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WORLD | LATIN AMERICA

Venezuela Rations Electricity Supply to Shopping Malls

President Nicolás Maduro's government launches plan will force more malls to shut down for hours or generate their own power



People wait outside closed stores at a mall in Caracas on Wednesday. PHOTO: MARCO BELLO/REUTERS

By **KEJAL VYAS** and **ANATOLY KURMANAEV**

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CARACAS—Venezuela President Nicolás Maduro's government began implementing a power-rationing program that will force more than 100 malls to close for hours on weekdays unless they can generate their own electricity.

Under the three-month plan, malls have to find their own power sources from 1 to 3 p.m. and again from 7 to 9 p.m., according to the Electricity Ministry, adding the measure would help Venezuela cope with a severe drought weighing on its hydroelectric plants.

“That hour between 7 and 8 is when we make most of our sales,” said Ruben Peña, a

shoe-store manager at a mall in the Caracas neighborhood of Bello Campo. “We’re not sure how we’re going to make it out of this.”

The oil-rich South American country has long struggled with a shaky nationalized power grid despite billions of dollars in state investment since a 2009 electricity emergency. Business leaders warn that the latest cuts are likely to further cripple commercial activity in an economy already rattled by triple-digit inflation and chronic product shortages. The International Monetary Fund estimated the economy would contract 8% this year after shrinking 10% in 2015, making Venezuela the world’s worst-performing economy.

“This is completely unworkable,” said Jorge Puerta, co-owner of a restaurant in the high-end Caracas shopping center Altamira Village. “We can’t just turn off the fridges for half a day.”

He said his 40 employees would suffer, receiving fewer tips from customers. “A lot of people depend on malls for employment, and most of them are not well off,” he said.

The measures potentially put at risk the jobs of some 500,000 people working in malls across the country, according to the Venezuelan Shopping Center Chamber. The trade group said it was notified of the rationing plan only a week in advance, giving mall operators little time to adjust. The group countered by requesting that the government supply power from noon to 7 p.m., seeking to save stores from opening and shutting down twice a day.

Electricity Minister Luis Motta said on state television Wednesday that power cuts wouldn’t be applied on weekends and denied that his ministry was limiting business hours. “We’re just asking for self-generation,” he said.

Malls are an integral part of Venezuelan life, places where many citizens gather at nights, when the country’s crime-ridden streets are too unsafe to stroll. Some malls contain not only clothing boutiques and pharmacies, but also radio stations, health-care labs and even embassies.

“You’re asking everyone to cut their work hours for three months at the beginning of the year when you’ve just come out of a major recession. That’s a serious situation,” said Cipriana Ramos, president of Consecomercio, the country’s largest commerce advocacy group.

Merchants say the new restrictions are likely to translate to more use of fossil-fuel-

burning generators, even though the Maduro administration says it wants to tame the country's heavy fuel consumption, spurred by a state subsidy that keeps gasoline prices at under a penny per gallon.

"It's totally contradictory policy," said Ms. Ramos, adding she doubts the benefits of rationing when malls consume about 5% of the national power supply. Mr. Motta, the minister, said the government expects to save 1,000 megawatts of power, enough to light up half of Caracas.

On Wednesday, there was widespread confusion about the government's policy. Some shops still had power during the rationing hours and stayed open, even though they had received an Electricity Ministry letter alerting them to the cuts.

Alfredo Cohen, director of Venezuela's biggest malls chain, Sambil, said the malls would stay open all day but the shops inside would be closed. In the provinces, he said, malls would only open from 3 p.m. to 7 p.m. on weekdays.

—*Mayela Armas*
contributed to this article.

Write to Kejal Vyas at kejal.vyas@wsj.com and Anatoly Kurmanaev at Anatoly.kurmanaev@wsj.com

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