

Venezuela CRISIS: IMF predicts 1,000,000% inflation amid calls to 'DOLLARIZE the country'

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The comments come as a devastating economic crisis continues to grip the South American nation with some forecasters warning the dire situation facing citizens could get worse.

The International Monetary Fund (IMF) has predicted the inflation rate in the country will soon reach one million percent.

And while experts believe the figure could be exaggerated, Steve Hanke of Johns Hopkins University says the true inflation rate will have a damning effect on the country already.

“The former economic advisor to past President Rafael Caldera said: "Venezuela's annual inflation rate measured today (Monday) is 40,305%.

”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.”

Mr Hanke also claims the black market exchange rate for the Venezuelan Bolivar increased Monday to 4,581,891 to the U.S. dollar.

Between four and five million Venezuelans have left the country since 1999, in one of the biggest population upheavals in Latin American history.

Mr Hanke and Latin American Policy analyst Juan Carlos Hidalgo of the Cato Institute both say Venezuela's problems go back to socialist president Hugo Chavez.

"Chavez was a consequence of the mismanagement of Venezuela's economy back in the 1980s and the 1990s.

"However, Chavez aggravated these problems. Maduro only came to increase the effect of these policies. He's a communist apparatchik. He was trained in Cuba.

“So he's only continuing the policies that were begun to be implemented with Chavez.”

Meanwhile, Mr Hanke said the country's hyperinflation could be stopped in its tracks if President Maduro adopted the dollar.

Hanke says: "Dollarize the economy officially. (Hyperinflation) would stop within a few minutes. It would be over. The thing would turn around on a dime."

The European Union's foreign policy chief has warned of rising tensions in crisis-hit Venezuela as she demanded a "comprehensive and transparent" investigation into last week's failed drone attack on President Maduro.

Mr Maduro claimed he was targeted by two explosive-laden drones during a rally in Caracas on Saturday, and accused the opposition and Colombian government of orchestrating the attack.

He also named Columbia's former leader, Nobel Peace Prize winner Juan Manuel Santos, as one of the plotters in a televised address.