



BARRELS AND BARGAINS: VENEZUELA'S OIL IN THE GLOBAL ARENA

ABSTRACT

The US military posture in the Caribbean may have more to it than visible on the surface. Decreased domestic oil production in US, the crucial Siberia pipelines and the Russia-China axis add to the economic hardships of coastal community. Moreover, the recent government-mafia nexus indicates increased corruption under the garb of diversification of supply chains. The global oil price fluctuations, increasing demand due to climate change and return of hard power diplomacy grips Venezuela.

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Contents

| | |
|--|---|
| Barrels and Bargains: Venezuela's Oil in the Global Arena..... | 2 |
| September News Review | 4 |
| References | 7 |

Barrels and Bargains: Venezuela's Oil in the Global Arena



Introduction

Venezuela's President Nicolas Maduro is training the civilians across the country due to the escalating tensions with the USA. Maduro claims over 8 million volunteers have signed up for a civilian army. Though many experts claim that the government is using the civilians as a 'human shield', for if the US was to attack Venezuela, Maduro can claim of US killing civilians and creating a human rights crisis. It started with the US conducting deadly strikes on the alleged drug vessel killing 17 people on board boats. Venezuela's Defense Minister Vladimir Padrino Lopez characterized US actions as act of 'undeclared war'. The U.S. military buildup includes eight warships, approximately 4,500 personnel, F-35 stealth fighters deployed to Puerto Rico, and at least one nuclear-powered submarine positioned in the southern Caribbean.

Trump's "Drill, Baby, Drill" Push: In his January 2025 inaugural address, President Trump revived his focus on expanding U.S. oil and gas production, lifting restrictions on Alaskan exploration. However, the EIA predicts a decline in U.S. crude output to 13.3 million barrels per day by Q4 2026 from 13.5 million in Q2 2025 due to low oil prices and reduced drilling.

Reversal of Green Initiatives: Trump's administration suspended Biden-era offshore wind projects and the 2030 goal for electric vehicles to make up half of new car sales, prioritizing fossil fuels amid slowing global oil demand and rising OPEC+ production, which pressures prices through 2026.



Global Energy Shifts and Venezuela's Role: The Russia-China Power of Siberia 2 pipeline, redirecting 50 billion cubic meters of gas annually, forces the U.S. to diversify oil sources. Venezuela, despite sanctions, becomes a strategic option, with Chevron's limited operations resuming in July 2025, injecting ~\$700-800 million monthly into Maduro's regime.

Venezuela's Oil and Corruption: The state-run PDVSA, plagued by embezzlement and loyalist infiltration, has seen production collapse, with figures like ex-Vice President Tareck El Aissami (sanctioned 2017, ICE Most Wanted 2025) siphoning oil revenues, fueling Venezuela's kleptocracy.

Cartel of the Suns: This narco-military network, involving senior officials, runs cocaine trafficking with groups like FARC and Sinaloa, sustaining Maduro's regime. Designated a terrorist group in July 2025 with a \$50 million bounty on Maduro, it deepens Venezuela's crisis.

Paria Peninsula's Decline: Overfishing and economic collapse have closed most sardine plants, leaving fishermen earning under \$100 monthly. Boats now smuggle migrants, drugs, and fuel, a trade disrupted by a recent U.S. strike, pushing locals deeper into poverty

Maduro's Response to U.S. Threats: On September 23, 2025, Maduro declared a 90-day "external unrest" state via Constitutional Article 339, citing U.S. aggression. Military drills on La Orchila and civilian training in Petare, San Cristóbal, and Barinas prepare for potential conflict, escalating tensions.

Future Predictions

With multiple stakeholders yearning for oil, volatility in global oil prices is the possible cause for the demand and supply chains fluctuations effect. Tensions between USA and Venezuela



may escalate further with another US-China angle developing in Latin America. However, with the lobbying of US oil companies like **Chevron**, the scope of tensions will be an interesting thing to look out for. The crisis may act as a double-edged sword for the fragmented opposition coalition PUD as scandals have been eroding Maduro's legitimacy- recent surveys indicate 65-79% Venezuelans rejecting it and opposition being viewed catalysts for change. Socio-economic inequalities may emerge an internal political issue in Venezuela as the energy sector grapples with corruption and the mafias day by day. Military training and imposition of external unrest grants Maduro with extravagant powers; authoritarianism thus forging ahead. Additionally, polls state 79% people determine foreign intervention to oust Maduro, viewing oil graft as 'theft by China, Russia and Cuba' which prioritizes geopolitics over lives. Overall, the crisis may induce protests demanding democracy and more accountability.

What's in it for India?

India is watching these developments closely especially from the energy security point of view. Indian companies have previously worked in Venezuela, the tensions created by US might open up new opportunities for further investment opportunities. As Venezuela struggles with governance issues, India might quietly back democratically elected government, but might refrain from any overt alignment to avoid antagonizing future governments.

September News Review



FORESIGHT

| SR. NO. | DATE | SECTOR | HEADLINE | SOURCE |
|---------|-------|-----------|---|------------------------------|
| 1. | 26/08 | Political | Venezuela Deploys 15,000 Security Forces to Border States | Telesur |
| 2 | 01/09 | Political | Opposition demands release of Juan Pablo Guanipa after 100 days in detention | El Nacional |
| 3 | 01/09 | Political | NGO denounces the disappearance of Julio Velazco, father of an activist from Vente Venezuela | Tal Cual |
| 4 | 01/09 | Political | Vente Venezuela denounces arrest of two regional coordinators in Mérida | |
| 5 | 04/09 | Political | Standoff deepens between US and Venezuela Source- DW | DW |
| 6 | 09/09 | Political | U.S. Military's Boat Strike Escalates Tensions With Venezuela | Council on foreign relations |
| 7 | 15/09 | Political | Fragmented, the Venezuelan opposition tries to resist the maximum pressure from Trump and Maduro. | CNN |
| 8 | 16/09 | Political | Maduro highlights Venezuela's unity at the establishment of the National Council | Cubadebate |
| 9 | 21/09 | Political | Padrino Lopez announces operation in Sucre against drug related gangs | El Nacional |
| 10 | 26/08 | Economic | | Venezuelanal |



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|----|-------|-----------------|---|---------------------|
| | | | Turkish Investors to Take Over State-Owned Sugar Mills Under 'Strategic Alliances | ysis |
| 11 | | Economic | Floating oil facility arrives in Venezuela for China Concord's project, sources say | Reuters |
| 12 | 01/09 | Foreign Affairs | Jorge Rodríguez travels to China representing Maduro amid tensions with the US. | El Nacional |
| 13 | 01/09 | Foreign Affairs | How the oil boom in the "Dubai of South America" and the conflict with Venezuela over the Essequibo region are influencing the elections in Guyana. | BBC News Mundo |
| 14 | 03/09 | Foreign Affairs | US Strikes Alleged Venezuelan Drug Vessel, Killing 11: Maduro condemns US As immoral threat | Venezuelan analysis |
| 15 | 15/09 | Foreign Affairs | Maduro: US-Venezuela relations are "destroyed," they want regime change | Tal Cual |
| 16 | 16/09 | Foreign Affairs | Trump claims the US destroyed a third vessel in the Caribbean. | Tal Cual |
| 17 | 10/09 | Foreign Affairs | Group of 18 countries rejects US threats and supports Venezuela | Telesur |
| 18 | 21/09 | Foreign Affairs | Another US Warship arrives in Panama amid military near Venezuela | El Nacional |
| 19 | 21/09 | Foreign Affairs | Maduro offers to engage in direct talks with Trump envoy Grenell | Reuters |
| 20 | 01/09 | Foreign Affairs | CELAC will hold an emergency meeting due to the US military deployment in the Caribbean. | El Nacional |
| 21 | 01/09 | Foreign Affairs | They report that Inparques pressures workers to register for military enlistment | El Nacional |

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|----|-------|-----------------|--|------------------------|
| 22 | 10/09 | Foreign Affairs | Maduro orders expansion of Venezuela's militia amid rising US military pressure | AA News |
| 23 | 10/09 | Foreign Affairs | Journalists combat information vacuums on Venezuela's border by bringing news to the streets | WLRN Public Media |
| 24 | 14/09 | Foreign Affairs | The Maduro regime threatened Guyana and Trinidad and Tobago with a possible US attack from their territories: "Make no mistake." | Infobae |
| 25 | 19/09 | Foreign Affairs | Chavismo will instruct working-class neighborhoods in military tactics | El Pais |
| 26 | 18/09 | Foreign Affairs | Venezuela begins Caribbean military exercises as tensions with US escalate | Le Monde |
| 27 | 04/09 | Education | OBU denounces 309% increase in violations of university autonomy in Venezuela | Tal Cual |
| 28 | 15/08 | Education | National Health Congress in Caracas aims to strengthen Venezuela's public health system | Bricstv |
| 29 | 11/07 | Health | Venezuela: Yanomami people engulfed in worst health crisis for decades | Survival International |

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