

## **Venezuela's Maduro Increases Minimum Wage by 40%**

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Venezuelan President Nicolas Maduro boosted his country's minimum wage by 40 percent Thursday, vowing to keep salary increases above inflation.

"I've decided to carry out the fourth wage increase of the year, starting November 1," Maduro told state broadcaster VTV.

He added, "In what other part of the world do workers enjoy this many raises?"

The move will see the minimum wage increase from BsF 65.056 to 90.811, including food tickets. At the black market rate, that's equal to US\$65, though it's closer to US\$140 at the government's Simadi exchange rate.

Maduro continued by stating his government has now raised worker wages by 454 percent this year, which is "really much more than inflation".

The Central Bank of Venezuela hasn't released official inflation data since the start of the year, though most independent estimates suggest 2016's inflation could be anywhere between 50-200 percent. The right-wing Cato Institute has estimated inflation is likely around 55 percent, while a Bloomberg survey of 12 economists earlier in the year produced a median estimate of 184 percent. However, a Wall Street Journal analysis of Maduro's 2017 budget found the president could be predicting an inflation rate of 477 percent next year, and the International Monetary Fund has revised its initial estimate of 700 percent to 480 percent.

The opposition has condemned the wage increase, with National Assembly head Ramos Allup describing it as a "mockery". Miranda state Governor Henrique Capriles claimed the wage adjustment doesn't cover the rising cost of living.

"The basic household food budget is BsF400,000, and wages are BsF27,092 63,720 food tickets = BsF90,812," he tweeted.

Venezuela has been mired in economic crisis for over a year, with scarcity of consumer goods and the highest inflation levels in over a decade.

According to the central bank, 2015's inflation rate was 141.5 percent. According to reports in the Venezuelan media, the central bank is now planning on rolling out 5,000, 10,000 and 20,000 BsF bills.

Currently, the largest bill in circulation is the BsF100, which is worth around seven cents.