



WORLD RANK: **174** | REGIONAL RANK: **31**

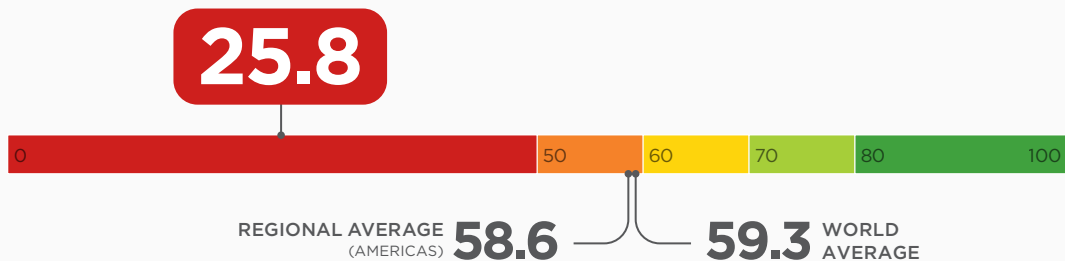
ECONOMIC FREEDOM STATUS: **REPRESSED**

VENEZUELA

Venezuela's economic freedom score is 25.8, making its economy the 174th freest in the 2023 Index. Its score has increased by 1.0 point since last year. Venezuela is ranked 31st out of 32 countries in the Americas region, and its overall score is much lower than the world and regional averages.

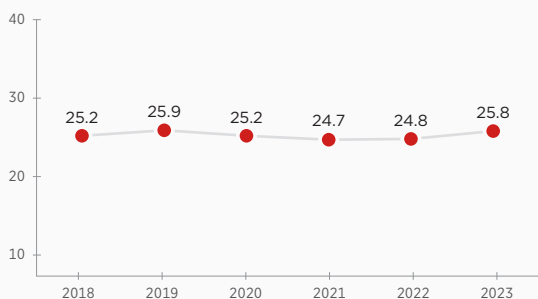
Venezuela remains economically repressed. Severely hampered by state interference, the formal economy is increasingly stagnant, and informal economic activity is expanding. Prices of almost all goods and services are controlled. Because of rampant corruption and the legal framework's deficiencies, the rule of law remains fragile and uneven.

ECONOMIC FREEDOM SCORE



HISTORICAL INDEX SCORE CHANGE (SINCE 1995): -34.0

RECENT FREEDOM TREND



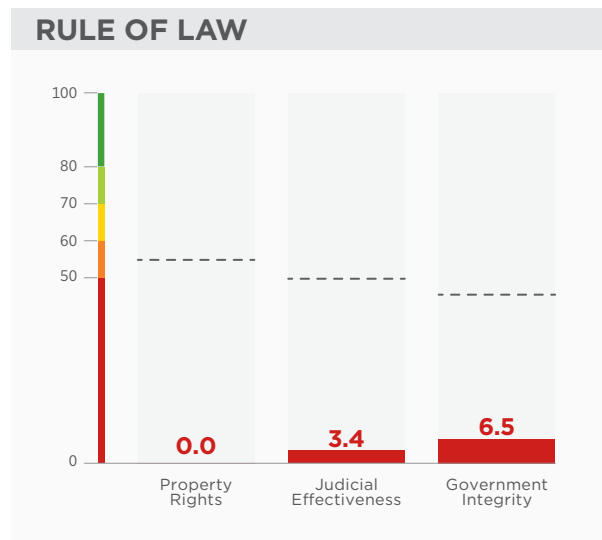
QUICK FACTS

POPULATION: 28.7 million	UNEMPLOYMENT: 7.5%
GDP (PPP): \$148.5 billion -1.5% growth in 2021 5-year compound annual growth -20.4%	INFLATION (CPI): 1,588.5%
FDI INFLOW: -\$761.3 million	PUBLIC DEBT: 240.5% of GDP

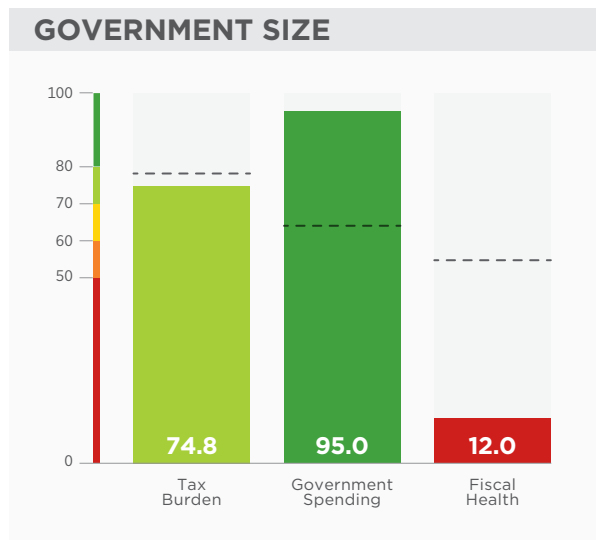
2021 data unless otherwise noted. Data compiled as of September 2022

BACKGROUND: Venezuela's modern democratic era lasted from the end of military rule in 1959 until the election of Hugo Chávez in 1999. Nicolás Maduro completed the destruction of democracy and consolidated dictatorship in 2017. The deeply corrupt socialist regime's policies led to one of history's worst depressions and Latin America's worst migration crises. The regime also bankrupted state-owned oil company PDVSA and engages in illicit trafficking. Following international censure of Maduro's sham 2018 reelection, then-National Assembly head Juan Guaidó constitutionally challenged Maduro's rule, but the regime still exercises de facto control. Iran, Russia, and China help Venezuela to circumvent U.S. sanctions.

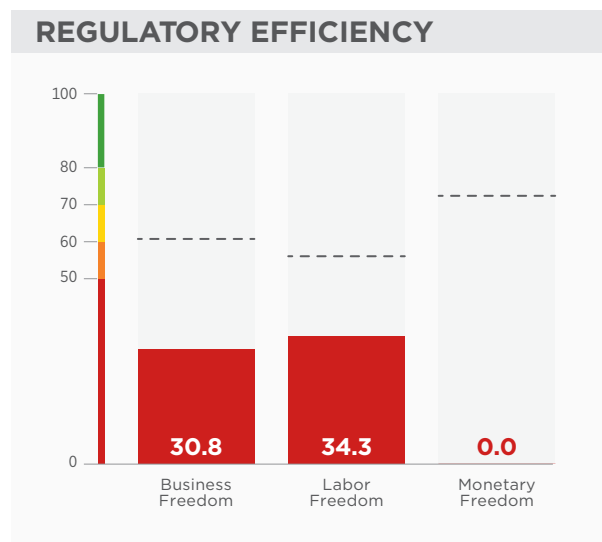
12 ECONOMIC FREEDOMS | VENEZUELA



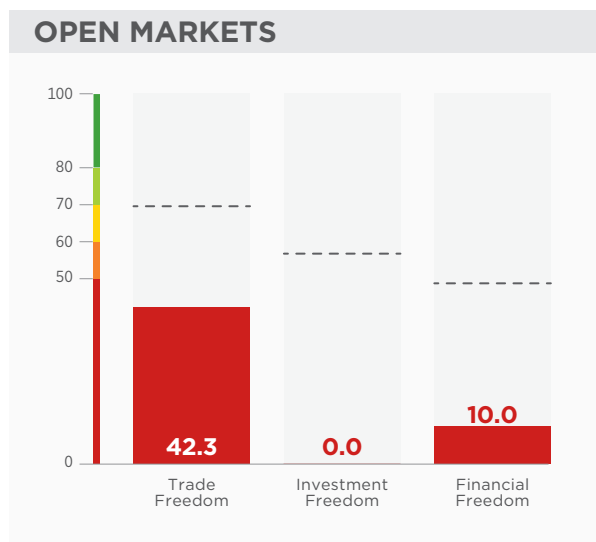
The overall rule of law is weak in Venezuela. The country's property rights score is below the world average; its judicial effectiveness score is below the world average; and its government integrity score is below the world average.



The top individual and corporate tax rates are 34 percent. The tax burden equals 14.4 percent of GDP. Three-year government spending and budget balance averages are, respectively, 12.9 percent and -6.5 percent of GDP. Public debt equals 240.5 percent of GDP.



The overall freedom to engage in entrepreneurial activity is constrained by heavy government control and inconsistent enforcement of regulations. There is little decision-making transparency, and most contracts are awarded without competition. The labor market remains controlled by the state. Inflation has been very high.



The trade-weighted average tariff rate is 18.9 percent, and extensive nontariff barriers further distort trade flows. Private investment remains hampered by state interference in the economy, and threats of expropriation persist. The financial sector is tightly controlled by the state.