployment rate dropped from 8.6 per cent on average in the first three quarters of 2011 to 8.3 per cent in the same period in 2012. The employment rate remained nearly constant (58.8 per cent and 58.7 per cent, respectively). Wages went up by 29.7 per cent in the first three quarters of the year, representing a rise in the real wage. Private-sector wages rose by 27.2 per cent, while public-sector wages shot up by 35.2 per cent. A significant factor in this increase was a 15 per cent minimum wage hike on 1 May and another 15 per cent increase that took effect on 1 September. The balance of payments current account

posted a smaller surplus in 2012 than in 2011, due to an upturn in imports. In the first nine months of the year, export value rose by 3.9 per cent compared with the same period in 2011, driven by the 5.2 per cent increase in oil export value despite (unlike 2011) a price increase of only 4.9 per cent in the first 10 months of the year. Non-oil exports fell by 20.4 per cent. Imports expanded by 21.6 per cent – particularly imports of oil products, which rose by 88.5 per cent as growing domestic consumption outstripped oil product production capacity and a number of downstream setbacks hit, including an explosion at the Amuay refinery in August and the four-month shutdown of the catalytic cracker at the Isla refinery in Curaçao, which only runs at some one-third of its 340,000bpd capacity, and is in need of renovation.

The financial account deficit was smaller than in 2011. In 2012, net foreign direct investment (FDI) was negative because PdVSA commitments abroad were higher than the negligible flow of FDI, including the reinvestment of profits. The smaller balance of payments financial account deficit was largely due to slower accumulation of foreign-currency assets by the Venezuelan public sector in 2012 than in 2011. One of the reasons was the increase in public spending execution during the year, funded by foreign-currency assets. The private sector also acquired liquid assets abroad, although less than in 2011. Debt held by non-residents – particularly PdVSA debt – increased. As a result, the balance of payments recorded a US\$4.2 billion deficit in the first nine months of 2012 and closed the year with a deficit.

Hydrocarbons

Estimates of Venezuelan oil production vary from source to source, partly due to measurement methodology. For instance, some analysts directly count the extra-heavy oil produced in Venezuela's Orinoco Belt as part of Venezuela's crude oil production. Others (including the US government Energy Information Administration (EIA)) count it as upgraded syncrude, whose volume is about 10 per cent lower than that of the original extra-heavy feedstock. Venezuela's conventional crude oil is heavy and sour by international standards. As a result, much of Venezuela's oil production must go to specialised domestic and international refineries.

The most prolific production area is the Maracaibo basin, which contains slightly

less than half of Venezuela's oil reserves. Many of Venezuela's fields are very mature, requiring heavy investment to maintain current capacity. Industry analysts estimate that PdVSA must spend some US\$3 billion each year just to maintain production levels at existing fields, given decline rates of at least 25 per cent. Venezuela contains billions of barrels in extra-heavy crude oil and bitumen deposits, most of which are situated in the Orinoco Belt in central Venezuela. According to a study released by the US Geological Survey, the mean estimate of recoverable oil resources from the Orinoco Belt is 513 billion barrels of crude oil. In 2005 PdVSA had begun the Magna Reserva project; this involved dividing the Orinoco region into four areas and further dividing these into 28 blocks and quantifying the reserves in place. This initiative resulted in the upgrading of Venezuelan reserve estimates by more than 100 billion barrels.

In the 1990's, PdVSA had established four strategic associations to exploit its resources. After the implementation of the nationalisation policy in 2007, the strategic associations led by ConocoPhillips, ExxonMobil and Total with minority stakes held by Chevron, BP, Statoil and PdVSA became newly formed mixed companies led by PdVSA holding majority shares. The nationalisation also resulted in the departure of ConocoPhillips and ExxonMobil, who were unable to reach new agreements.

These projects involved converting the extra heavy crude and bitumen to lighter, sweeter crude, known as syncrude. The upgrading facilities themselves introduced another element of risk into Venezuela's petroleum supply chain. While the country's four upgraders have installed production capacity of about 600,000bpd of syncrude, some industry estimates place these projects' production levels at less than 500,000bpd due to maintenance and safety issues.

Investment in extraction operations in the country has declined. The number of drilling rigs in the country declined by 10.1 per cent on average between 2011 and 2012 compared with the rise in investment recorded in 2011. Venezuela contains some of the largest oil and natural gas reserves in the world. It consistently ranks as one of the top suppliers of oil to the US and is also one of the world's largest exporters of crude oil and the largest in the Western Hemisphere. According to *British Petroleum Statistical Review of World Energy June 2013* (BP 2013),

Venezuela had 297.6 billion barrels of proven oil reserves at the end of 2012, the second largest in the world at 17.8 per cent of the world total. This number constitutes a major upward revision – in 2009 the *Oil & Gas Journal* listed the country's reserves at 99.4 billion barrels. The update results from the inclusion of massive reserves of extra-heavy oil in Venezuela's Orinoco belt. Reserves could be even bigger at 316 billion barrels, with further investigation from the Magna Reserva project.

Crude oil production for 2012 fell by 1.5 per cent to 2.73 million barrels per day (bpd) (down from the record 3.34 million bpd of 2006). Natural decline at older fields, maintenance issues and the need for increasing foreign investment are, according to the EIA behind this trend. Despite this, in May 2013 oil minister Rafael Ramirez reported that oil exports for 2012 had been 2.57 million bpd, up 4 per cent on 2011. Imports of fuel rose, partly because of an explosion and fire in August 2012 at the Amuay refinery (Venezuela's largest), that caused extensive damage. PdVSA restarted one unit in May 2013 after extensive repairs as a result of the blaze. The minister also reported that Venezuela is currently shipping 500,000bpd of fuel and products to China, part of which is used to pay off oil-for-financing agreements. He added that PdVSA has paid off US\$16.2 billion of US\$36 billion borrowed from China.

Currently, Venezuela is the United States' fourth largest supplier of imported crude oil and petroleum products, behind Canada, Mexico and Saudi Arabia. US imports from Venezuela have declined in recent years – it used to be the US' largest supplier. In 2011, the United States imported 951,000bpd of crude oil and petroleum products from Venezuela, just 8.3 per cent of total American imports. Even factoring in 186,000bpd of US imports from the US Virgin Islands, which are almost exclusively petroleum products refined from Venezuelan crude, the EIA notes that the significance of Venezuela to the American energy sector is in decline.

In recent years, Venezuela has attempted to diversify its crude oil export destinations away from the United States. Other important destinations of Venezuelan petroleum exports now include the Caribbean, Asia and Europe. One of the fastest growing destinations of Venezuelan crude oil exports has been China. In 2011, China imported 230,000bpd of crude oil from Venezuela, up from only

19,000bpd in 2005, but less than half 2012 imports.

Venezuela's Petrocaribe 'oil-aid' political initiative provides crude oil and refined products to designated regional neighbours at below-market prices and with favourable financing terms. Under these agreements, Venezuela offers generous financing and long-term repayment terms including barter arrangements instead of cash transactions. Outside the Petrocaribe scheme, Venezuela also has a separate, subsidised, supply agreement with Cuba. The EIA quotes industry reports assessing these preferential supply agreements at more than 400,000bpd of Venezuelan exports.

Natural gas

According to BP 2013, Venezuela had 5.6 trillion cubic metres (tcm) of proven natural gas reserves at the end of 2012, the second largest in the Western Hemisphere after the United States. In 2012, Venezuela produced 32.8 billion cubic metres (bcm) of dry natural gas, while consuming nearly 34.9bcm. The petroleum industry consumes the majority of Venezuela's gross natural gas production, with the largest share of that consumption in the form of gas re-injection to aid crude oil extraction. Due to the declining output of mature oil fields, natural gas use for enhanced oil recovery has increased by more than 50 per cent since 2005. To meet the growing industrial demand, Venezuela imports gas from Colombia and the United States. The government has prioritised developing domestic natural gas production for not only industrial need but also for residential and commercial markets and consequently is developing its gas infrastructure in support of this effort.

In 1999, Venezuela had adopted the Gas Hydrocarbons Law, which was intended to diversify the economy through facilitating non-associated natural gas development and expanding the role of natural gas in Venezuela's energy sector. The legislation allowed private operators to own 100 per cent of non-associated projects, in contrast to the ownership rules in the oil sector. It also mandated lower royalty and income tax rates on non-associated natural gas projects compared to oil projects. The law gives PdVSA the right to purchase a 35 per cent stake in any project that moves into commercial status. In 2007, President Chávez announced a public referendum on proposed Constitutional amendments, one of which would entitle the state to a controlling stake in new gas projects, similar to that of the oil sector.

However, the Venezuelan people defeated the referendum in December 2007. Since then, the state has yet to re-propose amendments to the gas law. PdVSA produces the largest amount of natural gas in Venezuela and it is also the largest natural gas distributor. A number of private companies also currently operate in Venezuela's gas sector. Participants with significant assets include Repsol-YPF, Chevron and Statoil.

According to the EIA, an estimated 90 per cent of Venezuela's natural gas reserves are associated, meaning that they are located along with oil reserves. Following Chávez's announcement of the Socialist Gas Revolution, in 2009, the energy and petroleum ministry announced plans to increase natural gas production to roughly 14 billion cubic feet per day (bcf/d) and begin exporting by 2015. Currently, Venezuela is working to increase the production of non-associated gas, largely through the development of its offshore reserves. Onshore, PdVSA is working towards raising production and capacity at existing sites, including Anaco field, Barrancas field and Yucal Placer. Offshore, PdVSA has awarded exploration blocks to international oil companies, including Total, Statoil and Chevron, in the Plataforma Deltana, Mariscal Sucre and Blanquilla-Tortuga areas off of Venezuela's north-east coast. Venezuela has also awarded exploratory blocks to Gazprom and Chevron to develop the potential 736bcm gas blocks in the Gulf of Venezuela in the north-western part of the country.

Risk assessment

Politics	Poor
Economy	Fair
Regional stability	Fair

COUNTRY PROFILE

Historical profile

1498 Christopher Columbus landed at the mouth of the Orinoco River on 2 August.

1499 Alonso de Ojeda first saw Lake Maracaibo and called the area 'little Venice', or Venezuela, after the houses the local inhabitants built on stilts.

1520s Spanish colonisation began. The most exploitable resource was cocoa.

1567 Caracas was founded.

1620 By this time cocoa had become the principal export. Production attracted many Spanish immigrants.

1749 First rebellion against Spanish rule.

1810–21 Simón Bolívar defeated the Spanish army in a long war and created

Greater Colombia out of Venezuela, Colombia, Ecuador, Bolivia and Peru.

1823 The last battles for independence gained Venezuela its freedom from Spanish control.

1830 Bolívar died, José Antonio Páez assumed the presidency.

1859–63 A civil war erupted between conservative centralists and liberal federalists forces, which was won by the latter.

1908–1935 The dictator, Juan Vicente Gómez, ruled the country, instituting a harsh policy of repression while developing Venezuela into an oil-based, technocratic economy. Direct foreign investment in the oil sector also brought interest and influences on domestic policies.

1945–48 Rómulo Ernesto Betancourt Bello (Acción Democrática (AD) (Democratic Action)), set up a new government committed to democracy and social and land reforms. Foreign powers were suspicious of the government's left-wing credentials until Betancourt announced prompt elections would be held, acceptable reforms implemented and no radical action would be taken against foreign oil interests.

1947 A new constitution that provided for a popular vote, by secret ballot, to elect a president was promulgated. Romulo Gallegos Freire (AD) became the first Venezuelan president to be elected by democratic vote.

1948 The government was overthrown in a military *coup d'état* backed by conservative elements opposed to the reforms. A succession of *juntas* formed governments.

1952 Marcos Evangelista Pérez Jiménez seized power and became the next presidential dictator.

1953 The United States of Venezuela was renamed the Bolivian Republic of Venezuela.

1958 Pérez Jiménez was deposed by the military and a governing council allowed free elections, in which Betancourt (AD) was elected president. A pact between the main parties, including the AD and the Partido Demócrata Cristiano de Venezuela (Copei) (Christian Democrat Party of Venezuela), agreed to share power and maintain a pluralistic democracy. Moderate economic reforms, with regard for US interests, were slowly introduced.

1969 Rafael Caldera Rodríguez became Venezuela's first Copei president and managed to achieve a degree of political and economic stability.

1973 Venezuela joined the Andean Community, which also included Ecuador, Colombia, Peru and Bolivia.

1974–79 Carlos Andrés Pérez Rodríguez (AD) held presidential office and used massive oil revenues to nationalise industries and diversify the economy.

1979–84 The election of President Herrera (Copei) coincided with a downturn in global oil prices which led to a series of problems, including rising corruption, capital flight, economic stagnation and high levels of external debt.

1988 Presidential and legislative elections were held in December. Pérez became the first former president to be re-elected.

1989 Public protests against the government's austerity programme, which involved drastic government spending cutbacks in order to stabilise the economy, broke out around the country. The first-ever direct elections of state governors were held.

1992 Lieutenant Colonel Hugo Rafael Chávez Frías led an unsuccessful coup attempt against President Pérez.

1993 Ramon Jose Velasquez became interim president as Pérez was prosecuted on charges of corruption.

1995 Rafael Caldera was elected president.

1996 Ex-president Pérez was convicted of embezzlement and corruption.

1998 Hugo Chávez (Movimiento V República (Quinta) (Fifth Republic Movement)), became president with over 56 per cent of the vote.

1999 President Chávez announced his 'Bolivarian Revolution' that included a unicameral national assembly, a new constitution, reduced civilian control of the military and an increased control by government of the economy. A referendum approved all the amendments. Torrential rains and severe flooding killed around 30,000 people.

2000 Chávez was re-elected president under the new constitutional rules. His coalition won 99 out of 165 assembly seats, not enough to pass laws without support from elsewhere. The assembly granted him the right to legislate by decree.

2001 Chávez passed 49 laws by decree, mostly regarding land redistribution and the oil sector.

2002 Civil unrest interrupted oil exports. A failed *coup d'état* briefly ousted President Chávez, but his supporters forced his reinstatement. Nearly one-half of state-owned oil company PdVSA's employees walked off the job in protest against the rule of Chávez. The strike severely affected PdVSA, practically bringing the company's operations to a halt. PdVSA fired 18,000 workers following the strike, draining the company of technical knowledge and expertise.

2003 The government imported petrol from Brazil as oil facilities were strike-bound.

2004 The electoral authority ruled that opponents of Chávez had collected enough signatures for a referendum on whether President Chávez should serve his

remaining term in office. Chávez won 58 per cent of the vote.

2005 Land reforms, including land distribution, were introduced. The Petrocaribe Alliance was created to supply directly 13 Caribbean states, including Cuba, with cheaper Venezuelan oil. Not only was it intended to cut the energy bills of the small island economies, but also to reduce US influence in the region. National assembly elections were boycotted by the opposition and Chávez loyalists made big gains. Quinta won 60 per cent of the vote (116 out of 167 seats).

2006 Parliament approved a new flag, with an eighth star for the province of Guayana Esequiba (a disputed border region with Guyana). Venezuela signed a US\$3 billion arms deal with Russia for jet fighters and helicopters. Venezuela became a trading partner of Mercosur, which has a market of around 250 million people and accounts for almost 75 per cent of South America's GDP. Foreign owned oil companies were required to give the state-owned PdVSA, 60 per cent of their Venezuelan operations. Hugo Chávez won a third term in office, with 62 per cent of the vote; his opponent, Manuel Rosales, won 38 per cent.

2007 Nationalisation of electricity and telecommunications companies began. The national assembly granted Chávez the right to legislate by decree until mid-2008. Although Exxon Mobil and ConocoPhillips initially rejected the Venezuelan offer to relinquish majority control of their oil operations, eventually they agreed. A referendum rejected constitutional reforms by 51 to 49 per cent. Hugo Chávez founded a new political party, Partido Socialista Unido de Venezuela (PSUV) (United Socialist Party of Venezuela).

2008 The new Bolívar fuerte (Bf) was introduced at a rate of Bf1 to old B1,000. President Chávez was instrumental in the release of six hostages held by the Colombian Fuerzas Armadas Revolucionarias de Colombia-Ejército del Pueblo (Farc) (Revolutionary Armed Forces of Colombia-Peoples' Army). He also advised Colombian President Uribe that Farc should be considered insurgents instead of terrorists. Colombia took pre-emptive, cross-border strikes against Farc terrorists hiding out in Venezuela and Ecuador, killing over a dozen including the senior Farc leader Raul Reyes. Following the incursion troops were mobilised along the border and Venezuela expelled Colombian diplomats. Relations improved later after Ingrid Betancourt was freed from her Farc captors and President Uribe visited Venezuela for talks. The coalition Mesa de la Unidad Democrática (MUD) (Coalition for Democratic Unity) was

formed to provide an opposition to President Hugo Chávez.

2009 A constitutional amendment to remove the limit on times a president and all other elected officials may occupy an office was ratified by 54 per cent. Extensive power cuts were imposed on industry and businesses in an effort to avoid mass power cuts, as electricity output of the country's principal Guri hydroelectric power station began falling due to severely low water levels caused by prolonged drought.

2010 The bolívar was devalued; two official exchange rates were established, the first pegged at Bf2.6 per US dollar for all transactions not related to petroleum, the second pegged at Bf4.3 per US dollar for all petroleum related transactions and imports deemed non-essential. President Chávez severed diplomatic ties with Colombia as he objected to claims by Colombia that Venezuela was harbouring Farc guerrillas. Diplomatic relations were restored after a meeting with the new president of Colombia, Juan Manuel Santos.

In parliamentary elections the PSUV won 48.2 per cent (96 seats out of 167), MUD 47.2 per cent (64), Patria para Todos (PT) (Fatherland for All) 3.1 per cent (two), others 1.4 per cent (three). The new congress granted the president powers to pass laws by decree, until the middle of 2012.

2011 In April, President Chávez ordered a tax increase from 60 to 95 per cent on oil revenues at prices over US\$100 per barrel, which alarmed foreign investors. The oil minister said that companies investing in new developments would pay the higher rate only after they had recouped their original expenditure. In 19 of the country's 23 states, electricity services were rationed from May, following failures in transmission lines and the on-going drop in electricity output from the country's principal hydroelectric power station on the Guri Dam. Critics claim the government's failure to invest in the country's energy infrastructure was the reason for the on-going rationing. President Chávez appeared on television from Cuba on 30 June to announce that he had had a cancerous growth removed, but that he was now on the way to 'full recovery'. There had been speculation about his health after he underwent an operation for a pelvic abscess, but had not been seen for some three weeks. He returned to Caracas in July, in time to celebrate Venezuela's 200th anniversary of independence from Spain on the following day. He went back to Cuba for further treatment after delegating a number of presidential powers to vice president Elias Jaua and finance minister Jorge Giordani;

the powers included budgetary transfers. In September President Chávez confirmed he would seek re-election in the next presidential election. The Gran Polo Patriótico (GPP) (Great Patriotic Pole), an alliance of political parties and movements, was formed to support Mr Chávez in his re-election bid. Also in September opposition politician Leopoldo Lopez began his campaign to challenge President Chávez after the Inter-American Court of Human Rights (IACHR) ruled that he should be allowed to stand in the 2012 presidential election. In October, President Chávez announced that he was free of cancer, following four cycles of chemotherapy. 2012 On 1 June the private ownership of firearms was banned with only the army, police and designated groups, such as security companies, allowed to buy weapons and ammunition. On 30 June Venezuela's membership of the trade organisation Mercosur was approved. In the 7 October presidential elections, incumbent, Hugo Chávez (PSUV) won a decisive 55.25 per cent of the vote, Henrique Capriles Radonski (MUD), his closest rival won 44.13 per cent; none of the four other candidates won more than 1 per cent of the vote. President Chávez returned to Cuba for further treatment and was reported to be suffering a severe lung infection after an operation. In early December it seemed that he was beginning to accept that his health would not permit him to remain in office for a full term and he named Vice President Nicolas Maduro as his preferred successor.

2013 On 9 January 2013 the Supreme Court ruled that there was a clear distinction between taking the oath and the beginning of a new mandate so that although the swearing-in ceremony was an important formality, it was not indispensable for the start of a new presidential term. The ruling allowed for the postponement of Hugo Chávez' inauguration ceremony, although no time limit was given. Diosdado Cabello had earlier been re-elected as leader of the National Assembly and became caretaker president. In the 14 April presidential election to replace Mr Chávez, Nicolas Maduro narrowly defeated Henrique Capriles. 25 April Nicolas Maduro was formally declared the winner of the presidential election by 50.7 per cent of votes to 49.1 per cent for Henrique Capriles. Fistfights over the disputed election result broke out in parliament on 30 April. Henrique Capriles formally challenged the result of the presidential election on 2 May. His lawyers filed a complaint at the Supreme Court, alleging a number of irregularities and calling for the result to be annulled. On 12 June Venezuela's electoral body confirmed the victory of President Nicolas

Maduro in the April election, after carrying out an audit on millions of votes. Mr Capriles' complaint was rejected by the Supreme Court of Justice on 7 August, describing the appeal as 'inadmissible'. Mr Capriles tweeted that there was a 'lack of justice' in Venezuela. Finance minister, Nelson Merentes, said (on 1 September) that Venezuela was still suffering from the economic policies of former President Chávez and the current government had yet to succeed in improving living standards. A power failure hit some 70 per cent of the country, including parts of Caracas, on 3 September.

Political structure

Venezuela sends 12 deputies to the Latin American Parliament and five to the Andean Parliament.

Constitution

A new constitution was promulgated in 1999 which set out to strengthen civil and human rights. It extended a presidential term from five to six years, with one consecutive re-election, revised impeachment mechanism and limited emergency powers. The bicameral parliament was replaced with a single chamber when the senate was abolished, but popular participation by the people was to be encouraged through referenda. A stronger government involvement in the economy included a ban on the privatisation of the country's oil reserves.

A constitutional referendum, held in February 2009, voted by 54.85 per cent in favour of proposed amendments to limit the consecutive number of terms in office served by deputies in the national assembly to two. The presidency was increased to two consecutive five-year terms of office, with the date of the next election re-aligned to the same date as the national assembly.

Independence date

5 July 1811

Form of state

Federal presidential republic

The executive

Executive power rests with the president who is elected by popular, direct, universal suffrage for a six-year term, with one consecutive, renewable term.

National legislature

The unicameral, Asamblea Nacional (National Assembly) has 165 deputies elected through a combination of directly elected and proportional representation through party lists. An additional three deputy seats are reserved for representatives of indigenous peoples. Since 2009 deputies may only serve for two consecutive, five-year terms.

Legal system

The Supreme Court appoints judges in consultation with civil society groups.

Last elections

15 February 2009 (constitutional referendum); 26 September 2010 (parliamentary); 14 April 2013 (presidential, following the death of Hugo Chávez)

Results: Constitutional referendum: 54.85 per cent of the electorate voted in favour and 45.15 against the proposed amendments; turnout was 70.33 per cent. Parliament: Partido Socialista Unido de Venezuela (PSUV) (United Socialist Party of Venezuela) won 48.2 per cent (96 seats out of 165 elected seats), Mesa de la Unidad Democrática (MUD) (Coalition for Democratic Unity) 47.2 per cent (64), Patria para Todos (PT) (Fatherland for All) 3.1 per cent (two), others 1.4 per cent (three).

Presidential: Hugo Chávez (PSUV) won 55.25 per cent of the vote, Henrique Capriles Radonski (MUD) 44.13 per cent; four other candidates each won less than 1 per cent of the vote. Turnout was 80.67 per cent.

Next elections

September 2015 (parliamentary); October 2018 (presidential)

Political parties**Ruling party**

Partido Socialista Unido de Venezuela (PSUV) (United Socialist Party of Venezuela) (replaced the defunct Movimiento V República (Quinta) (Fifth Republic Movement) which had won the 2005 election) (from 2007; re-elected 26 Sep 2010)

Main opposition party

Mesa de la Unidad Democrática (MUD) (Coalition for Democratic Unity)

Population

29.52 million (2012)*

Last census: 30 November 2011: 27,051,095

Population density: 28 inhabitants per square km. Urban population 93 per cent (2010 Unicef).

Annual growth rate: 1.9 per cent, 1990–2010 (Unicef).

Ethnic make-up

Mestizo (67 per cent), White (21 per cent), Black (10 per cent), Indian (2 per cent).

Religions

Roman Catholic (96 per cent), Protestant (2 per cent).

Education

Pre-primary (one year) and basic education lasts until aged 15. Exams then determine whether students progress onto an academic course for two years or a vocational course for three years. Many institutes of higher education have a selection procedure and often run preparatory courses as part of the admission process.

Professional courses last for three years, catering for the industrial, farming, commercial and health sectors.

Universities, institutes, two ecclesiastic university institutes and three military institutes, provide higher education. Institutes and University Colleges generally provide for short courses of study lasting between two and three years. Long courses lasting for five to six years are also available. The universities are both public and private. National public universities are both autonomous and experimental institutions.

Literacy rate: 93 per cent adult rate; 98 per cent youth rate (15–24) (Unesco 2005).

Compulsory years: Five to 17

Enrolment rate: 91 per cent gross primary enrolment; 40 per cent gross secondary enrolment of relevant age groups (including repeaters).

Pupils per teacher: 21 in primary schools

Health

Venezuela has achieved significant long-term advances with regard to health in hospital care but preventive and primary health care remains on a very small scale. Venezuela is vulnerable to natural disasters, the most frequent of which are floods with concurrent landslides, and there is also a risk of earthquakes. The Ministry of Family has assisted non-governmental organisations (NGOs) and community-based groups to participate in social programmes at a household level.

HIV/Aids

HIV prevalence: 0.7 per cent aged 15–49 in 2003 (World Bank)

Life expectancy: 75 years, 2004 (WHO 2006)

Fertility rate/Maternal mortality rate: 2.5 births per woman, 2010 (Unicef); maternal mortality 60 per 100,000 live births (World Bank).

Birth rate/Death rate: 4 deaths per 24 births per 1,000 people; infant mortality 19 per 1,000 live births (World Bank).

Child (under 5 years) mortality rate (per 1,000): 15 per 1,000 live births (WHO 2012); 4 per cent of children under aged five are malnourished (World Bank).

Head of population per physician: 1.94 physicians per 1,000 people, 2001 (WHO 2006)

Welfare

Venezuela operates a social insurance system covering employees in private and public employment, unemployed and family members.

The welfare system of benefits covers sickness, maternity, work injury, unemployment and family allowances. Pensioners are also covered for medical benefits. Sickness benefits are covered for up to 52

weeks. Maternity benefit is payable up to six months before and after confinement. Workers' medical benefits include free general and specialist care and hospitalisation. Unemployment benefit covers 60 per cent of the average weekly salary of the last 50 weeks and is paid for up to 13 weeks after waiting for one month following loss of employment. Unemployed persons are entitled to transportation subsidy, training and guidance services.

Pensions

A new system of private pensions was introduced in 1998. In 1999, Venezuela moved away from a pay-as-you-go pension system to one based on 'individual capitalisation funds', along the lines of the Chilean model. Under the mandatory pay-as-you-go system all participants receive pensions in proportion to their contributions, amounting to 12–13 per cent of base salary, and on the basis of the accumulation of the individual fund. The government pays for any deficiency between the accumulated value of the individual capitalised fund and the minimum amount of pension.

Full pensions are paid at aged 60, provided 240 months of contributions have been paid. At the age of 60, the employee has the option of either buying a life annuity from an insurance company, or withdrawing fixed monthly amounts from their individual capitalisation account.

A disability pension is available with 250 weeks of contribution, plus 30 per cent of workers' average earnings, payable after six months of disability.

Main cities

Caracas (capital, estimated population 2.0 million (m) in 2012), Maracaibo (2.4m), Valencia (1.7m), Barquisimeto (1.1m), Ciudad Guayana (884,657), Maracay (637,372), Petare (564,946), Maturin (506,382), Barcelona (479,387), Ciudad Bolívar (440,018).

Languages spoken

Spanish is spoken by the majority of the population. Indian dialects are spoken by about 200,000 Amerindians in the remote interior.

Official language/s

Spanish

Media**Press**

Dailies: In Spanish, *El Nacional* (www.el-nacional.com), *Ultimas Noticias* (www.ultimasnoticias.com.ve), 2001 (www.2001.com.ve) is a tabloid, *El Mundo* (www.elmundo.com.ve) is an evening edition, *El Universal* (www.eluniversal.com), which has an English language edition called *Daily News* (<http://english.eluniversal.com>).

Weeklies: There are also numerous periodicals including *El Carabobeño* (www.el-carabobeno.com) with supplements and the monthly *Producto* (www.producto.com.ve).

Business: The magazine *Dinero* (www.dinero.com.ve) is a national publication; *Reporte* is a newspaper from Caracas.

Broadcasting

The president broadcasts a weekly programme on the public radio and TV services.

Radio: There are over 280 radio stations and all broadcast in Spanish. The state broadcaster, *Radio Nacional de Venezuela* (www.rnv.gov.ve) operates 15 radio stations in a nationwide network. Private commercial stations include Union Radio Noticias (www.unionradio.com.ve) and Fama FM (www.fama.fm).

The news agency ABN has recordings of National Assembly sessions online, (www.abn.info.ve), in Spanish.

Television: Venezolana de Televisión (www.vtv.gov.ve) is government run while all others are private and commercial and all broadcast in Spanish. Around 96 per cent of households have a TV set.

Private TV networks include Televen (www.televen.com), Venevisión (www.venevision.net) with imported programmes and Telsur (www.telesurtv.net) a pan-Latin station. Radio Caracas Television (RCTV) had its licence withdrawn in May 2007.

The owner of Globovisión (www.globovision.com), a 24-hour news channel, fled the country in July 2010, to avoid prosecution for supposed business irregularities. President Chávez said that the government may consequently own just under 50 per cent of the company and that he planned to have a government representative on the board. The station had been critical of the president in the past.

National news agency: ABN (Agencia Bolicariana de Noticias)

Economy

Venezuela is an economy dominated by one commodity – albeit a much prized commodity – petroleum. At the end of 2011 proven oil reserves were 296.5 billion barrels with production at 2.7 million barrels per day (bpd); natural gas reserves were 5.5 trillion cubic metres (cum) with production of 31.2 billion cum; coal reserves were 479 million tonnes, with production at 6.3 million tonnes of oil equivalent (mtoe) per year. Generation of hydroelectricity was 19.5mtoe, some of which was exported. There is a thriving manufacturing sector that contributes around 15 per cent of GDP, which could grow further if it was unhindered by the

lack of private investment. Manufactured goods include clothing, textiles, foodstuffs and beverages, cement, fertilisers, paper, steel, aluminium, and vehicles. Venezuela cannot fully feed itself and must import around 60 per cent of its food needs, which leaves it vulnerable to external shocks.

GDP growth in 2008 was 5.3 per cent, but as the global economic crisis cut international trade, and oil prices that had been at a record high fell markedly, the economy fell into recession and growth was a negative -3.2 per cent in 2009. Inflation has been a long term problem and when global prices for food and fuel were at their highest in 2007, the rate was 31.2 per cent, which fell only marginally, to 30.8 per cent, in 2008, before falling back to 18.2 per cent in 2009 as domestic spending weakened. Although global trade picked up in 2010, in January 2010 the bolívar was devalued and two official exchange rates established, the first pegged at Bf2.6 per US dollar for all transactions not related to petroleum, the second at Bf4.3 per US dollar for all petroleum related transactions and imports deemed non-essential. This was expected to allow the government to regulate foreign currency exchange, kick-start growth in the private sector and stimulate government and domestic spending. However, the economy remained in recession in 2010 with growth staying at a negative -1.5 per cent, before a strong recovery in 2011 recorded an estimated 4.2 per cent. On 1 January 2011 the government weakened the official exchange rate on 'essential' goods to Bf4.3 per US dollar, in essence abolishing the two fixed exchange rates. Inflation, stimulated by the reduced spending power of the bolívar, picked up rising to 22.9 per cent in 2010, and higher still to an estimated 30 per cent in 2011.

The government, under the leadership of President Hugo Chávez, and since gaining control of the national oil company, Petroleos de Venezuela SA (PdVSA) in 2003, has made a marked impression on national economic progress. Under Chávez the government has introduced legislation that limits foreign ownership of the petroleum sector of upstream activities and in 2009 passed a law reserving all primary hydrocarbon activities to the state. A second law requires private-sector petrochemical producers to become joint ventures with the state-owned Petroquímica de Venezuela (Pequiven) chemical company. Such partial nationalisations have not enamoured Chávez's administration to foreign interests, particularly in the US.

In a 2009 analysis of the Chávez economic management the US-based Center

for Economic and Policy Research (CEPR) reported an impressive list of improved social indicators that were attributed to legislation undertaken since 2003. These included a reduction in the poverty rate by more than 50 per cent (2003–08), with extreme poverty falling by 72 per cent and the number of social security beneficiaries doubling over 1999–2009. Economically, the non-oil sector expanded faster than the public sector, unemployment fell from 11.3 per cent to 7.8 per cent and public debt fell from 30.7 per cent of GDP to 14.3 per cent, with foreign debt falling from 25.6 per cent to 9.8 per cent (1999–2009).

In January 2012, the government announced that it would pay US energy company ExxonMobil only US\$255 million in compensation for nationalising its assets in 2007, despite an International Chamber of Commerce (ICC) tribunal that judged the compensation should be US\$908 million. In September 2012, ExxonMobil asked the ICC to award US\$7 billion for its lost assets, nationalised in 2007; a similar suit before the World Bank International Centre for Settlement of Investment Dispute was still pending.

External trade

As a trading partner of Mercosur, the world's fourth largest free-trade zone, Venezuela has access to a market of over 200 million consumers. Venezuela has been negotiating to join Mercosur since 2004 and has been undertaking required trading alignment. In 2004, twelve South American countries signed an agreement to launch the South American Community of Nations (CSN), modelled on the European Union. In 2007 the name was changed to Union of South American Nations (Unasur). Unasur seeks to integrate with the Andean Community of Nations and Mercosur in a single market by 2014, when tariffs on non-sensitive products are abolished with the remainder eliminated by 2019. However political tensions within the region have hampered the ongoing process.

The export of petroleum plays an overwhelming influence on the economy and provides a trade surplus. Other commodities include heavy industrial products, energy, manufactured goods and agricultural products.

Imports

Principal imports are food, raw materials, machinery and equipment, vehicles, consumer goods and construction materials.

Main sources: US (27.9 per cent of total in 2011), China (12 per cent), Brazil (8.6 per cent).

Exports

Principal exports are petroleum, aluminium, steel, iron ore, chemicals and

plastics, agricultural products, fish, tobacco, textiles and clothing and basic manufactures.

Main destinations: China (14.8 per cent of total in 2011), US (14.2 per cent), Colombia (13 per cent).

Agriculture

Land use is divided between arable land (3 per cent), permanent crops cultivation (1 per cent), meadows and pastures (20 per cent), forest and woodland (50 per cent) and other use (26 per cent). The country is subject to periodic droughts. Venezuela's main arable centres are Acarigua, El Tigre, Maracay, Valencia and Barquisimeto.

The agricultural sector is not hugely important to the economy of Venezuela, constituting just 5 per cent of total GDP. There has been little investment in modern farm technology. Inefficient marketing, poor farm management and scant irrigation are all features of the Venezuelan agricultural industry.

The major crops are rice, maize, sorghum, sugar cane, coffee (the main export crop), cocoa and cotton. Tropical fruits, cossava, beans, groundnuts and other vegetables are staple crops for small farmers. Poultry and pig-farming are of growing importance with small quantities of meat exported. Beef production has, however, slumped due to the smuggling of cattle to Colombia (where prices are higher), and cheap imports.

Throughout the 1990s, the government liberalised agricultural imports through lowering tariffs and removing quantitative restrictions in the form of import licences. The overall aim was to boost agricultural efficiency and to refocus production on areas where the country has a comparative advantage.

An agricultural programme is under way, involving the improvement and irrigation of 350,000 hectares of existing agricultural land and the use of about one million new hectares for cultivation. The programme aims to increase output of cereals, sugar and oilseeds (to reduce dependence on imports), and promote crop diversification.

Since the election of Hugo Chávez as president in 1999, the government has introduced land reform measures designed to bring disused agricultural land into production and redistribute land to the rural poor. The measures have been resisted by the land-owning oligarchy in the countryside, particularly cattle ranchers. The national government accelerated its land reform programme and continued to expropriate local agribusinesses throughout 2005.

Since coming to power President Chávez has passed legislation that regulates the

activities of large trawlers in order to protect small fishing communities.

Generally, the fishing industry has seen good growth, owing to an increase in the tuna catch. The overall typical fish catch is in the region of 435,000mt, including 318,000mt marine fish and 79,000mt shellfish.

Approximately half of Venezuela's total landmass is covered with forests and woodland, the majority of which are in the south and east of the country. The forestry sector remains undeveloped and around half the country's wood-derived products are imported.

Industry and manufacturing

Over time heavy industries have arisen with the intention of using local materials as inputs including the refining of aluminium (an increasingly significant export), petrochemicals (ammonia, sulphuric acid, fertilisers, plastics etc) and cement and steel production.

Import-dependent industries include motor vehicle assembly, tyres, rubber, pharmaceuticals, electrical goods and machinery. The traditional home market industries are beverages, textiles, food processing, ceramics and paper/pulp.

Major state enterprises include Sidor (steel), Venalum and Alcasa (aluminium) and Pequiven (petrochemicals). Venezuela's aluminium industry is inefficient and heavily indebted.

Manufacturing production remains highly concentrated, with around 10 per cent of all firms accounting for 75 per cent of output. Joint ventures involving state, domestic and foreign private capital were developed in the 1990s to expand the petrochemical and aluminium industries. Manufacturing increased in 2004, on the wave of a general economic upswing in the economy during the year. In the first seven months of the 2004 calendar year the manufacturing sector expanded by 38 per cent more than the same seven month period in 2003.

Tourism

Venezuela has traditionally been a popular destination for foreign visitors but since the introduction of a *de facto* dual currency exchange rate the number of visitors has fallen, from 771,000 in 2007 to 615,000 in 2009. Due to the devaluation of the new Bolívar fuerte in 2010, low- and middle-income domestic tourists have limited their holidays to Venezuela. The north of the country offers city and urban facilities, as well as Caribbean coastal resorts, while further south there are national parks and rural settings that attract eco-visitors.

The historic old towns of Caracas and Coro and its port (containing the only remaining mix of Spanish Mudéjar and

Dutch architectural techniques, as well as the Canaima National Parks, which includes the world's highest sheer cliff waterfall (over 1,000 metres), are included on Unesco's World Heritage List.

Travel and tourism contributed an average 9.2 per cent of GDP (2007–11) and provided employment to 8.3 per cent of the workforce (978,520 jobs) in the same period. However, forecasts are for the sector to provide 9.7 per cent of GDP and jobs for one million workers. While visitor revenue fell from US\$885 million in 2007 to US\$688 million in 2011, domestic spending on travel and tourism grew from US\$13.5 billion in 2007 to US\$16.7 billion in 2011, with a projected jump to US\$20.2 billion for 2012.

Mining

Venezuela is endowed with a significant range of mineral resources. However, these deposits remain largely undeveloped. The sectors of the industry retaining the most importance include iron ore, bauxite, gold, diamond and nickel laterites. Other sources include zinc, copper, lead, silver, manganese, titanium, nickel, marble, sulphur, phosphates, mercury and uranium.

At present, the mining industry contributes just 1 per cent of the country's total GDP. The government reformed its mining law in 1999, converting mining contracts signed with Corporación Venezolana de Guayana (CVG) into mining concessions. The government eliminated exploration and surface taxes in the first three years of a concession.

Several foreign investment and joint ventures have propped up the sector. Venezuelan, Canadian and US companies have combined to exploit the extensive kimberlite sills in the region of Guaniamo and aid in the marketing of diamonds. Nickel is mined at Loma de Niquel. The main mineral exploited is iron ore; reserves are estimated at 2,800 million tonnes, 80 per cent high-grade. The largest deposits are located at Cerro Bolívar and San Isidro. Estimated reserves of bauxite at Los Pijiguaos typically amount to some four billion tonnes of high-grade ore.

In September President Chávez suggested that the Las Cristinas gold mining region would be re-nationalised at some point in the future. Crystallex, a Canadian mining company operating in the region and currently planning to build the what would be the largest gold mine in Venezuela, saw a sharp decline in its share price on the back of the news.

Hydrocarbons

Venezuela was a founder member of the Organisation of Petroleum Exporting Countries (Opec) and continues to be one

of the world's most important oil exporters. The country is endowed with the most extensive proven oil reserves in South America. The petroleum industry is the mainstay of the economy.

Total proven oil reserves were 296.5 billion barrels in 2011. Production in 2011 was 2.7 million barrels per day (bpd); supplies; production is restricted by Venezuela's OPEC quota.

The oil industry has been radicalised since Hugo Chavez became president as he used oil as an extension of his political ideology. He has agreed to oil sales, on preferential terms, in countries in the region to strengthen ties between South America and the Caribbean in an effort to counter US influence. Private oil fields were nationalised in 2007, and in 2009, President Chavez announced that companies that provide services to the oil industry would also be nationalised. In January 2012, the government announced that it would only pay US energy company ExxonMobil US\$255 million in compensation for nationalising its assets in 2007; the International Chamber of Commerce tribunal had judged the compensation should be US\$908 million.

The state-run oil and gas company, Petroleos de Venezuela SA (PdVSA), accounts for around 33 per cent of GDP and 50 per cent of government revenue. Although there is an extensive network of domestic pipelines, none are yet operational for exports. There are three major oil refineries with 1.3 million bpd capacity in 2011 and all operated by PdVSA.

In 2010, an announcement by the Venezuelan minister for oil and China's three largest oil companies stated that a series of investment agreements had been signed with PdVSA and these oil companies to invest US\$40 billion in Venezuela's oil and gas sector. The minister also said that Venezuela was exporting 362,000bpd to China and had become one of China's largest oil and gas suppliers. Venezuela planned to export up to 700,000bpd to China by mid-2010s.

Total proven natural gas reserves were 5.5 trillion cubic metres in 2011, the second largest in the Americas, behind the US. Production was 31.2 billion cubic metres in 2011, an increase of 3.2 per cent on the 2010 figure. Exploitation of gas reserves is a priority, since the majority of Venezuela's energy is produced by natural gas. Output has risen from around 14.7 billion cum in 1980 to 30.2 billion cum in 2010; there was a high of 32.3 billion cum in 1998.

The government agency Enagas regulates the natural gas sector. Around 70 per cent of gas production is consumed by the oil industry, the majority of which is used as re-injection to aid crude oil extraction.

There are natural gas explorations of the country's north coast ongoing, in areas leased by PdVSA.

The natural gas pipeline network has been enhanced to allow greater domestic access. The international gas pipeline began operation in 2008, supplying 2–4 billion cum per day of Colombian natural gas to western Venezuela. In 2012 a reverse in flow is planned with exports to Colombia of 4 billion cum per day.

Plans for the export of liquefied natural gas (LNG) from 2013 were agreed between PdVSA and three international consortia. Total exports of LNG are expected to be in excess of 10 million tonnes per year.

Venezuela is the second largest producer of coal in Latin America, after Colombia, and has 479 million tonnes of coal reserves (2011). PdVSA operates, through joint ventures between its subsidiary Carbozulia and foreign companies, four mines with production at 6.3 million tonnes of oil equivalent (2011). Domestic consumption is only around 20,000 tonnes per annum and most of Venezuela's bituminous coal is exported to markets in North and South America and Europe.

A joint investment fund with China was increased to US\$16 billion in 2009. The fund guarantees energy supplies to China in exchange for cash up front.

In November 2010, the Italian energy company Eni reported that the new Venezuela offshore natural gas and oil field was a 'world-class super-giant gas discovery'. The estimated reserves were increased to 396 billion cubic metres of natural gas and 2.5 billion barrels of oil.

Energy

Total installed generating capacity was 22.2 gigawatts (GW) in 2007.

Hydropower produces over 70 per cent of total electricity generated, with traditional thermal sources constituting the remainder. Construction of more hydroelectric power stations, of 2,250MW, are underway with an additional 2,964MW planned.

Almost half of Venezuela's electricity generating capacity is provided by the 10GW Raul Leoni hydroelectric dam on the Caroní River. Another renewable source of electricity includes a small geothermal energy plant producing 1MW.

Venezuela's grid is connected to that of Colombia, enabling the country to export surplus electricity. However, there have been serious electricity shortages in recent years due to low rainfall and electricity theft, which is estimated to account for a quarter of Venezuelan energy consumption. Extensive power cuts were imposed on industry and businesses in December

2009 in an effort to avoid mass power cuts, as electricity output of the country's principal Guri hydroelectric power station began falling, due to severely low water levels. In May 2011, after blackouts had affected almost half of the country, the government began cutting power for three hours a day in 19 of the country's 23 states.

The electricity sector is dominated by the state-owned Electrificación de Caroni (EDELCA). Cadafe, which includes Cadela, Elecentro, Eleorienté, Eleoccidente, Desurca, and Semda, is the world's second-largest state-owned electricity company.

Financial markets

Stock exchange

Bolsa de Valores de Caracas (BCV) (Caracas Stock Exchange)

Banking and insurance

With the bankruptcy of the second biggest bank in the country, Banco Latino, in 1994, the Venezuelan banking and financial services system went into meltdown. About a third of Venezuela's banks subsequently went into insolvency as depositors panicked, closing accounts and forcing under-capitalised banks to close. Since then, the financial sector in Venezuela has undergone a vigorous restructuring, ensuring that the banks of today are well capitalised with relatively clean balance sheets.

The government has been able to recuperate its losses through the privatisation of several leading banks, and Venezuela's financial system is largely controlled by foreign interests. Foreign participation in Venezuela's banking system rose to around 70 per cent of total banking assets. As elsewhere in Latin America, it was the Spanish banks which had the most influence in the banking system, with Spanish Grupo Santander taking the lead in buying indigenous banks.

Venezuela's banking superintendent privately told several of the country's large banks that President Chávez intended to place official government representatives on their governing boards. In 2008, President Chávez began plans to nationalise the Commercial Bank of Venezuela, owned by the Spanish Grupo Santander. The bank was nationalised in May 2009 and Venezuela paid US\$1.05 billion to Grupo Santander. The government closed four banks in December 2009, following suspicions of regulatory violations and the arrest of their owners for misappropriating funds. Of the four, Provivienda and Canarias will be liquidated and Bolívar and Confederado may be rescued; together these banks accounted for around 6 per cent of the banking sector.

A new Bank of the South, (South America) with a headquarters in Venezuela, was to be launched in 2008, to provide an alternative source of development funding for the participating countries, with assets of US\$7 billion to underpin its operations. However as the global economic crisis intensified it undermined the intentions of the new bank so that by 2009 countries in the region were again turning to the IMF and World Bank for assistance.

Central bank

Banco Central de Venezuela
Main financial centre
Caracas

Time

GMT minus four and a half hours (from 9 December 2007)

Geography

Venezuela is on the north coast of South America, bordered by Colombia to the west, Guyana to the east and Brazil to the south.

Venezuela is a mountainous country. A spur of the Andes reaches into the north-west and is home to Pico Bolivar, at 5,007m the highest point in Venezuela. In the south-east, bordering on Brazil, are the densely-forested Guiana Highlands, which make up around half of the country's terrain. The Angel Falls, the highest waterfall in world, is in the Guiana Highlands. The centre of the country, between the mountain ranges and opening to the Caribbean Sea, are plains (*llanos*) and coastal lowlands. The Orinoco, Venezuela's biggest river, rises in the Guiana Highlands, draining most of the country on its way to the north-eastern coast and culminating in an extensive delta, which is marshy and thickly wooded.

Hemisphere

Northern

Climate

Tropical, hot and humid, with more moderate temperatures in highlands. Dry season from December–April, with mean temperature in Caracas 19 degrees Celsius (C), rising to 28 degrees C during the day; nights are cool. Rainy season from May–November, with mean daytime temperature in Caracas 23 degrees C.

Entry requirements

Passports

Required by all, valid for six months from date of arrival.

Visa

Required by all, except nationals of EU/EEA countries, North America, Australasia, Japan, some South American, Asian and other countries for up to 90 days. For a full list of exemptions and other details, visit www.embavenez-us.org

Currency advice/regulations

There are no restrictions on the import and export of local or foreign currencies

Health (for visitors)

Mandatory precautions

None (yellow fever vaccination certificates may be required by visitor leaving for other countries).

Advisable precautions

Yellow fever, cholera, typhoid, polio vaccinations. Malaria prophylaxis recommended for visits to some rural areas. Rabies is present and dengue fever is becoming more common. There are occasional outbreaks of viral encephalitis. In north-central regions, to avoid the risk of Bilharzia use only chlorinated swimming pools for bathing. Bottled water is advisable for new visitors. Unwashed raw foods and undercooked meats are not safe to eat. Healthcare facilities are good in main cities, but the cost is high and therefore medical insurance is recommended.

Hotels

The selection of first-rate hotels is rather limited. Good standard in Caracas and main centres. Graded into classes by Tourism Department on a one- to five-star basis. Booking in advance is essential. There are some seasonal variations of rates. There is a 10 per cent tourist tax.

Public holidays (national)

Fixed dates

1 Jan (New Year's Day), 19 Apr (Emancipation Day), 1 May (Labour Day), 24 Jun (Battle of Carabobo), 5 Jul (Independence Day), 24 Jul (Simon Bolivar Day), 15 Aug (Assumption Day), 12 Oct (Spanishness Day), 1 Nov (All Saints' Day), 25 Dec (Christmas Day).

Variable dates

Epiphany (first Mon in Jan), Carnival (Feb), Maundy Thursday, Good Friday, Immaculate Conception (Dec).

Working hours

Banking

Mon–Fri: 0830–1130, 1400–1630.

Business

Mon–Fri: 0800–1800 (with long lunch break from noon to 1430).

Government

Mon–Fri: range from 0730–1530 to 0930–1730; long lunch break from noon to 1430.

Shops

Mon–Sat: 0900–1300, 1500–1900.

Telecommunications

Postal services

There is an efficient service to Europe and the US.

Mobile/cell phones

A GSM 900 network is limited to coverage in Caracas and main towns.

Electricity supply

110V AC, 60 cycles

Social customs/useful tips

The normal form of greeting is a handshake or an *abrazo*, a cross between a handshake and a hug. Luncheons are frequently heavy. Wine in restaurants tends to be expensive.

Public services are inefficient and it is advisable to hire professional help to carry out official transactions.

Punctuality is not a strong point and the traffic is often blamed for delays. Business meetings may be cancelled or rescheduled at the last moment.

There is no numbering system for streets in Caracas, and many street names are not marked. Directions are given by building or residence name and the neighbourhood or *urbanización*.

Security

Carry identification at all times as police make spot checks and a person without identification may be detained.

Beware of pickpockets. If unlucky enough to be robbed, do not argue as criminals can quickly become violent. Many Caracas residents carry handguns for personal defence and are prepared to use them.

Getting there

Air

National airline: Aeropostal.

International airport/s: Caracas-Maiquetía International (MQV), 22km north of city, duty-free shopping, bank, restaurants, post office and car hire. Journey time to city by bus 45 minutes running every hour. Taxis are located at a rank.

Other airport/s: Maracaibo-La Chinita (MAR), 17km from city, restaurant, car hire.

Airport tax: US\$16.

Surface

Road: It is possible to cross from Colombia by the Caribbean Coastal Highway, or by the Pan-American Highway via San Cristobal. The only road from Brazil (via Santa Elena de Uairen) is very rough and is difficult in the rainy season. There is no direct access from Guyana.

Main port/s: Guanta, La Guaira, Maracaibo, Puerto Cabello.

Getting about

National transport

Air: Several carriers operate services to many destinations in Venezuela.

Overbooking is common and it is advisable to arrive at the airport well before minimum check-in time. Cancellations and schedule changes are also likely to occur. Unlimited travel tickets are available.

Road: Roads between main cities are of a high standard, but there are maintenance problems. The road from Caracas to

Maiquetía International Airport is closed indefinitely due a collapsed bridge. There are around 36,000km of surfaced roads, including 17,000km motorways and 13,000km highways. The Pan-American Highway runs from Caracas, via Valencia and Barquisimeto, to the Colombian border. Other main highways include: Valencia-Puerto Cabello; Coro-La Ceiba; Caracas-Ciudad Bolívar.

Buses: There are frequent services between major cities. It is advisable to book in advance. Buses are overcrowded, tend to break down and traffic jams are a problem.

Rail: A very limited service available (Barquisimeto-Puerto Cabello; around four trains per day). The first new line since 1937, connecting Caracas and Cua, was inaugurated in October 2006.

City transport

Taxis: Taxis are not metered and it is advisable to agree the fare before travelling. Higher fares are charged for late night journeys. Outside Caracas fares can be expensive for long trips. Licensed taxis are white with yellow number plates and can be hailed in the street. A fleet of black Ford Explorers operates from Caracas airport. Visitors should avoid taxi touts and unlicensed taxis, especially at the airport. Taxis from reliable companies can be booked through the hotels, some of which run their own limousine services. Shared taxis (*por puestos*) are widely used.

Buses, trams & metro: The metro reaches main points all along the Valley of Caracas. It is fast, cheap, clean, comfortable and safe, although pickpockets abound. It links with the metrobus services.

Car hire

Most international rental car companies are available in main towns and at airports. National or international licence accepted. A credit card is required. Insurance cover is recommended.

BUSINESS DIRECTORY

The addresses listed below are a selection only. While World of Information makes every endeavour to check these addresses, we cannot guarantee that changes have not been made, especially to telephone numbers and area codes. We would welcome any corrections.

Telephone area codes

The international direct dialling (IDD) code for Venezuela is +58, followed by area code and subscriber's number:

Barquisimeto	251	Maturin	291
Caracas	212	Merida	274
Ciudad Bolívar	285	Puerto Cabello	242
Cumana	293	San Cristobal	276
Maracaibo	261	Valencia	241

Maracay 243

Chambers of Commerce

American-Venezuelan Cámara de Comercio, Torre Credival, 2da Avenida de Campo Alegre, Caracas (tel: 263-0833; fax: 263-1829; e-mail: vanamcham@venamcham.org).

British-Venezuelan Chamber of Commerce, Avenida Francisco de Miranda, Multicentro Empresarial del Este, Caracas (tel: 267-3112; fax: 263-0362; e-mail: britcham@ven.net).

Caracas Cámara de Comercio, Calle Andrés Eloy Blanco 215, Los Caobos, Caracas (tel: 571-3222; fax: 571-0050; e-mail: comerciocc@cantv.net).

Valencia Cámara de Comercio, Avenida Bolívar Norte, Edificio Cámara de Comercio, Valencia (tel: 857-5109; fax: 857-5147; e-mail: camaracomercio@cantv.net).

Venezuelan Federación de Cámaras y Asociaciones de Comercio y Producción, Avenida El Empalme, Urbanización El Bosque, PO Box 2568, Caracas (tel: 731-1711, 731-0246; e-mail: direje@fedecamaras.org.ve).

Banking

Banco Industrial de Venezuela, Av Universidad Esquina de Traposos, Zona postal 1010, Apartado postal 2054, Caracas (tel: 545-9222/541-8622; fax: 545-8315).

Banco Mercantil, Av Andrés Bello No 1, Edif Mercantil, Apartado postal 789, Caracas 1010-A (tel: 541-4320, 541-6666; fax: 507-1239, 574-3216; e-mail: mercan24@bancomercantil.com; internet site: <http://www.bancomercantil.com>).

Banco Provincial, Av Este 'O', San Bernardo, Zona postal 1010-A, Apartado postal 1269, Caracas (tel: 574-5611, 574-6611; fax: 574-9408, 574-2065).

Central bank

Banco Central de Venezuela, Avenida Urdaneta esq Las Carmelitas, Apartado 2017, Caracas 1010 (tel: 801-5111; fax: 861-1649; e-mail: biblio@bcv.org.ve).

Stock exchange

Bolsa de Valores de Caracas (BCV) (Caracas Stock Exchange)
www.bolsadecaracas.com

Travel information

Caracas-Maiquetía Airport, Ed Vargas, Maiquetía 1161 (tel: 303-1329; fax: 355-1224; e-mail: consejo_admin@iaim.com.ve).

Ministry of tourism

Ministry of Tourism, Edificio Mintur, Avda Francisco de Miranda con Avda Principal de La Floresta, Caracas (tel: 208-4511; e-mail: webmaster@mintur.gob.ve).

National tourist organisation offices

Inatur (National Institute of Tourism), Edificio Mintur, Avda Francisco de Miranda con Avda Principal de La Floresta, Caracas (tel/fax: 286-3016; fax: 286-3016; e-mail: gpmnatur@gmail.com).

Ministries

Ministry of Agriculture and Livestock, Torre Este, Piso 14, Caracas (tel: 509-0445; fax: 574-2432).

Ministry of Defence, Fuerta Tiuna, Conejo Blanco, Caracas 1090 (tel: 622-2745; fax: 662-4078).

Ministry of Education, Esquina de Salas, Edificio Sede Del Ministerio de Educación, Caracas (tel: 564-0672; fax: 564-0379).

Ministry of Energy, Torre Oeste, Parque Central, Piso 16, Caracas (tel: 507-6604; fax: 571-3953).

Ministry of the Environment, Torre Sur, Centro Simón Bolívar, Piso 25, Caracas (tel: 481-6275; fax: 483-1148).

Ministry of Family Affairs, Torre Oeste, Parque Central, Piso 51, Caracas (tel: 575-3690; fax: 573-7481).

Ministry of Finance, Edif Banco la Guaira, Piso 12, Av Mexico, Caracas (tel: 509-8281; fax: 509-7831).

Ministry of Foreign Affairs, Conde a Carmelitas, Torre M.R.E., Piso 2, Caracas 1010 (tel: 862-4484; fax: 861-0894).

Ministry of Foreign Trade, Centro Comercial los Cedros, Mezzanina 3, Avda Libertador, Caracas (tel: 762-2777; fax: 762-3883).

Ministry of Health and Social Security, Edif, Sur, Centro Simón Bolívar, Caracas (tel: 483-1566).

Ministry of Home Affairs, Esquina de Carmelitas, Caracas 1010 (tel: 483-4334; fax: 861-1967).

Ministry of Housing (tel: 509-8676; fax: 509-8437).

Ministry of Industrial Development, Edif Sur, Piso 9, Centro Simón Bolívar, Caracas (tel: 419-296; fax: 483-2607).

Ministry of Justice, Torre Norte, Centro Simón Bolívar, Piso 25 (tel: 483-1170; fax: 483-7515).

Ministry of Labour, Torre Sur, Piso 5, Centro Simón Bolívar, Caracas (tel: 483-1881; fax: 483-5940).

Ministry of Planning, Parque Central, Torre Oeste, Piso 26, Caracas (tel: 507-7902; fax: 573-2834).

Ministry of Public Works and Commercial Affairs, Centro Simón Bolívar, Torre Sur, Piso 6, Caracas (tel: 483-2124; fax: 412-553).

Ministry of Trade and Industry, Av Libertador Centro Comercial Los Cedros, Piso 2, Caracas (tel: 531-0026; fax: 762-9869).

Ministry of Transport and Communications, Torre Este, Parque Central, Piso 50, Caracas (tel: 509-10761; fax: 509-1769).

Ministry of Urban Development, Torre Oeste, Parque Central, Piso 51, Caracas (tel: 574-5349; fax: 571-1767).

President's Office, Palacio de Miraflores, Avenida Urdeneta, Caracas 1010 (tel: 861-0811; fax: 861-1101).

Other useful addresses

Asociación Nacional de Comerciantes e Industriales, Plaza Panteón Norte 1, Apdo 33, Caracas.

CVG Bauxita de Venezuela S.A. (Raw Material for Aluminium), Av. La Estancia, Edif, Diamen, Piso 2, Chuao, Caracas (tel: 922-311, 916-187, 916-487; fax: 918-176).

British Embassy, Edificio Torre Las Mercedes, 3 Piso, Avenida La Estancia, Chuao, Caracas 1060 (tel: 911-255, 993-4111, 926-542, 914-253; fax: 993-9989).

Caracas Stock Exchange (fax: 952-2640; internet site: <http://www.caracasstock.com>).

Central Information Office (OCI), Parque Central, Torre Oeste, Piso 18, Caracas (tel: 572-7110; fax: 572-2675).

The Commission for State Reform, Torre Oeste, Piso 38, Parque Central, Caracas (tel: 507-8934/8931; fax: 572-3178).

Conapri (National Council for Investment Promotion), Centro Banavén, PB, Local 4, Chuao, Caracas (tel: 923-801; fax: 926-498).

Consejo Venezolana de la Industria, Edif Cámara de Industriales, Esq de Puente Anauco, Caracas.

Corporación Venezolana de Guayana (CVG) (Main Company), Edif. de Administración, Via Caracas, Puerto Ordaz, Ciudad Guayana, C.P. 80915, Edo. Bolivar (tel: 303-333; fax: 226-300, 225-311).

CVG Ferrominera del Orinoco AA (Iron), Av La Estancia, Chuao, Edif, Torre Las Mercedes, Piso 9, Caracas 1070-A (tel: 911-166; fax: 911-639).

Fondo de Inversiones de Venezuela (Privatisation Programme Information), Torre Financiera del Banco Central de Venezuela, Piso 20, Esq de Santa Capilla, Avda Urdeneta, Caracas (tel: 806-5974; fax: 819-169).

PdVSA (Petróleos de Venezuela), Avda Libertador, La Campina, Apdo 169, Caracas 1010-A (tel: 708-1111; fax: 708-4661).

CVG Siderúrgica del Orinoco CA SIDOR. (Aluminium, Iron and Steel), Av La Estancia, Chuao, Edif. General de Seguros, Caracas, 1070-A (tel: 912-333, 911-462).

Superintendencia de Inversiones Extranjeras (SIEX – Superintendency of Foreign Investment), Apdo 213, Edif La Perla, Piso 3, Bolsa a Mercaderes, Caracas (tel: 483-6666; fax: 484-4368, 481-7919).

Unión Patronal Venezolana de Comercio, Edif General Urdeneta, Piso 2, Marrón a Pelota, Apdo 6578, Caracas.

US Embassy, Avda Principal de la Floresta, Esq Francisco de Miranda, La Floresta, Caracas (tel: 285-3111; fax: 285-0336).

Venezuelan Embassy (USA), 1099 30th Street, NW, Washington DC 20007 (tel: (+1-202) 342-2214; fax: (+1-202) 342-6820; e-mail: despacho@embavenez-us.org).

National news agency: ABN (Agencia Bolicariana de Noticias), (internet: www.abn.info.ve).

Internet sites

Venezuela Export Directory: <http://www.ddex.com/>

Venezuela trade: <http://www.trade-venezuela.com>