

## **Goldman Sachs USD2.8 BN Venezuelan Bonds Purchase Creates Uproar**

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Goldman Sachs Group's (NYSE:GS) recent purchase of \$2.8 billion in Venezuelan bonds has resulted in the company having to defend its actions.

It argued that the opposition violence was part of the plan of the "international right wing, with the complicity of the most powerful governments of the world, with the sole objective of taking control over Venezuela's energy resources". (Goldman would only identify the intermediary as "European.") Also, the bank insisted, it bought the bonds for a third of their value to help the Venezuelan people!

On Sunday, The Wall Street Journal revealed that the New York-based investment bank had paid USA \$865 million for Venezuelan state oil company bonds maturing in 2022, amounting to around 31 cents on the dollar.

Two months of protests against President Nicolas Maduro's socialist government have convulsed the South American OPEC nation, with around 60 people killed in the unrest.

Borges added that he believed Goldman "decided to make a quick buck off the suffering of the Venezuelan people". This had it paying roughly \$865 million for the bonds, which are set to mature in 2022. "Whether Goldman owns them or somebody else it really doesn't make any difference", said Hanke, also a senior fellow at the Cato Institute.

"This was not a pleasant meeting", said today European Parliament President, **Antonio Tajani**, in a press conference with **Julio Borges**, President of the National Assembly of Venezuela, in the EU Parliament in Brussels.

**Julio Borges**, the president of Venezuela's opposition-run Congress, said that Goldman is "aiding and abetting the country's dictatorial regime", which is now engaged in a violent crackdown on anti-government protesters across the country, Reuters reported.

**Goldman Sachs** did not say in its statement how much it paid for the bonds.

Canada, Mexico, Panama, Peru and the United States put forward a declaration calling for an immediate end to the violence, for political prisoners to be freed and respect for human rights and the rule of law. We made the investment in part because we believe it will." .

Envoys from 34 American nations, including 18 foreign ministers, gathered in **Washington** to choose between two declarations on the political situation in Venezuela, which requires at least 23 votes.

So far, Maduro has prioritized paying its global bondholders over feeding its people.

Goldman said its asset-management arm acquired the bonds "on the secondary market from a broker and did not interact with the Venezuelan government".

"What is happening there in Venezuela today, the people need to recognize - and in fact, I think it's quite clear now that they do - the common Venezuelan citizen recognizes that they are not alone", the official says, "that the hemisphere is in solidarity with them, that the hemisphere is supportive of their just calls for democracy".

The Venezuelan government hasn't made an worldwide public bond offering in several years since capital markets are essentially closed to it as its economy has shrunk 27% in four years, its oil production has declined rapidly and investors have become increasingly anxious about the growing likelihood of default.