

The Venezuela Situation in a Nutshell

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Crude Oil Price¹

	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
US\$/barrel	10.57	16.04	25.91	20.21	21.95	25.76	32.88	46.15	56.35	64.74	86.81

Crude oil price (year-average)

Crude oil price (February 2 to 6, 2009): 37.37 US\$/barrel

Corruption Perceptions Index (CPI) 2008² Transparency International

	2005 (159 nations surveyed)	2006 (163 nations surveyed)	2007 (180 nations surveyed)	2008 (180 nations surveyed)
CPI score*	2.3	2.3	2.0	1.9
Country Rank	130	138	162	158

* CPI Score relates to perceptions of the degree of corruption as seen by business people and country analysts, which ranges between "10" (highly clean) and "0" (highly corrupt).

World press freedom ranking 2008 Reporters without Borders

	2004 (167 countries analyzed)	2005 (167 countries analyzed)	2006 (168 countries analyzed)	2007 (169 countries analyzed)	2008 (173 countries analyzed*)
Rank	90	93	115	114	113

The index measures the state of press freedom in the world.

*Reporters Without Borders compiled a questionnaire with 49 criteria for assessing the state of press freedom in each country. It includes every kind of violation directly affecting journalists (such as murders, imprisonment, physical attacks and threats) and news media (censorship, confiscation of issues, searches and harassment). And it includes the degree of impunity enjoyed by those responsible for these press freedom violations.

Global Peace Index 2008

	2007(+)	2008(++)
Rank	102	123
Score	2.453	2.505

Peace Index scores from 1 to 5 where 1 = most peaceful.

(+) Ranked out of 121 countries where rank 1 = most peaceful country.

(++) Ranked out of 140 countries where rank 1 = most peaceful country.

¹ INE - Venezuelan National Institute of Statistics, Venezuela Department of Energy & PDVSA

² Transparency International (TI)

Human Development Report 2007-2008 United Nations Development Programme

	2001 (HDI refers to 1999)	2004 (HDI refers to 2002)	2005 (HDI refers to 2003) (177 countries analyzed)	2006 (HDI refers to 2004) (177 countries analyzed)	2007-2008 (HDI refers to 2005) (175 countries analyzed)
HDI* Rank	61	68	75	72	74
Human development index value					0.792 Medium Human DevelopmentT

* HDI: Human Development Index.

The HDI is a summary composite index that measures a country's average achievements in three basic aspects of human development: longevity, knowledge, and a decent standard of living. Longevity is measured by life expectancy at birth; knowledge is measured by a combination of the adult literacy rate and the combined primary, secondary, and tertiary gross enrolment ratio; and standard of living by GDP per capita (PPP US\$).

Human development classifications: All countries included in the HDI are classified into one of three clusters of achievement in human development: high human development (with an HDI of 0.800 or above), medium human development (HDI of 0.500–0.799) and low human development (HDI of less than 0.500).

Global Competitiveness Index (GCI) rankings 2008-2009 World Economic Forum³

	2002	2003	2004	2005	2006-2007 (122 countries analyzed)	2007-2008 (131 countries analyzed)	2008-2009* (134 countries analyzed)
GCI Rank	68	82	85	84	85	98	105
GCI Score	--	--	3.30	3.22	3.8	3.6	3.56

*The GCI is based on 12 pillars of competitiveness, providing a comprehensive picture of the competitiveness landscape in countries around the world at all stages of development. The pillars include: Institutions, Infrastructure, Macroeconomic Stability, Health and Primary Education, Higher Education and Training, Goods Market Efficiency, Labor Market Efficiency, Financial Market Sophistication, Technological Readiness, Market Size, Business Sophistication and Innovation.

³ World Economic Forum - Global Competitiveness Report 2008-2009

**2008 Index of Democratic Development (IDD-Lat)
The Konrad Adenauer Foundation**

Country	2005 Index (18 countries analyzed)	2006 Index (18 countries analyzed)	2007 Index (18 countries analyzed)	2008 Index (18 countries analyzed)
Venezuela	2.581 (Rank 17)	2.720 (Rank 16)	2.842 (Rank 17)	3.258 (Rank 17)

The 2008 index is calculated based on the measuring of four dimensions of democratic development: basic conditions of democracy; respect for political rights and civil liberties; institutional quality and political efficiency, and effective exercise of power to governing.

**2008 Index of Economic Freedom
The Heritage Foundation**

Rank (157 countries analyzed)	Score	Category
148	45	Repressed

Distribution of Global Economic Freedom



Venezuela is ranked 28th out of 29 countries in the Americas, and its overall score is much lower than the regional average.

Present and Past Score (Index of Economic Freedom)

	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Score	54.04	56.11	57.43	54.65	54.65	54.83	46.66	45.49	45.04	47.9	45

Economic freedom is defined as *the absence of government coercion or constraint on the production, distribution, or consumption of goods and services beyond the extent necessary for citizens to protect and maintain liberty itself*. In other words, people are free to work, produce, consume, and invest in the ways they feel are most productive.

The index uses 10 specific freedoms: Business freedom, Trade freedom, Fiscal freedom, Government size, Monetary freedom, Investment freedom, Financial freedom, Property rights, Freedom from corruption & Labor freedom.

Ease of Doing Business Rank 2009 – Economy Rankings

The rankings are from the Doing Business 2009 report, covering the period April 2007 to June 2008

2009 Rank	2008 Rank	2007 Rank	Starting a Business	Dealing with Licenses	Employing Workers	Registering Property	Getting Credit
174	172	163	142	96	180	92	163

2009 Rank	2008 Rank	2007 Rank	Protecting Investors	Paying Taxes	Trading Across Borders	Enforcing Contracts	Closing a Business
174	172	163	170	177	164	71	149

The ease of doing business index ranks economies from 1 to 181, with first place being the best. A high ranking on the ease of doing business index means the regulatory environment is conducive to the operation of business. This index averages the country's percentile rankings on 10 topics, made up of a variety of indicators, giving equal weight to each topic.

Freedom House – Freedom in the World 2008

	2005	2006	2007	2008
Political Rights (PL)*	3	4	4	4
Civil Liberties (CL) *	4	4	4	4
Freedom Rating **	Partly Free	Partly Free	Partly Free	Partly Free

*A rating of 1 indicates the highest degree of freedom and 7 the least amount of freedom.

**Those whose ratings average 1.0 to 2.5 are considered Free, 3.0 to 5.0 Partly Free, and 5.5 to 7.0 Not Free.

Freedom House measures freedom according to two broad categories: political rights and civil liberties. Political rights enable people to participate freely in the political process, including through the right to vote, compete for public office, and elect representatives who have a decisive impact on public policies and are accountable to the electorate. Civil liberties allow for the freedoms of expression and belief, associational and organizational rights, rule of law, and personal autonomy without interference from the state.

Freedom House - Freedom of the Press World 2008 Global Press Freedom Rankings

	2004 (193 countries analyzed)	2005 (194 countries analyzed)	2006 (194 countries analyzed)	2007 (195 countries analyzed)	2008 (195 countries analyzed)
Rank	150	158	158	161	161
Rating	68	72	72	74	74
Status	Not Free	Not Free	Not Free	Not Free	Not Free

The examination of the level of press freedom in each country is divided into three broad categories: the legal environment, the political environment, and the economic environment.

The degree to which each country permits the free flow of information determines the classification of its media as "Free," "Partly Free," or "Not Free." Countries scoring 0 to 30 are regarded as having "Free" media, 31 to 60, "Partly Free" media, and 61 to 100, "Not Free" media.

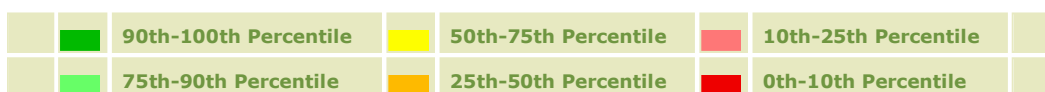
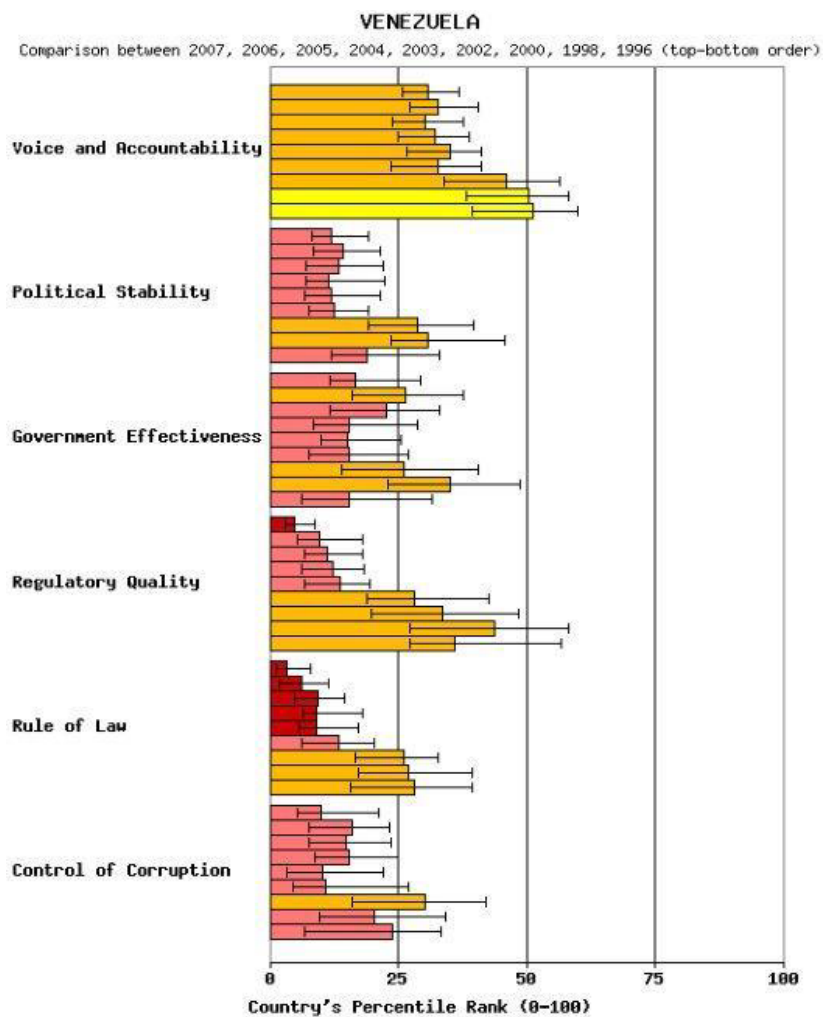


Worldwide Governance Indicators (WGI): 1996-2007

Governance Indicator	VA	PS	GE	RQ	RL	CC
Percentile Rank 2007 (0-100)	30.8	12	16.6	4.9	3.3	10.1

Country's Percentile Rank (0-100) - Higher values indicate better governance ratings.

The indicators measure six dimensions of governance: voice and accountability (VA), political stability and absence of violence (PS), government effectiveness (GE), regulatory quality (RQ), rule of law (RL), and control of corruption (CC).





Kidnappings and Homicides

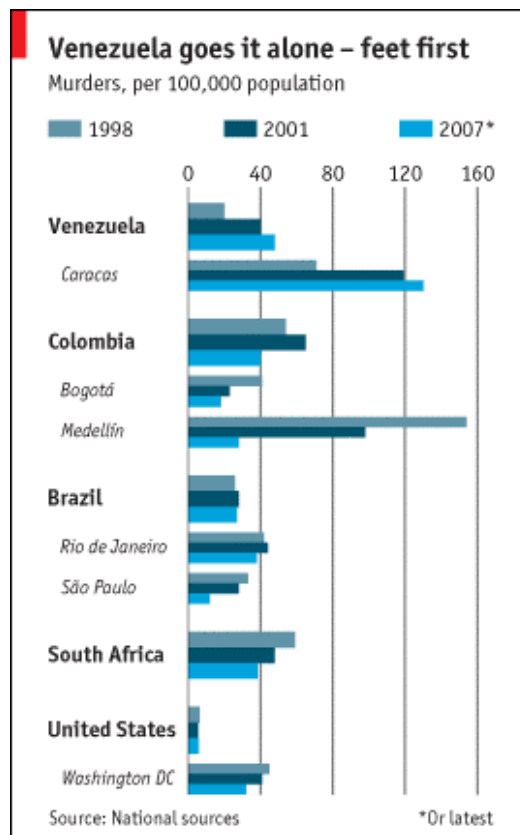
Municipality of Chacao, Venezuela: Situation of the Violence in Venezuela – 2006

	1997	1998	1999	2000	2001	2002	2003	2004	2005	2007*	2008*
Number of Kidnappings	59	50	44	67	113	201	277	260	263	--	--
Number of Homicides	4225	4560	5974	8021	6432	9244	11342	9719	13200	>13000	14600

*National Sources

	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995
Number of Kidnappings	32	37	25	27	35	--	44	57	58	51
Number of Homicides	1501	1485	1709	2419	2474	2502	3366	4292	4733	4481

Caracas tops the list of the five cities in the world with the highest rates of "brutal and murderous violence." The city of 3.2 million people has a rate of 130 homicides for every 100,000 residents, according to official statistics published in the review Foreign Policy (FP). Since Chávez took over in 1998, Venezuela's official homicide rate has climbed 67 percent—mostly due to increased drug and gang violence (October 2008)





Poverty

The Venezuelan National Institute of Statistics (INE) published poverty statistics. However this source is not reliable because the data is manipulated based on government desire. The INE changed Venezuela's official poverty figures, after Chavez said they reflected the international "neoliberal" standards of measuring poverty (2005). Today, the INE numbers, calculated under the new methodology, show that poverty has fallen to 28.5% (second semester of 2007). INE numbers also show that extreme poverty has fallen from 25% in 2003, to 15.3 in 2005, and to 7.9% during the second semester of 2007.

Human Rights Watch World Report 2008

President Chávez and his supporters have sought to consolidate power by undermining the independence of the judiciary and the press, institutions essential for the protection and promotion of human rights. State interference in trade union elections has weakened the right to free association. The government has failed to tackle widespread police abuse, and prison conditions remain among the worst on the continent. In 2007 fundamental due process rights, including fair trial rights, were threatened by proposed constitutional reforms allowing the indefinite suspension of rights during states of emergency. The reforms were defeated in a national referendum in December 2007. - *Human Rights Watch*

Amnesty International - Report 2008

• Violence against women

A new law on the right of women to live free from violence came into force in March. Although women victims of violence are guaranteed greater protection under the new legislation, a fully resourced plan of action to implement the law had not yet been developed by the end of the year.

• Political violence

The authorities did not take effective action to stop an escalation of violence in the context of demonstrations by supporters and opponents of government policies. There were reports of violent clashes between civilians, and between civilians and police officers throughout the year which resulted in scores of injuries and at least two deaths.

• Human rights defenders

Human rights defenders continued to face intimidation and attack.

José Luis Urbano, human rights defender and president of the Organization for the Defence of the Right to Education (Pro-Defensa del Derecho a la Educación) was shot and wounded in February, in his home town of Barcelona, in the northern state of Anzoátegui. The attack appeared to have been linked to his public criticism of the quality of education available to poor children in the state and his allegations of corruption. José Luis Urbano received protection until April. However, by the end of the year no one had been brought to justice for the attack.

• Police and security services

According to the Attorney General, between 2000 and 2007 more than 6,000 complaints were filed at his office for alleged extrajudicial executions by the police. Of the 2,000 officers reportedly involved, less than 400 had been provisionally detained by the end of the year. None of the recommendations made by the National Commission for Police Reform had been implemented by the end of the year.

• Arms control

The use of firearms in killings and other violent crimes remained high, including in prisons. The Scientific, Penal and Criminal Investigations Unit, which carries out criminal investigations under the supervision of the Attorney General's Office, registered 9,568 homicides from January to September 2007, 852 more than during the same period in 2006. Despite the fact that firearms were involved in most of these killings, no steps were taken to implement the recommendations of the National Plan to Control Arms which came into force in 2006.