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## **1987 Venezuelan Budget Shows Marked Reduction In Oil Revenue Dependency; 1/3 For Public Foreign Debt Interest Payments**

*by John Neagle*

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On Dec. 26 the Venezuelan Congress approved a 1987 national budget totaling 158.722 billion bolivars (about \$7.5 billion), of which one-third is destined to pay interest on the public foreign debt. The new budget shows a marked reduction in dependency on oil export revenues. Only 28% of the 1987 budget will derive from oil sales, representing a drastic reduction if compared to previous years when oil revenues accounted for nearly 90% of the national budget. The budget bill indicates that 27.7% will be dedicated to capital outlays, 43.4% to operational expenditures, and 33.9% to interest payments on the public foreign debt. For 1987 the government estimates that oil revenues will total about \$8.7 billion. This estimate was calculated on the basis of average exports of 1,589,800 barrels per day, at an average price of \$15 per barrel. The budget was approved by the House of Deputies on Dec. 24, and approved by the Senate on Dec. 26. The new exchange rate system, announced during the previous week by President Jaime Lusinchi represented a modification of the original budget bill, resulting in an increase from 129.076 billion to 158.722 billion bolivars.

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