



1.2. Economy

Venezuela possesses the largest proven oil reserves in the world,^{[30](#)} accounting for 17 % of global reserves.^{[31](#)} Oil production, however, remains far below potential due to mismanagement, lack of investment, and the impact of international sanctions.^{[32](#)} After peaking at 3.5 million barrels per day in the 1970s, production fell to around 2 million barrels per day in the 2010s and declined further to approximately 1.1 million barrels per day by 2025.^{[33](#)} On 16 December 2025, US President Donald Trump ordered a 'total and complete blockade' of all sanctioned oil tankers entering or leaving Venezuela after the Venezuelan regime was designated a "'foreign terrorist organization'" over what the administration described as the "'theft of [US] assets, and many other reasons, including terrorism, drug smuggling and human trafficking'".^{[34](#)} On 13 March 2026, the US expanded sanctions waivers to Venezuela, enabling investment in the country's energy and petrochemical sectors and permitting fertiliser exports to mitigate price increases linked to the Iran war.^{[35](#)} On 18 March 2026, the US Department of the Treasury further eased restrictions by allowing US companies to conduct business with the state-owned oil and gas company Petroleum of Venezuela (PDVSA, *Petróleos de Venezuela, S.A.*), subject to conditions, including that payments from oil sales be deposited into a U.S.-controlled account.^{[36](#)}

Venezuela is rich in natural resources, including natural gas, iron, gold, diamonds and bauxite.^{[37](#)} Most mineral deposits are concentrated in the southeast, particularly in the states of Bolívar, Amazonas, and Delta Amacuro, while coal reserves are primarily located on the Guajira Peninsula.^{[38](#)} See section [Maps](#) for reference. The area covered by these three states is known as the Mining Arc (*Arco Minero*), which represents about 12 % of the country's territory.^{[39](#)} Venezuela also contains rare earth minerals such as coltan, although reports indicated that much of this extraction occurs illegally.^{[40](#)} Sources pointed to several factors hindering mining development in Venezuela, including illegal mining in the Orinoco Mining Arc—particularly of gold, coltan, and diamonds—which is carried out by organised criminal groups operating in collusion with certain state actors, the absence of reliable statistics and official information on mineral deposits, inadequate infrastructure, and the lack of a stable legal framework.^{[41](#)} For additional information on illegal mining, see section [2. Security situation](#). In March 2026, the National Assembly was reviewing a draft law aimed at opening mining activities to private and foreign investment and establishing a more predictable legal framework.^{[42](#)} The bill would repeal mining legislation enacted in 1999 and 2015.^{[43](#)} Additional information could not be found among the sources consulted within the time constraints of this report. On 6 March 2026, the US issued a license authorising the state-owned mining company Mining Company of Venezuela (*Minerven, Compañía General de Minería de Venezuela C.A.*) to conduct gold-related transactions with US companies.^{[44](#)}

The economy is projected to contract by 3 % in 2026, following a growth of 0.5 % in 2025.[45](#) According to the BCV, the economy expanded by 6.65 % between June 2024 and June 2025, driven primarily by oil production, which accounted for 12.27 % of total GDP.[46](#) GDP per capita was estimated at 3 100 USD in 2025, compared with 4 510 USD in 2024 and 3 830 USD in 2023.[47](#)

Inflation reached 269.9 % in 2025, continuing a downward trend from its peak of 65 370 % (or 130 000 %[48](#)) in 2018.[49](#) However, BCV figures differ, indicating that inflation in 2025 stood at 475 %, with the annual rate rising to 600 % by February 2026.[50](#) According to the Venezuelan Finance Observatory (OVF, Observatorio Venezolano de Finanzas), the poverty rate in 2024 was 86 %.[51](#) In Bolívar state, approximately 82 % of the population had been classified as 'destitute' in 2021.[52](#)

The overall unemployment rate in 2023 was 5.9 %, with unemployment at 6.5 % for women and 5.5 % for men.[53](#) The labour participation rate (the share of the population aged 15 and older that is economically active) stood at 52 % in 2025, continuing a long-term decline from 62 % in 2000.[54](#)

Since January 2026, Venezuelan and foreign investors are returning to the country, particularly to the oil industry and infrastructure.[55](#) On 22 May 2026, Bloomberg reported that a recent oil-industry event held at a Caracas hotel drew more than 1 000 participants, most of them from Venezuela's energy sector, driven by expectations that the country could see an economic rebound in a post-Maduro scenario.[56](#) The article noted that Venezuela's infrastructure requires billions of dollars in investment to recover from decades of corruption, disinvestment, and the loss of skilled professionals, and that ongoing power outages further complicate reconstruction efforts.[57](#) On 21 May 2026, the CEO of ConocoPhillips, a US-based hydrocarbon multinational, stated that Venezuela's initial measures to attract foreign investment 'are falling well short of what's needed to convince firms to invest', citing the heavy involvement of the state in oil production, which he said resembles conditions prior to the government's 2007 expropriations.[58](#) Additional information could not be found among the sources consulted within the time constraints of this report.

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