

Venezuela: hyperinflation leads to new banknotes for second time in a year

Banknotes of 10,000, 20,000 and 50,000 bolívar denominations will begin circulating on Thursday, the central bank said



A man looks at Venezuelan bolívar notes hung to resemble a tree, in Caracas, Venezuela, on 6 March. Photograph: Carlos García Rawlins/Reuters

Venezuela is releasing new banknotes for the second time in less than a year, the central bank said on Wednesday, after hyperinflation eroded the effects of an August 2018 monetary overhaul meant to improve availability of cash.

Venezuela's president, Nicolás Maduro, last year cut five zeroes off the currency and prices. The move was supposed to ease shortages of cash that pushed most of the economy toward debit and credit card operations and put heavy strain on digital commerce platforms.

Banknotes of 10,000, 20,000 and 50,000 bolívar denominations will begin circulating on Thursday to “make the payment system more efficient and facilitate commercial transactions”, the central bank said in statement.

The largest of those bank notes, equivalent to about US\$8, is more than the minimum wage of 40,000 bolívares a month.

Following the 2018 overhaul, the highest denomination notes were 500 bolívares, which now would not be enough to buy a piece of candy.

Inflation in May reached 815,000% after peaking earlier this year above 1.7m%, according to the opposition-run congress.

Maduro blames the OPEC nation’s economic predicament on sanctions by the US meant to force him from office.

His critics say the collapse was caused by two decades of incompetent management that squandered hundreds of billions of dollars in oil revenue.

Source:

<https://www.cnn.com/2019/06/13/hyperinflation-pushes-venezuela-to-offer-50000-bolivar-bank-note.html>

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