Introduction

Venezuela is a country located in South America bordering the Caribbean Sea and the Atlantic Ocean. Venezuela has a strategic location on major sea routes linking North and South America. Neighboring countries include Brazil, Colombia, and Guyana. The geography of Venezuela is varied and consists of the Andes Mountains in northwest and the Guiana Highlands in southeast. The government system of Venezuela is a federal republic. The chief of state and head of government is the president. Venezuela has a largely command economy in which the central government directs the economy regarding the production and distribution of goods. Venezuela is a member of the Common Market of the South (Mercosur).

Key Economic Facts

Income Level (by per capita GNI): High Income
Level of Development: Developing
GDP, PPP (current international $): $538.93 billion (2014)
GDP growth (annual %): -4.00% (2014)
GDP per capita, PPP (current international $): $17,558.32 (2014)
External debt stocks, total (DOD, current US$): $118,758,396,000.00 (2013)
Manufacturing, value added (% of GDP): 13.80% (2012)
Current account balance (BoP, current US$): $5.33 billion (2013)
Inflation, consumer prices (annual %): 62.17% (2014)
Labor force, total: 14,050,186 (2013)
Unemployment, total (% of total labor force) (modeled ILO estimate): 7.50% (2013)
Exports of goods and services (current US$): $91.96 billion (2013)

GDP Composition %

<table>
<thead>
<tr>
<th>Industry</th>
<th>Agriculture</th>
<th>Industry</th>
<th>Manufacturing</th>
<th>Services</th>
</tr>
</thead>
<tbody>
<tr>
<td>Value</td>
<td>5</td>
<td>49</td>
<td>14</td>
<td>0</td>
</tr>
</tbody>
</table>

*Although Manufacturing is included in the Industry figures, it is also separately reported because it plays a critical role in economy.

Rankings

<table>
<thead>
<tr>
<th>Index</th>
<th>Rank</th>
</tr>
</thead>
<tbody>
<tr>
<td>Corruption Perceptions Index</td>
<td>158 / 168</td>
</tr>
<tr>
<td>E&amp;Y Globalization Index Score</td>
<td>58 / 60</td>
</tr>
<tr>
<td>Global Competitiveness Report</td>
<td>132 / 140</td>
</tr>
<tr>
<td>Global Enabling Trade Report</td>
<td>136 / 138</td>
</tr>
<tr>
<td>Index of Economic Freedom</td>
<td>176 / 178</td>
</tr>
<tr>
<td>International Logistics Performance Index (LPI)</td>
<td>76 / 160</td>
</tr>
<tr>
<td>Inward FDI Potential Index</td>
<td>61 / 139</td>
</tr>
<tr>
<td>KOF Index of Globalization</td>
<td>105 / 186</td>
</tr>
<tr>
<td>Networked Readiness Index (NRI)</td>
<td>102 / 142</td>
</tr>
<tr>
<td>Open Budget Index</td>
<td>94 / 102</td>
</tr>
</tbody>
</table>

Risk Assessment (Provided by Coface)

Country rating: D - A high-risk political and economic situation and an often very difficult business environment can have a very significant impact on corporate payment behavior. Corporate default probability is very high.

Business Climate rating: D - The business environment is very difficult. Corporate financial information is rarely available and when available usually unreliable. The legal system makes debt collection very unpredictable. The institutional framework has very serious weaknesses. Intercompany transactions can thus be very difficult to manage in the highly risky environments rated D.

Strengths

- Considerable reserves of oil along the Orinoco River and offshore gas potential
- Geographical proximity with the United States, the primary export market for Venezuelan oil
- Influence in the Caribbean region through the PetroCaribe initiative
- Assets (including in the United States) belonging to the national oil company PDVSA
- Growing active population

Weaknesses

- Economy highly dependent on hydrocarbons
- Incompetence of the national oil company PDVSA
- Opaque and discretionary management of oil revenue
- Shortage of foreign currency and goods
- Delays in payment for current trade

U.S. Embassy

Calle F con Calle Suapure,
Urb. Colinas de Valle Arriba,
Caracas, Venezuela 1080
Tel: (0212) 975–6411
http://caracas.usembassy.gov/