

THE HUFFINGTON POST

Is Venezuela Next?

By Steve Hanke
March 5, 2014

Last year, Nicholas Krus and I published a chapter, "[World Hyperinflations](#)", in the *Routledge Handbook of Major Events in Economic History*. We documented 56 hyperinflations -- cases in which monthly inflation rates exceeded 50 percent per month. Only seven of those hyperinflations have savaged Latin America (see the accompanying table).

At present, the world's highest inflation resides in Latin America, namely in Venezuela. The Johns Hopkins - Cato Institute [Troubled Currencies Project](#), which I direct, estimates that Venezuela's implied annual inflation rate is 302 percent. Will Venezuela be the eighth country to join the Latin American Hall of Shame? Maybe. But, it has a long way to go.

THE HANKE-KRUS HYPERINFLATION TABLE
LATIN AMERICAN EDITION

COUNTRY	MONTH WITH HIGHEST INFLATION RATE	HIGHEST MONTHLY INFLATION RATE	EQUIVALENT DAILY INFLATION RATE	TIME REQUIRED FOR PRICES TO DOUBLE
1. Peru	Aug. 1990	397%	5.49%	13.1 days
2. Nicaragua	Mar. 1991	261%	4.37%	16.4 days
3. Argentina	Jul. 1989	197%	3.69%	19.4 days
4. Bolivia	Feb. 1985	183%	3.53%	20.3 days
5. Peru	Sep. 1988	114%	2.57%	27.7 days
6. Chile	Oct. 1973	87.6%	2.12%	33.5 days
7. Brazil	Mar. 1990	82.4%	2.02%	35.1 days

Source: Steve H. Hanke and Nicholas Krus (2013), "World Hyperinflations", in Randall Parker and Robert Whaples (eds.) Routledge Handbook of Major Events in Economic History, London: Routledge Publishing.

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