1-10-1991

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Latin America Data Base
News & Educational Services
NotiSur
LADB Article Id: 068362
ISSN: 1060-4189

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Category/Department: General
Published: Thursday, January 10, 1991

On Dec. 28, Energy and Mines Minister Celestino Armas told reporters that the state-run oil company, Petroleos de Venezuela, S.A. (PDVSA), would raise oil output capacity to 3.5 million barrels per day by 1996. PDVSA plans to invest $5 billion in 1991: $2.1 billion for drilling activities, and $2.9 billion, infrastructural development. By year-end 1991, planned output capacity is 2.97 million bpd. Average output for the year is projected at 2.5 million bpd. After the Iraqi invasion of Kuwait on Aug. 2, Venezuela increased daily production from 1.94 million barrels to 2.4 million by the end of the year. Oil export revenues for 1990, according to Armas, are estimated at $13.5 billion, of which $8 billion were channeled to the Treasury. PDVSA profits in 1990 came to $2 billion, said Armas, and projected profits for 1991 of $3.5 billion are based on an average $19 per barrel. Extra income (the difference between current price and $19, and revenue from exports in excess of 1.94 million bpd) is channeled to the government's "macroeconomic stabilization fund," created as a safeguard against the eventual decline of oil prices. Regarding PDVSA's five-year plan, Armas said one of the company's medium-term strategies is to intensify marketing of heavy and extra-heavy crudes toward expansion of refining capacity from 1 million bpd to 1.7 million bpd in 1996. Next, Armas predicted that Organization of Petroleum Exporting Countries (OPEC) quotas will end once the Gulf crisis is history. He said, "The quotas will die from natural causes." (Basic data from DPA, Notimex, 12/28/90)

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