

Update 9: Venezuela - Economy Shrinks by 32.8% in Q2 2020 Amid COVID-19 Pandemic

- Venezuelan economy shrank by 32.8% in Q2 2020 amid COVID-19 pandemic
- The contraction was due to lower oil production and the effects of the COVID-19 pandemic in the commerce, banking, and construction sectors
- Reports stated the size of the economy has contracted 90% in seven years
- For two decades, Venezuelan government maintained a model of controls that affected productive activity
- As of now, the Venezuela has reported 43,879 COVID-19 confirmed cases and 366 related deaths (1% of total reported cases)
- Supply Wisdom is continuously monitoring the situation and will alert you to any relevant developments
- Please consult Ministry of Popular Power for Health (<http://mppre.gob.ve/en/mfa-venezuela/>) for the latest information on COVID-19 in Venezuela

Source(s)

- <https://www.infobae.com/america/venezuela/2020/08/28/la-economia-de-venezuela-se-hundio-un-328-en-el-segundo-trimestre-de-2020/>
- <https://www.archyde.com/venezuelas-economy-sank-32-8-in-the-second-quarter-of-2020/>
- <https://www.worldometers.info/coronavirus/country/venezuela/>

Targets Affected:

Venezuela

Guidance

Actions to consider:

- Consider implementing suggested actions related to 'Negative Impact on Economy' under the 'COVID-19: Actions to Consider' section below / next page

Related Alerts

Aug. 13, 2020

Medium

Update 8: Venezuela - Reports YoY Inflation Rate Rise of Over 4,000% for July 2020; Overall COVID-19 Deaths Amount to 0.8% of Total Cases

July 4, 2020

High

Update 7: Venezuela - Announces Radical Quarantine Measures Throughout the Country Starting July 6, 2020 Amid COVID-19 Pandemic

June 28, 2020

Medium

Update 6: Venezuela - Reports Highest Single-Day Increase of 351 in COVID-19 Cases, Totaling 5,130

June 13, 2020

Immediate

Update 5: Venezuela - Extends COVID-19 Lockdown Until July 13, 2020

June 9, 2020

High

Update 4: Venezuela - Inflation Rate Increases to 38.6% in May 2020

May 20, 2020

Immediate

Update 3: Venezuela - Announces New Border Curfews as COVID-19 Cases Rise

May 13, 2020

Immediate

Update 2: Venezuela - Extends COVID-19 Lockdown Until June 13, 2020

April 20, 2020

Immediate

Update 1: Venezuela - Imposes Curfew Amid New Cases of COVID-19 - Nueva Esparta

April 12, 2020

Immediate

Venezuela - Extends Nationwide
Quarantine for 30 Days

Impact level Definitions

Impact Level	Definitions
Immediate	Certain - Supply Wisdom recommends considering prompt action. Examples of Immediate level alert events may include bankruptcy filings, data breaches, unexpected curfews, strikes, power black-outs, major geo-political events etc.
High	Highly likely to occur in the near term (within 3 months) - Supply Wisdom recommends being in a state of readiness to take quick action. Examples of High level alert events may include withdrawal of rating by ratings agencies, hostile takeover, multiple cyber-attacks, new business policies causing significant hardship etc.
Medium	Likely to occur in the mid-term (within 3 to 6 months) - Supply Wisdom recommends reviewing current mitigation steps and being ready to take proactive actions if and when situation deteriorates further. Examples of Medium level alert events may include unplanned C-level exits, suppliers caught in bribery cases, economy slipping into recession.
Low	Possible in the long-term (after 6 months) - Supply Wisdom recommends taking proactive action if situation does not resolve. Examples of Low level alert events may include lawsuits filed against suppliers, client losses, air pollution alerts issued by country's local authorities, unexpected holidays announced for the location etc.
Informational	The event is pertinent information but does not have a risk element associated with it. Examples of Info level alert events may include launch of new solutions, partnerships signed, industry outlook, positive changes in government policies, announcements regarding launch of software parks/ free trade zones/special economic zones etc.