

Maduro says Venezuela to get \$1 bn injection from 'bitcoin' sale

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With rampant inflation more than decimating the bolivar, Venezuelan authorities are banking on the petro becoming a digital means of pulling them out of crisis

Venezuela's government, which is facing a worsening liquidity crisis, is to release \$1 billion into the economy obtained through the sale of the petro, its new cryptocurrency, said President Nicolas Maduro.

Speaking late on Thursday, he said the aim was to boost the country's international reserves and its foreign currency reserves and to halt the rise of the black market dollar.

Despite having the world's largest proven crude oil deposits, Venezuela's foreign reserves have dwindled to \$9.7 billion while it must pay off some \$8 billion this year.

Maduro said that sales of the petro—Venezuela's new cyber currency which was launched in February—had brought \$3.3 billion into the state coffers, of which \$1.7 billion would be set aside for importing "food, medicine and industrial goods."

Of the remaining \$1.6 billion, \$1 billion would be

transferred to Venezuela's Central Bank on Friday "for [currency](#) auctions and to continue fighting the devil," he said referring to the so-called "black dollar."

Struggling to overcome chronic liquidity shortages and burdened by US sanctions, Venezuela launched the first government-backed cryptocurrency in the hope that it would lead the crisis-torn nation out of the financial woods.

Venezuela's economic woes have much to do with the slump in recent years in the price of oil, which accounts for some 96 percent of the country's revenue.

US economic sanctions have also taken a heavy toll.

Venezuela's government has accused the opposition, the United States and Colombia of waging an "economic war" on the country aimed at overthrowing Maduro.

It has also blamed the country's cash crisis on mafias accumulating cash in order to speculate.

Last week, the IMF said Venezuela's economic collapse ranked as one of the worst in modern history, with massive hyperinflation likely to see prices soaring 13,000 percent this year.

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