



Venezuelan Central Bank no longer publishes annual reports in inflation rates.
(Reuters)

Worried about inflation raising its head in India? You can take heart from this South American country where inflation currently stands at over 31,000 percent. Inflation in Venezuela touched an all-time high of 31,376.42 percent on Thursday. Surprisingly, it comes in a complete contrast to IMF's 2018 year-end annual rate forecast of 12,874.6 percent. "Venezuela's annual inflation rate measured for today, 6/7/18, is 31,376.42%, a new, all-time high," Professor Steve Hanke of Johns Hopkins University tweeted yesterday. This number is nearly three times the IMF's year-end inflation forecast, and there are still seven months to go for 2018 to end. Venezuela is already in the midst of full blown economic crisis.

Writing in Forbes on 31 May, Steve Hanke said, "Just how looney are the IMF's guesses? To answer that question, consider that the IMF forecast for Venezuela's 2018 year-end annual inflation rate is 12,874.6%. On May 30th, I accurately measured Venezuela's annual inflation rate, and for the first time, it breached 25,000%, and today, May 31st, it sits at 27,364% (see chart below). That's more than double the IMF's year-end inflation forecast, and there are still seven months left to go until year-end."

As Venezuelan Central Bank no longer publishes annual reports in inflation rates, financial

press has to depend on IMF for an ‘official’ number, Steve Hanes said. “The problem is that the press, for the most part, merely reports the IMF’s forecasts, without so much as a mention of the fact that inflation forecasts during an episode of hyperinflation are nonsense.” he added.

Oil supply troubles

Reuters reported that oil prices rose today as Venezuela struggled to meet its supply obligations and by ongoing voluntary output cuts led by producer cartel OPEC. Brent crude futures, the international benchmark for oil prices, were at \$77.45 per barrel at 0051 GMT, up 13 cents, or 0.2 percent, from their last close.

Economic crisis

Venezuela’s economic crisis began around the year 2012, when the oil prices (Venezuela’s main export) declined substantially. The government was forced to cut back on popular public programmes, and inflation began to rise. Venezuela’s inflation rate is now the highest globally.

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