

VENEZUELA: NEW EXCHANGE SYSTEM TO IMPACT VISITORS



Venezuela's Tourism Minister, Andrés Izarra, announced that the Venezuelan government expects to receive USD 2.5 million from foreign exchange thanks to tourism.

According to the latest changes of the Venezuelan exchange system it was stated that tourists are going to be able to exchange their dollars in Venezuela and that the rate would fluctuate according to SICAD's auction (Complementary System of Administration of Foreign Exchange). The government tries to control the market because of the advance of the "black market" that takes over the nation.

The SICAD is managed by the Venezuela's Central Bank (BCV) and according to the value that people give to the dollar during the auctions, dollar will acquire a variable value that always tends to devalue the bolivar against the US currency.

The fluctuation of the US currency in SICAD has reached a value between 10 and 12bsf (Venezuela's currency) which represents almost a 100% more of the official value that is 6.3bsf per dollar.

Minister Izarra said that the foreign visitors will find special exchange offices in different places around the country. Some of them will be placed in hotels, touristic routes and sights, in ports and airports. This currency exchange mechanism will come into effect this holiday season.

However several experts point out that this swap system prejudice the tourists in Venezuela, keeping in mind that the black market has a dollar value between 35bsf and 38bsf . The differences between the rates make the price of a hotel room in a 3-4 star hotels, where the night is about USD100-120, three times higher.

Knowing this, the experts say that the tourists will prefer the black market in order to change their dollars or euros, instead of changing them with the official price being this low.

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