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Sectoral Profile

Miranda Institute (in formation) · Venezuela Multi-Sector Intelligence · Edition: August 3, 2026 (Weekly) · research@miranda-institute.org · Miranda Institute site

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Sectoral Profile — Industrial Status

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This section gives the operational status of each industrial vertical from a current-or-potential-investor lens — status, trends, established and new players, locations, the governing law/license, and the opportunities and obstacles to entry — in one concise read per sector. Quantitative baselines (production, reserves, prices, capacity) live in the Section 05 comparative tables and are not repeated here; the focus is the qualitative status and the entry calculus. Cross-references to the OFAC General License inventory are in Section 07.1.6.

06.1 — Oil & Gas — [Updated — see previous month: 06.1]

Crude output has recovered to ≈1.1–1.2 mb/d (from the ≈900 kb/d 2024 trough) but sits far below the 3.4 mb/d 1998 peak; the binding economics fact is grade — ≈70% of the 303B-bbl reserve base is Orinoco extra-heavy (API 8–10°), which must be blended with diluent (U.S.-origin naphtha under GL 47, replacing the prior Iranian dependency) or upgraded at the Jose complex (running ≈30% capacity; $4–6B rebuild) into the Merey export blend (≈API 16°). Direct extra-heavy sale carries a –$25 to –$30 Brent discount; upgraded Merey narrows that to ≈–$13 (April 2026) — the core rationale for upgrader rehabilitation. Lifting cost is ≈$27/bbl, among the world's lowest. The fastest brownfield restart is the Western Fields (Zulia/Maracaibo, historically 40% of output; 12–24-month payback under three years); the Eastern Fields (Monagas/Anzoátegui) carry the conventional base with associated gas. Established players re-entering under GL 50A/46B include Chevron, ENI, Repsol, Shell, and BP (legacy assets de-risk the move); ENI signed an April Orinoco heavy-crude agreement, and the ≈29 pre-2026 oil CPPs are under audit (the Transition (Audit of Oil Company Agreements)). The recent-agreement pipeline has accelerated through June: Chevron's April 13 asset swap lifted its Petroindependencia stake to 49% and assigned Petropiar the development rights to the adjacent Ayacucho 8 block in the Orinoco Belt (Venezuela taking back Chevron's Plataforma Deltana gas licenses in exchange); and on June 16 Repsol signed two PDVSA accords — a study-and-exploration agreement on the new Horcón area southeast of Lake Maracaibo (between its Barua and Motatán fields, with an offshore-gas study component and a drilling campaign contemplated 2028–early 2030s) and a Petroquiriquire production-boost accord (60% PDVSA / 40% Repsol) that could add ≈20,000 bpd of light crude for the Paraguaná Refining Centre, building on Repsol's April framework to lift output ≈50% in a year toward ≈135,000 bpd over three years (prior Headlines). Horcón is notable as the first move from legacy-asset restart toward new exploration ground. A new wave of U.S. capital is also positioning: independents Hunt Oil (through subsidiary Hunt Overseas Oil) and Crossover Energy Holdings signed April 30 MOUs with PDVSA for Monagas-state Orinoco Belt projects rich in oil and gas — up to $2B combined, signed in Caracas before White House energy adviser Jarrod Agen and chargé John Barrett — and Hunt's leadership publicly confirmed the scope this week (an oil-development evaluation that does not exclude gas, characterized by VP María Julia Aybar as a risky, aggressive bet the company is excited about — prior Headlines); alongside HKN Energy, the independents' MOU wave reflects the first-come field-reservation dynamic advisers describe. Lionheart Capital is assembling a ≈$2.25B Nasdaq SPAC to acquire producing fields (Clear Street backing ≈$1.5B), building on its $500M brownfield JV with Latam Energy Partners (prior Headlines). On the oilfield-services side, SLB (formerly Schlumberger) signed a long-term agreement with PDVSA on June 10, 2026 to modernize and revive the oil and gas sector with an AI-driven push (prior Headlines) — the marquee services re-entry alongside Halliburton and Baker Hughes. Gas is the larger structural prize: ≈221 tcf proven (7th globally, largest in the hemisphere), ≈80% associated, concentrated near Anaco. The live deals are Repsol/ENI's Cardón IV LNG-export expansion (floating terminal, first exports targeted end-2031) and Shell's Dragon offshore license feeding Trinidad's Atlantic LNG (see 05.1a). Gas flaring at 8–12 bcf/d — among the world's highest — is simultaneously the single largest near-term monetization opportunity and a methane-emissions liability that intersects U.S./EU import screening. Governing frame: the January 2026 LOH reform (royalty up to 30%, CIT relief, 30-year terms, foreign-JV rights) now completed by the

Reglamento signed July 8 (Headlines (Venezuela to Manage 90% of U.S.-Commercialized Oil Revenue) — July 13 edition). Abstract of what changed with the new rulebook: it is the first comprehensive regulation of the hydrocarbons law in 83 years, replacing a patchwork of 1,389 scattered ministerial resolutions layered since the 1943-era framework with a single consolidated operating text; it supplies the implementation mechanics the January 29 LOH reform left open — the procedures for setting royalties project-by-project within the up-to-30% flexibility band, the administration of the integrated hydrocarbons tax, the contracting and licensing routes for 30-year terms, the exercise of foreign joint-venture and direct-commercialization rights, and the arbitration provisions — and, per the official presentation, was drafted in consultation with the sector's productive actors around four stated criteria: legal certainty, operational efficiency, clear state-private cooperation rules, and sustainability, with sector revenue expressly tied to reconstruction financing. Clause-level analysis follows when the text publishes in the Gaceta Oficial (pending); GL 49A/56 enable contingent contracts, performance requires a specific OFAC license, and non-tax payments route through Treasury FGDF (EO 14373). Principal obstacles: the specific-license gate, banking-compliance friction, the electricity constraint (05.2), and — for the export channel — the post-April reversion to the discounted, intermediary-routed China-led Asian outlet absent renewed U.S. licensing (export data in 01.1). Greenfield projects above $1B remain gated on an IMF program, debt restructuring, and grid rebuild; the open window now is brownfield majors, GL 46B U.S. traders, and oilfield-services re-entry (SLB, HAL, BKR under GL 48A) into a decade of deferred maintenance. Current players (June 2026): producers/JV operators Chevron, Repsol, Shell, BP, Eni, and Maurel & Prom (the GL 50B-named operators); new upstream capital via Lionheart Capital/Clear Street and Latam Energy Partners; oilfield services SLB, Halliburton, and Baker Hughes; cargoes marketed by the trading houses Vitol and Trafigura (which handled 64% of June exports; Vitol is preparing a Caracas office of ≈a dozen trading staff under ex-Chevron veteran Mario Pantoja — Headlines (PDVSA Files ICC Arbitration Over Jamaica's Petrojam Seizure Jamaica), July 13 edition); principal crude buyers the U.S. (Valero, Phillips 66, Citgo — ≈630 kb/d in June, the top destination per Reuters tanker tracking), India (Reliance, BPCL, Nayara — ≈277 kb/d in June, ≈427 kb/d in May), Europe (≈99 kb/d), and China (Sinochem); Russian-operated blocks (Petromonagas, Petroperijá) stay quarantined from Western marketing; on gas, Shell (Loran, Dragon, Cocuina) and BP on the cross-border fields and Repsol/Eni on Cardón IV LNG. On output, the recovery is uneven: NABEP (Harry Sargeant III) has lifted Petrozamora in Lake Maracaibo to ≈104 kb/d — within ≈7 kb/d of Chevron's Petroboscán — even as ≈56% of the country's joint ventures still report zero production, concentrating near-term upside in the minority of JVs with active operators; Reliance is in talks to restart a 300–400 kb/d PDVSA supply deal. The reopening is also pulling back legacy minority partners: India's ONGC Videsh is re-examining a return to active operations at its equity assets San Cristóbal (40%) and Carabobo-1 (11%) and seeking a fresh operating licence, despite ≈$600M in unpaid PDVSA dividends — upstream re-entry distinct from India's ≈427 kb/d of May crude purchases (prior Headlines).

Refining (1998 · 2025 · current). Nameplate refining capacity is ≈1.30 mb/d across the six-plant system — the Paraguaná Refining Centre (Amuay 645k + Cardón 310k = 955k), Puerto La Cruz (≈187k), El Palito (146k), plus Bajo Grande and San Roque — essentially unchanged since the 1990s. Real throughput is the collapse metric: in 1998 the system ran near capacity at ≈1.1–1.2 mb/d, covering robust domestic demand with an export surplus; by 2025, after two decades of underinvestment, deferred maintenance, blackouts, and the exodus of skilled staff, real runs had fallen to ≈20–25% of plate, and as of early 2026 the network had recovered only to ≈35% — about 450 kb/d across Amuay, Cardón, Puerto La Cruz, and El Palito, restarts partly enabled by Iranian ($460M CRP overhaul) and Chinese support. Domestic refined-products consumption fell in parallel with the economy and emigration — from ≈500 kb/d of finished fuels in 1998 to an estimated ≈200–300 kb/d now — which is the only reason ≈35% utilization is described by PDVSA as roughly covering national gasoline and diesel demand; the El Palito post-quake turnaround (Headlines (PDVSA to Halt El Palito Refinery for Post-Quake Inspection Damage)) tightens that balance. For an investor this is the clearest downstream brownfield: large sunk plate, deep-conversion and FCC units to rehabilitate (Puerto La Cruz, Cardón, El Palito), and a fuel market that grows with any recovery — gated, like upstream, on the specific-license regime and the grid. Sources: EAI · Reuters · Hydrocarbon Processing.

Operational read (El Taladro Azul — the weekly oil-operations report by M. Juan Szabo and Luis A. Pacheco, published on Pacheco's El Recadero blog): field-level production held essentially flat through the quakes — 935 kb/d in the last full June week (West 258 · East 110 · Orinoco Belt 567) and 942 kb/d in the first July week (West 262 · East 111 · Belt 569) — a materially lower read than the ≈1.15–1.18 mb/d reported to OPEC, reflecting a field-by-field counting basis; the divergence between the two series is itself a data point counterparties should carry. Refineries processed 248–260 kb/d of crude and intermediates across the two weeks, yielding 74–80 kb/d of gasoline and 76–77 kb/d of diesel; in petrochemicals, the Morón complex sustained some quake infrastructure damage without immediate consequence (it has been out of service for some time), El Tablazo is unchanged, and the José complex runs reduced on low natural-gas feedstock. A refining recovery marker landed July 13 outside the report: El Palito (146 kb/d nameplate) restarted its FCC after the quake blackout — several attempts, now ≈35 kb/d and climbing per Reuters worker sources — restoring the system's most fragile gasoline unit (prior Headlines). The report's export decomposition is the forward-looking insight: June's 1.17 mb/d of exports comprised ≈760 kb/d from current production plus ≈410 kb/d from inventory drawdown and re-exported diluent — and of the ≈50 million barrels of stock accumulated by early January, more than 43 million have now been placed, leaving just over 6 million. As the drawdown ends, exports should converge toward the production-backed level (the report tracks monthly exports on course for ≈750 kb/d of crude plus ≈50 kb/d of residual fuel) — a step-down the export-channel economics, and the FGDF revenue line behind it (≈$2.8B flowed into the Treasury-controlled oil account in June, with the transparency question persisting), will register in H2. The Venezuelan basket averaged $79.6/bbl in late June, easing to $75.8/bbl in early July with the international price decline. n/c this cycle: no new El Recadero weekly was retrieved at the July 20 build, so the field-level read above is carried forward; the methodology divergence widened on the official side — the government's July 13 claim of 1.203 mb/d sits 133 kb/d above the OPEC June secondary print (1.070, flat vs May) and ≈260 kb/d above the field-level series, with BCV Q1 oil-export revenue reported +21% y/y at $5,491M (prior Headlines). Source: El Recadero (Luis Pacheco) · OPEC MOMR · BCV.

06.1a — CITGO & the Dragon Gas Precedent

Two discrete assets anchor the energy investment map. CITGO closed 2025 with ≈$1.1B net income on ≈$16B revenue, refinery utilization near 95% across Lake Charles, Corpus Christi, and Lemont (≈499k b/d combined), ≈$1.2B cash and ≈$2.5B debt. The contested-control overhang dominates: Delaware Chancery (Judge Stark) approved Amber Energy's $5.9B bid in November 2025 with the OFAC specific license pending, while total Delaware claims exceed $19B against $13–15B estimated assets (top claimants ConocoPhillips $10B+, Crystallex $1.4B). PDVSA is preparing new PDV Holding, CITGO Holding, and CITGO Petroleum boards with individual OFAC/visa clearance per candidate; the board transition and the Amber license are the two most-watched Q2 2026 governance events. Separately, Dragon is the operative offshore-gas precedent: OFAC reauthorized Trinidad and Shell (70%/NGC 30%) in October 2025 to resume PDVSA negotiations on the 4.2-tcf field (a three-stage license running through April 2026 in stage one, no cash to the Venezuelan government, mandatory U.S.-company participation), with a companion authorization for the cross-border Manakin–Cocuina field. On June 11, 2026 the precedent advanced sharply: acting President Delcy Rodríguez signed Shell a phase-one license for the cross-border Loran field (part of the ≈10-tcf Loran-Manatee system, mostly in Venezuelan waters), plus Carito/Pirital production-unit agreements — enabled by the June 10 OFAC package (GL 50B names Shell and BP) and opening Venezuela's first offshore gas exports to Trinidad around 2027 (prior Headlines). Together they define how contested-asset and cross-border-gas structures clear under the 2026 GL framework.

06.2 — Electricity

Electricity is the binding operational constraint on every other vertical, and the May 7 demand spike (national consumption above 15,500 MW against ≈13 GW effective capacity, the 45-day savings plan lapsing) converted a chronic problem into an active stability incident — 8–10+ hr daily outages across many states, zero reserve margin. The diagnostic is structural: ≈70–80% dependence on Guri (single-point-of-failure risk), and in Zulia roughly 1 of 46 thermal units operational (≈1.4% of

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3,020 MW nameplate). The Caroní complex in Bolívar is the asset and the thesis — Guri (10,200 MW nameplate, ≈6 GW effective, third-largest hydro plant in the world), Macagua (2,540 MW), Caruachi (2,160 MW, maintenance overdue), and the stalled Tocoma (2,160 MW, ≈70% complete, $3B+ to finish) — combining the hemisphere's lowest-cost hydro with stranded capacity, the structural foundation for aluminum smelting and, post-rehabilitation, AI data centers. Governing frame: GL 48A authorizes goods/technology/software/services for electricity operations; GL 49A enables contingent investment with performance gated on a specific license; CORPOELEC unbundling is sequenced under Section 04. The opportunity set for current and potential entrants spans hydropower EPC/OEM work (≈$20B consensus modernization capex; the Tocoma restart is the single-largest discrete project; Guri and Caruachi the primary brownfield retrofits; first-mover advantage for OEMs already in CORPOELEC dialogue under the Siemens/GE assessment, with IMPSA — now U.S.-owned — advancing a renegotiated Corpoelec contract to finish Tocoma and Macagua for up to 672 MW under a 2026 U.S. license, prior Headlines), thermal-plant rehabilitation (≈15 GW nameplate at <20% utilization; Zulia and the Anaco/Furrial/Punta de Mata cluster as priority restarts, linked to Eastern-Fields gas supply; an early instance is the June 5 Termocarabobo Unit 3 restart, +150 MW, prior Headlines), fast-deployable IPP/grid-balancing capacity (an emergency procurement framework of 500–1,500 MW is anticipated in Q3), and distribution (≈25–30% losses vs the 10–15% LatAm average — an anti-theft/metering opportunity — against a near-zero 0.00–0.02 USD/kWh effective tariff that itself requires restructuring). Obstacles: the specific-license gate on performance, the tariff economics, and the fact that any capacity-dependent thesis (notably data centers) must wait for documented restoration rather than nameplate. Current players (June 2026): IMPSA (U.S.-owned) on the Tocoma/Macagua hydro completion; Siemens and GE in CORPOELEC assessment dialogue; Andritz and Voith as prospective turbine bidders; CORPOELEC running the thermal restarts (Termocarabobo). The opening firmed materially in mid-June: the GE Vernova–Corpoelec MOU (June 15; +1,000 MW in 24 months, 5,000+ MW in four years) and the Corpoelec–IMPSA accord on Tocoma "Manuel Piar" (+672 MW in 14 months; Caracas frames up to 2,640 MW) both drew an explicit June 17 U.S. Embassy endorsement under the Phase II recovery track, with GE Vernova's status as the original OEM of the Guri and thermal turbines reopening the long-blocked channel for genuine OEM parts, software, and maintenance (prior Headlines). Two caveats temper the signal: IMPSA's contested ownership and >$350M in claims it is pursuing against Venezuela (a legacy-liability flag), and the fact that both instruments remain frameworks pending contract and OFAC performance licensing. On the cross-border leg, Colombia announced a ≈$25.7M investment (June 15) to advance the binational interconnection from Vichada, a near-term supply patch for the grid emergency that pairs with the prioritized western-Venezuela interconnection and the reciprocal Venezuelan-gas-through-Colombia thread (prior Headlines).

06.3 — Mining, Steel, Aluminum & Coal

The Arco Minero del Orinoco (≈112,000 km²) is the hemisphere's largest strategic-minerals concentration, and the March 27, 2026 licenses (GL 51A gold/minerals, GL 54 goods/services, GL 55 contingent JVs) plus the April 9 Organic Mining Law (enacted April 16, 2026, Gaceta Oficial Extraordinaria No. 7.020; royalties up to 13%, 30-year concessions, repeal of the 2015 Gold Law) are the first genuine opening to U.S. capital since nationalization, with U.S./Canadian entrants now circling — Gold Reserve and Lundin Mining, Caterpillar and Hartree Partners, and the Mercuria–Heeney offtake vehicle (prior Headlines). Status by commodity: iron ore is the bright spot (20M+ t/yr, the fastest-growing export, Guayana Highlands resource intact, Sidor restart candidate); steel (Sidor, formerly world #1 in DRI) and aluminum (smelters idle, <50k t/yr vs 650k peak) retain intact cost advantages but are gated on Caroní power (05.2); gold formal output (20–30 t/yr, much of it informal) is the immediate entry point because GL 51A lets established U.S.-entity traders with BCV-channeled documentation position now; coltan/tantalum draws EV/defense and USGS interest as a critical mineral. Coal (Guasare Basin, Zulia; 805M st proven, low-sulfur thermal) is the one Venezuelan extractive that clears entirely outside the OFAC framework: peak 7–8M t/yr under the old CDG/Peabody JV collapsed below 0.3M t/yr, then the Carboturven JV (Carbozulia 51% / Glenmore Turkey 49%) restarted Paso Diablo and Mina Norte in December 2024, reaching ≈3M t in Q1 2025 with a path to 8M+ if rail and Maracaibo port logistics rehabilitate; Turkey is the primary offtaker and Glenmore is the

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operating-partner template for new entrants (specialty thermal traders, EU industrial buyers, rail/port concessionaires). Cement (<2M t/yr, state-controlled) is a reconstruction-cycle privatization candidate. Obstacles across mining: extraction/refining/JV operability is a 12–18-month timeline gated on Arco Minero security reform (ELN, FARC dissidents, Tren de Aragua, garimpeiros control much of the zone — the FANB's June 9 Las Claritas operation, prior Headlines, is the first large-scale move to clear it), specific OFAC performance licenses, and — for coal scale-up above 5M t/yr — rail/port concession rehabilitation plus mandatory ILO 169 indigenous-consultation compliance (12+ Guasare River communities). Current players (June 2026): the Mercuria–Heeney offtake vehicle (bulk minerals + gold); Trafigura as the Minerven gold offtaker (since March); Gold Reserve and Lundin Mining on gold/mining, with Caterpillar and Hartree Partners positioning; state miner Minerven (merging into CVM) the gold counterparty; on coal, Carbozulia with Glenmore (Turkey) at Paso Diablo and Mina Norte.

06.4 — Telecom, Banking, Industrial Services & Agriculture

The April 14 banking and telecom GLs reopened the services layer, and BlackRock's Larry Fink publicly turned "quite bullish" on Venezuela on May 11 (citing AI-infrastructure demand on energy-rich economies) — the operative institutional signal, reinforced by the Cisneros Group's $1B Fondo Intrépida (April 16, naming telecom/infrastructure). Banking: the operating backdrop is the BCV's own data — GDP prints published July 2 show full-year 2025 growth of +8.94% and Q1 2026 of +2.51% year-on-year, the demand recovery the services layer is priced against; the BCV lending rate stands at 59.12% (June; passive DPF-90d 36.00%), a real-terms level that keeps credit scarce and short; and the retail FX purchase cap remains $1,000/month, $12,000/year. GL 57 (the first banking GL since 2017) authorizes services to BCV, Banco de Venezuela, and Banco Digital de los Trabajadores, reportedly enabling a first ≈$1B in BCV-routable oil-revenue flows; BSA/FinCEN obligations remain and counterparty onboarding gates full activation — the near-term opening is correspondent/payments rails for established institutions. Telecom: CANTV/Movilnet privatization is sequenced under Section 04, and the dismantling of the inherited Chinese surveillance stack (ZTE/Huawei/CEIEC) creates greenfield demand for a full Western replacement — larger than a typical privatization — with spectrum re-auction and tower consolidation the early vectors. Data centers/AI: Bolívar's low-cost hydro plus stranded industrial real estate is the hemisphere's strongest five-year cluster thesis, but FID realistically targets a post-Phase I window (2027–28 commissioning if Tocoma and the Siemens/GE rehabilitation deliver), since the May electricity emergency pushes any deployment to after documented capacity restoration, with fiber-backbone replacement and cooling-water confirmation as preconditions; entry vectors are land-banking near Guri/Macagua substations, CORPOELEC tap-line MoUs, and hyperscaler procurement. Agriculture: cocoa (≈28k t/yr, $250M, fine-aroma premium) and coffee (22–28k t/yr, $35–50M) are FX-diversification plays with established EU/U.S. premium access and, critically, sit outside the OFAC framework — the lowest-risk early entry for trading houses and specialty importers, and the sector the AN is actively re-regulating (the new Café and Cacao laws targeted for June, Section Purification of 1999 Constitution).

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