

## 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 Latin American Integration Association (LAIA).



**Location:** South America

**Capital City:** Caracas (-4.5 GMT)

**Chief of State:** President Hugo Chavez Frias

**Head of Govt.:** President Hugo Chavez Frias

**Currency:** Bolivar Fuerte (VEF)

**Major Languages:** Spanish (official), numerous indigenous dialects

**Primary Religions:** Nominally Roman Catholic 96%, Protestant 2%, other 2%

**Calling Code:** 58

**Voltage:** 120

## Key Websites

Main Government Page: [presidencia.gov.ve](http://presidencia.gov.ve)

Investment Promotion Agency: [conapri.org](http://conapri.org)

## Key Economic Facts

Budget Expenditures:	\$ .10 trillion (2011)
Budget revenues:	\$.07 trillion (2009)
Debt - external:	\$.09 trillion (2011)
Distribution Of Family Income - GINI Index:	39.00% (2011)
Exports:	\$92.60 billion (2011)
GDP per capita, PPP:	\$12,232.80 (2010)
GDP, PPP:	\$.35 trillion (2010)
Imports:	\$46.40 billion (2011)
Industrial production growth rate:	1.40% (2011)
Inflation rate (consumer prices):	27.60% (2011)
Labor force:	13.50 million (2011)
Population:	28.05 million (2012)
Unemployment rate:	7.90% (2009)

## GDP Composition %



## Rankings

Index	Rank
Corruption Perceptions Index	172/183
Ease of Doing Business Rankings	174/181
E-readiness Rankings	55/70
Freedom of the Press	163/196
Global Competitiveness Report	122/139
Global Enabling Trade Report	121/125
Index of Economic Freedom	174/179
International Logistics Performance Index (LPI)	84/155
Inward FDI Potential Index	62/141
KOF Index of Globalization	115/208
Networked Readiness Index (NRI)	112/133
Open Budget Index	63/94

## Risk Assessment (Provided by Coface)

**Country rating: C** - A very uncertain political and economic outlook and a business environment with many troublesome weaknesses can have a significant impact on corporate payment behaviour. Corporate default probability is high.

**Business Climate rating: C** - The business environment is difficult. Corporate financial information is often unavailable and when available often unreliable. Debt collection is unpredictable. The institutional framework has many troublesome weaknesses. Intercompany transactions run major risks in the difficult environments rated C.

### Strengths

- Major oil, gas, and mining resources, with considerable oil reserves in the Orinoco delta
- Hydrocarbon wealth provides economic strength to extend Venezuela's regional political influence
- The US is the principal customer for Venezuelan oil, despite political differences
- External financial position in significant surplus

### Weaknesses

- Economy over-dependent on oil (90% of exports, half fiscal revenues and a third of GDP)
- Opaque and discretionary management of oil revenues
- Production capacity of publicly-owned oil company, PDVSA, limited by insufficient investment
- State interventionism and corruption affecting the confidence of the private sector and making economic diversification more difficult

## U.S. Embassy

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