Dire Straits: One Million Percent Inflation for Venezuela?

A top U.N. official is warning that Venezuela is on the verge of turning into an “absolute disaster of unprecedented proportions.” And now, what was once Latin America’s richest nation is about to ravaged by hyperinflation.

Life for most people in Venezuela is already terrible, so it might be hard to believe that it is about to get even worse, but it is.

One million percent. That’s the inflation rate the International Monetary Fund predicts Venezuela will hit this year.

One of the world’s leading experts on hyperinflation calls that prediction only a guess. But Steve Hanke of the Johns Hopkins University, and a former economic advisor to past Venezuelan president Rafael Caldera, says the true inflation rate is bad enough.

“Right now, the inflation rate is 25,650 fifty percent,” Hanke says. “The IMF is forecasting. I don’t forecast, I measure, because you can measure it but you can’t forecast the course or the duration of a hyperinflation.”

Most of the nation is starving. Society has broken down. Disease is spreading. Between 4 and 5 million Venezuelans have left the country, one of the biggest population moves in Latin American history.

Even socialist president Nicholas Maduro admitted failure at a recent party congress, where, for good measure, the power went out.

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