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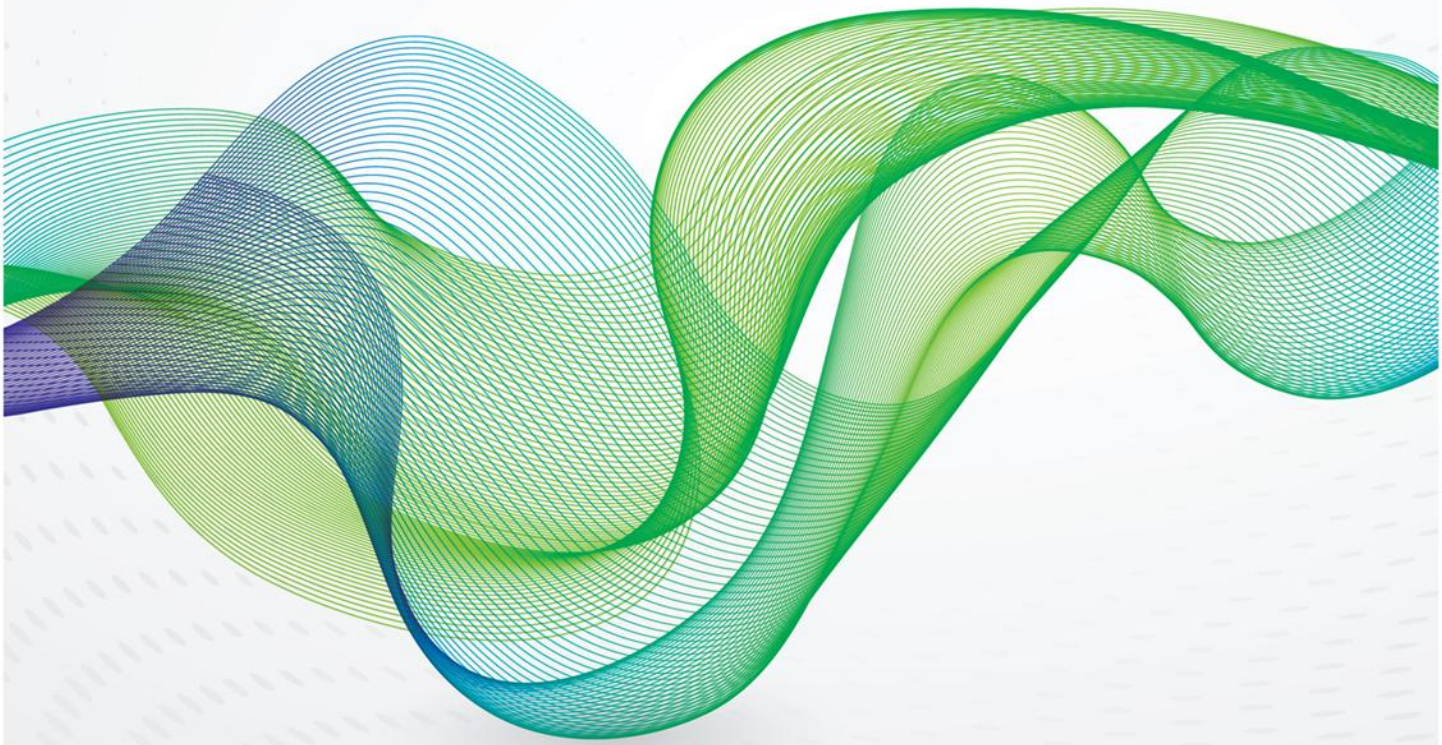
Oil and Geopolitics in Venezuela: The Roles of China, India, Russia and the United States



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1. Introduction

Venezuela's exceptionally large oil and gas endowment has long attracted external powers and commercial actors, but the motivations behind their engagement have differed substantially. Its proximity to the United States, concentration of heavy and extra-heavy crude, established export infrastructure, and potential for production recovery have made the country relevant to global energy security (Ochoa, 2026). At the same time, its political crisis, sanctions exposure, and weakened petroleum institutions have turned access to its resources into an issue of international finance and geopolitical competition. The escalation of conflict in the Middle East in 2026 has further underscored the strategic value of diversified oil supplies, including Venezuelan heavy crude, while the country undergoes a difficult political transition.

This paper examines how these energy and geopolitical considerations shape the policies and commercial strategies of four principal external actors: China, India, Russia and the United States (US). Section 2 analyzes China's combination of oil-backed lending, creditor exposure, upstream participation, refining interests, and diplomatic engagement, highlighting Beijing's efforts to protect existing interests while limiting additional risk. Section 3 considers India's predominantly commercial approach, centered on crude-supply diversification, complex refining capacity, selective upstream investments, and the recovery of outstanding financial claims. Section 4 examines Russia's use of energy cooperation, finance, and oil trading to sustain a strategic presence in the Western Hemisphere, despite the limited commercial performance of its Venezuelan ventures. Section 5 traces the evolution of US policy from sanctions and market restrictions to the use of licensing, oil revenues, and investment arrangements as instruments of energy and geopolitical leverage. Section 6 draws together the principal findings and considers their implications for Venezuela's future government.

By comparing these cases, the paper argues that international interest in Venezuelan hydrocarbons creates opportunities for recovery. The central policy challenge is to convert renewed international engagement into investment, production growth, and institutional and state capacity reconstruction, a process commencing under the 2026 transition that requires long-term consolidation under a constitutionally mandated government.

2. China: Ambitious Trade Plans, Geopolitics and the Venezuelan Pivot

2.1 Oil, trade and geopolitical shifts

Following its transition to net oil-importer status in 1993, China began expanding the overseas activities of its national oil companies, including early ventures in Peru, Thailand, Sudan and Venezuela (Kong, 2009). Rapid industrialization subsequently increased domestic energy consumption and, despite rising domestic production, left China heavily dependent on imported crude. By 2024, crude-oil imports had reached 11.1 million barrels per day (bpd), making China the world's largest crude importer (US Energy Information Administration [EIA], 2025).

China's international petroleum policy is closely connected to its domestic institutions and wider foreign-policy priorities. The relationship between the state and its national oil companies (NOCs) - principally China National Petroleum Corporation (CNPC), Sinopec and the China National Offshore Oil Corporation (CNOOC) – is often characterised as one of 'coopetition': cooperation and competition between increasingly entrepreneurial companies and a state that remains an important, though not uniformly directive. In China, the state has generally acted as a resource supplier and has intervened less frequently as a veto player than its Indian counterpart (Kong, 2009; Meckling et al., 2015).

China's overseas energy engagement has combined equity acquisitions, policy-bank lending and infrastructure finance. In Latin America, loans-for-oil arrangements became a prominent means of linking sovereign credit to future commodity revenues. Kong and Gallagher (2017) show how the China Development Bank (CDB) and the Export-Import Bank of China (China Exim Bank) became major global energy financiers, supporting Chinese companies' international expansion and extending credit to resource-rich governments. These instruments were related but distinct; they did not constitute a single uniform financing model (Meidan, 2016; Kong & Gallagher, 2017).

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China's expansion reflected rising import exposure, concerns about supply security and growing demand from its refining sector for a wider range of crude grades. The development of independent "teapot" refineries added to demand for discounted heavy and sour feedstocks. Chinese NOCs also operated in politically unstable or sanctioned jurisdictions within a foreign-policy framework that emphasized non-interference, although the commercial and political risks of such investments were not thereby removed (Kong, 2009; Meidan, 2016; EIA, 2025).

CNPC's first Venezuelan foothold dates to 1997, when it won tenders for the Intercampo and Caracoles oilfields, with activity beginning before Hugo Chávez assumed the presidency (CNPC, n.d.; Kong, 2009). The relationship expanded substantially after 1999, as Caracas sought to diversify its export markets and financing partners and Beijing pursued energy, commercial and diplomatic opportunities in Latin America. Venezuela subsequently became one of the principal recipients of Chinese policy-bank finance in the region.

For Caracas, closer relations with China offered an alternative source of finance and a large potential market for heavy crude, while reducing dependence on traditional Western partners. For Beijing, Venezuela offered access to hydrocarbons, opportunities for Chinese oil, construction and telecommunications companies, and a stronger diplomatic presence in Latin America. Xu (2017) identifies three connected objectives in China's engagement: energy security through supply diversification; commercial expansion by Chinese companies; and diplomatic influence, pursued while avoiding a direct confrontation with the United States, which remained a much more important economic and strategic partner for Beijing.

China's support for Venezuela therefore reflected both commercial and geopolitical calculations. In 2009, Chávez stated that Venezuela aimed to raise oil exports to China to 1 million bpd by 2015, from approximately 350,000 bpd at the time (Watkins, 2009). This was an ambitious political target; it was an outcome that was never achieved. The partnership nevertheless provided the Chávez and Maduro governments with an important source of financing and market access, while creating opportunities for Chinese firms.

Chinese banks and oil companies made substantial commitments to Venezuelan energy projects. By 2015, China had provided Venezuela with a figure estimated initially over $50billion (Xu, 2017); more recent estimates place the total amount over US$60 billion in oil-backed loans, primarily through state-run banks (Federici et al., 2026). A major CDB facility agreed with Venezuela's development bank, BANDES, in 2010, for $20.6 billion, was linked to oil-sale contracts under which PDVSA was to supply escalating volumes of crude and fuel, reaching 300,000 bpd from 2012. The arrangement linked sovereign lending to oil revenues, but did not ensure that the proceeds would translate into sustained investment, higher production or successful project delivery (Meidan, 2016).

The partnership began to weaken as Venezuela's domestic economic and institutional problems intensified (Ochoa, 2026). The 2014 oil-price collapse exposed the vulnerability of a fiscal model heavily dependent on petroleum revenues, while declining production and deteriorating operating conditions undermined the country's capacity to service its obligations. Beijing consequently reduced new lending and increasingly adopted a defensive approach, seeking to protect existing exposure rather than extend the earlier scale of financing (Meidan, 2016; Kaplan & Penfold, 2021).

Venezuela's economic collapse and political instability exposed the limits of treating future oil production as sufficient collateral for sovereign lending. The central problem was not simply the volume of credit, but the dependence of repayment on the productive capacity and governance of the borrower's oil sector. Kaplan and Penfold (2021) describe this outcome as a creditor trap, China's exposure constrained its ability to disengage, even as the deterioration of Venezuela's economy made repayment increasingly uncertain.

These vulnerabilities acquired a new geopolitical dimension after the United States' military operation in Venezuela on 3 January 2026, which resulted in the capture and removal of Nicolas Maduro. Beijing condemned the action as a violation of Venezuelan sovereignty and international law (Ministry of Foreign Affairs of the People's Republic of China, 2026). The subsequent US control over Venezuelan oil-sale proceeds disrupted the previous oil-linked debt-service arrangements and created further uncertainty for Chinese creditors and energy companies (George & Hunnicutt, 2026; Winston et al., 2026).

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China's longer-term interest in Venezuela is also supported by the compatibility of some Venezuelan heavy grades with Chinese deep-conversion refineries. The Guangdong Petrochemical complex in Jieyang, Guangdong, was initially conceived as a 60:40 joint venture between PetroChina and PDVSA, designed around the processing of Venezuelan Merey 16. PDVSA later withdrew because of financial constraints, and PetroChina broadened the refinery's crude slate to include other heavy grades. The complex entered commercial operation in 2023, with annual crude-processing capacity of 20 million tons, or approximately 400,000 b/d (China National Petroleum Corporation [CNPC], 2023; Xu & Vahn, 2024). The refinery was scheduled to receive its first direct Venezuelan Merey cargo around 23 March 2024, following the temporary easing of US sanctions in late 2023 (Xu & Vahn, 2024). Its feedstock flexibility is important: although Merey remains among its potential heavy-crude supplies, the plant is not dependent exclusively on Venezuelan oil. During the period when sanctions constrained direct access, PetroChina and other Chinese refiners also relied on heavy grades from alternative suppliers. This illustrates both the commercial value of Venezuelan crude and the ability of Chinese refiners to substitute other grades when political or logistical conditions require it.

Independent "teapot" refineries, particularly in Shandong, have also provided an outlet for discounted Venezuelan heavy crude. Before the expansion of their formal crude-import quotas, some relied on fuel oil and other blendstocks, while their coking capacity enabled them to process lower-cost heavy feedstocks. This created an additional market for Venezuelan barrels (Meidan, 2016).

2.2 China's present interests in Venezuela

China remains Venezuela's largest bilateral creditor, but the outstanding balance is uncertain because Caracas has not published reliable public-debt data for several years. Recent estimates place obligations to Chinese creditors at approximately US$10–15 billion, compared with much larger cumulative loan commitments made during the 2000s and early 2010s (George, 2026; George & Hunnicutt, 2026; Winston et al., 2026). Oil exports to China have served both commercial and limited debt-service purposes; not every cargo purchased by a Chinese refinery should be treated as repayment under the original oil-backed arrangements, particularly since early 2019 when oil-trade related sanctions by the US were enforced. The disruption of oil-linked trade following the January 2026 US operation has made the treatment of outstand claims a central issue in any future debt restructuring.

In September 2023, Xi Jinping and Nicolas Maduro elevated bilateral relations to an "All-Weather Strategic Partnership", placing Venezuela among a small group of countries with which Beijing has assigned this high-level diplomatic designation (Federici et al., 2026). The designation signals the extent of political and diplomatic ties, but there was no evidence then of a new financial commitment. China's approach remains shaped by the need to protect existing economic interests while limiting further exposure to Venezuela's political and economic risks.

Venezuelan heavy crude retains commercial relevance for Chinese refiners with coking and other deep-conversion capacity. China processed a record 737.59 million tons of crude in 2025, equivalent to approximately 14.75 million bpd (Li & Chen, 2026). This scale, together with the configuration of large complexes such as Guangdong Petrochemical and the presence of independent refiners, provides a potential market for heavy and sour grades. Gomez and Garcia (2023)'s research in PDVSA indicated that a 1 million bpd long-term potential absorption estimate for China, 700,000 bpd for India and 820,000 bpd for the US, of Venezuelan heavy crude grades, as a plausible scenario over three decades. However, oil shipments to China have been affected by the changing political and geopolitical environment, amid increased US involvement in Venezuela in 2026. Data from **Kpler (2026)** show that Venezuelan shipments to China, which reached a monthly high of 644,000 barrels per day (approximately 19.3 million barrels) in June 2025, fell to zero during the second and third quarters of 2026 (See Figure 1).

CNPC maintains a significant upstream position via its 49.9 per cent equity stake in Sinovensa, a joint venture with PDVSA focused on extra-heavy crude extraction in the Orinoco Oil Belt (Argus Media, 2019). Although prior expansions elevated its operational blending capacity from 105,000 to 165,000 bpd (Argus Media, 2019), PDVSA (2026)'s official data placed actual production in July 2026 at approximately 88,000 bpd. Compounding these operational dynamics, an undisclosed sum in dividends owed by PDVSA to CNPC has remained unpaid since at least 2019. Sinovensa therefore endures as a

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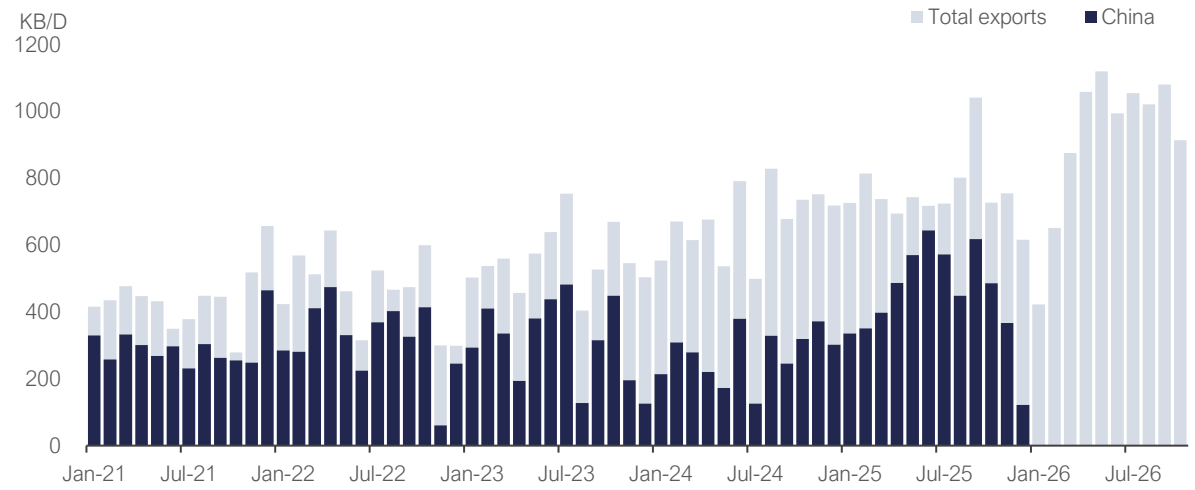
strategical asset, though its capacity to scale up heavy crude supply will ultimately depend on US present sanctions and restrictions to Chinese oil companies in Venezuela.

Figure 1: Venezuela Exports of Crude (Total and to China), kb/d



Source: KPLER, OIES

Chinese private-sector involvement has also expanded, although the transparency and status of individual contracts vary. Reuters reported that China Concord Resources Corp. (CCRC) signed a 20-year production-sharing agreement in May 2024 for the Lago Cinco and Lagunillas Lago fields in Lake Maracaibo, and that drilling equipment arrived in 2025 as the company sought to increase production (Parraga & Chen, 2025). Other reported Chinese-linked productive-participation contracts are less clearly documented; in particular, the reported Vulcan Energy Technology agreement (Ferrer Breda, 2025). These ventures provided additional channels for Chinese participation, but their prospects remain exposed to sanctions and contractual uncertainty in 2026.

China's bilateral presence also extends beyond oil. The US-China Economic and Security Review Commission documents Chinese involvement in Venezuelan telecommunications, digital identification and monitoring systems, satellite-tracking facilities and military equipment sales (Federici et al., 2026). The extent to which these assets translate into long-lasting influence will depend on their practical operation and on the political and regulatory arrangements that emerge in Venezuela.

Overall, China's position in Venezuela is a combination of creditor exposure, upstream assets, refining interests and diplomatic relationships. The January 2026 US operation has increased uncertainty around debt repayment and the future of Chinese oil interests. At the same time, Venezuela's crude represents only a small share, estimated at 4-4.5% of China's seaborne oil imports, limiting Beijing's immediate supply vulnerability (Federici et al., 2026). China therefore has incentives to protect its financial and commercial claims, but its capacity to participate in Venezuela's recovery is constrained by the country's present US-led transition process, the disruption of oil-linked debt service and the changing geopolitical environment.

3. India: Diversification, Geopolitics and Heavy Crude

3.1 Oil, trade and geopolitical shifts

India's dependence on Middle Eastern suppliers created a strategic incentive to diversify its crude-oil imports geographically. Since the beginning of this century, rapid economic growth has increased both oil demand and import requirements. By 2013, India was importing approximately 3.9 million bpd, making it the world's third-largest oil importer (Seshasayee, 2021). Venezuela offered an alternative source of supply, albeit one involving substantial transport costs and long shipping distances.

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India's diversification policy was not directed specifically at Venezuela; rather, the country formed part of a broader strategy encompassing Latin America, Africa, Central Asia and, increasingly, the United States.

Bilateral energy relations gained significant momentum following Hugo Chávez's 2005 visit to India (Seshasayee, 2021). Cooperation expanded beyond crude purchases to include Indian interest in Venezuelan upstream projects. Reliance Industries Limited (RIL), in particular, became a major commercial partner of PDVSA. Its Jamnagar refining complex, with its capacity to process heavy and high-Sulphur crude, enabled Reliance to benefit from the price differential between discounted Venezuelan grades and higher-value refined products. In late 2012, RIL signed a fifteen-year supply agreement with PDVSA for approximately 300,000-400,000 bpd (Kamath, 2013). For Venezuela, the agreement secured an important Asian market; for India, it offered access to a potentially reliable source of competitively priced heavy crude. Although the agreement included an intention to explore upstream participation in the Orinoco Oil Belt, the proposed cooperation did not develop into an identifiable RIL investment in the projects.

India's relationship with Venezuela has been driven principally by energy security and commercial considerations rather than ideological affinity or geopolitical alignment. As Seshasayee (2021) argues, India has not been a political ally of the Maduro government. Its interest has centered on access to competitively priced crude, diversification of petroleum supplies and commercial opportunities for Indian refiners and upstream investors. Venezuela's vast heavy-oil reserves and India's sophisticated refining capacity created a natural commercial convergence, reinforced by India's growing dependence on imported petroleum and Caracas's efforts to diversify its export markets beyond the United States.

In contrast to China, Indian national oil companies (NOCs) also pursued commercial opportunities abroad, but their investment decisions were more frequently constrained by government approval procedures and state intervention. State support, particularly through the provision of financial resources, developed more gradually. Meckling et al. (2015) characterize the difference in terms of the state's changing roles: in China, the state increasingly acted as a resource supplier while intervening less frequently as a veto player; in India, government intervention more often constrained investment decisions, while the state assumed the role of resource supplier more gradually. The proposed $10 billion energy fund involving Venezuela illustrates the limits of India's willingness to extend its energy partnership into large-scale sovereign financial commitments.

President Chávez's administration proposed a $10 billion joint energy fund or financial-cooperation package intended to deepen economic ties with India and secure longer-term bilateral backing (Badrinath & Saikia, 2010, as cited in Meckling et al., 2015). The proposal emerged during a period of active India-Venezuela oil diplomacy, shortly after an Indian consortium had secured participation in the Carabobo-1 project in 2010 (Indian Oil Corporation Limited, 2010), but against a background of growing caution in New Delhi regarding Venezuela's broader financial commitments and political demands. The rejection highlighted an important distinction: Indian state-owned companies, including ONGC Videsh, Indian Oil Corporation and Oil India, were prepared to pursue selected upstream equity interests, but the Indian government remained reluctant to assume large-scale sovereign financial commitments or broader financial exposure to Caracas.

The US sanctions imposed on PDVSA in January 2019 marked a major turning point in the commercial relationship. As Washington restricted transactions involving Venezuela's oil sector and increased pressure on intermediaries, India and China became increasingly important destinations for Venezuelan exports. According to Seshasayee (2021), India received approximately 40 per cent of Venezuela's crude exports in 2019 and around 30 per cent in 2020, despite lower production and the disruption of conventional commercial arrangements. Reliance alone accounted for approximately 25 per cent of Venezuelan oil export sales in 2019, illustrating the importance of Indian private-sector buyers as a source of export revenue and foreign exchange for Caracas (Seshasayee, 2021).

The Nayara Energy case illustrates how Venezuelan crude continued to reach Indian refiners under US sanctions through Russian-linked trading channels, intermediaries and alternative commercial arrangements. Nayara emerged from the 2017 acquisition of Essar Oil by a consortium in which Russia's state-controlled Rosneft acquired 49.13 per cent, while a consortium comprising Trafigura and United

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Capital Partners acquired an equal stake; the remaining 1.74 per cent was held by public shareholders (Rosneft, 2017). Its Vadinar refinery in Gujarat has a capacity of approximately 20 million tons per year, equivalent to around 400,000 bpd, and can process a wide range of crude qualities, including heavy and extra-heavy grades. Its port and associated logistics infrastructure further support the handling of large crude cargoes (Rosneft, 2021). These characteristics made Nayara technically and logistically well suited to receive Venezuelan heavy crude. Reuters reported that the refinery received approximately 107,500 bpd of Venezuelan oil in 2019, based on tanker-arrival data (Verma, 2020). Reuters also documented product-exchange arrangements involving gasoline and gasoil supplied by Nayara to Rosneft in connection with Venezuelan crude, illustrating how intermediaries and non-cash transactions helped sustain trade when conventional settlement became difficult (Verma & Parraga, 2019). Nayara's role is examined further in Section 4, in the discussion of the Russia–Venezuela geopolitical and commercial relationship.

Nevertheless, India's importance as a customer did not translate into political support for Maduro. Reliance Industries' substantial commercial exposure to the United States made compliance with American sanctions an important consideration in its international trading decisions. US restrictions also disrupted Reliance's role in supplying petroleum products and blending inputs to Venezuela (Argus Media, 2019). In 2020, Reliance temporarily maintained commercial exchanges with PDVSA through diesel-for-crude swaps permitted by the US Treasury on humanitarian grounds, alongside similar arrangements involving European refiners (Argus Media, 2020; Congressional Research Service, 2022). These arrangements were particularly relevant during the pandemic, when diesel was required for electricity generation, agricultural activity and the distribution of essential goods. The termination of the relevant authorizations in late October 2020 closed an important channel for maintaining trade, and Indian imports subsequently fell sharply (Congressional Research Service, 2022). The episode illustrates a central limitation of India's oil diplomacy, commercial opportunities could be pursued only within the constraints imposed by US sanctions and the associated risks to Indian companies.

The interruption continued through 2021–22, when Indian imports of Venezuelan crude remained negligible. A temporary reopening followed the US decision in October 2023 to ease restrictions on Venezuelan oil exports under a time-limited general license. Indian refiners resumed purchases through intermediaries, and India re-emerged as an important destination for Venezuelan crude (Sharma, 2024; Verma et al., 2023). In 2024, Reliance obtained individual US authorization to resume purchases and arranged to supply naphtha as partial payment for Venezuelan crude, with the balance payable in dollars (Verma & Somasekhar, 2024). A subsequent report confirmed that PDVSA and Reliance had resumed the oil-swap arrangement under US authorization (Parraga, 2024). This recovery nevertheless proved fragile. In March 2025, Reliance announced plans to halt further purchases following the US's new Administration announcement of potential 25 per cent tariffs on countries importing Venezuelan oil (Verma, 2025). The sequence of interruption, resumption and renewed pressure confirms that India's relationship with Venezuela has remained conditional upon commercial viability and the prevailing US regulatory environment.

The situation changed again in 2026, following the political transition in Venezuela and the subsequent easing of US restrictions, which enabled Indian buyers, including Reliance, to return to the market. Indian imports increased substantially during the first half of the year. S&P Global reported that 10.1 million barrels of Venezuelan crude were discharged at Indian ports in June 2026, following 10.2 million barrels in May and 8.3 million barrels in April (Mohanty, 2026). Separately, **Kpler data (2026)** indicate that Venezuelan exports to India reached 257,000 bpd in September 2026 (equivalent to 7.7 million barrel per month) (see Figure 2). This renewed trade reflects the commercial attraction of discounted Venezuelan heavy crude to India's complex refining system and the country's broader objective of diversifying its sources of supply. The sustainability of these flows will nevertheless depend on delivered crude prices, shipping and insurance costs, production reliability and the availability of competing heavy grades.

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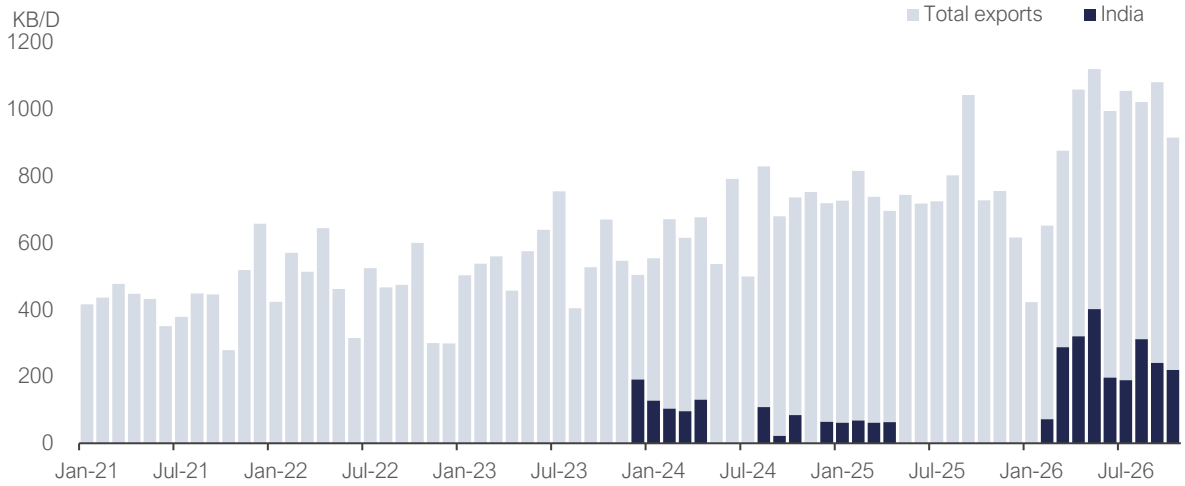
Figure 2: Venezuela Exports of Crude (Total and to India), kb/d



Source: KPLER, OIES

India is not simply a purchaser of Venezuelan oil. Indian companies retain significant, although operationally constrained, upstream interests in two projects. ONGC Videsh holds a 40 per cent participating interest in the San Cristóbal field and an 11 per cent interest in Carabobo-1; Indian Oil Corporation and Oil India each hold a further 3.5 per cent in Carabobo-1 (Indian Oil Corporation Limited, 2010; ONGC Videsh Limited, n.d.). Despite these investments, production remains very limited; reported output in the 2024-25 financial year was approximately 1,870 bpd from San Cristóbal and 970 bpd from Carabobo-1. ONGC's cumulative investment in the two projects was estimated at approximately US$770 million as of March 2025 (S&P Global Commodity Insights, 2026). In addition, more than US$500 million in dividends owed to ONGC Videsh had reportedly remained unpaid since 2014 (Reuters, 2023). These interests create longer-term commercial exposure to Venezuela's production recovery, the resolution of operational constraints and the settlement of outstanding financial claims. India's relationship therefore combines crude procurement with a continuing, but financially and operationally constrained, stake in the future value of Venezuela's petroleum sector.

3.2 India’s present interests in Venezuela

Developments between 2019 and 2026 confirm that India’s engagement with Venezuela remains pragmatic and commercially conditional. Indian crude purchases contracted sharply as sanctions-related trading arrangements narrowed, but recovered when US restrictions were eased. Venezuelan crude continues to offer Indian refiners access to heavy feedstock and an additional source of supply diversification. Nevertheless, declining production, infrastructure constraints and the changing US sanctions regime have repeatedly interrupted this trade, limiting Venezuela’s reliability as a supplier.

Reliance Industries resumed imports under US authorization in 2024, including consideration of crude-for-naphtha exchanges. This recovery was subsequently curtailed by the prospect of US tariffs on countries importing Venezuelan oil, and Indian purchases reportedly halted during 2025. Their resumption in 2026 demonstrates the continuing commercial attraction of Venezuelan crude, particularly for refiners equipped to process heavier grades. However, the renewed trade remains dependent on the regulatory conditions established by Washington, as well as on the availability and economics of Venezuelan supplies.

A further development in 2026 is the prospect of a more active Indian upstream role. ONGC has secured US authorization to resume its Venezuelan operations and has been negotiating arrangements that could transfer operating responsibilities for the San Cristóbal and Carabobo projects from PDVSA. The stakes involved are substantial: ONGC holds 40% of San Cristóbal, while Indian companies collectively hold 18% of Carabobo. More than US$500 million in dividends remain outstanding. In November 2026, ONGC indicated that it hoped to secure operating rights for both projects within three to six months, with full operatorship envisaged at San Cristóbal and joint operatorship at Carabobo (Kennedy, 2026; Verma,

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2026). These arrangements are not yet finalized, but they could transform India's position from that of a constrained minority investor into a more directly involved operator, while potentially facilitating the recovery of accumulated dividends.

Taken together, these developments suggest that India's relationship with Venezuela is a commercially driven engagement encompassing crude procurement, upstream investment and the recovery of outstanding financial claims. Its future will depend not only on the attractiveness of Venezuelan resources and the capacity to restore production, but also on the durability of US authorizations (and the probable dismantling of sanctions as the political transition in Venezuela evolves), the terms of agreements with Caracas and the ability of Indian companies to operate effectively in a sector still facing significant institutional and infrastructural constraints.

4. Russia: Oil, Commercial interest and Geopolitical Ambitions

4.1 Oil, trade and geopolitical shifts

The evolution of Russian-Venezuelan energy relations, particularly since 2007 should be examined within a wider geopolitical framework. Putin's Munich Security Conference speech in February 2007, which challenged the legitimacy of a US-led unipolar international order, resonated with Hugo Chávez's anti-American foreign policy and his ambition to promote a multipolar system (Rouvinski, 2021). Venezuela consequently became an important platform for Russia's return to Latin America, not only as a potential energy partner but also as a geographically proximate political counterweight to US influence. This strategic dimension explains why Moscow continued to support Caracas despite the increasingly weak commercial performance of its investments.

Russian energy involvement initially extended beyond Rosneft. Gazprom entered Venezuela through the Urumaco I offshore gas concession, for which it obtained a license in 2005 and began geological exploration in 2006 (Gazprom, 2006). In 2008–10, Rosneft, Gazprom, Lukoil, Surgutneftegas and TNK-BP participated in the Russian National Petroleum Consortium, established to pursue heavy-oil opportunities in the Orinoco Belt, including Junín-6 (Rosneft, 2013; Ellis, 2017). Gazprombank subsequently acquired a 40 per cent interest in the Petrozamora joint venture in 2012, developing mature fields in western Venezuela, before selling its stake in 2019 (Voronova, 2019). These initiatives demonstrated the extent of Moscow's initial commercial ambitions, but also the difficulties Russian companies encountered in a deteriorating operating environment.

Rosneft progressively consolidated the Russian upstream position. By the mid-2010s, it had become the principal Russian energy investor in Venezuela, with interests in PetroMonagas, PetroVictoria, PetroMiranda, Boquerón and Petroperijá. Other Russian companies had withdrawn or reduced their participation, with some of their interests subsequently acquired by Rosneft (Ellis, 2017; Rosneft, 2015). Its portfolio also expanded into offshore gas; in December 2017, it obtained a long-term license to develop the giant gas fields of Patao and Mejillones (BBC News, 2017). However, the scale of the nominal resource base should not be confused with commercially recoverable reserves or actual production. Heavy and extra-heavy crude required reliable infrastructure, diluent supplies and sustained capital expenditure, while operational disruption, shortages of skilled personnel and governance problems weakened overall project performance.

The deterioration of Venezuela's public finances following the 2014 oil-price collapse made Rosneft increasingly important as a source of liquidity. By 2017, Rosneft had provided approximately US$6 billion in financing to PDVSA, largely in the form of advance payments against future oil deliveries (Ellis, 2017). These arrangements offered the Maduro government urgently needed hard currency but committed future export volumes and transferred substantial delivery risk to Rosneft. A separate 2016 transaction involved a US$1.5 billion loan to PDVSA secured by a pledge of 49.9 per cent of Citgo Holding. The collateral raised concerns in Washington because Citgo owned strategically important US refining, pipeline and terminal assets. Nevertheless, the pledge did not confer automatic ownership on Rosneft; enforcement was subject to US legal and regulatory constraints (Congressional Research Service,

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2018; Ellis, 2017). Taken together, the transactions reveal how Russian financial support became tied to access to Venezuelan oil flows and strategically valuable energy assets, although incomplete disclosure prevents a definitive reconstruction of all financing terms and outstanding obligations.

From 2018–19, Rosneft's role expanded from creditor and upstream partner to a central intermediary in Venezuela's oil exports. As US sanctions restricted PDVSA's access to conventional markets and financial services, Rosneft Trading and TNK Trading facilitated cargoes to Asian buyers, including India and China. The company also supplied petroleum products and blending inputs, helping Venezuela manage the loss of some traditional suppliers. The Indian refiner Nayara Energy illustrates the integration of these activities. Following Rosneft's acquisition of a 49.13 per cent stake in the former Essar Oil in 2017, its Vadinar refinery became a significant destination for Venezuelan heavy crude (Rosneft, 2017). Nayara received approximately 107,500 barrels per day in 2019, according to tanker-arrival data reported by Reuters (Verma, 2020). Its importance derived not simply from its capacity to process heavy and sour crude, but from the integration of refinery ownership, Russian upstream interests, PDVSA credit exposure and international crude trading within the Rosneft network. Reuters also reported product-exchange arrangements involving gasoline and gasoil supplied by Nayara to Rosneft, illustrating how intermediaries and non-cash transactions helped sustain trade when conventional settlement became difficult (Verma & Parraga, 2019).

This alternative trading architecture proved vulnerable. The US Treasury designated Rosneft Trading in February 2020 and TNK Trading International in March, alleging that the subsidiaries facilitated Venezuelan crude sales and transport (US Department of the Treasury, 2020a, 2020b). In March 2020, Rosneft announced the transfer of its Venezuelan assets to a newly established Russian state-owned company, subsequently identified as Roszarubezhneft, and the termination of its own Venezuelan upstream, service and trading operations (Rosneft, 2020). Nayara and other Indian refiners reportedly planned to wind down their Venezuelan crude purchases in April 2020 (Verma et al., 2020). The transfer preserved Russian state interests in the projects, but it did not reproduce Rosneft's former trading capacity or resolve the underlying operational and financial difficulties in the Venezuelan joint ventures.

Developments after 2021 broadly support the distinction between Russia's geopolitical commitment and its limited economic capacity. The 2024-26 cooperation roadmap, which included Russian oilfield-service, geological and technical organizations, indicated that Moscow retained an interest in Venezuela's petroleum sector (Interfax, 2024). In November 2025, Venezuela approved a 15-year extension of Russian-linked joint ventures at Boquerón and Perijá through 2041, with planned investment of approximately US$616 million and projected production of 16,600 barrels per day (Armas et al., 2025). These agreements demonstrate continuity of strategic interest, but their scale remains modest relative to the capital, technology and infrastructure required for a substantial recovery of Venezuelan production. The January 2026 seizure of the Russian-flagged tanker *Marinera*, following a prolonged pursuit, and the wider constraints on Russian-linked oil shipments further underline the vulnerability of these arrangements to maritime enforcement, sanctions and geopolitical confrontation (Ali & Stewart, 2026; Janes, 2026).

4.2 Russia ’s present interests in Venezuela

Beyond energy, military cooperation, diplomatic backing, Russian media narratives, and collaboration in areas such as food and pharmaceuticals diplomacy reinforced the relationship between Moscow and Caracas. Russia's support for Maduro was therefore not reducible to the protection of Rosneft's investments or the pursuit of commercial returns from Venezuelan oil. As Rouvinski (2021**)** argues, Venezuela seems to have acquired a broader strategic value as a symbol of Russian influence in the Western Hemisphere, a partner in challenging the US-led international order and a platform for demonstrating Moscow's capacity to project power beyond its immediate neighborhood. Perhaps this relationship also had the unachieved intention of Russia's broader ambition to establish itself as a global energy power, using its hydrocarbon resources and international partnerships as instruments of economic influence and foreign policy.

Nevertheless, Russia's strategic ambition has endured more clearly than its commercial results. Following Rosneft's transfer of its Venezuelan assets to Roszarubezhneft in 2020, Russian participation continued through the latter's interests in five joint ventures with PDVSA. The production performance

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of the Russian-linked joint ventures illustrates both the persistence and the limitations of this involvement. According to PDVSA-reported figures for July 2026, the three Orinoco Belt ventures PetroMonagas, PetroVictoria and PetroMiranda produced approximately 100,000, 8,500 and 15,500 barrels per day, respectively, giving a combined reported output of approximately 124,000 barrels per day (PDVSA, 2026). Petromonagas therefore accounted for the overwhelming majority of the three projects' reported production. These figures suggest that the Russian-linked ventures retained a material, although uneven, contribution to Venezuelan heavy-oil output. The July figures should consequently be identified as PDVSA-reported production.

These Orinoco ventures could also represent a previous plan to develop a potential source of heavy crude for which Rosneft found a sophisticated Indian refinery, Nayara Energy's Vadinar facility, in which Rosneft, as described above, acquired a significant participation in 2017. The refinery's capacity to process heavy and extra-heavy crude makes it a technically relevant potential destination for Venezuelan grades. However, this is just a possible commercial connection rather than an established supply relationship. Any renewed flow would depend on the ability to secure export authorizations, establish commercially viable crude-marketing arrangements, obtain shipping and insurance services, and comply with applicable US sanctions. Russia's position in Venezuela thus continues to have geopolitical significance and retains a formal upstream foundation, but its capacity to convert those assets into reliable production growth and international market access remains constrained. The partnership ultimately illustrates both the geopolitical utility and the economic limits of Russia's use of energy as an instrument of foreign policy.

5. The United States: Oil, Sanctions and Geopolitical Leverage

5.1 Oil, trade and geopolitical shifts

Since Hugo Chávez assumed the presidency in 1999, relations between the United States and Venezuela have evolved from a deeply integrated oil partnership into an increasingly adversarial political and geopolitical confrontation. Nevertheless, their underlying energy interdependence has never entirely disappeared. Venezuela’s proximity, substantial heavy-crude reserves and established supply infrastructure made it an important source for US Gulf Coast refineries, while the United States remained a major market and source of investment, technology and petroleum services. In 1999, US crude imports from Venezuela averaged approximately 1.2 million bpd, illustrating the scale of this relationship at the beginning of the Chávez administration (US Energy Information Administration [EIA], n.d.).

Despite increasingly confrontational political rhetoric, Chávez initially maintained substantial petroleum trade with the United States. Relations deteriorated following the April 2002 attempted coup, the December 2002–February 2003 oil-sector strike and the subsequent restructuring of PDVSA. The dismissal of approximately 18,000 employees and the strengthening of presidential control weakened the company's institutional autonomy and accelerated its politicization. Further deterioration followed the 2007 nationalizations and changes to contractual arrangements in the Orinoco Belt. ExxonMobil and ConocoPhillips rejected the terms imposed on their investments and pursued international arbitration, whereas Chevron remained through negotiated joint ventures. These developments increasingly separated the commercial interests of US petroleum companies from the deteriorating political relationship between Washington and Caracas (Congressional Research Service [CRS], 2022; Ellis, 2017).

The deterioration accelerated under Nicolas Maduro, who succeeded Chávez in 2013. The 2014 oil-price collapse, worsening economic conditions, political repression and institutional erosion progressively changed US policy. Initially, Washington concentrated on individual sanctions rather than restricting petroleum commerce directly. The Venezuela Defense of Human Rights and Civil Society Act of 2014 and President Obama’s Executive Order (E.O.) 13692 of March 2015 established a framework for freezing assets and imposing visa restrictions on officials associated with human-rights violations, corruption and the undermining of democratic institutions. Although these measures marked a significant departure in bilateral relations, they did not yet constitute an oil embargo (CRS, 2026b; US Department of the Treasury, n.d.).

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A more consequential turning point came under Donald Trump's first administration. In August 2017, E.O. 13808 restricted the Venezuelan government's access to US financial markets, including new debt issued by PDVSA. Further restrictions in 2018 targeted transactions involving the Petro digital currency (E.O. 13827) and certain government debt and collateral arrangements (E.O. 13835). In November, E.O. 13850 established a framework for sanctions against individuals and entities operating in designated sectors, including oil, gold, finance and defense. Together, these measures progressively restricted Caracas's access to international capital and conventional financial transactions (CRS, 2026b).

The decisive escalation came in January 2019, when Washington recognized opposition leader Juan Guaidó as interim president following Maduro's contested 2018 re-election. On 28 January, the US Treasury designated PDVSA under E.O. 13850, blocking its property under US jurisdiction and generally prohibiting transactions by US persons. This effectively severed the conventional commercial and financial relationship between PDVSA and its principal historical market. E.O. 13884, issued in August 2019, extended restrictions by blocking Venezuelan government property under US jurisdiction and prohibiting most transactions with government entities unless authorized. Although humanitarian and other specified transactions remained eligible for authorization, financial institutions' overcompliance created additional obstacles to legitimate trade and assistance (CRS, 2022, 2026b; US Department of the Treasury, n.d.).

Sanctions consequently reshaped Venezuela's international oil trade. US imports declined sharply as Caracas redirected exports towards China and India, often through intermediaries and discounted sales. Russian companies, particularly Rosneft Trading and TNK Trading International, became important facilitators of exports and suppliers of petroleum products and blending inputs. Washington responded by designating Rosneft Trading in February 2020 and TNK Trading International in March, targeting Russian intermediaries involved in marketing and transporting Venezuelan crude. Sanctions had thus expanded beyond Venezuelan officials and state-owned enterprises to influence third-country companies and restrict the participation of external actors (U.S. Department of the Treasury, 2020a, 2020b; CRS, 2022).

The geopolitical dimension was equally important. Washington increasingly viewed Venezuela's relations with Russia, China and Iran not merely as alternative commercial partnerships, but as channels through which rival powers could gain economic, diplomatic and strategic influence in the Western Hemisphere. Russian financial assistance and oil-trading arrangements, together with continued military cooperation, challenged US efforts to isolate Maduro. China's infrastructure investments and diplomatic support also sustained the relationship, although its extensive oil-backed lending to Venezuela had largely ceased by 2015 (Xu, 2017). Chinese engagement remained primarily financial, commercial and energy-related, whereas Russia attached greater importance to military cooperation and geopolitical positioning (Ellis, 2017; Federici et al., 2026; Rouvinski, 2021).

The Biden administration subsequently adopted a more conditional approach, using sanctions relief to encourage negotiations and credible electoral commitments. Following the October 2023 Barbados Agreement between the government and opposition, Washington issued General License 44, temporarily authorizing broader oil and gas operations. Chevron's General License 41, issued in November 2022, had already permitted limited production and exports through its Venezuelan joint ventures. However, the failure to ensure an inclusive electoral process, particularly the exclusion of opposition candidate Maria Corina Machado, led Washington to revoke the mining authorization and decline to renew the broader oil-sector license in April 2024. Following the disputed presidential election of 28 July 2024, the United States imposed further individual sanctions on officials associated with electoral obstruction and post-election repression. The sequence demonstrated that access to Venezuelan oil remained closely linked to Washington's assessment of political and democratic developments (Atlantic Council, 2024; CRS, 2026b).

Trump's return in January 2025 brought another shift. In March, his administration announced that countries importing Venezuelan oil could face additional tariffs of up to 25% on their exports to the United States. The measure particularly affected India, whose refiners had resumed Venezuelan crude purchases under specific US authorizations. Reliance Industries subsequently announced plans to suspend its purchases in response to the tariff threat, illustrating Washington's capacity to influence not only Venezuelan exports but also the commercial decisions of important third-country buyers (Verma, 2025).

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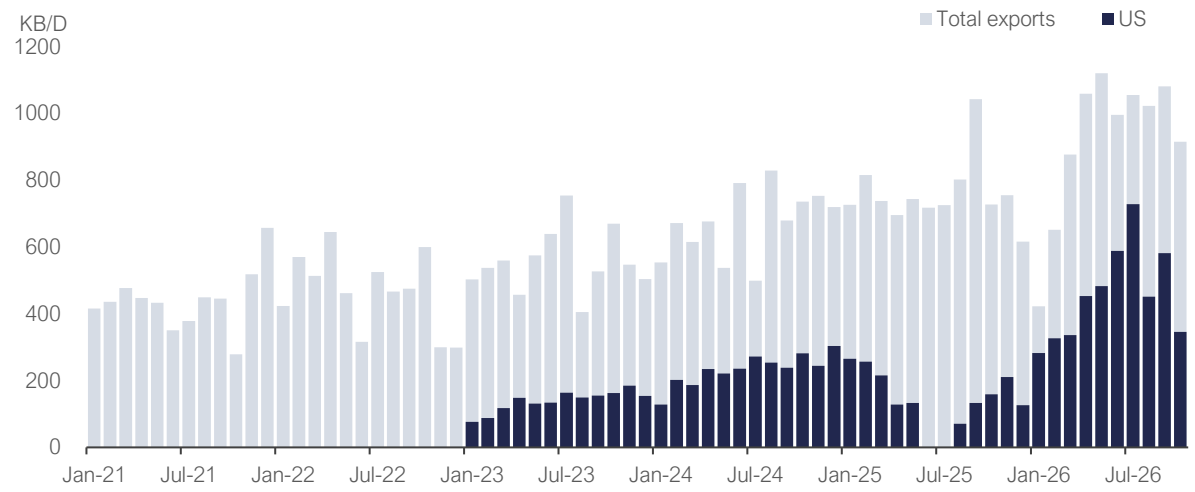
5.2 The United States' present interests in Venezuela

The events of 3 January 2026, when US military forces captured Nicolas Maduro and transferred him to the United States to face federal criminal charges, marked an unprecedented turning point in bilateral relations. The Trump administration presented the operation primarily in law-enforcement and national-security terms; its consequences extended well beyond Maduro's removal. President Trump declared that the United States would control Venezuelan oil sales and their proceeds during the transition, making the country's principal export industry a central instrument of US policy. Energy Secretary Chris Wright subsequently argued that control over oil revenues would provide Washington with leverage to stabilize the economy, rebuild the sector and influence Venezuela's political and institutional direction (Congressional Research Service, 2026a; Srivastava, Crooks, & Renshaw, 2026).

Washington's immediate priorities combined the revival of production with a framework in which US companies would play a leading role. Trump called on major US oil companies to invest as much as US$100 billion in rebuilding Venezuela's deteriorated energy infrastructure. Yet the prospect of a rapid return by the largest producers remained uncertain. ExxonMobil and ConocoPhillips, whose assets were expropriated under Chávez, have substantial outstanding claims and have expressed reservations about committing capital without credible guarantees of political stability, contractual security and investment protection. Chevron, by contrast, retained an operational presence and was better positioned to participate in a near-term recovery. Reuters reported that the administration had not consulted ExxonMobil, ConocoPhillips or Chevron before the January operation, illustrating the gap between Washington's investment ambitions and the companies' assessments of commercial and political risk (Renshaw & Dang, 2026; Renshaw & Erickson, 2026).

A significant development was the selective relaxation of restrictions on Venezuelan oil trading. On 29 January 2026, the US Treasury authorized established US companies to purchase, sell, transport, store, market and refine Venezuelan-origin crude, while restrictions on new production remained in place. Entities linked to China, Russia, Iran, North Korea and Cuba were excluded, making access to the trade dependent on geopolitical as well as commercial considerations (Gardner & Parraga, 2026). This did not, however, amount to a complete exclusion of China. A US official indicated that Chinese buyers could continue purchasing Venezuelan crude, but at what Washington considered fair market prices rather than the discounted terms previously associated with oil-for-debt arrangements. The administration also stated that most Venezuelan oil sales would be directed to the US market (Gardner, 2026). The approach therefore sought to restrict Chinese refiners (teapots)'s previous discounted crude advantages while permitting Chinese participation under conditions established by Washington. **Kpler data (2026)** indicates that Venezuelan exports to the United States reached 563,000 bpd in September (equivalent to 16.9 million barrel per month), or 50.2% of total exports of 1,121,520 bpd (see Figure 3).

Figure 3: Venezuela Exports of Crude (Total and to India), kb/d



Source: KPLER, OIES

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India illustrates the complexity of this policy. Despite the 2025 tariff threat against countries purchasing Venezuelan crude, subsequent licensing arrangements enabled Indian refiners, particularly Reliance, to return to the market during 2026. Furthermore, state-owned ONGC has been negotiating with Venezuelan and US authorities to obtain operating rights in the San Cristóbal and Carabobo projects. This could transform India's role from a constrained investor and buyer into a more active upstream participant. The negotiations suggest that Washington does not necessarily seek to exclude India from Venezuela's recovery, but intends to retain influence over the conditions under which Indian companies participate and purchase crude (Verma, 2026).

Chevron's position has moved beyond maintaining its existing joint ventures towards substantial expansion. In September 2026, the company announced plans to invest more than US$7 billion over five years, aiming to double its Venezuelan production to approximately 600,000 bpd. Chevron CEO Mike Wirth added that total production costs are expected to be less than $20 per barrel. The revised agreements expand its Petroindependencia venture into two additional areas of the Carabobo region in the Orinoco Belt and provide improved fiscal, commercial and legal protections, while allowing development to build on existing infrastructure (Dang & Parraga, 2026). The commercial rationale extends beyond upstream returns. Venezuela's heavy and extra-heavy crude is particularly relevant to US Gulf Coast refineries equipped with cokers and other conversion facilities designed to process heavier feedstocks into higher-value products. These refineries cannot fully substitute such grades with the lighter, sweeter crude increasingly produced by the US shale sector. Venezuelan supplies therefore offer a geographically proximate feedstock compatible with existing refining investments, strengthening the commercial case for renewed engagement (EIA, 2012).

ExxonMobil's recent preliminary agreement with PDVSA to evaluate seven potential energy areas in Venezuela marks a significant strategic shift following the 2026 political transition. While Washington views the move as a major geopolitical win to anchor US commercial influence and secure hemispheric supplies, Exxon remains cautious, conditioning any long-term capital deployment on stable regulatory reforms and robust investment protections (Parraga, Dang and Buitrago, 2026, November 11).

A more unconventional element of the US strategy is the agreement with North American Blue Energy Partners (NABEP), the company associated with Venezuelan businessman Alejandro Betancourt. According to Brown, Davis and Rotella (2026), whose ProPublica investigation was based on an 18-page strategic partnership agreement, the US government is to acquire a 35% stake in Betancourt's firm through a Barbados-registered parent company. The arrangement would give Washington substantial influence over the enterprise, including participation in appointing a seven-member board, a majority of whose members must be US citizens. The agreement would also grant the United States the right to purchase 20% of the company's oil at US$30 per barrel and first priority to purchase the remaining production for 50 years. NABEP reportedly produces around 200,000 bpd and aims to increase output to 500,000 bpd by the end of 2028; its wider development plan would cover 17 fields with approximately 64 billion barrels of reserves (Brown et al., 2026).

The geopolitical implications are significant. Unlike conventional investment agreements between an oil company and the Venezuelan state, this arrangement gives the US government a direct equity and governance position in a private enterprise operating in Venezuela, potentially extending American influence over production, marketing and future investment decisions. The reported lack of transparency surrounding the parent company's investors and the limited role assigned to Venezuelan public institutions raise questions about accountability, the distribution of economic benefits and the country's effective control over its natural resources. Although the provisions may secure long-term US access to Venezuelan oil, they could also generate tensions over national sovereignty and the legitimacy of the transitional institutional framework. The agreement thus represents an instrument aspiring for institutionalizing a long-term US strategic and commercial presence in Venezuela (Brown et al., 2026).

Overall, the United States' present position combines energy security, commercial recovery and geopolitical influence. Venezuela's proximity, substantial heavy-oil resources and compatibility with Gulf Coast refining capacity give it continuing strategic importance. Nevertheless, a sustainable recovery will depend on political legitimacy, institutional reconstruction, contractual security and the willingness of international investors to commit long-term capital. The central challenge is whether Washington can

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convert its extraordinary political and commercial leverage into a durable petroleum recovery in Venezuela, still immerse into a challenging political transition, while accommodating legitimate international commercial interests and avoiding a renewed cycle of geopolitical confrontation.

6. Final Remarks

The four cases reveal distinct but overlapping motivations behind international engagement in Venezuela. China's position is shaped by substantial legacy creditor exposure, upstream assets, and the commercial suitability of Venezuelan heavy crude for parts of its refining system. Its priority is increasingly to protect existing claims and preserve market access. India's engagement is more narrowly commercial: its refiners value Venezuelan heavy crude as a source of diversification, while Indian companies seek to protect existing upstream stakes, recover unpaid dividends, and potentially assume operating responsibilities. Its participation nevertheless remains sensitive to US authorizations and commercial conditions.

Russia's relationship has been more explicitly geopolitical. Its energy investments, financing, oil-trading networks, and wider diplomatic and military cooperation helped sustain a strategic foothold in the Western Hemisphere, but the transfer of assets to Roszarubezhneft and the modest, uneven output of its ventures expose the gap between geopolitical ambition and commercial capacity. The United States, by contrast, combines the commercial value of nearby heavy crude for Gulf Coast refineries with sanctions, licensing, control over oil-sale proceeds, and investment arrangements that extend its influence over Venezuela's energy sector and political transition.

For a future elected Venezuelan government, this landscape presents both an opportunity and a formidable test. Competition among external actors can mobilize capital, technology, markets, and operational expertise, but it can also reproduce dependence, opaque contracts, and competing claims over resource governance. The priority should be to negotiate transparently and on a diversified basis, restore the rule of law and credible institutions, protect national ownership and public revenues, and establish stable, competitive terms for investment. A rapid recovery must be technically and financially viable (Ochoa, 2026), but also socially legitimate and accountable to Venezuelan citizens.

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