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IHS Global Insight Article

Report printed on 09 August 2010

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## **CONTENTS**

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Telefónica Seeks to  
Repatriate US\$1.8 Bil. from  
Venezuela

### Venezuela - Venezuela: Telefónica Seeks to Repatriate US\$1.8 Bil. from Venezuela

Telefónica has said that it expects to repatriate US\$1.8 billion of earnings from its Venezuelan operations. The Spanish group says that it has repatriated around US\$550 million in earnings from Movistar Venezuela in the last three years. In the first half of 2010, it reported total revenues of 690 million euro (US\$905.1 million), down 18.6% year-on-year (y/y) due to the devaluation of the bolívar.

**Significance:** Telefónica has yet to receive approval from the government to repatriate the earnings, which, according to Movistar president Juan Antonio Abellan, “has become a concern ... especially for 1.5 million shareholders,” according to Reuters. While the new foreign-exchange rules and the devaluation of the currency have hit Telefónica, Venezuela still represents a major market for the Spanish operator: only Spain, Brazil, Argentina, Germany, and the United Kingdom provide it with more revenues. Should the Venezuelan government prove obstructive, Telefónica will face pressure from shareholders to review its business in the country.