

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

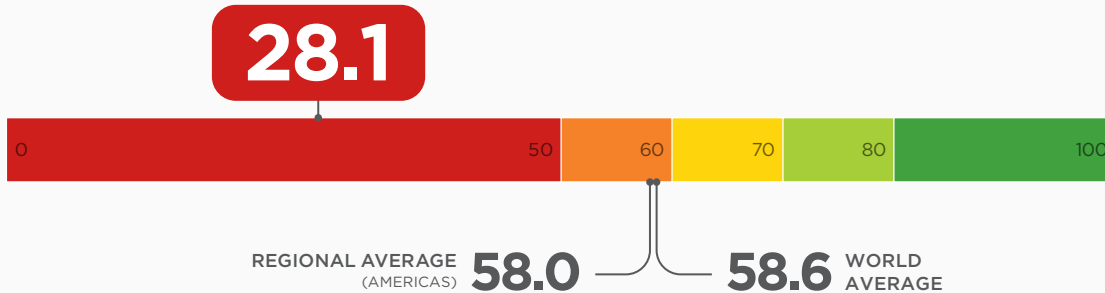
ECONOMIC FREEDOM STATUS: **REPRESSED**

VENEZUELA

Venezuela’s economic freedom score is 28.1, making its economy the 174th freest in the 2024 *Index of Economic Freedom*. Its rating has increased by 2.3 points from last year, and Venezuela is ranked 31st out of 32 countries in the Americas region. The country’s economic freedom score is lower than the world and regional averages. Venezuela’s economy is considered “repressed” according to the 2024 *Index*.

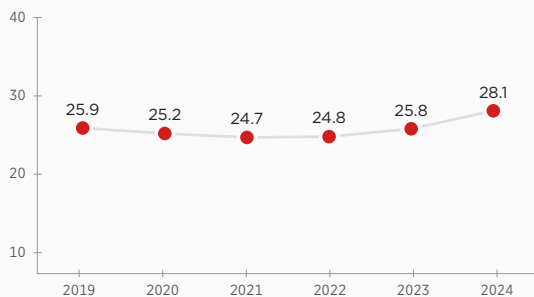
Venezuela’s increasingly stagnant formal economy is undermined by state interference, and informal activity is expanding. Prices of almost all goods and services are controlled. Because of rampant corruption and the legal framework’s deficiencies, the rule of law remains fragile and uneven. The freedom 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 is almost 187 percent.

ECONOMIC FREEDOM SCORE



HISTORICAL INDEX SCORE CHANGE (SINCE 1995): -31.7

RECENT FREEDOM TREND

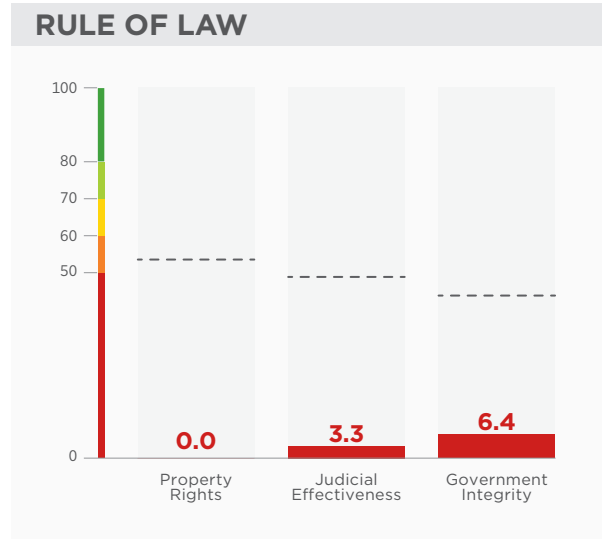


QUICK FACTS

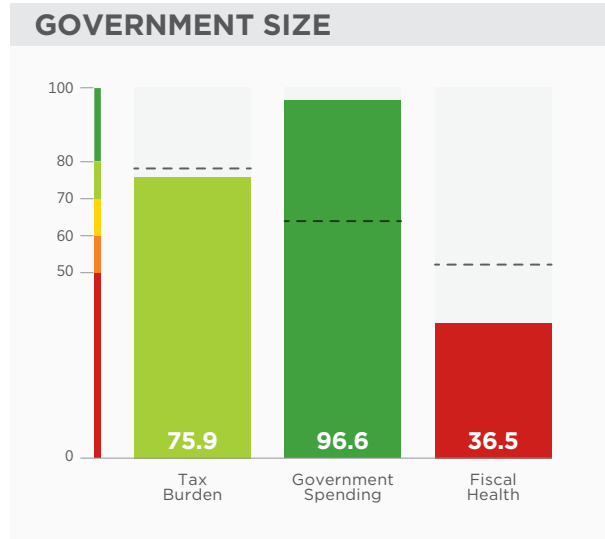
- POPULATION:** 28.7 million
- UNEMPLOYMENT:** 6.4%
- GDP (PPP):** \$196.5 billion
8.0% growth in 2022
5-year average growth rate: -13.7%
- INFLATION (CPI):** 186.5%
- FDI INFLOW:** \$941.0 million
- PUBLIC DEBT:** 159.5% of GDP

2022 data unless otherwise noted. Data compiled as of October 2023.

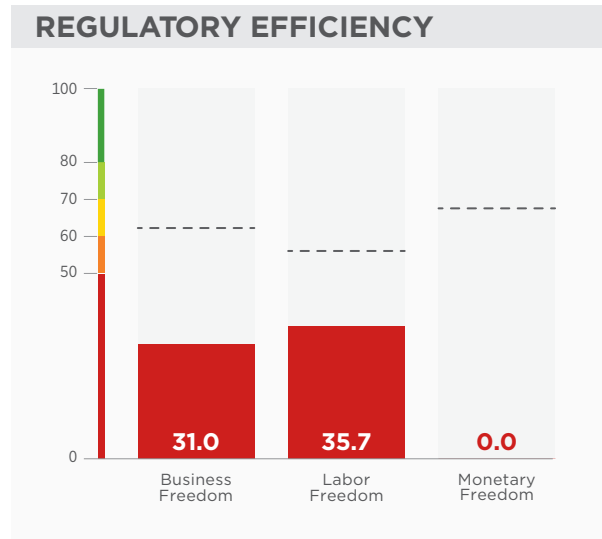
12 ECONOMIC FREEDOMS | VENEZUELA



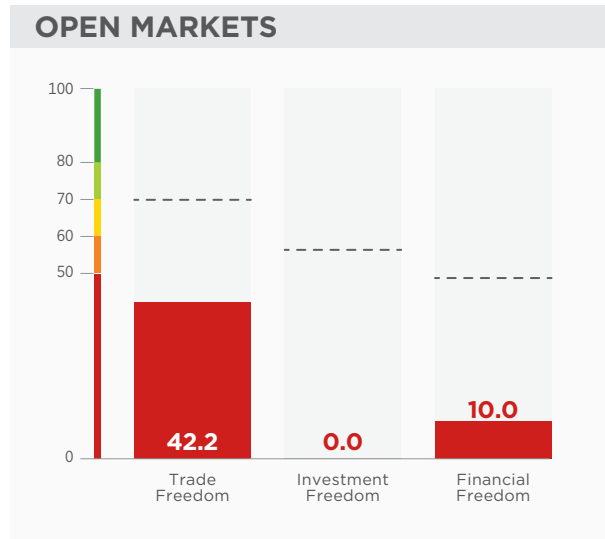
The overall rule of law is weak in Venezuela. The country's property rights score is below the world average; its judicial effectiveness score is below the world average; and its government integrity score is below the world average.



The top individual income tax rate is 34 percent, and the top corporate tax rate is 34 percent. The tax burden equals 9.9 percent of GDP. Three-year government spending and budget balance averages are, respectively, 10.6 percent and -5.2 percent of GDP. Public debt amounts to 159.5 percent of GDP.



Venezuela's overall regulatory environment is very inefficient and not conducive to entrepreneurial activity. The country's business freedom score is far below the world average; its labor freedom score is below the world average; and its monetary freedom score is well below the world average.



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.