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| **IB Geography – Having all your resource ‘eggs’ in one dangerous basket!** |



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| Watch the VOX video and take basic notes on how the crisis in Venezuela has escalated in recent years. |
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| The background: |
| * Oil dependence. Oil sales make up 99 percent of export earnings and roughly one-quarter of gross domestic product (GDP). * Falling production. Starved of adequate investment and maintenance, oil output has declined to its lowest level in decades. * Spiralling economy. GDP shrank by roughly two-thirds [PDF] between 2014 and 2019, and experts forecast that, with plummeting demand for oil amid the coronavirus pandemic, it would decline by roughly another 30 percent in 2020. * Soaring debt. Venezuela has an estimated debt burden of $150 billion or higher, more than double the estimated size of its economy. * Hyperinflation. Annual inflation is running at 6,500 percent. * Growing autocracy. President Nicolas Maduro and his allies have violated basic tenets of democracy to maintain power. |

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| Take further notes from this article here: <https://www.cfr.org/backgrounder/venezuela-crisis> |
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