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Venezuela: State-run Oil Company Investment Plans

by Barbara Khol
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On Aug. 2, Pablo Reimpell, vice president of the state-run oil conglomerate Petroleos de Venezuela S.A. (PDVSA), told reporters that the government plans to invest $20 billion by 1996. The investment program is aimed at increasing oil production to 3.6 million barrels per day, and expanding PDVSA's crude refining capacity. Of total investment resources, about $8 billion are destined for heavy and extra-heavy crude processing. The investment program was announced early this year by Energy and Mines Minister Celestino Armas. Speaking as president of the Organization of Petroleum Exporting Countries (OPEC), Armas said on Aug. 1 that OPEC must invest $150 billion over the next five years to meet projected world market demand. Output capacity, according to Armas, must increase by 8 million to 10 million barrels per day, since expected global market growth implies sustained increases in demand for oil. At present, Venezuela produces 2.3 million bpd. Venezuelan proven reserves of over 60 billion barrels include the Orinoco field, the world's largest known reserve of heavy crude. (Basic data from EFE, 08/02/91)

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