Economic Report 2024/2025

Venezuela

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Executive Summary

Venezuela was one of Latin America's most dynamic economies during the middle of the twentieth century. The oil boom of the 1960s and 1970s financed modern infrastructure and created a broad, prosperous, and highly educated middle class. However, rising social inequality and corruption within traditional political parties led to Hugo Chávez's election in 1999. Under "Twenty-First Century Socialism," the state assumed an outsized economic role. The result was inefficient management, low productivity, and deep dependence on oil revenues. When global oil prices collapsed in 2014, Venezuela entered an **unprecedented crisis**. Hyperinflation eroded living standards, and GDP fell by roughly 80 %. Nearly 8 million Venezuelans, about 25% of the population, emigrated. Beginning in 2020, the government partially liberalized the economy. Price controls were eased, foreign-currency transactions were permitted and trade barriers were modestly reduced. These reforms brought a brief respite.

In 2024, GDP grew an estimated 5%. Yet this year has become a turning point as Chavista political power consolidation following the 2025 regional and local elections have deepened political and economic uncertainty. In May 2025, the new US administration under President Trump reimposed sectoral sanctions on Venezuelan oil exports forcing Venezuela to sell oil to informal markets (mostly in Asia) at steep discounts. **Forecasts for 2025** predict a 4 % contraction and inflation exceeding 250%, among the highest worldwide. Shrinking foreign-currency income, a persistent exchange-rate gap and deteriorating public services. Export revenues have fallen sharply. By the publication of this report, it was announced that the United States were **relaxing oil sanctions**. However, its extent remains mostly unknown at this point. Meanwhile, Switzerland's selective sanctions, effective since 2018, remain in place, targeting 66 politically exposed individuals and restricting financial transactions.

For **Swiss companies**, Venezuela still poses significant challenges. Market opacity, limited foreign currency access, lack of legal security, and a volatile regulatory environment persist. Although the legal framework technically allows foreign investment, political and macroeconomic risks are high. Nonetheless, in 2024–2025 the Swiss-Venezuelan Chamber of Commerce **reported record turnover in all sectors except construction**.

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It is difficult to obtain reliable statistics in Venezuela. The Central Bank of Venezuela (BCV) and the National Statistics Institute (INE) do not publish data consistently. Analysts must therefore reconstruct time series using estimates from international organizations and national surveys. A widespread lack of transparency, opaque reporting practices, and political manipulation prevent precise measurement of the country's economic performance. Furthermore, arbitrary detentions of critical economists during the reporting period has led to self-censorship within the profession, stifling independent analysis and further eroding trust in the limited data available.

Presentation and analysis of the main macroeconomic developments

Gross Domestic Product

After declining by nearly 80% between 2013 and 2021, Venezuela's economy reversed course in 2022 and experienced three consecutive years of growth. The economy expanded by 3% in 2022, 4% in 2023, and according to the International Monetary Fund (IMF), 5.3% in 2024[1]. This upturn reflected the rebound in international oil prices, a more optimistic business environment (until July 28th presidential election), and a modest recovery in domestic consumption. However, the IMF forecasts a 4% contraction of GDP in 2025 and a 5.5% contraction in 2026[2]. These projections are largely due to an anticipated 15% decline in oil production, which accounts for 25% of GDP in 2025[3]. The current political instability and lack of solution for the persistent Venezuelan conflict also impact economic prospects. This trajectory underscores Venezuela's heavy reliance on oil revenues and is strongly dependent on the evolution of U.S. sanctions on Venezuelan crude, as well as the persistent challenges to economic diversification.

Inflation

Between 2017 and 2021, Venezuela experienced historic hyperinflation, with annual rates exceeding 65,000%, which devastated real incomes and shattered confidence in the national currency (bolívar/Bs). Following that collapse, inflation gradually moderated, stabilizing at around 50% per year from 2022 to 2023. In 2024, annual inflation followed a similar path, ending at 47%, according to the IMF[4]. However, experts estimates differ, ranging from 85% by the Observatorio Venezolano de Finanzas to 73% by Cedice Libertad, due to varying methodologies[5]. The IMF projects 254% inflation for 2025, while other international bodies forecast up to 530% by the end of the year[6]. This resurgence reflects the rapid depreciation of the official exchange rate (Bs/USD), which passed higher import costs onto domestic prices, as well as mounting monetary financing of public spending to offset the loss of oil revenues under U.S. sanctions. The result is a further erosion of real wages and pensions. Businesses face greater uncertainty when setting prices and planning medium-term investments. This environment deepens social disparities as low-income households, whose budgets are concentrated on food and essential services, bear the brunt of price increases.

Exchange Rate

Venezuela operates a dual exchange rate system consisting of an official rate set by the Central Bank and a parallel rate determined by supply and demand in informal markets. By the end of 2024, the official rate was 52 Bs/USD, while the parallel rate was 66 Bs/USD, creating a 26% gap[7]. By July 2025, these rates had increased to 120 Bs/USD and 152 Bs/USD, respectively, widening the gap to 27%. Analysts project that, by the end of 2025, the official rate may exceed 131Bs/USD, while the parallel rate may exceed 175Bs/USD[8]. The Central Bank's direct dollar sales once stabilized the exchange rate and inflation, but since mid-2024, these interventions have fallen short of meeting the surging demand for currency. In a de facto partially dollarized economy, where invoices, wages, utilities, and most goods can be paid for in dollars (and in border regions, Colombian pesos or Brazilian reals), price formation breaks down. Firms that must replenish their inventories at the parallel rate immediately pass on exchange-rate increases to domestic prices, fueling inflation. Furthermore, rate volatility distorts the currency's price signal, undermines the effectiveness of monetary and fiscal policy, and deters investment by complicating cost and revenue projections. At the household level, purchasing power

[1] FMI: Perspectivas económicas 2025 (30.04.2025)

[2] FMI: Ibid.

[3] Observatorio Venezolano de Finanzas: Retroceso PIB Venezuela (28.02.2025)

[4] FMI: op. Cit.

[5] Cedice Libertad: inflación de 2024 cerró 73,27% (08.01.2025)

[6] Miami Herald: Sanctions, currency collapse fan fear of hyperinflation surge in Venezuela (08.07.2025)

[7] Swiss Info: La moneda de Venezuela cae un 30,9 % frente al dólar en 2024 (30.12.2024)

[8] El Nacional: Observatorio de Finanzas prevé que la economía venezolana empeorará en 2025 (07.05.2025)

erodes. For businesses without access to the official rate (the vast majority), input costs soar, and informal market dynamics are reinforced.

Unemployment and Wages

Although the unemployment rate is approximately 10% of the labor force[9], this figure masks a more complex reality. Over half of workers operate in the informal economy, which provides little to no access to social security. Formal employment increased from 42% in 2023 to 49% in 2024[10], and is concentrated in trade, services, and public administration. However, the statutory minimum wage has remained at 130 bolívares per month (approximately USD 1.4) since 2022. Workers receive additional "bonuses" totaling approximately USD 160 per month. This imbalance undermines social protection mechanisms because the base wage accounts for less than 1% of total remuneration. Consequently, benefits such as vacation pay, year-end bonuses, and pensions are calculated based on a negligible salary. Additionally, since these bonuses are paid in bolívares at the end-of-month exchange rate, their real value decreases with each bolívar devaluation. In practice, an employee with a total monthly income of USD 161 can barely cover 20% of the basic food basket. Consequently, tax revenues decline as household spending contracts, exacerbating the economic slowdown and deepening social vulnerability.

<u>Presentation and Analysis of Recent Changes in Economic Policy</u>

Venezuela's 2025 Budget

The 2025 national budget was approved at 906 billion bolívares (USD 19 billion at the official exchange rate at the time). In real terms, this represents a 7.3% contraction compared with 2024[11]. When revalued at the official rate in mid-2025, the budget's dollar equivalent decreased to USD 9 billion—less than half its initial value—reducing per capita allocations to USD 333. The most severe cuts occurred in health care (–28%), social security (–30%), basic education (–16%), and higher education (–17%)[12]. These reductions undermine domestic demand, increase reliance on monetary financing, and erode investor confidence by exposing a fiscal plan that is neither credible nor insulated from further bolívar depreciation.

Agreed Pricing Framework

Since 2003, Venezuela has maintained price controls under President Hugo Chávez that briefly stabilized consumer costs but led to chronic shortages of essential goods. After several years of partial economic liberalization, the government and key producers introduced "agreed prices" for chicken, eggs, and cooking oil in June 2025[13]. This shift signals a renewed turn toward deeper state intervention in the economy. Without complementary fiscal and monetary reforms, however, such price agreements tend to distort incentives, discourage private investment, and create a dependence on subsidies. In effect, "agreed prices" offer a gentler form of traditional intervention. While they aim to balance affordability and costs, they continue to limit competition and fail to address the structural roots of inflation and supply shortfalls.

Economic Emergency Decree

In April 2025, the Venezuelan executive branch issued an economic emergency decree granting the president the authority to suspend taxes, reallocate public funds, and increase borrowing for 60 days, renewable once, without parliamentary approval. This concentration of power undermines legal predictability and institutional checks and balances[14]. At the macro level, public spending has surged, inflation has accelerated, and fiscal discipline has weakened[15]. Additionally, the decree creates uncertainty for investors by reducing budgetary transparency and allowing for sudden regulatory changes. For Swiss companies operating in Venezuela, the decree adds another layer of operational risk. Centralized fiscal decision-making and import substitution measures could disrupt global supply chains and increase input costs. Sectors such as pharmaceuticals, precision machinery, and medical technology, which rely on imported components, are particularly vulnerable to these shifts.

2 PRIORITY SECTORS AND OPPORTUNITIES FOR SWISS COMPANIES

[9] Pedagogía Económica y Electoral: La Economía venezolana. Balance del primer semestre y perspectiva del segundo (10.07.2025)

[10] Universidad Católica Andrés Bello: Encuesta Nacional sobre Condiciones de Vida 2024 (28.04.2025)

[11] Transparencia Venezuela: Análsis del Presupuesto Nacional de Venezuela 2025 (13.07.2025)

[12] Transparencia Venezuela: Ibid.

[13] Banca y Negocios: Autoridades venezolanas y sectores productivos alcanzan "precios acordados" en algunos productos (01.06.2025)

[14] Acceso a la Justicia: Cinco razones para preocuparse por el decreto de emergencia económica (22.04.2025)

[15] Bitácora económica: Más de cuatro meses de la promulgación del decreto de estado emergencia económica: ¿Qué ha pasado? (12.07.2025)

Oil Sector

The oil sector has long been the backbone of Venezuela's economy, accounting for nearly 90% of the country's foreign exchange earnings. By the end of 2024, production had increased by 17% over 2023, reaching 982 thousand barrels per day (bpd) following a temporary easing of U.S. sanctions[16]. Under the Barbados Political Agreement (October 2023), the United States partially relaxed its sanctions regime by issuing individual licenses, which allowed companies such as Chevron to resume limited operations. This reprieve drove production to one million barrels per day in early 2025[17]. However, the recent revocation and partial renewal of Chevron's license, which was previously responsible for 25% of national output, forced Petróleos de Venezuela (PDVSA) to directly manage joint-venture fields amid its operational fragility.

In May 2025, the U.S. revoked General License 44 and canceled License 41A, withdrawing permission for U.S. and European oil firms to operate and export crude[18]. The U.S. also imposed a conditional 25% tariff on any country or company importing Venezuelan oil (secondary sanctions)[19]. Consequently, PDVSA has redirected exports to informal (Asian) markets. Shipments reached 844 thousand barrels per day in June, an 8% increase from the previous month[20], but at higher logistical costs and discounted prices. PDVSA must sell sanctioned crude at deep discounts, predominantly to China.

Despite the evolution of the U.S. sanctions, opportunities for foreign investors remain significant, given Venezuela's vast proven oil reserves (biggest worldwide) and attractive profit margins. Nevertheless, structural barriers persist. Venezuelan law allows for strategic partnerships with foreign capital through joint ventures, but it requires that PDVSA hold at least 51% equity, which limits the operational control of international partners. Additionally, legal uncertainty, PDVSA's weakened institutional capacity, and the reputational and financial risks posed by ongoing sanctions continue to constrain investment.

Mining Sector

Mining is Venezuela's second-largest economic sector, offering a strategic alternative to the country's historic reliance on oil. According to the World Gold Council, gold production reached approximately 31 tons in 2024[21], which is a slight increase from the previous year but well below its historic potential. Most of this activity occurs in the *Orinoco Mining Arc*, a vast region covering 111,843 km² (three times the size of Switzerland) and accounting for 12% of the national territory. However, much of this area is controlled by irregular armed groups, including binational guerrilla factions from Colombia and Venezuela. These groups manage informal mines and operate illicit mineral trade networks. It is estimated that illegal mineral commerce in the region generates around USD 10 billion annually[22]. Furthermore, state-owned mining companies and individuals involved in gold extraction have long been—and still are—subject to international sanctions. Until the state reestablishes an effective monopoly over these resources, implements transparent controls over the value chain, and guarantees legal and physical security, foreign investment in the *Orinoco Mining Arc* will remain unfeasible.

Telecommunications Sector

Venezuela's telecommunications sector demonstrated remarkable dynamism in 2024 despite macroeconomic and political pressures. Internet access expanded dramatically, with 265 active providers—a 597% increase since 2019—and digital media outlets grew from 170 in 2021 to 394 in 2023[23]. The number of social network users increased from 11 million (35% of the population) in 2017 to an estimated 15 million (53.1%) in 2025, reflecting a profound shift in communication habits[24]. After a decade without spectrum auctions, the National Telecommunications Commission (CONATEL) awarded USD 124 million of 4G and 5G spectrum in 2024. CONATEL allocated 50 MHz to private companies in the 3.5 GHz band to Digitel and 2.5 GHz to Movistar (Spanish company)[25]. The companies plan to install over 6,000 mobile base stations nationwide within two years. Fiber-optic networks now reach almost

[16] SwissInfo: La producción petrolera de Venezuela crece un 17,6 % en 2024 (15.01.2025)

[17] Pedagogía Económica y Electoral: Ibid.

[18] DW: EE. UU. Revoca licencia para operar en Venezuela (31.03.2025)

[19] France 24: Trump anuncia arancel del 25% a países que compren petróleo o gas de Venezuela (24.03.2025)

[20] Reuters: Venezuela's oil exports on the rise as more cargoes head to China (02.07.2025)

[21] World Gold Council: Producción minera mundial (12.06.2025)

[22] Transparencia Venezuela: Índice de economías ilícitas Venezuela 2023 (November 2023)

[23] Revista Comunicación: El panorama dual de las telecomunicaciones en Venezuela (20.05.2025)

[24] Revista Comunicación: Ibid.

[25] Mobile World Live: Venezuela adjudica espectro 5G y 4G a Digitel y Movistar (30.01.2025)

every municipality[26]. However, rural coverage remains incomplete, infrastructure suffers frequent power outages, and bank financing is limited, hindering modernization and service quality.

Looking ahead to 2025, foreign investors see opportunities in three areas: extending fiber-to-the-home to 1.8 million new subscribers; expanding 5G coverage by upgrading thousands of base stations; and deploying internet exchange points to optimize domestic data traffic. Data center and cloud service projects could meet the rising demand for digital platforms, while backup power solutions and microgrids could mitigate frequent blackouts. However, investors must consider significant risks, including regulatory volatility, restricted foreign-exchange access, institutional weakness, tariff controls, selective internet censorship and a declining professional workforce.

Opportunities for Swiss Companies

Venezuela remains a high-risk market due to macroeconomic volatility, political uncertainty, and international sanctions. However, these challenges have created gaps in the supply of goods and services, including infrastructure upgrades and technology solutions designed for environments with high inflation and restricted currencies. Demand for quality and efficiency creates space for innovative proposals that blend global expertise with local adaptation. Despite these risks, several Swiss firms affiliated with the Venezuelan-Swiss Chamber of Commerce and Industry (CVSCI) reported record revenues at the end of 2024 and beginning of 2025, specially in pharmaceutical, agribusiness, food and luxury sectors. Notably, global retail brands such as Swatch, Zara, Bershka, Pull & Bear, and Psycho Bunny have reopened stores in Caracas, and the Swedish apparel chain H&M is expected to enter the market by the end of the year. On the other hand, Caran d'Ache is leaving the market after a short experiment for lack of sufficient results.

Swiss investors may establish operations or form partnerships in Venezuela. However, any initiative requires a rigorous assessment of regulatory and political risks, as well as the cultivation of reliable local alliances. Prospective entrants should consider less regulated or lower-profile sectors where state intervention is limited. Only through detailed market analysis, verified references, and trusted partnerships can the substantial uncertainties of the Venezuelan market be mitigated.

3 FOREIGN ECONOMIC POLICY

3.1 Venezuela's policy and priorities

Venezuela's trade policy underwent a fundamental shift in 1999 with the rise to power of Hugo Chávez. The focus shifted from Western partners and energy-centered interests to political and ideological integration with nations of the Global South. This shift established the framework for today's commercial alliances, replacing traditional trade and investment patterns with stronger ties to emerging economies. In recent years, Venezuela has diversified its trade, increasing exchanges with China, Russia, Iran, Turkey, and India, launching joint projects in infrastructure, energy, and services.

From 2024 to 2025, Venezuela's external trade policy has been shaped by international isolation following the controversial July 2024 presidential election. Diplomatic relations with several Latin-American governments were broken off[27], and U.S. sanctions reinstated restrictions on market access and international financial services. In response, Caracas has tried to deepen economic cooperation with its Global South allies, relying on pragmatic agreements and alternative payment mechanisms to bypass external constraints.

China remains Venezuela's most important trading partner. In 2024, bilateral trade reached USD 6.4 billion, a 52% increase from 2023[28]. Venezuela's outstanding debt to Beijing is estimated at USD 11–12 billion after repaying roughly 80% of the USD 63 billion extended between 1999 and 2018[29]. The relationship advanced in 2025 with the reactivation of the High-Level Joint Commission, (which held 15 meetings on 2024), and with the hosting of the XXV World Forum on Special Economic Zones in Caracas, where China showcased its best practices. Despite the void created by Chevron's export suspension in the first semester of 2025, Chinese firms have not significantly expanded their direct role in Venezuelan oil production. Instead, they have maintained a cautious posture focused on safeguarding debt repayment. Nevertheless, Beijing is expected to continue procuring Venezuelan crude oil via alternative financial and logistical arrangements that bypass U.S. sanctions.

[26] Revista Comunicación: Ibid.

[27] BBC: Venezuela ordena la expulsión de los representantes de 7 países latinoamericanos (29.07.2024)

[28] Centro Venezolano de Estudios sobre China: Comercio entre China y Venezuela se incrementó un 53% en 2024 (23.01.2025)

[29] Asociación Venezolana de Estudios sobre China: Venezuela y China (1974-2024) (2024)

India has emerged as a key partner in Venezuela's efforts to diversify its trade. In 2024, bilateral trade totaled approximately USD 2.3 billion, largely driven by Venezuelan oil exports[30]. However, following the U.S.'s imposition of a 25% secondary tariff, Indian refiners have scaled back their purchases of Venezuelan crude oil, though they have not ceased them entirely. In early 2025, Caracas and New Delhi signed a digital cooperation agreement covering healthcare, education, and e-government. This agreement reflects mutual interest in leveraging India's technological strength and Venezuela's need to modernize its public services[31].

Turkey remains a strategic partner of Venezuela. In 2024, their bilateral trade totaled approximately USD 665 million[32]. In response to Western sanctions, Caracas is seeking new export corridors, while Ankara is diversifying its supply sources and strengthening its geoeconomic influence in Latin America. The "Made in Venezuela – Türkiye" fair, held in Istanbul in July 2025 and attended by over one hundred Venezuelan companies, aimed to triple trade to USD 3 billion[33]. This event illustrates the deepening engagement between the two countries. Beyond the figures, this partnership offers synergies in the agroindustry, manufacturing, and energy sectors.

At the **multilateral level**, Venezuela has sought to leverage its membership in regional associations to expand its political and commercial support network:

The Bolivarian Alliance for the Peoples of Our America (ALBA-TCP), established in 2004 as an ideological counterweight to the Free Trade Zone of the Americas supported by the United States, has evolved into an integration model that prioritizes solidarity and complementarity over purely commercial logic. During Venezuela's pro tempore presidency in 2025, the ten-member bloc focused on intra-regional trade, centered on Venezuelan hydrocarbon exports and imports of agricultural and pharmaceutical products. Within this framework, Caracas promotes the AgroAlba program, which aims to strengthen food sovereignty through cooperative production plans, unified phytosanitary certification, and the advancement of agroecology[34].

PetroCaribe, launched in 2005 with a broader membership than ALBA-TCP, originally provided Caribbean countries with Venezuelan crude oil on favorable terms with long-term financing. Today, amid declining production and international sanctions, Venezuela has suspended deliveries at symbolic prices and is seeking repayment of outstanding debts[35]. Although these blocs' economic impact remains limited relative to total regional trade, reflecting Venezuela's narrow productive base and macroeconomic fragility, both ALBA-TCP and Petrocaribe continue to offer Venezuela a crucial geopolitical channel for maintaining preferential trade flows and countering its international isolation.

BRICS+. In 2024, Venezuela renewed its bid to join the group. This move was intended to offset Western sanctions and gain access to capital from the New Development Bank. This capital is critical for funding essential infrastructure and diversifying productive sectors. However, full membership requires unanimous approval from the founding members. While Russia and China support Venezuela's admission, Brazil temporarily vetoed it as a political signal in response to doubts about the July 2024 presidential elections and subsequent failed negotiations[36]. From an economic standpoint, full membership would provide financing for oil and mineral exports, reduce exposure to secondary sanctions, and expand access to emerging markets.

3.2 Outlook for Switzerland (potential for discrimination or comparative advantage)

Switzerland is not among Venezuela's favored trade partners (nor vice versa). Venezuela has prioritized allies such as China, Russia, Turkey, and Iran in recent history. In practice, Swiss firms operate under the same conditions as other Western investors. There are no special tariffs or non-tariff barriers that treat Switzerland favorably than other European countries. Switzerland benefits from a Bilateral Investment Protection and Promotion Agreement (1993) and a Double Taxation Avoidance Agreement (1996), which theoretically provide stronger protections than those available to countries without such agreements. However, both instruments face practical implementation challenges, reducing the real value of their formal protections. Consequently, Switzerland's comparative advantage lies less in the

[30] ITC Trade Map: Bilateral trade between India and Venezuela (15.07.2025)

[31] Prensa Latina: India y Venezuela concretan cooperación en sector digital (12.02.2025)

[32] ITC Trade Map: Bilateral trade between Türkiye and Venezuela (15.07.2025)

[33] Bancoex: Inauguran Feria Empresarial Hecho en Venezuela 2025 (16.06.2025)

[34] ALBA-TCP: Venezuela y ALBA-TCP revisan avances de Agroalba por la soberanía alimentaria (07.04.2025)

[35] Bloomberg: Venezuela cobra deudas de plan Petrocaribe lanzado por Chávez (23.02.2024)

[36] El País: Brasil dice que vetó a Venezuela en los BRICS porque abusó de su confianza tras las elecciones (24.10.2024)

content of these agreements and more in its ability to identify high-value technology and service niches for the Venezuelan economy. In this context, the reputation, financial soundness, and track record of Swiss firms in managing critical infrastructure can open specialized cooperation opportunities.

Venezuela's recent designation by the European Commission as a jurisdiction with deficiencies in anti-money laundering and counter-terrorist financing measures[37] introduces a new layer of risk for banking and commercial operations. Swiss institutions aligned with the Financial Action Task Force (GAFI) and the European Union will likely need to apply enhanced due diligence to any transactions involving Venezuela. In response, the Venezuelan National Assembly, dominated by the ruling party, has urged the Executive Branch to suspend commercial relations with European companies[38]. This is a largely symbolic political gesture that adds legal and reputational uncertainty. In this environment, Swiss firms must carefully calibrate their exposure, rely on neutral partners, and leverage segments of the Venezuelan market that remain outside of direct state control to minimize risk and transform restrictions into niche opportunities.

4 FOREIGN TRADE

4.1 Developments and general outlook

Venezuela has historically run a trade surplus driven by its oil exports, which account for over 90% of its foreign sales revenue. However, beginning in 2020, the country recorded a trade deficit for the first time. In 2023, Venezuela imported USD 2.7 billion more than it exported[39], reflecting an imbalance in its balance of payments.

In 2024, the oil sector showed signs of recovery, with average annual exports reaching 768 thousand bpd—a 9% increase from 2023. With an average price of USD 65/bbl for Venezuelan crude, oil revenues totaled approximately USD 17.8 billion, a 10% increase from the previous year[40]. China remained the main destination, importing 351 thousand bpd. The U.S. followed with 222 thousand bpd, Europe with 75 thousand bpd, and India with 63 thousand bpd[41].

In 2025, the U.S. compelled Chevron and other companies to scale back operations and imposed a conditional 25% tariff on all Venezuelan crude purchasers. Consequently, Venezuela has had to strengthen its sales channels in Asia, primarily with China. Despite these efforts, much of this trade lies outside official statistics due to the over-the-counter nature of sanctioned oil trade. Sophisticated mechanisms, such as triangular sales through Malaysia or ship-to-ship transfers at sea, continue to facilitate crude exports and bypass sanctions.

In 2024, Venezuela's non-oil merchandise trade experienced a reshaping. China, the United States, and Colombia became the top three suppliers of Venezuelan imports, primarily delivering raw materials, corn, rice, and refined petroleum. Meanwhile, the United States, India, and Spain became the three main export markets for Venezuela, primarily purchasing hydrocarbons and minerals[42]. Additionally, trade with neighboring countries grew in importance. Trade with Colombia increased by 41% year over year, reaching USD 1.1 billion[43], with a focus on mass-market consumer goods and agro-industrial products. This left Venezuela with a significant trade deficit and underscored strong domestic demand for food and pharmaceuticals. Trade with Brazil totaled USD 422 million in exports, mainly urea and methanol, and USD 1.2 billion in imports, consisting chiefly of agricultural machinery, fertilizers, and chemicals[44].

In February 2025, the government created the Ministry of Foreign Trade and formed an External Trade Committee to promote the internationalization of exports (including methanol, cacao, and shrimp)[45]. These institutions use artificial intelligence to reduce export processing times from 51 days to 10. They also set strategic market priorities, coordinate B2B trade fairs, organize business mentorships, and develop dedicated financing lines.

[37] Comisión Europea: La Comisión actualiza la lista de países de alto riesgo para reforzar la lucha internacional contra la delincuencia financiera (09.06.2025)

[38] ABC: La Asamblea Nacional de Venezuela le pide a Maduro que estudie romper relaciones con las empresas europeas (11.07.2025)

[39] Statista/OMC: *Venezuela: Balanza comercial de mercancías de 2013 a 2023* (01.04.2024)

[40] PNUD: Desempeño Macroeconómico de Venezuela 4º trimestre 2024 y Perspectivas 2025 (22.04.2025)

[41] PNUD: Ibid.

[42] FMI: Ibid.

[43] Asociación Nacional de Comercio Exterior: Crecimiento imparable: exportaciones hacia Venezuela suben más del 85% (21.05.2025)

[44] Infobae: Brasil se acerca a Venezuela pese a los aranceles de Trump (29.03.2025)

[45] Bancar y Negocios: Crean el Ministerio de Comercio Exterior (16.01.2025)

Before Chevron is granted a new license at the end of July, oil production volumes were expected to decline to 735 thousand bpd by the end of 2025[46]. Production is now expected to remain at or slightly above 1 million bpd[47]. Since this oil is subject to sanctions, it must be sold at steep discounts, significantly reducing annual export revenues. Nevertheless, the creation of new trade promotion agencies and the digitization of customs procedures provide a framework for diversifying Venezuela's export portfolio. However, major challenges remain, including the exchange rate gap, high logistics costs, and limited access to bank financing. While the government aims for a more balanced trade profile that is less reliant on oil revenues, non-oil exports are unlikely to generate sufficient revenue to offset the loss of oil income.

4.2 Bilateral trade

Commercial relations between Switzerland and Venezuela underwent a drastic shift following the stringent enforcement, beginning in 2017, of due-diligence rules for precious metals. This measure halted the import of gold, which had reached CHF 2.8 billion in 2016[48], reducing it to zero in subsequent years. In 2024, Venezuelan exports to Switzerland amounted to only CHF 3 million, consisting mainly of cocoa, liquor, and agricultural products[49].

Swiss exports to Venezuela declined by 24% in 2024, falling to CHF 36 million[50]. This reflects an adjustment in a market beset by contracting demand and a severe dollar shortage. Precision instruments, industrial machinery, and pharmaceutical products remained the leading Swiss exports, albeit at significantly lower volumes than in 2023.

5 DIRECT INVESTMENTS

5.1 Developments and general outlook

During Hugo Chávez's administration (1999–2013), Venezuela carried out a sweeping wave of nationalizations and expropriations in strategic sectors, including energy, mining, telecommunications, and agribusiness. These measures were largely executed without adequate compensation or due process guarantees. Consequently, legal certainty was eroded and capital flight accelerated. Despite its abundant natural resources, the country experienced investment retreats and project stagnation.

The 2017 Productive Foreign Investment Law aimed to restore predictability by offering incentives for technology transfer, productive diversification, and the repatriation of up to 100% of profits[51]. However, its operation alongside special sectoral frameworks in hydrocarbons, mining, telecommunications, and media, as well as the president's authority to reclassify "preferred" investments, introduces discretionary risk. These overlapping regimes undermine policy consistency and continue to discourage Western investment.

The 2020 Anti-Blockade Law was designed as an emergency instrument to counter international sanctions[52]. Under this law, the government can suspend or amend any regulation that hinders economic activity, as well as create financing, contracting, and strategic partnership mechanisms with the private sector without obtaining ordinary legislative approval. Rather than reassuring investors, this law has strengthened perceptions of arbitrariness and regulatory volatility, further eroding the confidence necessary to attract foreign capital.

The Special Economic Zones (SEZs), announced in 2023, offer 50% customs duty exemptions and up to 100% income tax relief[53]. However, delays in launching them stem from inadequate infrastructure, the absence of clear regulations, and weak interagency coordination. The border ZEE with Colombia shows the most promise. It leverages a historic trade corridor, benefits from competitively priced labor, and facilitates the integration of regional value chains.

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[46] Pedagogía Económica y Electoral: Ibid.

[47] World Oil: Chevron to deliver oil to Venezuela under new production terms (01.08.2025)

[48] *Oficina Federal de Aduanas y Seguridad Fronteriza* (20.07.2025)

[49] BAZG: *Importaciones de Suiza por socio comercial 2024* (27.05.2024)

[50] BAZG: *Exportaciones de Suiza por socio comercial 2024* (27.05.2024)

[51] Norton Rose Fulbright: Venezuela emite nueva Ley Constitucional de Inversión Extranjera Productiva (02.01.2018)

[52] Revista SIC: Las implicaciones políticas y constitucionales de la ley antibloqueo (15.10.2020)

[53] Banca y Negocios: ¿Qué ha pasado con las Zonas Económicas Especiales a un año de su creación? (24.09.2024)

In March 2025, it was announced[54] that the government signed agreements with prospective investors from Switzerland and Dubai in the agriculture and consumer goods sectors, promising over 2,000 direct jobs for cereal production and cleaning products. Nevertheless, the opacity enabled by the Anti-Blockade Law means details on investment amounts, timelines, contractual protections, and even the investors' identities remain undisclosed.

The reimposition in 2025 of U.S. sanctions on Venezuelan crude in the first semester of 2025 compelled Chevron and other firms to scale back operations to minimal levels. This contraction halted exploration and production investments, foreign currency inflows, local supplier contracts, and planned technology upgrade projects. With PDVSA now the dominant operator in the oil sector, reputational risks have increased significantly, deterring new Western investors and curtailing potential financing and joint ventures that had begun to emerge during the temporary easing of sanctions from 2023 to 2024.

In 2024, total foreign direct investment (FDI) into Venezuela was estimated at USD 1.6 billion[55], still a marginal figure relative to comparable economies. China, Russia, and India provided most of this capital, primarily investing in energy and telecommunications. This low level of FDI confirms that despite government rhetoric about economic openness, the combined effects of international sanctions, political instability, legal uncertainty, and fragile infrastructure continue to keep Venezuela on the margins of global investment chains.

5.2 Bilateral investment

As of the end of 2023, the value of Swiss foreign direct investment in Venezuela was CHF 732 million, down from CHF 2 billion in 2018[56]. This represents a 64% contraction over five years. Switzerland's share of Venezuela's total foreign direct investment (FDI) fell from 5% in 2018 to under 1% in 2023. This reflects the withdrawal of capital by multinational firms and the lack of new large-scale projects.

Most Swiss capital is concentrated in agribusiness, consumer goods, and medical machinery. Nestlé leads these high-value investments with five production plants across several regions. During the deepest economic contraction from 2017 to 2019, a couple of companies in the pharmaceutical sector sharply reduced their operations, while some insurance and luxury goods companies withdrew entirely. Together, Swiss firms employ approximately 2,000 workers in Venezuela[57].

Unless Venezuela implements deep reforms, such as adopting an investment framework with binding international arbitration, fully guaranteed repatriation of profits in foreign currency, and a transparent fiscal regime, it is unlikely that Swiss FDI will rebound materially in the near term.

6 ECONOMIC AND TOURISM PROMOTION

6.1 Swiss foreign economic promotion instruments

Venezuelan-Swiss Chamber of Commerce and Industry (CVSCI)

Since its founding in 1979, the Chamber has been the cornerstone of promoting bilateral economic and commercial relations. Funded by its members and supported by Switzerland Global Enterprise, this private institution has facilitated technology transfer, encouraged investment, and strengthened business networks between the two countries for 45 years. In September 2024, the CVSCI's Executive Director took part in Latin America Day at SECO in Bern, forging closer ties with the State Secretariat for Economic Affairs and Switzerland Global Enterprise to identify new commercial opportunities. The Chamber regularly acts as a liaison for trade missions of Swiss and Venezuelan entrepreneurs, providing market intelligence and coordinating B2B meetings.

In 2009, Chamber members—including Swiss and international firms—established a vocational training school in El Consejo, Aragua (center region of the country). Modeled on the Swiss dual education system, the *Instituto Venezolano-Suizo Henri Pittier* has trained over 500 apprentices in mechanical and electrical trades. The curriculum combines 18 months of on-campus theoretical and practical instruction with 18 months of paid work placements at partner companies. Each program is officially accredited by the Ministry of Education and the National Institute of Socialist Training and Education, which reinforces its legitimacy and strengthens public–private cooperation. This project is a great success, even in an increasingly adverse environment. Among other things, this is because the institute links the Swiss vision of dual vocational training with Venezuelan institutions. Cooperation with the authorities is

[54] El Universal: Inversión en el sector agrícola: Venezuela, Dubái y Suiza suscriben convenios (23.03.2025)

[55] UNCTAD: World Investment Report 2025 (19.05.2025)

[56] SECO: Informe sobre las relaciones económicas Suiza - América Latina 2024 (26.03.2024)

[57] DFAE: Relaciones bilaterales Suiza-Venezuela (04.07.2024)

close and the institute/Switzerland is well positioned as a strategic partner in the field of dual training. In 2024, it launched a new administrative assistant course.

The **Embassy** reinforces its commitment to dual vocational training by sponsoring the development of the Instituto Venezolano-Suizo Henri Pittier's 2025–2028 Strategic Plan. The institute has commissioned a rigorous consultancy to help address the challenges of replicating the Swiss dual model in new regions, identify suitable local partners, and ensure academic and financial excellence as it expands.

In November 2025, the CVSCI will host "ExpoSuiza" in Caracas, the first major Swiss brands fair in Venezuela in many years. The exhibition will feature booths, display cases, an audiovisual room, food areas serving traditional Swiss cuisine, watchmaking workshops, and cultural activities. This event will showcase Swiss products and innovations and reinforce Switzerland’s visibility as a strategic partner in Venezuela.

The **Embassy** and the CVSCI have a long-standing collaborative relationship. The ambassador serves as the chamber’s honorary president and attends board meetings as well as key events. Embassy staff regularly respond to the CVSCI’s inquiries and requests, offering guidance and sharing market intelligence. Diplomatic personnel actively participate in seminars, trade missions, and workshops organized by the CVSCI, contributing ideas to streamline processes and uncover new commercial opportunities. This close collaboration ensures that Swiss economic-promotion initiatives are planned and executed in a coordinated manner, maximizing their impact in Venezuela.

6.2 Venezuela's interest in Switzerland

Switzerland has a strong reputation for political and economic stability. The local Swiss community, which numbers around 1,000 and is mostly comprised of dual citizenship nationals, reinforces this reputation. While there is no official data, it is known that members of Venezuela’s upper-middle and upper classes take advantage of Swiss medical services and leisure tourism. The general population associates Switzerland with icons such as Heidi, chocolate, and watchmaking. However, detailed knowledge of the country usually extends no further than these cultural symbols and its image of order and stability.

Switzerland stands out in **education** for its high quality, yet Venezuelan students tend to prefer opportunities in Spain, the United States, or the United Kingdom due to language considerations. Monetary challenges in Venezuela create a major barrier to funding overseas studies. Although there are no bilateral education agreements, the Swiss Federal Commission for Scholarships for Foreign Students (ESKAS) awards up to ten scholarships each year for doctoral, postdoctoral, and regional research programs (excluding Brazil). Since 2017, Venezuela has submitted five applications and received two scholarships.

The Embassy actively promotes academic collaboration with Switzerland. The Embassy promotes the Latin American–Swiss Center (CLS-HSG) at the University of St. Gallen, which facilitates student and faculty exchanges, hosts international symposia and conferences, aligns Swiss research with Latin American needs, and coordinates joint industry-academic projects. The Embassy also disseminates information about funding opportunities, such as the Leading House Research Partnership Grant. This grant finances preliminary research and meetings between Swiss and Latin American institutions to develop long-term collaborations.

Switzerland is still considered a safe **investment** destination. However, Venezuelan private sector involvement in direct investment in Switzerland is minimal. While the Swiss financial center retains its prestige, U.S. macroeconomic sanctions and banking “overcompliance” have made it difficult to open accounts and manage Venezuelan funds in Swiss banks. Moreover, money laundering scandals tied to Venezuelan corruption networks have tarnished this reputation somewhat.

Rebuilding institutional trust and restoring correspondent banking relationships will be critical to reactivating capital flows and reinforcing Switzerland’s role as a financial hub for Venezuela.

ANNEX 1 – Economic structure

Note: Due to a lack of data and transparency, statistics and figures on Venezuela should be treated with caution.

Economic structure of Venezuela

	2014[58]	**2025**
Distribution of GDP		
Primary sector	**5%**	**n/a**
Manufacturing sector	**37.2%**	**n/a**
Services	**51.7%**	**n/a**
- of which public services	**n/a**	**n/a**

Distribution of employment	**2011**[59]	**2021**[60]
Primary sector	**7.3%**	**13.2%**
Manufacturing sector	**21.8%**	**6.3%**
Services	**70.9%**	**80.5%**
- of which public services	**n/a**	**21%**

[58] Agencia Central de Inteligencia: CIA World Factbook (20.07.2025). There are no more recent figures available. The World Bank does not collect data from Venezuela.

[59] Agencia Central de Inteligencia: Ibid

[60] IABD: Perfil del mercado laboral y evolución reciente de los ingresos por trabajo en Venezuela (December 2022)

ANNEX 2 – Main economic data

Venezuela's main economic data

	2023	2024	2025 (Est.)
GDP (USD bn) *	**97**	**106**	**108**
GDP per capita (USD)*	**3,660**	**4,018**	**4,007**
Growth rate (% of GDP)*	**4**	**3**	**-4**
Inflation rate (%)*	**337**	**59**	**254**
Unemployment rate (%)*	**n/a**	**n/a**	**n/a**
Fiscal balance (% of GDP)*	**-1.2**[61]	**-3.6**[62]	**-5.5**
Current account balance (% of GDP)*	**3**	**4**	**-0.1**
Total external debt (% of GDP)**	**166**[63]	**n/a**	**n/a**
Debt-service ratio (% of exports)**	**n/a**	**n/a**	**n/a**
Reserves (months of imports)**	**n/a**	**n/a**	**n/a**

* Source: FMI: Perspectivas de la economía mundial (30.04.2025)

** Source: FMI: Consulta del Artículo IV (20.07.2025)

[61] Focus Economics: Balance fiscal de Venezuela (20.07.2025)

[62] Focus Economics: Ibid

[63] Saldar la Deuda: Saldar la deuda es salvar a Venezuela (August 2024)

ANNEX 3 – Trade partners

Trade partners of Venezuela   Year: 2024[64]

Rank	Country	Exports *from the host country* (USD million)	Share	Change[65]	Rank	Country	Imports *to the host country* (USD million)	Share	Change[10]
1	**United States**	**5,434**	**27%**	**+67%**	1	**China**	**5,569**	**48 %**	**+37%**
2	**India**	**1,920**	**10%**	**+1,000%**	2	**United States**	**3,544**	**30%**	**+69%**
3	**Spain**	**1,500**	**8%**	**+118%**	3	**Colombia**	**1,373**	**12%**	**+49%**
4	**China**	**1,105**	**6%**	**+118%**	4	**Brazil**	**1,297**	**11%**	**+4%**
5	**Dominican Republic**	**1,098**	**7%**	**+97%**	5	**Argentina**	**450**	**4%**	**+23%**
x	**Switzerland**	**n/a**	**n/a**	**n/a**	x	**Switzerland**	**n/a**	**n/a**	**n/a**
	Total	**19,739**[66]	**100%**	**+26%**		**Total**	**11,646**[67]	**100%**	**+22%**

[64] FMI: Direction of Trade Statistics (20.07.2025) Data for Switzerland was unavailable at the time of the consultation.

[66] PNUD: Desempeño Macroeconómico de Venezuela 4º trimestre 2024 y Perspectivas 2025 (22.04.2025)

[67] PNUD: Ibid

ANNEX 4 – Bilateral trade

Bilateral trade between Switzerland and Venezuela[68]

	Exports (millions of CHF)	*Change (%)**	**Imports** (millions of CHF)	*Change (%)*	**Balance** (millions of CHF)	**Volume** (millions of CHF)
2019	29	-40	2	-35	27	32
20	25	-16	2	0.8	23	27
2021	30	22	2	-15	28	32
2022	32	7	2	3	30	35
2023	47	45	1.5	-26	47	49
2024	**35**	**-24**	**2.6**	**68**	**33**	**38**

*) Change (%) from the previous year

Exports	**2023** (% of total)	**2024** (% of total)
1. Watches and precision instruments	55	7
2. pharmaceutical products	7	9
3. machinery, equipment, electronics	34	8
4. Agricultural and forestry products	0.4	0.1

Imports	**2023** (% of total)	**2024** (% of total)
1. Agricultural and forestry products	70	8
2. Watches and precision instruments	6	0.4
3. Machinery, appliances, electronics	0.5	3
4. pharmaceutical products	22	2

[68] Oficina Federal de Aduanas y Seguridad Fronteriza: (20.07.2025)

ANNEX 5 – Main investing countries

Main investors in Venezuela, by country: Current figures are unavailable.