



Venezuela Economic Outlook

By Arca Análisis Económico

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

- Venezuela President Nicolás Maduro has restructured Petróleos de Venezuela, S.A. (PDVSA), with the appointment of a new board of directors. This new board of the state oil and natural gas company PDVSA will be headed by mechanical engineer Pedro Rafael Tellechea as president, replacing Asdrúbal Chávez, who held the position since April 2020 and was also Minister of Oil.
- Tellechea has a degree in Military Arts and Sciences and a mechanical engineer specialization in weapons from the Higher Technical School of the Argentine Army. He also has a specialization in public finance at the Santa María University and a master's degree in naval operations from the Graduate School of the Venezuelan Navy. Also, he has served as general manager of the Mixed Methanol Company of the East (Metor S.A.) and as president of the Venezuelan Aluminum Industry C.A. (Venalum).
- The government also published the list of the new executives, who will be in charge of the state company, including Heifred Segovia, as vice president of Finance; Génesis Ron, as vice president of International Trade and Supply, and Juan Díaz, as vice president of National Trade and Supply.
- Likewise, the board of directors will be made up of Erick Pérez, who was appointed vice president of Exploration and Production; Gabriel Oliveros, as vice president of Refining; Ronny Romero, as vice president of International Affairs; Tovar Villalobos, as vice president of Planning and Engineering, and Juan Santana, who will serve as vice president of Gas.
- According to the most recent report from the Organization of the Petroleum Exporting Countries (OPEC), Venezuela produced 693,000 barrels per day (bpd) in November, despite President Maduro's promise, at the beginning of 2022, that crude oil pumping would reach 2 million bpd at the end of last year.
- Other changes announced by the president on Jan. 6, 2023, was the appointment of Yván Gil, as the new chancellor, replacing Carlos Faría, who had been in charge of the Foreign Ministry since May 2022. Since 2017, Gil holds diplomatic posts in Europe and, in October 2021, he was appointed as a trade representative of Venezuela to the European Union. In addition, he was president of the Agricultural Development Corp. and Minister of Agriculture and Land on two occasions in Maduro's government.
- On the other hand, according to a press release from the Central Bank of Venezuela, the Venezuelan economy grew 17.73 percent between January and September 2022. In this frame of reference, the gross domestic product (GDP) of Venezuela at constant prices, registered punctual growths of 17.45 percent, 23.30 percent and 13.22 percent in the first, second and third quarters of 2022, respectively.



- From the institutional point of view, the public sector experienced, in the January-September 2022 period, a growth of 20.03 percent in value added as a result of increases of 23.33 percent, 27.53 percent and 10.55 percent, respectively, in the first, second and third quarters of the year.
- The private sector, for its part, grew punctually at 15.55 percent for the January-September 2022 period, with a 12.08 percent increase in the first quarter, 18.87 percent in the second and 15.77 percent in the third.
- The oil activity registered a punctual growth of 27.09 percent in the January-September 2022 period, integrating the observed increases of 37.69 percent in the first quarter, 37.55 percent in the second and 8.48 percent in the third.
- While the punctual variation of the non-oil component was 14.49 percent in the January-September 2022 period, with growth of 10.75 percent, 17.93 percent and 14.84 percent, respectively, in the three quarters of 2022.

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Office of the Attorney General of the Republic Unifies the Council of the Order

By Holland & Knight

Resolution 2362, issued by the Office of the Attorney General of the Republic (hereinafter the Resolution), was published on Dec. 6, 2022, in the *Official Gazette* No. 45,520, ordering to unify awards and medals presented to the "Council of Order" by the Public Ministry.

According to the Resolution, the structure of the Council of the Order will be comprised of the following positions:

- Attorney General of the Republic
- Director of the Office of the Attorney General
- Director of the General Secretariat
- General Director of Legal Services
- General Director Against Corruption
- General Administrative Director
- General Director Against Common Crimes
- General Director of Family and Women
- General Director of Human Rights
- General Director of Support for Criminal Investigation
- General Director Against Organized Crime
- Director of Human Resources
- Director of Institutional Relations

Article 3 of the Resolution establishes that the Council of the Order will be chaired by the Attorney General of the Republic. Likewise, the Director of the General Secretariat will be the Chancellor of Orders.

On the other hand, and in accordance with Article 4 of the Resolution, the Director of Human Resources and the Director of Institutional Relations will have a voice but not the right to vote within the Council of the Order.

Finally, the Resolution ordered the revocation of the following Committees of the Order, related to the following medals or awards:

- Order of Merit of the Public Ministry
- Dr. Esteban Agudo Freytes Order of Merit
- Citizen Merit Medal
- Dr. Juan Germán Roscio Star Order of the Public Ministry
- Danilo Anderson Order of Merit
- Félix Mercádez Vargas Order of Merit
- Boris Bossio Barceló Order of Merit
- Matías Camuñas Medal



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Government Publishes Labor Immobility Decree

By Tinoco Travieso Planchart & Nuñez

Decree No. 4,753, issued by the Presidency of the Republic, was published on Dec. 20, 2022, in the *Official Gazette* No. 6,723 extraordinary, by which the tenure of employment of workers in the public and private sector governed by the Organic Law of Labor for Workers (LOTTT), was extended for a period of two years, between Jan. 1, 2023, to Dec. 31, 2024.

In this regard, the aforementioned Decree establishes:

1. **Prohibition of dismissal or demotion:** The workers covered by the Decree may not be dismissed, demoted or transferred without just cause previously qualified by the Labor Inspector of the corresponding jurisdiction, as provided in Article 422 of the LOTTT.
2. **Implications in case of non-compliance:** The violation of the tenure of employment will give the worker the right to request the reinstatement and payment of lost wages, as well as the other benefits not received or the restitution of the legal situation violated, through the established procedure in Article 425 of the LOTTT, as well as the imposition of sanctions on the employer.
3. **Protected workers:** The workers referred to in Article 87 of the LOTTT, which are indicated below, will enjoy tenure protection, and therefore, will be protected by stability:
 - Indeterminate-time workers, from the first month of service.
 - Workers hired for a specific period of time, as long as the term of the contract has not expired.
 - The workers contracted for a certain work, until all the tasks carried out by the worker, for which he/she was expressly contracted, have been completed.
4. **Exception of application:** Excluded from tenure protection are workers who hold managerial positions, and those who are seasonal and occasional. Likewise, it is provided that the stability of public officials will be governed by the Law of the Public Function Statute.

The Decree entered into force on Jan. 1, 2023.

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