

OPPORTUNITY

VENEZUELA 2013



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PUBLISHER Sun Media Pte Ltd | **EDITOR-IN-CHIEF** Nomita Dhar
EDITOR Syed Jaafar Alkaff, Sushmita Bhowmick, Priya Ramakrishnan
ADVERTISING & MARKETING Jamie Ho Hui Xin
ART DIRECTION & DESIGN Valerius R Boenawan
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HUGO CHÁVEZ

(1954 - 2013)

THE PASSING OF A WORLD LEADER



Born on 28 July 1954 in Sabaneta, Hugo Rafael Chávez Frías, graduated from the Venezuelan Academy of Military Sciences in 1975 with a degree in Military Arts and Science and a rank of Sub-Lieutenant. He completed his Post Graduate studies in political science from the Simón Bolívar University. His passion for the ideology of Simón Bolívar, Venezuela's hero of the struggle for independence, was born while in college.

Chávez was a defining figure in Latin American politics for 15 years. In 1992, a military group under Chávez's leadership rebelled against a social and political order of corruption and injustice. The rebellion failed and Chávez and his comrades were imprisoned; however, in 1994, President Rafael Caldera freed them due to public demand. He then entered into the political arena.

Chávez was elected as the President of Venezuela on 6 December 1998 by 56 per cent of the ballots. One of his main campaign platforms was the creation of a new republic through a National Constituent Assembly. The 2000 elections saw Chávez being voted again to power by 59 per cent of the total votes. He was re-elected to his third term on 3 December 2006 by a vast percentage of the population.

He put in motion fundamental changes, particularly in the promotion of human development and Latin American integration. On 7 October 2012, President Chávez won his fourth term. However, his untimely death on 5 March 2013 saw the baton pass on to Nicolas Maduro of the Socialist Party.

NICOLÁS MADURO

**PRESIDENT OF THE BOLIVARIAN
REPUBLIC OF VENEZUELA**



Born on 23 November 1962, in Caracas, Venezuela, Nicolás Maduro Moros officially assumed the presidency on 19 April 2013. He was a Union leader before becoming politically active at the national stage.

In 1999, he was elected to the National Constituent Assembly. In 2000, he won an election to the National Assembly. In 2005, he became Speaker of the Assembly.

The following year, in August 2006, Mr Maduro was appointed Minister of Foreign Affairs of the Bolivarian Republic of Venezuela, and he remained in this position until October 2012.

As Minister of Foreign Affairs, he was instrumental in a highly successful regional integration process where Venezuela played a leading role.

After President Chávez won a fourth term in October 2012, Maduro was selected to serve as the Vice President of the Republic. Two months later, in December, he nominated Mr Maduro as his political successor.

Mr Maduro worked alongside the former President, serving as one of his closest advisers as well as a loyal spokesman, until his death on 5 March 2013.

In April 2013, Mr Maduro won a close presidential election against opposition candidate Henrique Capriles, for a period of six years.

H.E. ALFREDO TORO HARDY

ON VENEZUELA - SINGAPORE TIES



The Ambassador shares how each nation's strengths and characteristics complement each other and the excellent prospects for relations to grow further in future

Your Excellency, as a representative of Venezuela in Singapore, can you give us an insight into the main aspects of the country: its people, national icons, natural resources and culture?

Like Singapore, Venezuela is a country that values its racial diversity and mix, as well as its different cultures and religions. The proverbial beauty of its women, that makes Venezuela the leading winner of beauty contests worldwide, for example, is the result of a beautiful heritage of mixed blood.

Our eclectic mindset is another consequence of racial mixture and cultural fusion. This mindset allows us to move easily within Western parameters while at the same time enable us to watch those parameters, from the outside, with a critical or even surprised perspective. As a result, we have a flexible attitude that excels in lateral thinking and tends to be at odds with rigidity.

In terms of national icons, we are extremely proud to have been instrumental in the promotion of the independence movement around the region. Names such as Bolivar, Miranda, Sucre, Bello and Rodriguez, all of them Venezuelans, were fundamental not only in bringing independence to South America but also in nation building processes around the region. As for natural resources, Venezuela has been

endowed by nature with the largest oil reserves in the world, a fact that to a large extent has conditioned our economic vocation.

Singapore and Venezuela have a long standing relationship in terms of bilateral ties. Please give us some highlights of your engagement with Singapore.

Bilateral ties between Singapore and Venezuela are young. Diplomatic relations date back to 1987 but it was only in 2006 that the Embassy of the Bolivarian Republic of Venezuela was opened here. Moreover it was only in 2009 that the first Ambassador to Singapore was appointed. So, bilateral relations are in the process of making, as is the knowledge of each other.

Oil, gas and shipping form the backbone of the Venezuelan economy and it is the world's fifth largest oil exporting country. While Singapore's bilateral ties with Latin American countries are on the rise, what areas of growth would you like to promote between Venezuela and Singapore?

Oil and gas are not only the backbone of Venezuela's economy, but also of its relations with Singapore. Within that context Venezuela's PDVSA and Petro China have incorporated a Singaporean joint venture that will initially manage four VLCC super tankers under the Singapore flag. This will be subsequently increased to 20. Those super tankers will bring one million barrels of oil a day from Venezuela to China and 100,000 barrels of fuel oil a day from Venezuela to Singapore.

Political stability is critical for a strong investment market. After the recent presidential election, can you share few of your post-election objectives

in terms of encouraging investment in the country?

Since his election, President Nicolas Maduro and his Ministers of Finance, Economy and Trade have held important meetings with private sector economic leaders in order to discuss differences, reach common ground and institutionalise a dialogue. The meetings have been highly productive in terms of reaching solutions to specific problems and creating goodwill between the parties.

Your Excellency, you have been in Singapore for over three years. What are the features of Singapore that you admire and might like to see in Venezuela?

The efficiency of its public sector with particular reference to areas such as housing solutions, water treatment, port logistics, public urban transport, waste management and urban ecology. There is much to learn in those Singaporean experiences.

Singaporeans are well-known for their love of travel. For those unfamiliar with Venezuela what aspects would you like to highlight especially for students, tourists and business travellers?

Venezuela has many geographic identities which makes the country particularly interesting for visitors. It has a Caribbean front with over 2,000 kilometres of coast line along the Caribbean Sea and 311 islands and islets. There you can find paradisiacal beaches.

It also has an Andean front with high mountain chains, snow peaks and fertile valleys. There you can find beautiful towns and villages, spectacular mountains and the longest cable car ride in the world.

INTERVIEW

It is also an Amazonian Basin country with impressive virgin forests, the magnificent Orinoco River, the breath taking 'Tepuys' (gigantic top flatted high green mountains) and the largest water cascade in the world. When Christopher Columbus discovered the country in his third trip to America he described it as 'Paradise on Earth'. A paradise that also contains 1,400 bird species.

Venezuela is a highly urbanised country where numerous cultures have converged to offer a diversified range of food and life styles.

The Latin American market is attracting huge foreign investments from across the world. Venezuela, being one of the most urbanised country in the region, what message would you like to convey to those who are interested in forming a business relationship with the country?

Social investment in Venezuela in 2012 was 12.3 per cent of its GDP. Between 1999 and 2011 investment in human development grew 60.7 per cent while poverty reduced from 48.6 per cent of the total population to 21.2 per cent. The Gini coefficient in Venezuela (which measures inequality) is at 0.39 per cent - the lowest in Latin America (whose average surpasses 5 per cent).

According to the 2012 The Economist Facts and Figures, Venezuela ranks seventh worldwide in university enrolment with 78.6 per cent of the population around student age. In 2011, 93.2 per cent of the children population was enrolled

in the primary school system.

When human development becomes a fundamental consideration, a multiplier effect takes place; economic growth is boosted by the filling up of the social pool. It is the flourishing from below without which structured societies or sustainable development can never be attained.

A single example can illustrate the above: A World Health Organization study states that every dollar devoted to improving sanitation and drinking water produces economic benefits ranging between US\$3 to US\$34, because of healthcare savings, averted deaths and improved productivity and school attendance. Moreover, when human investments expand in a substantial way, the aggregate demand of a society will boost its consumption patterns.

On the momentous occasion of Venezuela's 202nd Independence Day, would you like to share with us your message to Venezuelans in the country?

On the occasion of commemorating the 202nd Anniversary of the Signature of the Act of Venezuelan Independence, I would like to send to my fellow Venezuelan citizens, residing in Singapore, a message of brotherhood. Being so far away from the Fatherland, we share the same homesickness and the sense of loss. Notwithstanding the differences that may emerge between us, we are all members of the same national family and, as such, we must stand together.

*Congratulations and Best Wishes to the people of
Venezuela on the occasion of 202th Anniversary
of the Declaration of Independence*



THE VENEZUELAN STORY

RAPID GROWTH POTENTIAL

After the great strides made in social economic reforms, the country is ready to achieve rapid progress

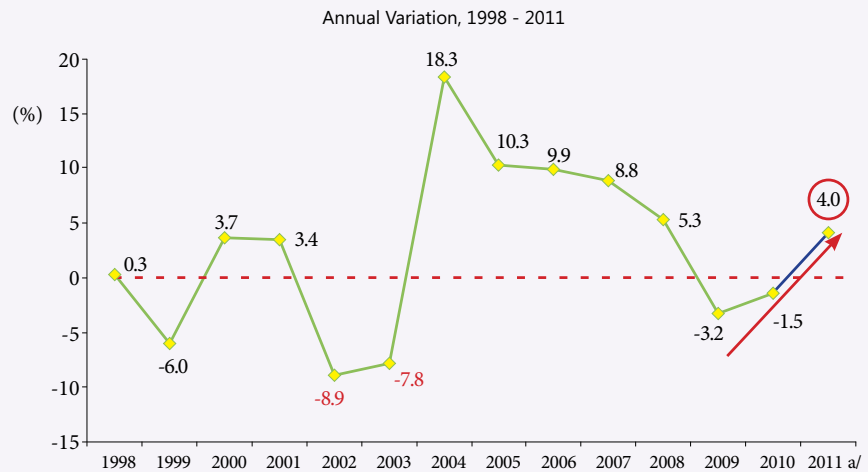
The Bolivarian Republic of Venezuela is blessed with an abundance of natural resources including the world's largest oil reserves, large working-age population and an inclusive social economic policy. Today, it enjoys one of Latin America's highest rates of per capita income as well as one of its lowest rates of economic inequality. It has achieved high rates of economic growth, surpassing the projections of many international organisations. With robust growth in trade and economy, the country is poised for rapid progress.

The country's economic model is based on the principles of social justice, democratisation, efficiency, free competition, protection of the environment, productivity and solidarity, with a view to ensure overall human development and a dignified and useful existence for the community.

This inclusive social economic policy helped Venezuela weather the global economic crisis. In spite of the crisis, the country grew at a fast pace, exceeding global expectations. An economic contraction occurred in 2002-2003 due to a coup attempt and oil industry sabotage but was quickly followed by a recovery. In the last decade alone, Venezuela's GDP has risen to about US\$300 billion, representing a substantial growth compared to the 1990's, when GDP was under \$100 billion.

Nelson Merentes, President of Venezuela's Central Bank, said Venezuela is among the top five Latin

Real Gross Domestic Product



Source: Central Bank of Venezuela

American countries in economic growth, given that GDP grew 5.6 per cent in 2012 (4.2 per cent in 2011). Today, the country continues to progress as one of the four largest economies in the region after Brazil, Mexico and Argentina.

Regional Integration & Trade

A significant element of Venezuela's political economic agenda is its leadership in the process of regional integration and its co-operation with neighbours in Latin America and the Caribbean. Below is a list of some of the new mechanisms for regional integration.

A) Bolivarian Alternative for the People of Our Americas (ALBA)

Proposed by President Chávez, ALBA's economic objective is to achieve wellbeing and integration among member states (Antigua and Barbuda, Bolivia, Cuba, Dominica, Ecuador,

Nicaragua, Saint Vincent and the Grenadines and Venezuela). They share a common currency to facilitate economic exchange called the Sucre.

B) Union of South American Nations (UNASUR)

UNASUR is a regional organisation created in 2008 in Brazil, to promote integration among member states in areas such as politics, society, culture, economy, environment and infrastructure. It includes all countries of South America.

C) Community of Latin American and Caribbean States (CELAC)

CELAC, as it is known by its Spanish initials, is an organisation that unites, for the first time, the 33 countries of the region. The Caracas Declaration was approved by member states in the Venezuela's capital city in 2011. Apart

from political dialogue, CELAC also aims to include economic co-operation.

Falling Unemployment Rates

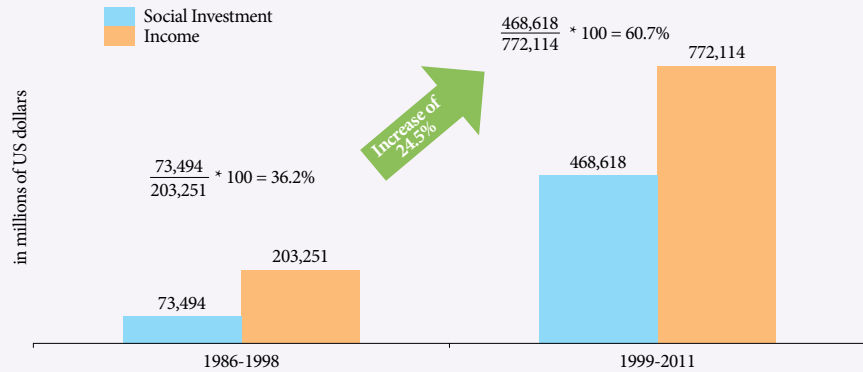
The Venezuelan government has created effective policies to promote employment and create jobs across various sectors of the economy. Unemployment rate has been falling steadily in recent years, thanks to programmes such as the Great Housing Mission, which has boosted the construction industry by building new houses and apartments each year with public-private cooperation; Mission Knowledge and Work, provides job training and placement to citizens. In the year 1999, unemployment stood at a high of 14.5 per cent, but by 2008 it had fallen to 6.9 per cent. In 2012, unemployment averaged at 6.4 per cent, with a low of 5.9 per cent in December 2012.

Growth with Inclusive Social Policy

Since 2003, the Venezuelan government has been using oil revenues to promote human development and fight poverty and social exclusion. This is being implemented through various state-funded programmes known as social missions. According to the National Institute of Statistics, the government's total social investment over the last 12 years (until 2012) is equivalent to US\$468 billion. These programmes, supported by the national oil company *Petróleos de Venezuela (PDVSA)*, are designed to address the basic needs of the population in areas such as health, nutrition, education, housing and job training. Social spending by the government in the period from 1999 to 2011 has accounted for just over 60 per cent of state revenues or roughly double the amount spent in prior decades.

The results are clear: Since 2003, the amount of households living in poverty has fallen from over 55 per cent to 26 per cent, and the amount of households in extreme poverty has fallen from 25 per cent to just seven per cent. Other indicators showed the impact of the social missions as well; falling infant mortality and malnutrition rate and rising school enrolment and graduation rates.

Social Investment and Income, 1986/1998 - 1999/2011



Source: National Budget Office, Central Bank of Venezuela, National Institute of Statistics, Ministry of People's Power for Planning and Finance

Increasing International Reserves

Venezuela's international reserves have been carefully managed by the government and have grown accordingly. According to the Central Bank of Venezuela, international reserves of Venezuela stand at US\$28 billion in 2012 from \$14 billion in 1999.

At the same time Venezuela has several sovereign wealth funds, including the National Development Fund directed to domestic development.

International & Public Debt Low

Venezuela's foreign debt as a portion of its total debt has been reduced by half during the government of President Hugo Chávez, going from 80 per cent in 1999 to 40 per cent in 2012, according to an announcement made by Finance

Minister Jorge Giordani before the National Assembly.

Venezuela's public debt is equivalent to 26 per cent of its GDP, significantly less than in advanced economies such as Germany, Japan and the US or developing countries such as Brazil and India. Its fixed interest rate is not linked to financial institutions like the World Bank or International Monetary Fund (IMF), as under previous administrations.

Congressman and finance committee member Andrés Eloy Méndez said, "Venezuela doesn't owe a single Bolívar [local currency] to the IMF or the World Bank." Venezuela's debt which was exceeding 58 per cent of GDP, during previous administrations, has reduced to half that amount today. The reduction of public debt relative to the size of the economy has strengthened Venezuela's national sovereignty.

Unemployment Rate, 2nd Half of the Year 1998 - 2010



Note: Provisional data for 2011 **Source:** Household Survey, National Institute of Statistics (INE)



ECONOMIC RELATIONS WITH ASIA

Oil and shipping make up bulk of investments

President Chavez paid great attention to East Asia, with China playing a fundamental role, which has become an important trade partner and investment source for Venezuela.

- Trade between China and Venezuela grew to US\$23 billion in 2012 (from only US\$742 million in 2003).
- A China-Venezuela joint investment fund was created in 2007 with China contributing US\$32 billion by the end of 2011. The Venezuelan government is financing 165 ambitious development projects in the fields of infrastructure, manufacturing, agriculture and housing.
- Some of China's 'national champions' such as Huawei, Lenovo, Haier, Chery, etc, are manufacturing mobile phones, personal computers, laptops, appliances, cars and heavy machinery through joint ventures with Venezuelan State companies.
- Other projects include the commissioning by Venezuela of two satellites, built and launched in China, which are currently operated from Venezuela. PDVSA and China's CNCP signed a joint venture agreement for construction of three refinery projects in China, for Venezuela's heavy oil. The first in Guangdong (400,000 barrels a day or bpd) and second Shanghai (200,000 bpd). Once completed, all three will be refining 800,000 bpd. Four VLCC super tankers are also under construction in Guangdong province.
- Currently Venezuela sells 670,000 bpd to China and will reach one million bpd in 2015.
- Oil will be transported by a jointly-owned PDVSA-Petro China company incorporated in Singapore with a fleet of 20 super tankers under the Singapore flag. Venezuela will be also sending 100,000 bpd of fuel oil to Singapore.

Economic relations between Venezuela and East Asia extend beyond China and Singapore. In 2012, US\$13.2 billion in Japanese and South Korean investments in Venezuela were signed in the areas of oil development, refining and infrastructure. Conversely, Venezuela commissioned the construction of four oil super tankers in Japan. Many of the 26 super tankers currently commissioned by Venezuela are being built in Asia. Vietnam and Malaysia also have important oil investments in Venezuela with Vietnam participating in infrastructural and agricultural developments as well.



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 1 HarbourFront Place HarbourFront Tower 1 #17-01 Singapore 098633
 Tel: +65 6363 1010 Fax: +65 6363 1212
 Email: businessdevelopment@petroseraya.com.sg
www.petroseraya.com





PETROLEUM CORNERSTONE OF VENEZUELAN ECONOMY

Venezuela, a founding member of OPEC, discovered oil in the early 20th century and since then has been one of the world's leading exporters of oil

The fifth largest oil exporting country in the world with the largest global proven oil reserves amounting to 296.5 billion oil barrels. Venezuela's oil revenues account for roughly 94 per cent of its export earnings, while it constitutes more than 50 per cent of federal budget revenues, and around 30 per cent of Gross Domestic Product (GDP). Venezuela has been an oil producer since 1914 when the first commercial oil well, Zumaque I, was drilled in the Mene Grande field on the eastern shores of Lake Maracaibo. The oil policy of the country is based on the tenet of Article 302 of the 1999 Constitution, which empowered the state to reserve for itself the production of oil and other specific industries for reasons of national interest. The state oil company, *Petróleos de Venezuela SA (PDVSA)* controls the petroleum sector.

It was President Hugo Chávez's oil policies that consolidated Venezuelan oil industry and propelled the economic and social development of the country. As an internationally recognised leader in the energy sector, Venezuela plays a proactive role and is at the forefront of various notable achievements.

Oil-driven Economy

Venezuela's economic prospects depend mostly on oil prices and the export of petroleum. In the 1990s, the Venezuelan government opened up much of the hydrocarbon sector to foreign investment, promoting multi-billion dollar investment in heavy oil production, reactivation of old fields and investment in several petrochemical joint ventures. By the late 1990s almost 60 foreign companies representing 14 different countries were present in one or other activity in Venezuela's oil sector. A new hydrocarbon law came into force in 2002, which enabled the state to have full control of all oil production and distribution activities, with the exception of joint ventures involved in extra-heavy crude oil production. Private investors may own 100 per cent of capital stock in downstream ventures, but are restricted in owning majority of the capital stock in joint ventures.

The oil contracts (operational agreements) signed during the 90s, were not approved by the State Legislature and had compromised the revenues of the country. In March 2006, joint ventures were signed with 17 national and international

Global Oil Companies Ranking		
Position	Company	Country
1	Saudi Aramco	Saudi Arabia
2	NIOC	Iran
3	ExxonMobil	USA
4	PDVSA	Venezuela
5	CNPC	China
6	BP	UK
7	Royal Dutch Shell	Holland
8	ConocoPhillips	USA
9	Chevron	USA
10	Total	France
11	Pemex	Mexico
12	KPC	Kuwait
13	Sonatrach	Algeria
14	Gazprom	Russia
15	Petrobras	Brazil

Source: Petroleum Intelligence Weekly, **November 2009**

oil companies, rectifying the previously signed agreements. JVs are regulated by various articles, which establishes that 'hydrocarbon deposits of any nature that exist within the territory of the nation, beneath the territorial sea bed, within the exclusive economic zone and on the continental shelf are property of the Republic, are of public domain, and therefore inalienable and not transferable.'

This means that the ownership of the oil deposits may not be transferred. The reserves are the exclusive property of the people of Venezuela. It is also stipulated that the exploration and production of oil and gas will be undertaken directly by the Executive or by 'companies where the Executive will retain decision-making control, by having an interest that exceeds 50 per cent of the social capital.' Public-private partnerships will not trade oil. Although the resource extracted will be owned by these partnerships, it will be exclusively traded by the state of Venezuela through PDVSA.

Notable Achievements

Under Project Mariscal Sucre, the Venezuelan ocean reserves were first drilled in 2008 by the drillship Neptune Discoverer. This production was used for domestic market supply and for conversion of all the thermal power stations to gas.

Pequiven, the state petrochemical company engaged in the domestic production and sale of petrochemical products, gave the required thrust to the petrochemical industry, which led to significant increase in the production of fertilisers and urea.

Venezuela has been instrumental in creating the regional initiative called Petroamerica. This geopolitical entity envisions improving the socioeconomic conditions of the Caribbean and Central and South American countries using energy resources of these regions. Direct negotiations between states and state-owned companies are encouraged. Petroamerica gathers three sub-regional accords of energy integration: Petrosur, which embraces Argentina, Brazil, Venezuela and Uruguay; Petrocaribe, signed by 18 countries of the Caribbean region; and Petroandina, proposed by countries which make up the Andean Community of Nations (Bolivia, Ecuador, Colombia and Peru). This geo-strategic proposal seeks to establish a new scheme of exchange with characteristics that are favourable, equitable and fair for energy consumer nations.

The country's comprehensive energy policies taken as a whole, includes the use of not only fossil fuels, but also alternative sources such as wind power and solar energy.

Another notable plan is The Plan Siembra Petrolera (Oil Sowing) project, drawn up in the Venezuela power policy guidelines, comprising six impressive development projects to be implemented in two stages: one executed in the period 2005-2012, and the other, to be developed in the second stage between 2012 and 2030.

The first period involved investment of around US\$56,000 billion, 70 per cent of which financed by Venezuela (state operator) and the rest by private sector. The first stage included the quantifying and certifying of oil reserves in the Orinoco Oil Belt (Magna Reserve); developing the Orinoco Belt (Orinoco Project); offshore gas development in the Deltana Platform off the coast of eastern Venezuela and in the Paraguaná Peninsula, to the north-west of the country (Delta-Caribbean Project); increasing refinement capacity in Venezuela by creating new refineries at Cabruta, Batalla de Santa Ines and Caripito and improving existing ones (refinement); setting up filling centres and pipelines to guarantee fuel supplies to the whole nation (infrastructure).

Venezuelan Refineries

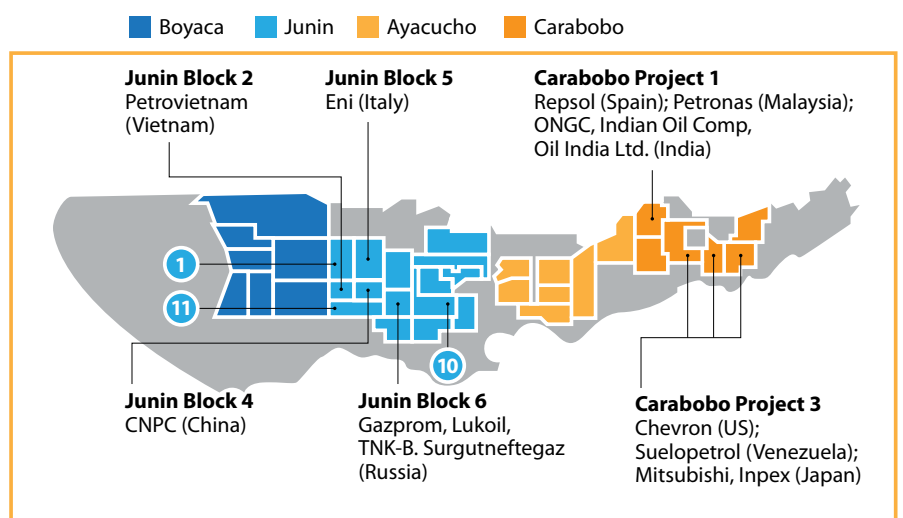
PDVSA has refineries in Venezuela and across the world. In Venezuela, The Paraguaná Refinery Complex, with a capacity of 940 million barrels a day (mbpd), is the world's largest refinery. Puerto La Cruz, located in eastern

Venezuela, has a refining capacity of 200 mbpd and the El Palito refinery located in north-central Venezuela processes 130 mbpd. PDVSA owns five refineries in the U.S. Corpus Christi (Texas); Lemont (Illinois); Saint Croix (Virgin Islands), in partnership with America Hess; Lake Charles and Chalmette (Louisiana), in partnership with Exxon. The refining capacity in the U.S. is approximately 1.09 mbpd. In Europe PDVSA processes 259 mbpd, as a result of its partnership with AB Nynäs, and through the Nynasshamn Refineries in Sweden and Amberes in Belgium, as well as other refineries in the United Kingdom. PDVSA's refineries located in the Caribbean have a processing capacity of 632 mbpd.

PDVSA and China's CNPC signed a joint venture for the construction in China of three refineries with a total capacity of 800 mbpd.

Through Venezuela's Petrocaribe programme, countries in Central America and the Caribbean gained immensely.

Venezuela's Orinoco Heavy Oil Belt



- 1 **Junin Block 1:** Venezuela in negotiations with Belarus state oil company
- 10 **Junin Block 10:** PDVSA (Venezuela)
- 11 **Junin Block 11:** Venezuela in negotiations with a consortium of Japanese companies

Source: Venezuelan Ministry of Energy and Petroleum

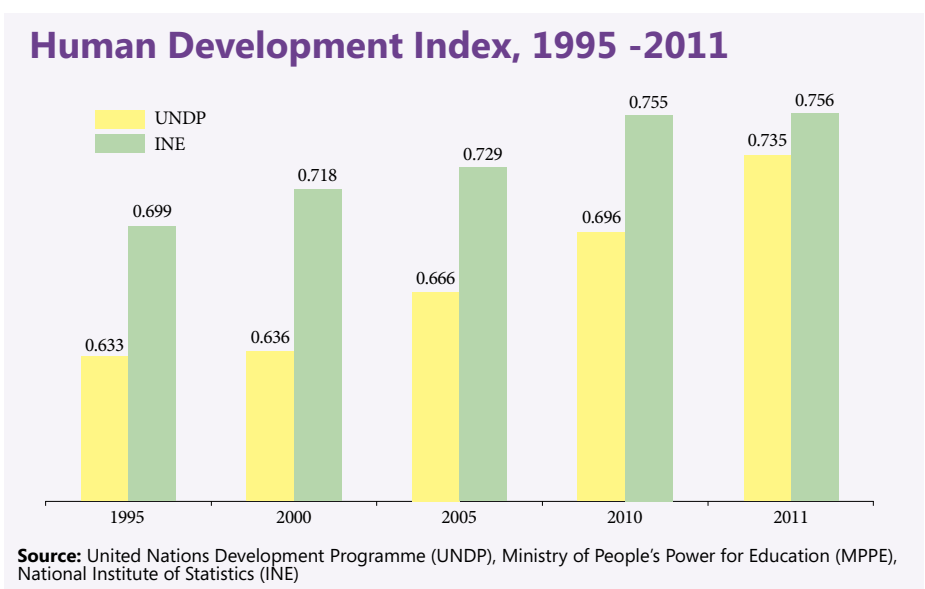
BUILDING VENEZUELA BRICK-BY-BRICK

Social compact born out of the State's management of health, education and environment has helped all strata of the society

In spite of being rich in petroleum resources, majority of Venezuelans were affected by poverty for many decades. After a series of harsh economic reforms prompted by the International Monetary Fund (IMF) in 1989, the percentage of Venezuelans that lived in poverty shot from 43.9 per cent to 66.5 per cent over the course of a year.

President Hugo Chávez denounced the negative impact that poverty was having on the country, even prior to his first election in 1998. He pointed out that Venezuela's poverty has forced millions of citizens to the margins of society, excluding them from a significant part of the political, economic and social life of the country. Since the election of Chavez as President, all Venezuelans have free access to healthcare and education as well as many other social benefits.

Success of the Venezuelan government's social policies is due to the new paradigm of oil policy, based on the recovery and control of oil revenues, which has contributed significantly in increasing the resources invested in social policies.



The extreme poverty index was considerably diminished. What had reached 42 per cent in the 1990s was seven per cent in July 2009.

Venezuela surpassed the objectives established in the UN Millennium Development Goals (MDGs) and the index of household poverty was significantly reduced from 44 per cent in 1998 to 26 per cent by the middle of 2011.

Venezuela's Human Development Index (HDI) increased from 0.699 in 1998 to 0.756 in 2011, which elevated Venezuela from the status of a country with the rank of 'medium' human development to 'high'. In 2008, Venezuela was ranked 61st out of the 179 countries listed in the annual report of the United Nations Development Program (UNDP). The Gini coefficient, a measure of income inequality, was 0.4865 in 1998. It reached 0.390 in 2012 - the lowest level

in Venezuelan history and the lowest in Latin America.

On February 2012, the resident representative of the UNDP in Venezuela, Alfredo Missair, spoke about Venezuela's progress toward achieving the MDGs, a set of eight objectives which are aimed at boosting equity and social inclusion among the population. He said that "Venezuela has shown really good performances, through its missions, where the issues of nutrition, reduction of poverty, education and access to health are really on track. Some [of the MDGs] have already been met and others are on the way to being met."

Finally, Venezuela has the second-highest level of higher education enrolment in Latin America, 83 per cent, following Cuba, which occupies the first position with 88 per cent enrolment, according to the UNESCO Institute of Statistics. Some other snapshots of Venezuelan life related to health, education and environment are presented in the following pages.

Health

Venezuela has maintained efforts to guarantee free access to healthcare for all - a right enshrined in its 1999 constitution. Last year, the government allocated 60.7 per cent of the budget to social spending, almost twice the amount by the previous governments (36.2 per cent). The President of Venezuela's National Institute of Statistics (INE), Elías Eljuri, said on September 2012 that approximately 75 per cent of the population accesses the public health system, an amount equal to more than 20 million people.

The 2011 census reflected the increased efficiency of public healthcare in Venezuela. According to available data, 6.78 million citizens have accessed a public hospital, while over 5.5 million received care through Barrio Adentro, a social program created by President Hugo Chávez, to improve the health system.

Education

According to Article 102 of the 1999 Constitution, 'Education is a human right and a fundamental social duty; it is democratic, free of charge



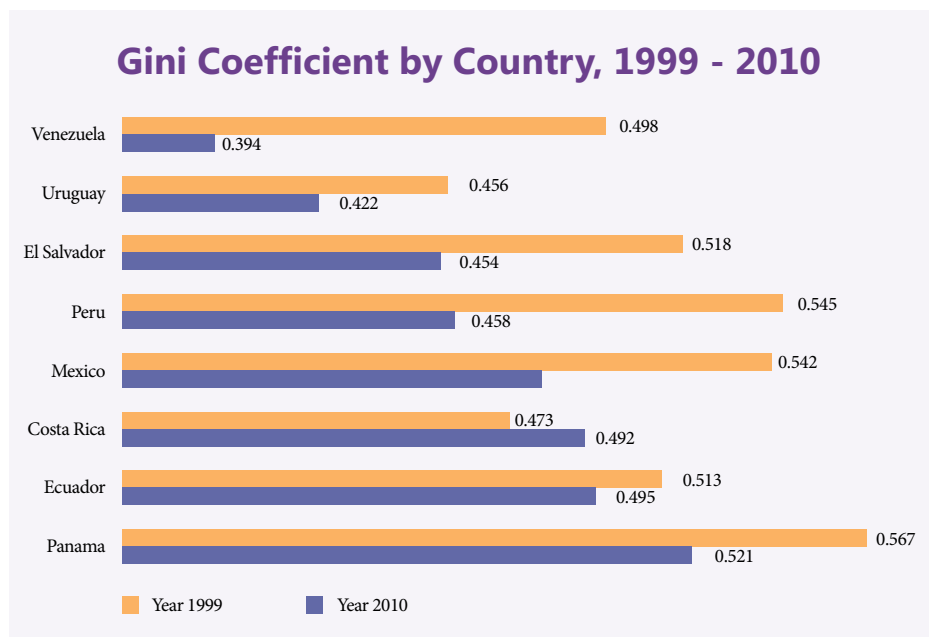
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and obligatory. The State assumes responsibility for it as an irrevocable function of the greatest interest, at all levels and in all modes, as an instrument of scientific, humanistic and technical knowledge at the service of society.'

Several social missions have been created to improve the education system, including *Misión Robinson*, *Misión Vuelvan Caras*, *Misión Rivas* and *Misión Sucre*. *Misión Robinson*, created to eradicate illiteracy in the country, had taught 1.8 million people how to read and write by

August 2012. *Misión Rivas*, a programme aimed at including Venezuelans in the system of elementary and secondary education, has benefited more than one million people. *Misión Sucre*, created to improve access to higher education, has helped over 700,000 people graduate.

Misión Vuelvan Caras, a programme which offers technical training and education in agriculture, tourism and construction to boost the social-productivity of the economy, has benefited about 200,000 people.



A NATION BURSTING WITH ORCHESTRAS!

A social programme teaching classical music to children, keeps them off the streets, gives hope, discipline and direction, is being followed worldwide



of music teachers providing music lessons and musical instruments to the youth in small villages; youth who were previously at risk of crime were introduced to a new world of music! And it worked beyond everyone's expectations.

In the words of Maestro Abreu, "From the beginning I saw the orchestra as the most beautiful expression of a united country. I saw a vibrant Venezuela, full of the will and energy to achieve what it wanted. There is no doubt that the arrival of the orchestras in the communities, in every town, state and family, is transforming Venezuelan society."

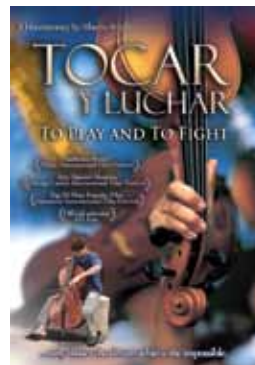
The children no matter what their background receives an opportunity to follow their dreams of becoming world class musicians through the system. The endeavour through El Sistema has won 67 world prizes, which include Frankfurt Music Prize, the Erasmus Prize, the Echo Klassik Special Prize, the Polar Music Prize, the Yehudin Menuhin Award, Prince of Asturias Award and the UNICEF Prize. Some of the system's musicians have also achieved music excellence and fame such as Gustavo Dudamel, who is the Music Director of the Los Angeles Philharmonic Orchestra!

"Music truly has the power to transform!" says José Antonio Abreu, the founder of one of the most successful music learning programmes in the world. The programme seeks social inclusion through musical education for children and youngsters at risk from drugs and gang violence. The programme develops teamwork, discipline and self-esteem.

From the humble beginnings in 1975, when he first started his 'Social Action for Music' programme, it has grown to become a national institution in Venezuela. Known currently as the Simon Bolivar Music Foundation, it was formerly known as The National System of Youth and Children's Orchestras of Venezuela, (the Venezuelan acronyms FMSB and FESNOJIV resp). It is making a difference in the lives of over 350,000 children and youngsters in Venezuela, who are currently part of the system.

The 'El Sistema' has in 30 years created an artistic abundance of over 220 orchestra and musical groups made up of pre-school children, children and youth located in 100 regional centres, 20 of them for academic studies. El Sistema is a publicly financed voluntary sector music education programme. It started simply with Abreu and a small group

Inspiring 'To Play and To Fight' Movie



To see and hear for oneself the El Sistema phenomenon, an award winning documentary was made titled 'To Play and to Fight' (*Tocar y Lucar*) on the success story of 'a nation bursting with orchestras'. Many international music figures such as Plácido Domingo and Sir Simon Rattle have spoken highly of the achievements of the System, which has been

followed in countries around the world.



ON THE GREEN PATH

A country with vast biological and geographical diversity, Venezuela has strict laws protecting its fragile environment and promote sustainable development

Venezuela has traditionally been an advocate of environmental causes and the enactment of the Constitution of 1999 made it clear that the country should follow a path of sustainable development, to ensure a future. The country recognises that overcoming poverty and improving society's quality of life are not possible if the protection of the environment is not guaranteed.

In the Constitution of 1999, Chapter (IX) is dedicated exclusively to Environmental Rights (articles 127, 128, and 129): It is the duty of the state, with active participation from society, to guarantee that the population lives in an environment free from pollution, in which the air, water, ground, coasts, environment, ozone layer and live species are specifically protected.

Environmental Laws and Agreements

Venezuela has comprehensive environmental legislation that covers forest management and ecosystem conservation to the handling of toxic substances, among others. In total, there are more than 37 laws (organic or ordinary) and 32 environmental decrees that secure Venezuela's commitment to protecting the environment.

At various international conferences and meetings, Venezuela has supported promoting the recognition of water as a fundamental human right, as this resource is a social good and not an economic one. Venezuela reiterated its commitment to the planet, ratifying the

Kyoto Protocol in 2004. In the context of ALBA, the Bolivarian Alliance for the Peoples of Our America, Venezuela has supported initiatives of cooperation, concerning the environment, taken up by Bolivia, Cuba and Nicaragua.

Biological Diversity

Venezuela is certainly fortunate in terms of its biological diversity and geography. It is located at the confluence of four major bioregions (Caribbean, Andean, Guyana and Amazonia). It enjoys a large diversity of biomass because of its location and geography. Venezuela is one of the top 10 most biologically diverse nations on earth and is recognized as a 'mega-diverse country.'

Water Resources

Venezuela's extensive river system includes surface water courses (lakes and rivers), as well as underground water. The 10 major river systems are the Orinoco, Caroní, Caura, Apure, Meta, Ventuari, Portuguesa, Santo Domingo, Uribante and Chama. The Maracaibo and Valencia Lakes, the Guri, Guárico and Camatagua Dams, together with other dams and reservoirs are all large fresh water reservoirs. Venezuela is one of the top 15 nations with the largest freshwater reserves in the world. Its abundant water resources endow Venezuela with a very high hydroelectric potential, mostly in the south, where the River Caroní by itself has the potential to produce 26,000 megawatts, with equivalent savings of 800,000 barrels of oil per day.

Forestry Resources

The tree line (over 5 meters high) covers approximately 54.2 per cent of

Venezuela. Tree removal is regulated by the state and tree management in public, private or empty lots requires a permit; in the case of forestry reserves and wooded lots, a plan of managed forest (POMF) is required. Lumber production is handled by the private sector. Domestic production reaches 1.2 million cubic meters of wood logs per year. 70 per cent is harvested using sustainable logging methods. Only a small number of forestry species has a domestic demand.

Soil and Land Use

As a result of the wide diversity of climate, elevation, geological diversity, vegetation cover and drainage, nine of the 12 soil groups of the world as classified by the USDA Soil Taxonomy, are represented in Venezuela. Only 22.6 per cent of Venezuela's territory is suitable for agricultural production while 57.8 per cent for livestock and forestry production and it is located to the north of the Orinoco River.

National Parks & Protected Areas

Venezuela has one of the largest systems of protected areas in Latin America. The protected areas are called ABRAEs (in Spanish, Área Bajo Régimen Especial de Administración). There are 381 ABRAEs grouped under several categories, such as: National Parks, Natural Monuments, Recreational Parks, Wild Fauna Refuges etc. These protected areas make up approximately 67 per cent of Venezuela's territory, with more than 34 per cent exclusively devoted to the conservation of biological diversity.

VENEZUELA LAND FULL OF GRACE & BEAUTY

A tropical paradise with many spectacular natural attractions from scenic coastlines, dramatic waterfalls to snow-capped mountains, Venezuela is known as a 'mega-diverse' country

Venezuela is often referred as the 'Land of Grace.' It has a staggering variety of landscapes: Sunny Caribbean beaches; snow-capped mountains; deserts and sand dunes; Amazon basin rainforests and even the highest waterfall in the world. If you are seeking adventure or just a lazy beach holiday, this well-connected Latin American country will be the ideal choice for a refreshing holiday.

↑ The Angel Falls (Kerepacupai Merú Waterfalls)

Located inside the lush Canaima National Park, Angel Falls or known locally as 'Kerepacupai Merú Falls' is one of tallest waterfalls in the world. Over 3,200 feet tall, this natural waterfall is fed from the Churún River, which cascades from Auyantepuy Mountain. You can view the falls from a thrilling helicopter flight to grab a perfect aerial photo. Canaima was declared as a UNESCO World Heritage Site in 1994. It is the largest park in the world and covers over 30,000 sq km (larger than Belgium) reaching the borders of Guyana and Brazil. Visitors seeking adventure have plenty of opportunities to hike, jungle trek and raft down rapids at the park.

↗ Mount Roraima

It is the tallest tepui (flat-topped, cliff-edged mountain) in Venezuela's Great Plains and also the most famous of the western tepuis of Canaima National Park. It's one of nature's architectural beauties and there is no other place like it in the world. The tabletop mountain is one of the oldest geological formations on Earth dating back to two million years. The highest point is made up by the rocky formation called 'Maverick Car' because it looks like the form of that brand of vehicle. Mount Roraima is the best-known and most-visited of the tepuis of the Gran Sabana. At 9,000 feet above sea level, its summit has a triple border point know as 'triple point' for being the meeting place of the borders of Venezuela, Brazil and Guyana.



Mount Roraima

↓ Los Roques Archipelago

Archipelago de Los Roques is a chain of islands and coral reefs in the Caribbean Sea with virgin beaches fringed by white sands and crystal clear waters. The archipelago is a group of approximately 350 islands, cays and islets in the Venezuelan seas. The archipelago is a protected area of great ecological fragility, which is why there is only one service infrastructure found in one part of the Los Roques archipelago. The most popular activities here are snorkeling and scuba diving through which visitors can admire the breathtaking marine landscapes. Los Roques has been declared a national park and protected area.



Los Roques Archipelago

→ Coro: Cultural Capital and Desert

After exploring the beaches and the tropical rain forests, it's time to soak in the culture and enjoy the panoramic vista of a desert landscape. The city of Coro is one of the country's oldest, founded in 1527. A walk along its old colonial down town will give visitors a chance to admire many historically interesting buildings. Something that immediately captures one's attention is the contrast in colours of houses lining the lanes. Deep indigos alongside intense burgundy and ochre yellows give the town a picturesque tropical gaiety. Coros was declared a World Heritage Site in 1993. Just a few kilometers away sits the arid desert landscape replete with huge sand dunes and miles of undulating fine grain sands that end at some of the most beautiful beaches.

↓ Mérida

Santiago de Caballeros de Mérida is a beautiful university town located between the Andes Mountains in Western Venezuela. It has a beautiful colonial centre and features Venezuela's second-oldest university, the Andes University (ULA). While visiting here, be sure to sample some of the 800 flavours of ice cream at the Guinness record-holding, Coromoto Ice Cream shop. Surrounded by snow-capped Andes Mountains, one can go for a thrilling ride at the world's longest and highest cable car. Add to that the small and tropical Palmarito Beach, located on the southeast side of Maracaibo Lake, and this is but just a sample of the dozen or more varieties of climate and geography in the state of Mérida.

↓ Trujillo and the Virgin of Peace Monument

Trujillo has a great cultural and historic heritage. There are many spectacular places to explore and experience that include colourful cultivations, crafts and traditions. Much of the ancient buildings, erected as architectural jewels of the 17th and 18th century, have been preserved. The Virgin of Peace Monument (Virgen de la Paz) is the world's highest statue dedicated to the Virgin Mary. It was built by sculptor Manuel de La Fuente and is 46 meters tall. A symbol of all Trujillo citizens, the statue has a hollow interior equipped with stairs and an elevator that allow visitors to ascend to the various windows to have a panoramic view of the city.



Fundación de Santiago de los Caballeros de Mérida

Virgin of Peace Monument (left)



Médanos de Coro

When in Venezuela

Try the local cuisine!

Based on foods of indigenous people, Spaniards and African communities during the colonial era, the cuisine was later influenced by Portuguese, Italian and French food. Go on a gastronomic discovery tour and try popular local dishes such as Pabellón, the national dish of Venezuela cooked with rice, black beans and banana covered in stewed and shredded beef.



Another popular dish is Arepas, similar to bread but made of corn flour, water and salt and is either fried or baked. In Venezuela, this dish is usually served instead of bread with meals, and commonly topped with chicken, ham, meat, cheese etc.

Visit the local market



You can find the perfect souvenir here: local handicrafts, mats, pipes, footwear and hammock. The hand-woven baskets and handicrafts produced by Venezuela's indigenous inhabitants, the people of

Orinoco Basin, are great buys too. The northwestern State of Lara is renowned for its woodwork and blankets, particularly from the village of Tintorero, while the adjacent Cojedes State is a producer of musical instruments such as harps, cuatros (small guitars) and maracas.

Tourist Visa

Singaporeans visiting Venezuela need to apply for multiple entry tourist visa which are valid for one year at the Embassy of Venezuela. Permitted period of stay up to 90 days. It is advisable to apply for a visa at least three weeks before the departure date. The Embassy of the Bolivarian Republic of Venezuela (Tel: 6491 1172) is located at 3 Killiney Road #07-03 Winsland House 1, Singapore 239519.



GUIDELINES ON INVESTING IN VENEZUELA

Venezuela's national policies regarding private investment are based on equality and guarantees legal safety

According to Article 301 of the country's constitution, international standards are employed in regulating agreements involving private capital. Certain strategic sectors, such as oil activities and other industries of public and strategic interests, are exempted.

Investors Protection

Investments, domestic or foreign, are protected under the Decree-Law 356 on Promotion and Protection of Investments. Protection measures include fair compensation (in case of a legally carried out expropriation); the ability to sign legally sound contracts; the ability to seek conflict resolution through national or international arbitration; the guarantee to transfer profits and invested capital in an exchangeable currency abroad, among others.

Venezuela has signed bilateral agreements on promotion and protection

of investments with 21 countries among them Belgium, Luxemburg, Canada, Denmark, Germany, Great Britain, Portugal, Spain, Sweden, Switzerland and Netherlands.

Investors are welcome to incorporate their companies in Venezuela. Please note the general requirements:

- Obtain the appropriate visa to enter Venezuela
 - Business visitor (TR-N) is granted for one year, multiple entries
 - Visitor investor (TR-I) is granted for three years, multiple entries and allows the beneficiary to stay in Venezuela for a period up to 180 days
 - Please contact the Consular Section of the Embassy for further details: consularsection@embavenez.org.sg
- Incorporate the company with the corresponding Venezuelan agency related to investment, commerce and the registration of firms:

- Mercantile Registry
- Superintendence of Foreign Investment (www.sieux.gob.ve)
- Banking Superintendence (www.sudeban.gob.ve)
- Venezuelan Petroleum Co, PDVSA, (www.pdvsa.com)
- Ministry of the Popular Power for Tourism MINTUR (www.mintur.gob.ve)
- Ministry of People's Power for Commerce
- Register the company for tax at www.seniat.gob.ve

Areas of Opportunities

Infocomm Technology (ICT), tourism, oil and gas developments, construction, food processing and mining.

Useful Links

Ministry of the Popular Power for Commerce (www.mincomercio.gob.ve); BANCOEX (www.bancoex.gob.ve) and CONAPRI (www.conapri.org)



VENEZUELA

COUNTRY PROFILE

Venezuela is located on the northern coast of South America. It is a federal presidential republic consisting of 23 states. The country has high biodiversity; habitats range from the Andes Mountains in the west to the Amazon Basin rainforest in the south, via the extensive llanos plains and the Caribbean coast in the centre and the Orinoco River Delta in the east. Venezuela borders Colombia to the west, Guyana to the east and Brazil to the south. Caribbean islands such as Trinidad and Tobago, Grenada, Curaçao, Aruba and the Leeward Antilles lie near the Venezuelan coast.

OFFICIAL NAME

Bolivarian Republic of Venezuela

GEOGRAPHICAL LOCATION

8° 0' North and 66° 0' West

AREA & POPULATION

916,445 sq km & 29,100,000

CAPITAL

Caracas

POLITICAL DIVISION BY TERRITORY

23 States, one Capital District and Federal Dependencies made up of 311 islands, keys and islets (little islands).

MAJOR CITIES

Caracas, Maracaibo, Valencia, Maracay, Barquisimeto and Bolivar City.

OFFICIAL LANGUAGE

Spanish

RELIGION

Catholic

CURRENCY

Bolivar Fuerte

CLIMATE

Venezuelan weather falls into four horizontal temperature zones - tropical, dry, temperate with dry winters and polar climates - based primarily on elevation. The climate varies

from humid low-elevation plains, where average annual temperatures range as high as 35°C, to glaciers and highlands with an average yearly temperature of 8°C. Annual rainfall varies between 430 mm in the semiarid portions of the northwest to over 1,000 mm in the Orinoco Delta to the far east and the Amazonian Jungle in the south.

ECONOMY

In the past 10 years, Venezuela's GDP has risen to about US\$300 billion. The country is among the top five in economic growth in Latin America, given that GDP grew 5.5 per cent between January and September, 2012. Since the discovery of oil in the early 20th century, Venezuela has been one of the world's leading exporters of oil, and it is a founding member of Organization of the Petroleum Exporting Countries (OPEC).

MAIN INDUSTRIES

Oil refinement, petrochemical, steel, aluminum, cement, building materials, textiles, brewery, food processing, auto parts and telecommunications.

EDUCATION

In 2008, 95.2 per cent of the adult population was literate. Venezuela has a number of universities, of which the most prestigious are the Central University of Venezuela (UCV), founded in Caracas in 1721, the University of the Andes (ULA), founded in Mérida State in 1810, and Simón Bolívar University (USB), founded in Miranda State in 1967.

CULTURE

Venezuela has a rich cultural heritage which is heavily influenced by the Caribbean context. The culture has been shaped by indigenous, Spanish and African influences.

PLACES OF INTEREST

The top attraction includes Angel Falls, Roraima, Canaima National Park, Mochima National Park, Los Roques and Merida.

NATIONAL FLOWER

Orchid

NATIONAL BIRD

Venezuelan Turpial or Oriole

Global Dairy Supplier

Olam

A leading global supply chain manager of agricultural products and food ingredients, with a direct presence in 65 countries

Integrated across the value chain and market leaders in cocoa, coffee and a prominent trader of dairy products globally

Olam Dairy

- Supplying a complete range of products from liquid milk to consumer packaged goods
- Second largest shareholder in Open Country Dairy, New Zealand, processing over 800 million litres annually
- Expertise in managing dairy farming in Uruguay and Russia
- Trading volumes in excess of 200,000 tonnes of dairy commodities
- Active in government tender buying for whole milk products



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