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ECONOMIC SITUATION

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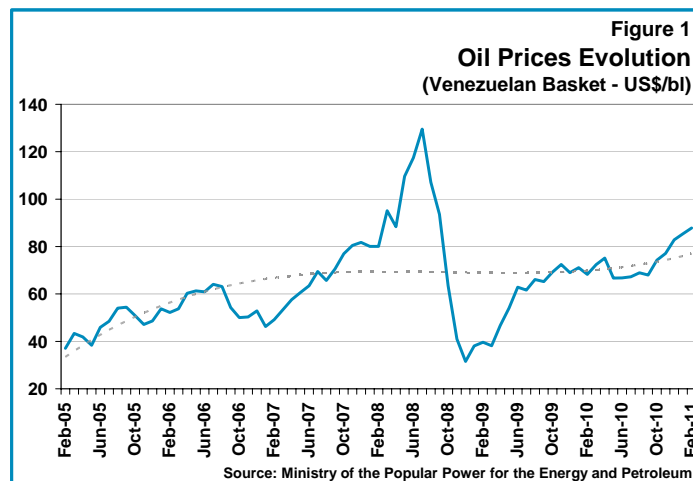
OIL MARKET

During the first two months of the year, the international petroleum market has suffered the effects of the seasonal increase in demand and the new and unexpected geopolitical risks from the civilian uprisings in several North African and Middle-East countries. In the face of a sustained growth in demand, closely related to the global economic recovery, and of an increased risk in the flow of supply, there is now a general perception of a “tighter” market, therefore much more sensitive to unexpected interruptions in production or in commercial shipments. Expectations of a higher global demand during the year and of possible bottlenecks in non-OPEC countries also increase the pressure on oil prices in the present circumstances.

During the first nine weeks of the current year and up to March 4, Brent and West Texas Intermediate (WTI) crude prices averaged US\$/b 101.2 and 91.4, respectively.

These prices were substantially higher than those in the same weeks of 2010. The Brent crude price increased by 33% on a year-to-year basis, while WTI increased by 18%. This difference between the rates of increase of the oil prices may be explained by a higher perception of the risk of supply in Europe than in the United States, and in some way indicates the importance of the political problems in the Middle East and North Africa, in terms of the conditions for energy supply to European countries.

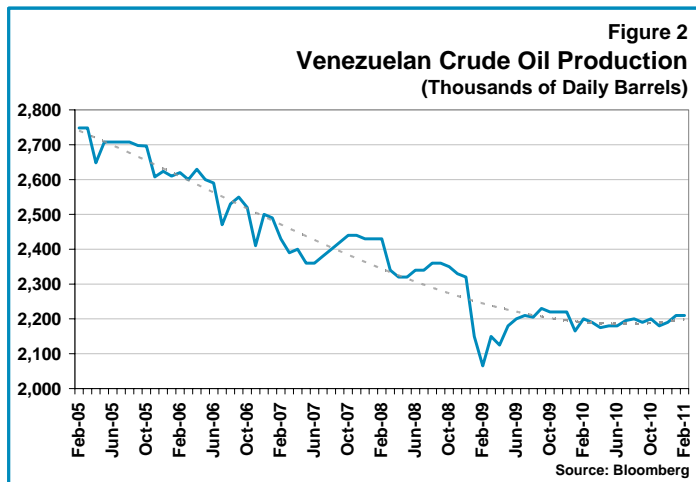
The price of the Venezuelan oil export basket averaged US\$/b 87.6 by March 4, which represents US\$/b 47.6 above the reference price for the 2011 National Budget. Prices increased by 25%, when compared with the average price during the first nine weeks of 2010 (US\$/b 69.8). To be noted is that by March 4, the price of the Venezuelan basket had already reached US\$/b 97.5, in a scenario of increased conflict in Libya, of strong protests in other Middle East oil producing countries, and of the still unpredictable effect of the natural catastrophe in the third largest economy in the world (Japan).



According to OPEC, the Venezuelan petroleum production averaged 2.21 mbd (million barrels per day) during the first two months of the year, a 15 kbd (thousand barrels per day) reduction when compared with the same months of

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last year (see Figure 2). When compared with the last two months of 2010, the January-February average production increased by 25 kbd.



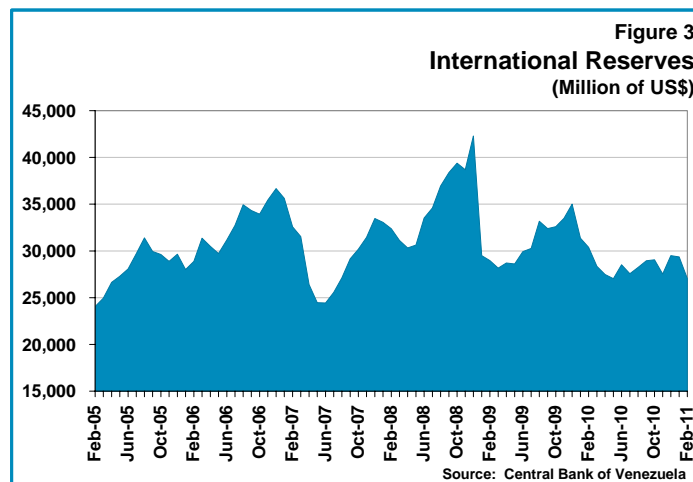
EXTERNAL SECTOR

One year after the multiple exchange system was instituted (which established rates of Bs./US\$ 2.6 for priority imports and transactions, and of Bs./US\$ 4.3 for non-priority ones), the National Executive, together with the Central Bank (BCV), published Exchange Agreement N° 14 in Official Gazette N° 39,584 of December 30, 2010, which unifies the rate of exchange at Bs./US\$ 4.29 for the purchase, and of Bs./US\$ 4.30 for the sale of US dollars. Only a few days later, the economic authorities decided to issue Exchange Agreement N° 15, which provides for the liquidation of requests made to CADIVI before December 31, 2010 at the Bs./US\$ 2.60 exchange rate, for student expenses abroad, health, sport, culture, scientific research (and other specially urgent cases), as well as for payments to retirees and pensioners residing abroad.

At present, then, there is a dual exchange system in place, as a result of firstly the introduction of SITME (*Sistema de Transacciones con Títulos en Moneda Extranjera* – System of Transactions of Securities in Foreign Currency) by mid-2010, whereby private agents have access to US dollars at an average exchange rate of Bs./US\$ 5.30, together with the allocation of dollars to the private sector through CADIVI at Bs./US\$ 4.30, as described above.

International reserves in the hands of the BCV decreased by almost US\$ 2.5 billion during the first two months of the year when compared to the close of December 2010,

reaching US\$ 27.051 billion at the close of February (see Figure 3). International reserves stood at US\$ 28.8 billion on average during the first two months of 2011. This drop in reserves, resulting partly from the transfer of US\$ 1 billion to FONDEN on February 18, stands in contrast with the important rise in petroleum prices during the first two months of the year. A simple calculation of the value of petroleum production, based on the average daily production of the year (2.21 mbd) and the average price of the Venezuelan basket, shows that the value of petroleum production during the first two months of the year could have reached US\$ 11.45 billion, an almost 26% increase over the recorded value for the first two months of 2010 (close to US\$ 9.114 billion). This would indicate an equivalent percentage increase in petroleum exports and, theoretically, a relative increase of international reserves. However, the average value of international reserves decreased by almost 7% with respect to the first two months of 2010.



On the other hand, on February 2, under orders of the Planning and Finance Ministry and of PDVSA, the BCV transferred US\$ 829 million from the FEM (*Fondo de Estabilización Macroeconómica* - Macroeconomic Stabilization Fund) to the National Executive, to be used to cover the housing emergency costs, with a mere US\$ 3 million remaining in the fund.

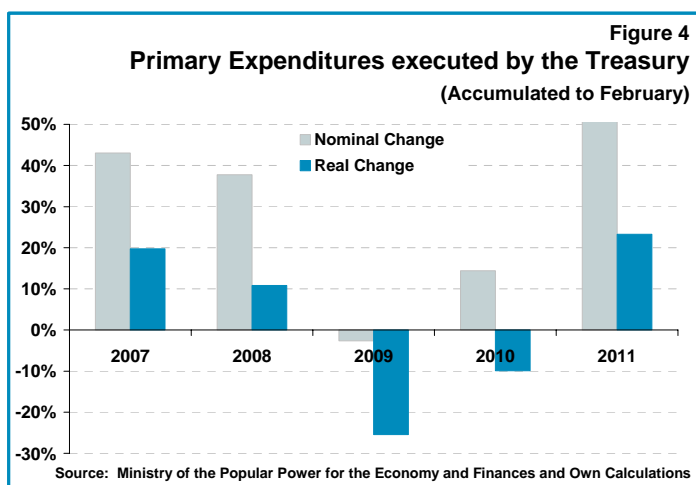
During the second week of February, PDVSA issued bonds in the local market for US\$ 3 billion, for three equal and consecutive redemptions in February of 2020, 2021 and 2022, with a 12.75% coupon. These bonds were acquired by individuals and legal persons at the official exchange

rate of Bs./US\$ 4.3. The total auctioned amount was placed, but it only covered 33% of total demand. The allocation mechanism granted a maximum of US\$ 10,000 per individual, US\$ 50,000 per company not engaged in priority sectors, US\$ 5 million per private bank, US\$ 20,000 per company in priority sectors and US\$ 100 million per public bank, while savings banks and pension funds were allocated 100% of the amount they requested.

GOVERNMENT FINANCE

The Central Government's performance experienced a significant increase in public spending during the first two months of the year, basically due to the recovery in petroleum prices and to the higher value of petroleum exports under the unified exchange rate system.

Available information to date provided by the Planning and Finance Ministry covers the primary spending by the National Treasury, not including interest payments on account of public debt. During the first two months of the year, these outlays came to Bs. 35.3 billion, a 59.4% increase with respect to the same period of last year. After adjusting for inflation, primary spending increased by 23.2%. This could be an early indication of a change towards an expansive fiscal policy (see Figure 4).



The composition of the executed spending for the January-February period of this year indicates that only 20% was assigned to the Legal Allocations to States and Municipalities (31% last year), 28% to Remunerations (29% last year), 27% for Other Transfers to Decentralized Public Administration institutions (21.2% last year), 21% to

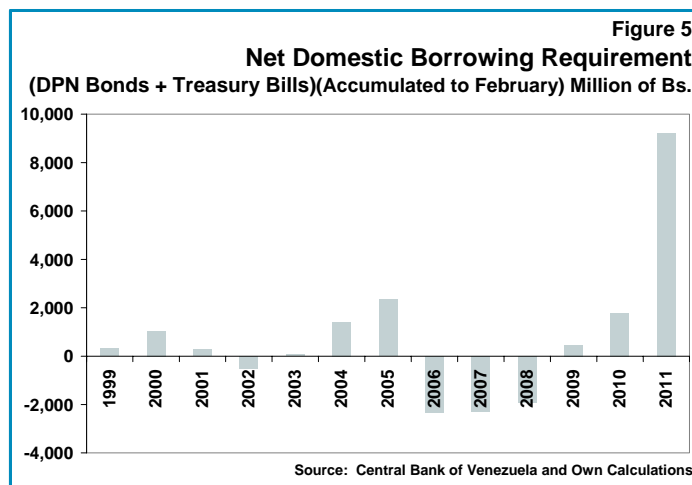
previous year budget commitments (16.4% last year), and 4% to Other Payments (1.7% last year).

On the other hand, SENIAT recorded a significant increase in tax collections during the first two months of the year in comparison with the same period of last year. Domestic collections recorded a nominal total 45.7% increase during the first two months of the year (a positive increase in real terms), with a notable 79.4% increase in Customs Tax, 45.8% in VAT (particularly influenced by customs tax collections), and 46.8% in Income Tax.

The Finance and Development Committee of the National Assembly approved the increase of the Tax Unit (*UT – Unidad Tributaria*), from Bs. 65 to Bs. 76, for a 17% increase, in February 26 of this year. This adjustment was 1,040 basis points (bp) below the national inflation for last year (27.4%). To be noted is that remunerations were increased during 2010 by an average 20.5%; if a similar increase were to be expected for this year, the lesser increase in the tax unit would mean a widening of the taxable base by allowing lower incomes to be taxed by the ISLR (*Impuesto Sobre La Renta – Income Tax*).

PUBLIC DEBT

DPN Bonds and Treasury Bills allocations increased notably during the first two months of the year, when compared to the same period of last year. In effect, during January-February 2011, a total of Bs. 12.3 billion were placed, for a 232% increase with respect to the same period of the previous year. Net internal indebtedness was



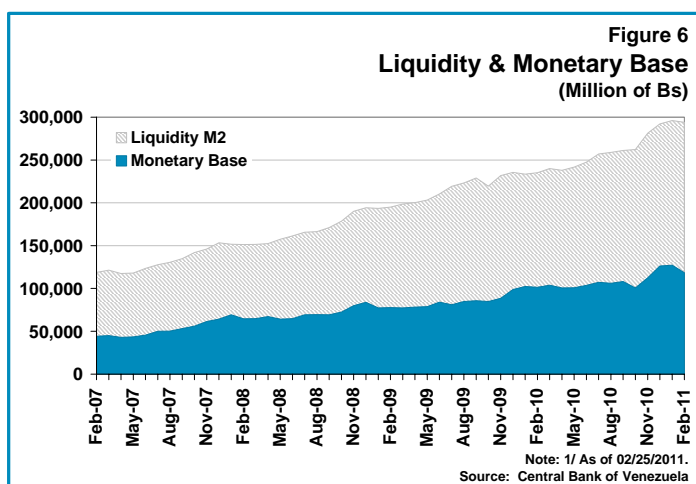
positive (Bs. 9.1 billion) when considering maturities of Bs. 3.1 billion (see Figure 5).

The stock of Central Government securities reached Bs. 92.5 billion (US\$ 21.5 billion) by the end of February 2011, with a 48% year-on-year increase.

MONETARY AND FINANCIAL MARKETS

The performance of the monetary market during the first two months of the current year has shown a slight contraction of monetary aggregates in real terms, a persistent situation in the Venezuelan economy since 2008. Monetary Liquidity (M2) reached Bs. 294 billion during the week of February 25, a nominal 25% increase with respect to the third week in February of last year (Bs. 235.4 billion). In real terms, M2 still records a slight decrease. To be noted is that, to date, there is an increase in the public's preference for money in circulation, which reached a 74% participation of monetary liquidity, in contrast with 67.4% a year ago. This greater preference of the public for more liquid instruments may be explained by the reductions in real yield of financial assets and by a greater risk perception by the public.

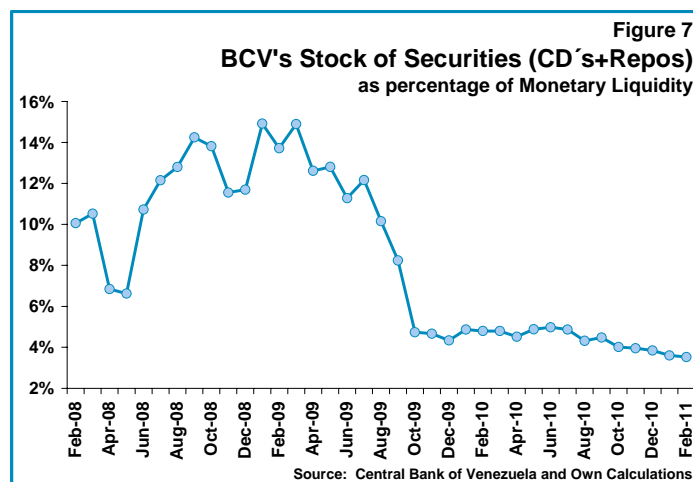
The Monetary Base, or high-powered money, reached Bs. 118.3 billion by February 25, for a 16% year-on-year growth rate with respect to the same period of 2010 (see Figure 6). In real terms, the monetary base is still contracting. To be noted is that, so far during the year, no detailed information has been published on the components of the Monetary Base.



The financial system is also showing a tendency similar to the increased preference of the public for liquidity. Banking liquidity surplus reached an average Bs. 28.7 billion by the close of February, Bs. 8.4 billion over the level of the previous year, representing a 41.2% nominal increase. It is convenient to note that surplus liquidity averaged a mere Bs. 1.7 billion two years back. Surplus liquidity was 11.4% of M2 by the close of February, the highest on record since the statistical series became available (1999).

Nevertheless, and in contrast with the above average level of liquidity, during the first two months of the year overnight rates averaged 11.5%, while the average for the same period of 2010 was just 3.5%.

By the close of the first two months of the year, the BCV kept Bs. 10.3 billion of CDs and Repos in circulation, which contrasts with Bs. 11.3 billion at the close of February 2010. Therefore, the securities stock of the BCV stood at 3.5% of liquidity (see Figure 7), which shows a lesser effort on the part of the monetary authority to control monetary aggregates.



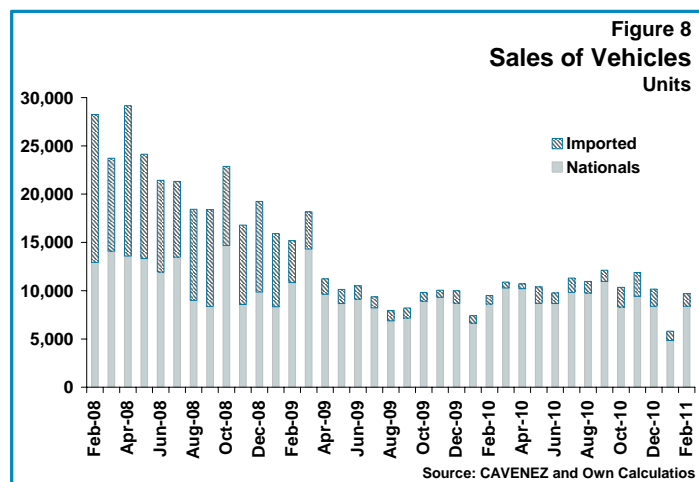
During the first two months of the year, a series of regulatory and case law measures were approved in the financial area: (a) norms for the selection, hiring and dismissal of the external auditor of banks, (b) a maximum limit was established for the total trust funds (not to exceed 5 times total equity), (c) a percentage of minimum lending obligations to the tourist sector (set at 3%), (d) regulations for the restructuring and remittance of debts from the agricultural sector, and (e) regulations for the use of electronic banking services.

The balance sheets of financial institutions indicate that the credit portfolio of commercial and universal banks increased by a nominal 24.8% at the close of February when compared to February 2010. However the credit portfolio continued to drop in real terms. The inter annual reduction of real credit was 3.8% by the second month of the year, reaching 30 consecutive months of real year-on-year declines in credit in real terms. In contrast, investment in securities had a 54.7% nominal increase during February with respect to February 2010. In real terms, these investments grew by 19.2%.

The quality of the credit portfolio, in terms of the ratio of loans overdue and under litigation over the gross credit portfolio, slightly increased during February with respect to December, to reach 3.7%. However, with respect to a year ago, the quality of obligations improved as this index fell by 30 bp. The coverage (provisions/loans overdue + under litigation loans) by financial institutions during February was 1.4 times, similar to that of a year ago (1.3 times).

REAL SECTOR

Domestic economic activity seemed to experience a moderate recovery during the first two months of the year, after a long contraction since the second quarter of 2009. Some of the factors that indicate that recovery are: the important growth of real primary public spending during the first two months of the year (23%), the statistics of real growth of domestic taxes, particularly Income Tax, and the lesser year-on-year contraction of credit in real terms of February.



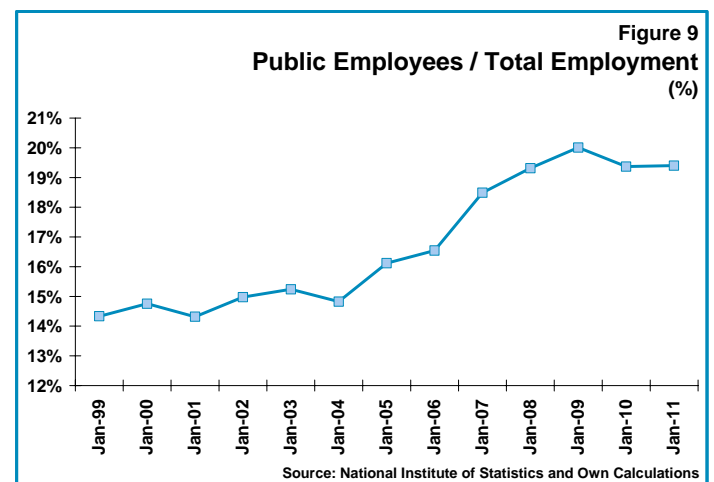
Other traditional indicators of economic activity, such as total car sales, do not support this result as a forecast. Sales of vehicles during the first two months of the year, as reported by CAVENEZ, show an 8.2% drop with respect to last year's first two months. Only 15,501 vehicles were sold during January and February, while 16,894 were sold in the same period of last year (see Figure 8).

LABOR MARKET

The number of unemployed reported by the National Statistics Institute (*INE – Instituto Nacional de Estadística*), increased to 1,386,885 during January, almost half a million unemployed over those of December 2010 and 48,205 more than in January. The rate of unemployment, 6.5% in December 2010, rose to 10.4% in just one month, which reflects the intense seasonal effects on the local labor market.

The Venezuelan occupied population reached 11,937,182 persons in January. Almost 6,800,600 belong to the formal sector of the economy, while some 5,136,500 represent the informal sector, bringing the participation of the informal sector in the occupied population during January to 43% of the total.

The private sector increased the number of jobs by 147,000 during the last year. The public sector also increased by 46,600 persons. Therefore, the public sector participation in the employed population was the same (19.4%) as a year back, as can be seen in Figure 9.



The National Executive issued Decree Number 7,154 extending for one year job stability, originally published in

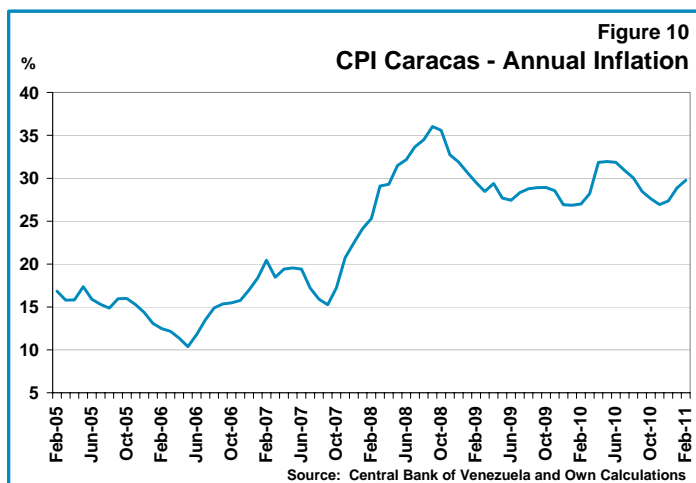
Official Gazette N° 39,334 of December 23, 2009, protecting workers of both the public and private sectors under the Organic Work Law, who earn less than three times the monthly minimum wage.

PRICES

The National Consumer Price Index (*INPC – Índice Nacional de Precios al Consumidor*) decreased by 1,7%, 100 bp below the previous month, but still a 10 bp increase with respect to the same month of last year. Therefore, the year-to-date INPC increased by 4.5%, 120 bp over the level for the first two months of 2010.

Groups showing inflation rates above the general average of the economy (4.5%) were: Food and non-Alcoholic Beverages (4.7%), Alcoholic Beverages and Tobacco (6.6%), Health (7.9%), Transportation (5%) and Restaurants and Hotels (4.5%). To be noted is that the items most affected by inflation rates were precisely those which were affected by the unification of the official exchange rate to Bs./US\$ 4.30.

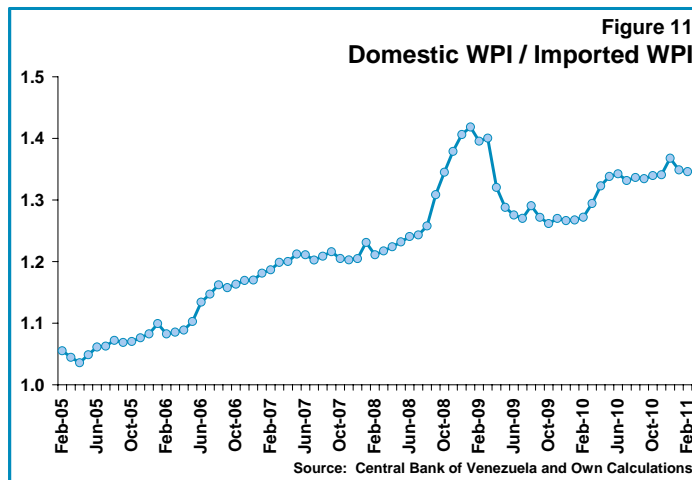
Only two cities showed an a rate of inflation above the national year-to-date of 4.5%: Mérida (4.7%) and Caracas (5.9%).



The Index of Consumer Prices for the Caracas Metropolitan Area (*IPC-AMC – Índice de Precios al Consumidor del Área Metropolitana de Caracas*) rose by 2.2% during February, to accumulate a 5.9% increase during the first two months of the year, 200 bp over the accumulated variation during the same period of last year. The largest price adjustment by groups was that of Health,

with an accumulated inflation of 12.4%. The INPC-AMC's inter-annual variation has remained above 25% (see Figure 10).

The national variation of core inflation¹ during February reached 1.7%, the same variation rate reported by the INPC. The year-to-date core inflation came to 4.5%, also the same variation reported by the INPC.



The Wholesale Price Index (*IPM – Índice de Precios al Mayor*) accumulated a 3.7% variation during the January-February period of this year, a 70 bp increase compared to the same period of 2010. During the first two months of the year, national products recorded a 3.3% inflation, while the price of imported goods rose more than during 2010, to reach 5.0%, 230 bp over the same period of 2010. To be noted is that there is still a rising tendency to be observed in the ratio of national IPM to imported goods, as can be seen in Figure 11.

¹ Core inflation: Excludes goods that depend on seasonal factors, or are subject to erratic movements and price controls.

**NEW LEGISLATION IN THE ECONOMIC AND SECTORIAL FIELD
MONTH OF FEBRUARY 2011**

OFFICIAL GAZETTE N°	DATE	SUMMARY
39,612	02/09/2011	Resolution: Commercial and Universal Banks must dedicate 3% over the average of closing values of their gross loan portfolios by December 31 of 2009 and 2010 respectively, as indicated therein.
39,613	02/10/2011	Resolution: Establishes the procedure for primary placement in national currency of securities in foreign currency issued or to be issued by the Republic, its decentralized entities or any other entity, only to be done through the System of Primary Placement of Securities in Foreign Currency (SICOTME – Sistema de Colocación Primaria de Títulos en Moneda Extranjera).
39,616	02/15/2011	Resolution: Regulations for the administration and inspection of risks related to crimes of capital legitimation and terrorism financing for institutions under this Superintendency.
39,623	02/24/2011	Regulation adjusting the Tax Unit to Bs 76.
39,624	02/25/2011	Resolution: Norms for establishing maximum limits of total funds based on the equity of the trust bank.
39,625	02/28/2011	Resolution: Conditions and requisites for banking institutions in order to transform or merge to become the appropriate type of institution, and minimum social capital limits required by the Law for Banking Sector Institutions.

Source: Official Gazette of the Bolivarian Republic of Venezuela

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ECONOMIC INDICATORS											
EXTERNAL SECTOR											
	2008	2009	2010	Oct-10	Nov-10	Dec-10	Jan-11	Feb-11	% Change	% Change	
									Accumulated	12 Months	
Volume of Production of Crude (thousands of barrels)	2,353	2,181	2,187	2,200	2,180	2,190	2,210	2,210	0.9%	0.5%	
Price West Texas Intermediate (WTI) (US\$/b)	99.9	55.3	58.8	81.9	84.2	89.0	89.7	89.4	0.4%	17.6%	
Venezuelan Oil Basket Price (US\$/b)	86.5	57.0	72.7	74.3	77.1	82.9	85.4	87.8	6.0%	28.7%	
OPEC Price (US\$/b)	94.4	55.0	58.2	79.8	82.6	88.3	92.5	99.6	12.8%	33.7%	
Non Traditional Exports (Million of US\$)	5,426	2,380	2,486	206	251	208			(9.2)%	(9.2)%	
Imports ^{1/} (Million of US\$)	45,128	36,908	30,745	2,764	2,725	2,346			(9.9)%	(9.9)%	
Gross International Reserves (Million of US\$)	42,299	35,000	29,500	29,033	27,135	29,500	29,360	27,051	(8.3)%	(11.4)%	
Priority Imports Exchange Rate (Bs./US\$)		2.15	2.60	2.60	2.60	2.60	2.60	2.60	0.0%	0.0%	
Non-Priority Imports "Oil Dollar" Exchange Rate (Bs./US\$)	2.15	2.15	4.30	4.30	4.30	4.30	4.30	4.30	0.0%	0.0%	
REAL SECTOR											
Index 1997 = 100											
Sales Volume Index	216.6	192.7	178.7	182.8	200.9	235.0			(6.2)%	(6.2)%	
Wholesale	143.3	122.1	130.8	147.9	158.5	138.5			14.9%	14.9%	
Detail	265.7	239.8	210.8	206.2	229.3	299.6			(11.3)%	(11.3)%	
Automotive Vehicles	189.8	127.4	85.2	81.1	88.3	80.5			(30.0)%	(30.0)%	
Parts, Pieces & Accessories of Automotive Vehicles	171.7	149.5	149.0	133.1	143.8	137.1			(9.1)%	(9.1)%	
Fuels for Automotive Vehicles	128.9	180.7	169.8	171.3	174.9	163.0			(43.5)%	(43.5)%	
Foods, Beverages & Tobacco in Non-Specialized Storehouses	337.0	324.2	267.9	260.1	281.7	305.2			(27.2)%	(27.2)%	
Other Products in Non-Specialized Storehouses	159.1	247.7	184.7	163.3	182.9	249.9			(30.5)%	(30.5)%	
Foods, Beverages & Tobacco in Specialized Storehouses	248.7	217.4	185.5	213.2	231.5	259.7			28.0%	28.0%	
Pharmaceutical & Medicinal Products, Cosmetic & Toiletries	401.7	409.3	316.0	302.6	390.9	434.8			13.7%	13.7%	
Textile Products, Apparel, Footwear & Leather's Articles	490.8	394.4	367.0	367.0	507.0	868.0			6.3%	6.3%	
Articles & Equipment of Domestic Use	608.1	490.7	441.6	376.0	435.8	677.1			(13.4)%	(13.4)%	
Articles of Ironworks, Paintings & Products of Glass	107.2	99.8	83.2	93.8	98.7	90.5			0.0%	0.0%	
Other Products in Specialized Storehouses	85.8	90.0	113.8	112.1	118.2	188.3			16.5%	16.5%	
Volume Index of Private Manufacturing Industry	125.6	110.7	108.1	116.0	122.2	93.6			1.8%	1.8%	
MONETARY AGGREGATES											
Million of Bs.											
Liquidity (M2)	194,275	235,401	292,016	262,272	281,144	292,016	295,957	294,031 **/	0.7%	25.0%	
Currency & Demand Deposits (M1)	124,036	155,269	217,350	187,281	202,096	217,350	220,447	217,456 **/	0.0%	36.8%	
Monetary Base	83,787	98,903	126,218	100,560	112,363	126,218	127,125 */	118,339 **/	(6.2)%	16.8%	
Net International Reserves	89,048	74,544	75,571	74,643	70,862	75,571			1.4%	1.4%	
Net National Treasury Agency	(9,474)	(3,488)									
PDVSA	(351)	(6,091)									
Other Net Public Sector Accounts	2,624	919									
Financial Sector	161	3									
Credit Instruments Placed by BCV	(23,041)	(7,563)									
Capital & Other Net Accounts	17,477	38,354									
MONETARY MARKET											
Million of Bs.											
Awarded Repos	795	12,637	35,274	3,396	2,084	3,127	3,251	3,437	19.0%	9.9%	
Awarded CDs	179,520	170,804	79,600	5,636	6,980	7,881	4,961	4,753	(20.5)%	(39.7)%	
Awarded Repos+CDs (Average Weekly)	3,468	3,481	2,364	2,377	2,158	2,621	2,053	2,048	(14.9)%	(21.9)%	
Purchases DPN (Average Weekly)	586	461	681	628	812	619	641	451	11.6%	(27.1)%	
Outstanding Repos	-	2,653	2,770	3,211	3,304	2,770	3,426	3,719	34.2%	18.0%	
Outstanding CDs	22,715	7,584	8,450	7,321	7,809	8,450	7,244	6,646	(21.4)%	(18.9)%	
Average Effective Returns Repos	6.50	6.27	6.08	6.4	6.1	6.1	6.1	6.1	2.4	2.9	
Average Effective Returns CDs	12.34	8.97	6.43	6.4	6.2	6.4	6.3	6.3	(9.6)	1.1	
COMMERCIAL & UNIVERSAL BANKS											
Million of Bs.											
Credit Portfolio	128,243	139,067	177,624	158,679	171,733	177,624	176,210 ***/		(0.8)%	29.7%	
Investments	59,049	59,445	84,015	56,276	83,448	84,015	88,777 ***/		5.7%	55.8%	
Total Deposits	175,984	184,977	253,275	213,338	231,315	253,275	257,387 ***/		1.6%	38.2%	
Demand Deposits	106,763	115,498	180,900	151,135	161,693	180,900	184,444 ***/		2.0%	53.9%	
Saving Deposits	45,777	47,996	62,553	50,550	58,880	62,553	63,011 ***/		0.7%	33.0%	
Term Deposits	23,444	21,483	9,823	11,653	10,743	9,823	9,932 ***/		1.1%	-47.7%	
INTEREST RATES											
Annual Percentage											
Overnight (Min - Max)	0.01-56.0	0.01-38.0	0.1-20.0	0.1-18.0	3.0-16.0	3.0-14.0	2.0-14.0	0.1-14.5	-	-	
Overnight (Average)	10.15	9.30	5.36	12.83	11.53	12.10	10.69	(141)		944	
Loans (6 Main Banks)	22.77	20.61	17.99	17.70	17.76	17.89	17.53	17.85	(4)	(70)	
90 Days Deposits (6 Main Banks)	16.55	15.57	14.73	15.05	14.73	15.00	15.04	14.89	(11)	14	
Libor 90 Days	2.79	0.65	0.34	0.29	0.30	0.30	0.30	0.31	1	6	
CENTRAL GOVERNMENT ^{2/}											
Million of Bs.											
Ordinary Revenues	166,098	151,525	162,341	11,973	19,206	21,170			31.8%	2.5%	
Oil Ordinary Revenues	82,432	53,231	60,492	1,697	9,445	12,132			24.0%	3.1%	
Tax Income	17,834	12,644	8,375	1,059	775	421			(14.5)%	(88.8)%	
Royalties	60,298	35,987	42,055	522	8,484	8,694			48.6%	28.2%	
Dividends	4,300	4,300	4,300	-	-	2,609			0.0%	111.1%	
Non-Oil Ordinary Revenues	83,666	98,295	101,849	10,276	9,760	9,038			36.8%	1.8%	
Net Seniat	73,168	80,011	100,842	10,276	9,435	8,636			76.5%	4.6%	
Gasoline and Derivatives	1,174	756	1,007	-	326	402			92.1%	122.8%	
Others	9,324	17,527	-	-	-	-			-	-	
Ordinary Expenses	174,133	187,135	212,751	14,091	30,314	29,583			13.6%	40.9%	
Financial Surplus or Deficit	(6,034)	(35,609)	(50,410)	(2,118)	(11,108)	(8,413)			(0.3)%	2,383.2%	
Effective Placements of DPN+Treasury Bills	4,053	28,301	52,542	3,061	4,208	2,138	4,196	8,142	233.6%	280.7%	
Net Borrowing Bonds DPN	(5,790)	14,557	31,134	1,981	2,810	798	3,217	5,289	282.0%	562.8%	
Net Borrowing Treasury Bills	(90)	2,314	1,356	(135)	102	(454)	(289)	1,008	(265.8)%	(322.4)%	
Public Debt Securities Average Effective Yields											
60-360 Days	9.84										
361-1080 Days	15.52	12.59	14.10								
1081-1800 Days	16.58	12.62	15.72	16.99	17.08	17.60	17.03	16.74	(87)	1,674	
1801-2520 Days		11.87	16.82	18.46	18.48	18.49	17.45	17.11	(138)	336	
2521-3240 Days		8.48	14.79								
3241-5760 Days			16.05								
Treasury Bills Average Yield								6.27	627	627	
PRICE INDEX (CARACAS)											
% Change Dec-Dec											
Consumer	31.9	26.9	27.4	1.5	1.3	1.7	3.6	2.2	5.9%	29.8%	
Foods & Non Alcoholic Beverages	46.7	20.4	34.4	1.9	0.9	2.4	4.6	(0.2)	4.5%	37.0%	
Alcoholic Beverages & Tobaccos	28.3	47.7	48.5	2.4	4.7	1.8	2.6	2.5	5.2%	41.0%	
Apparel & Footwear	18.8	22.1	18.6	1.8	1.2	2.2	1.6	1.6	3.3%	20.2%	
House Rent	7.0	16.1	11.6	1.0	0.4	1.3	2.4	1.3	3.8%	13.1%	
Household Services (excluding Phone Services)	5.5	3.9	4.4	(0.2)	(0.3)	0.0	3.1	1.1	4.2%	7.1%	
Home Equipment	34.7	39.2	28.7	0.9	1.5	0.5	0.8	4.8	5.6%	31.7%	
Health	26.9	34.3	25.0	1.6	0.8	1.5	7.9	4.2	12.4%	32.3%	
Transport	29.9	30.5	26.5	1.4	1.0	0.9	2.5	5.2	7.8%	29.6%	
Communications	7.3	9.4	6.8	0.1	0.3	0.4	0.2	0.2	0.4%	4.4%	
Culture	25.1	26.9	28.7	0.4	1.6	1.9	2.6	1.6	4.2%	27.3%	
Educational Services	28.5	29.4	24.7	0.8	0.6	0.0	3.0	0.0	3.0%	23.1%	
Restaurants & Hotels	49.6	33.6	31.7	1.3	3.1	1.8	3.2	3.1	6.4%	33.9%	
Miscellaneous Goods & Services	37.8	50.7	30.8	2.1	1.5	2.8	5.9	4.7	10.9%	36.5%	
Core Inflation ^{3/}	33.8	34.6	29.3	1.6	2.3	1.8	3.3	3.9	7.3%	32.4%	
Private Manufacturing Production	25.2	26.5	22.0	0.8	1.6	0.7	1.8	3.1	5.0%	21.5%	
Wholesale	32.4	24.8	26.8	0.7	1.2	2.8	2.9	0.7	3.7%	27.6%	
National	36.7	22.2	28.8	0.8	1.2	3.2	2.7	0.7	3.3%	29.0%	
Imported	17.1	35.7	19.3	0.4	1.1	1.2	4.1	0.9	5.0%	22.0%	
Construction Materials (Wholesales)	23.3	18.7	18.9	0.3	0.1	1.2	2.1	1.6	3.7%	15.9%	
LABOR MARKET											
Second Half Percentage											
Unemployment Rate	6.9	7.7	8.5	9.0	7.7	6.5	10.4		388	18	
Activity Rate	65.2	65.0	64.7	65.0	63.8	65.7	65.1		(58)	(13)	
Formal Occupation	56.6	56.0	56.1	56.5	55.2	56.3	57.0		62	45	
Public Sector Occupation	18.1	19.7	19.2	18.9	18.6	19.5	19.5		(1)	8	

Notes: */ As of 01/28/11, **/ As of 02/25/11, ***/ As of 01/4/11.

1/ Data from trade are from the National Institute of Statistics. Imports do not include oil of the oil sector.

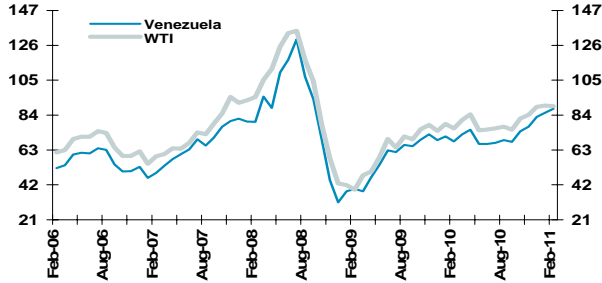
2/ Data from the Central Bank of Venezuela.

3/ Core Inflation: Excludes from the Consumer Price Index those goods subject to seasonal factors and price controls.

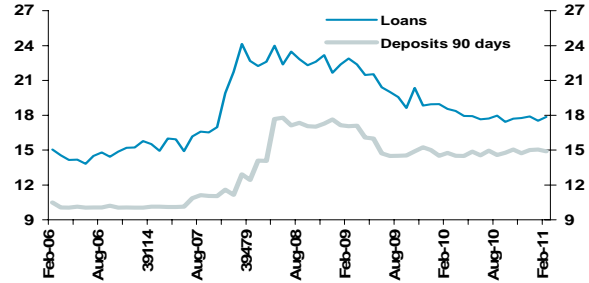
Source: National Treasury Office, Central Bank of Venezuela, Reuters, National Statistics Institute, Bloomberg and Own Calculations

Economic Indicators

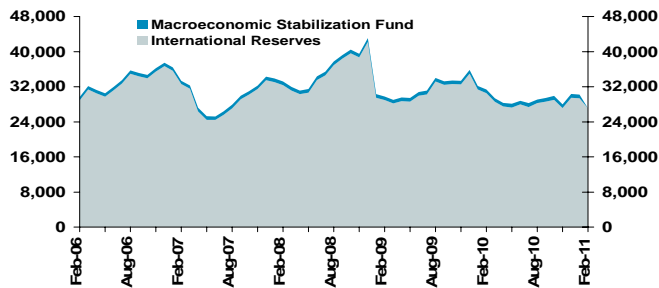
Oil Price (US\$/b)



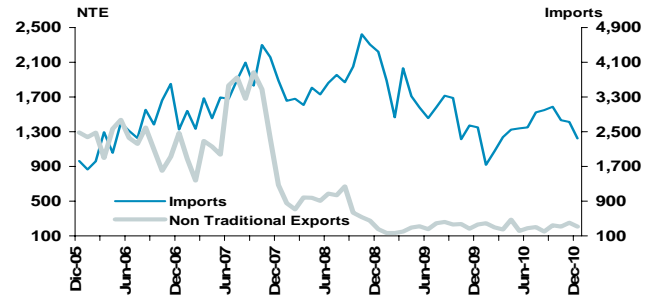
Interest Rates. 6 Main Banks %



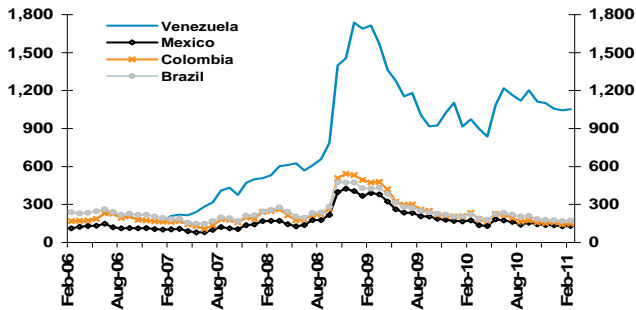
International Reserves and Macroeconomic Stabilization Fund (Million of US\$)



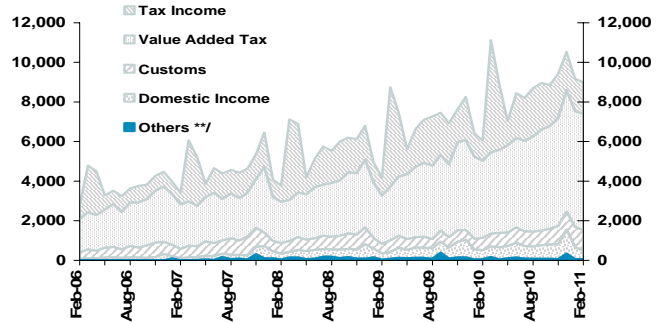
Non Traditional Exports (NTE) & Imports (MMUS\$)



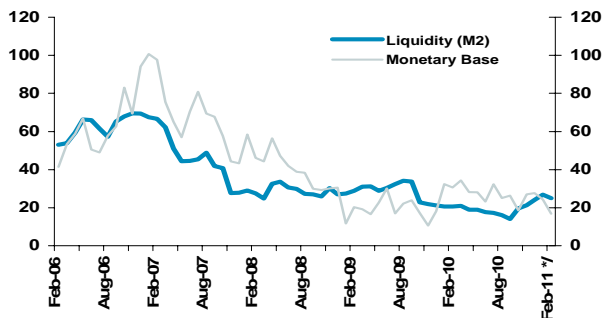
Sovereign Spreads. Differentials EMBI+ Basic Points



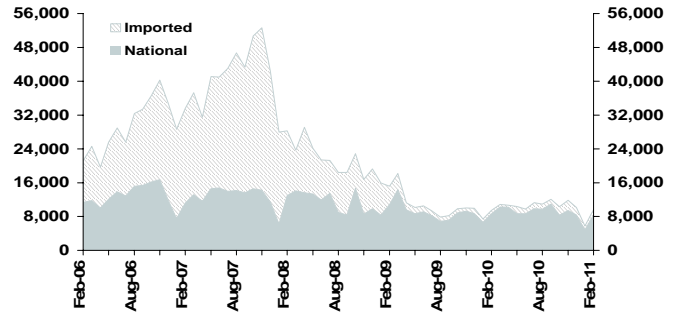
Domestic Taxes Million of Bs.



Monetary Aggregates % Change Y o Y



Sales of Vehicles Units

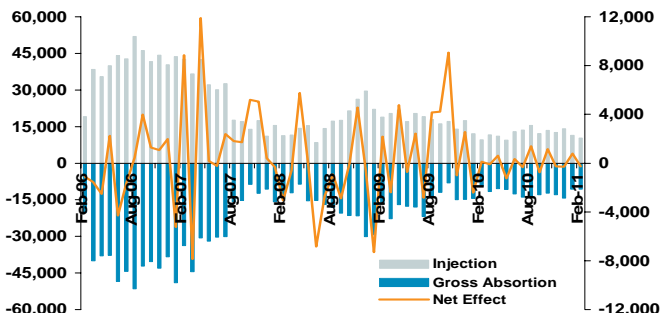


Notes: Y o Y: Change of the month with respect to the same month of the previous year. The Emerging Markets Bond Index Plus (EMBI+) tracks total returns for traded external debt instruments in the emerging markets. The instruments include external-currency-denominated Brady bonds, loans and Eurobonds, as well as U.S. dollar local markets instruments. Five Year Average Range: Average of the minimum and maximum values of the previous five years. */ As of 02/25/2011. **/ Includes collection of outstanding rights, fines, interest, repayments to the Treasury, the Comptroller's objections customs and internal taxes. It also includes collection by matches, which was repealed by Payment Suppression Act Law according to GO N° 38,480 dated 06.17.2006. Source: Central Bank of Venezuela, Reuters, Bloomberg, National Statistics Institute, Ministry of Energy & Oil, Cavenez, International Monetary Fund, OPSIS and Own Calculations

Economic Indicators

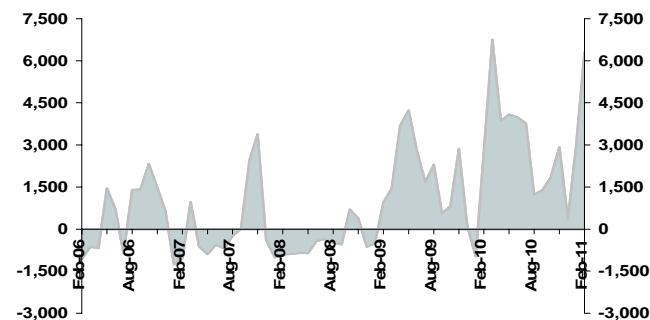
Open Market Operations

Repos+CD+Purchase Under Resale Agreement. Million of Bs.

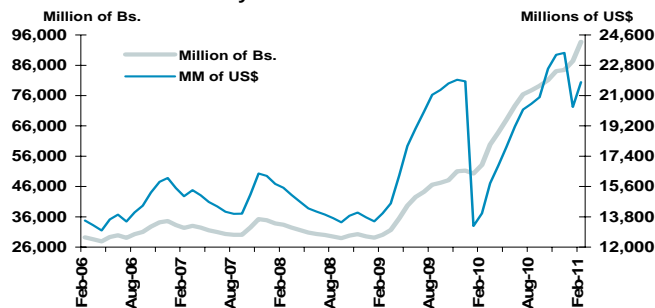


Net Domestic Borrowing^{1/}

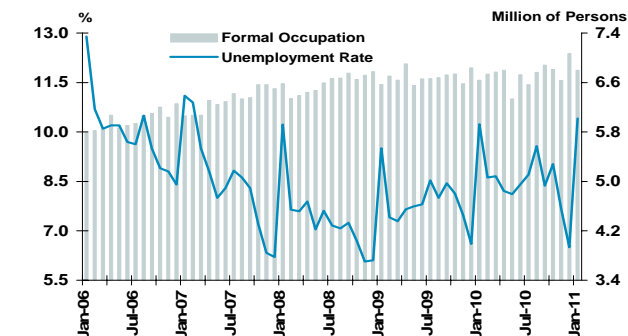
Million of Bs.



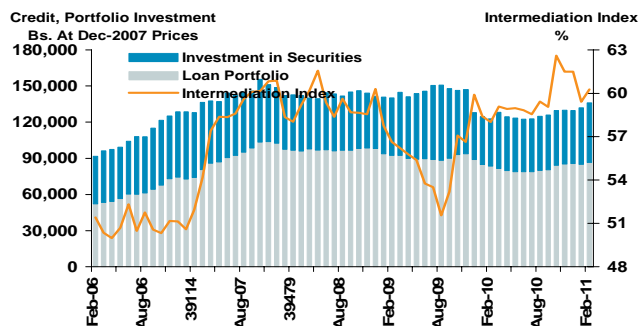
Domestic Debt Stock DPN Bonds + Treasury Bills



Labor Market % and Million of Persons

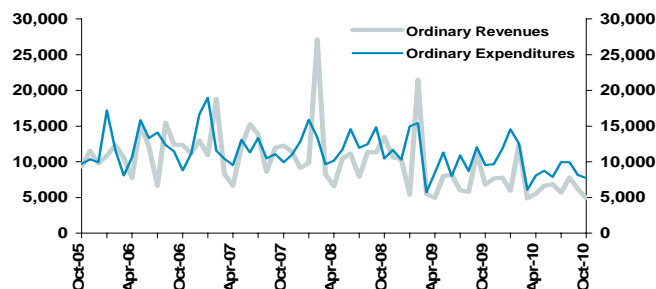


Commercial & Universal Banks



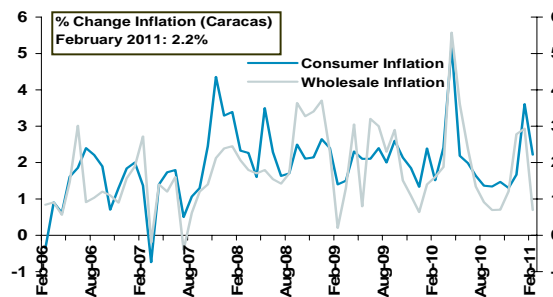
Central Government

Bs. At Dec-2007 Prices



Inflation (Caracas)

% Change M o M



Real Sector and External Sector

% Change	2007	2008	2009	2010
Total GDP	8.2%	4.8%	-3.3%	-1.4%
Oil GDP	-4.2%	2.5%	-7.2%	0.2%
Non-Oil GDP	9.6%	5.1%	-2.0%	-1.5%
Private Consumption	18.7%	7.1%	-3.2%	-2.3%
Investment	25.3%	-3.3%	-8.2%	-4.4%
(Millions US\$)				
Trade Balance	22,979	45,656	19,153	35,349
Current Account	18,098	37,392	8,561	14,378
Capital Account	-22,153	-24,820	-14,040	-18,799
Balance of Payments	-5,742	9,275	-10,262	-8,060

Note: M o M: Change of the month with respect to the month previous, 1/ Net Domestic Borrowing is calculated as the difference between placements and maturities of short-term and long-term Treasury bonds. *1/ (S/S-2); **1/ (Q/Q-4).

Source: Central Bank of Venezuela, Balance sheets of Financial Institutions, National Institute of Statistics and Own Calculations