

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).



Location: South America

Capital City: Caracas (-4.5 GMT)

Chief of State: President Nicolas Maduro Moros

Head of Govt.: President Nicolas Maduro Moros

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

Investment Promotion Agency: conapri.org

Key Economic Facts

| | |
|--|-----------------------------|
| Income Level (by per capita GNI): | High Income |
| Level of Development: | Developing |
| GDP, PPP (current international \$): | \$543.89 billion (2014) |
| GDP growth (annual %): | -19.62% (2018) |
| GDP per capita, PPP (current international \$): | \$18,102.47 (2014) |
| External debt stocks, total (DOD, current US\$): | \$189,305,601,067.60 (2020) |
| Manufacturing, value added (% of GDP): | 12.07% (2014) |
| Current account balance (BoP, current US\$): | -\$3.87 billion (2016) |
| Inflation, consumer prices (annual %): | 254.95% (2016) |
| Labor force, total: | 10,811,318 (2022) |
| Unemployment, total (% of total labor force) (modeled ILO estimate): | 5.33% (2022) |
| Imports of goods and services (current US\$): | \$151.45 billion (2014) |
| Exports of goods and services (current US\$): | \$80.52 billion (2014) |

GDP Composition %



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

Rankings

| Index | Rank |
|---|-----------|
| Corruption Perceptions Index | 172 / 178 |
| EY Globalization Index | 58 / 60 |
| Global Competitiveness Index | 133 / 141 |
| Global Enabling Trade Index | 136 / 136 |
| Index of Economic Freedom | 174 / 176 |
| International Logistics Performance Index (LPI) | 142 / 160 |
| Inward FDI Potential Index | 61 / 139 |
| KOF Index of Globalization | 111 / 185 |
| Networked Readiness Index (NRI) | 108 / 139 |
| Open Budget Index | 111 / 114 |

Risk Assessment (Provided by Coface)

Country rating: E - The highest-risk political and economic situation and the most difficult business environment. Corporate default is likely.

Business Climate rating: E - The highest possible risk in terms of business climate. Due to a lack of available financial information and an unpredictable legal system, doing business in this country is extremely difficult.

Strengths

- World's largest oil reserves and offshore gas potential

Weaknesses

- GDP remains well below 2013 levels
- Economy heavily dependent on hydrocarbons, loans from China and Russia, and energy cooperation with Iran
- The lifting in October 2023 of certain US sanctions on the oil sector will be reviewed in April 2024 depending on advances in democracy.
- Defaulting on its sovereign and quasi-sovereign debt (PDVSA), late payments in current trade
- Shortage of foreign currency and commodities
- Non-transparent and discretionary management of oil revenues, which could be further eroded by rebates in the event of a return to sanctions.
- Very high inflation, poverty and inequality
- Crime (homicides), corruption, patronage, trafficking of all kinds, black market

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