

The Domestic and International Predicament of Venezuela after the 2024 Election and Oil Sanctions

by Rafael Ramírez

In the aftermath of the July 2024 election, the political situation in Venezuela remains extremely complex amidst the deepening structural crisis and the repressive drift of the government. Internal political dynamics, with the contested presidential election results,¹ the unconstitutional swearing-in of Nicolás Maduro for a new term, as well as the new geopolitical context following the return of Donald Trump to the White House, add further instability and uncertainty to the precarious situation in the country.

Following the controversial presidential elections of 28 July 2024, marked by allegations of fraud and the repression of popular protests, the Venezuelan government has lost its constitutional legitimacy and appears more isolated internationally, especially in Latin America.

¹ UN News, *Venezuela: Guterres Calls for 'Complete Transparency' Following Disputed Presidential Election*, 29 July 2024, <https://news.un.org/en/node/1152606>.

In parallel, the growing tension with the US Administration and the reimposition of sanctions on the oil sector, have dealt a heavy blow to Maduro's intention to "normalise" his economic shock package model,² despite the prolonged crisis that has devastated Venezuela for more than ten years.

The domestic situation: Fraud and dictatorship

Although the July presidential elections were heavily contested because the National Electoral Council (CNE) refused to present the electoral records, Nicolás Maduro was sworn in on 10 January for his third presidential term.³

² In force since August 2018, it includes a huge devaluation of the Bolívar (legal currency used to pay salaries), the elimination of social programmes and labour benefits, dollarisation of the economy, fuel price increases and the privatisation of state-owned companies, including PDVSA.

³ "Venezuela's Maduro Sworn in for Third Presidential Term Despite Domestic, Global Outcry", in *France 24*, 10 January 2025, <https://>

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According to electoral records collected by the opposition's electoral polling station, the candidate Edmundo González obtained 70 per cent of the votes.⁴ However, the CNE and the Supreme Court of Justice (TSJ) – both tightly controlled by the government – refused these allegations disregarding the applicable legal framework and the rule of law.⁵

The electoral process, which took place without separation of powers, international monitoring and under all kinds of political restrictions,⁶ has been denounced by the few international electoral organisations that had partial access to the process, such as the UN and the Carter Center.⁷ As mentioned, eight months later, the electoral records have not yet been presented by the CNE or the government.

www.france24.com/en/live-news/20250110-venezuela-s-maduro-to-take-presidential-oath-despite-domestic-global-outcry.

⁴ Vivian Sequera, Mayela Armas and Tibisay Romero, "Venezuela Opposition Still Aiming for Recognition of Election Win, but Options Narrow", in *Reuters*, 15 August 2024, <https://www.reuters.com/world/americas/venezuela-opposition-still-aiming-recognition-election-win-options-narrow-2024-08-15>.

⁵ "Venezuela Supreme Court Validates Maduro's Re-Election amid Claims of Vote Fraud", in *France 24*, 23 August 2024, <https://www.france24.com/en/americas/20240822-venezuela-supreme-court-validates-maduro-s-reelection-amid-claims-of-vote-rigging>.

⁶ Rafael Ramírez, "An Election between Sanctions and Transition: Venezuela at a Crossroads", in *IAI Commentaries*, No. 24/30 (June 2020), <https://www.iai.it/en/node/18622>.

⁷ Joshua Goodman, "UN Expert Panel Sent to Venezuela Blasts Lack of Transparency in Presidential Elections", in *AP News*, 14 August 2024, <https://apnews.com/article/cd2555ec2255f6a804a671f8723bc15b>; Carter Center, *Statement on Venezuela Election*, 30 July 2024, <https://www.cartercenter.org/news/pr/2024/venezuela-073024.html>.

The official election results, as well as Maduro's inauguration as president-elect for a new term of office, have not been recognised by the US, Canada, the European Union,⁸ nor by the governments of the region, including Venezuela's close leftist or natural allies, such as Chile, Colombia and Brazil.⁹ The Venezuelan government responded by breaking relations with more than 10 countries and restricting the diplomatic representation of several countries, including France, Italy and the Netherlands.¹⁰

The installation of an unconstitutional government is a huge political step backwards for the country, taking it

⁸ Council of the EU, *Venezuela: Statement by the High Representative on Behalf of the EU on Recent Post-Election Developments*, 24 August 2024, <https://www.consilium.europa.eu/en/press/press-releases/2024/08/24/venezuela-statement-by-the-high-representative-on-behalf-of-the-eu-on-recent-post-election-developments>.

⁹ "Chile's President Rejects Maduro's Claim to Victory in Venezuela", in *Reuters*, 7 August 2024, <https://www.reuters.com/world/americas/chiles-president-rejects-maduros-claim-victory-venezuela-2024-08-07>; Ana María Rodríguez Brazón, "Gustavo Petro considera que elecciones en Venezuela fueron un error y tacha de 'oscuro' el comportamiento del Gobierno de Maduro", in *El Tiempo*, 19 November 2024, <https://www.eltiempo.com/mundo/venezuela/gustavo-petro-considera-que-elecciones-en-venezuela-fueron-un-error-y-tacha-de-oscuro-el-comportamiento-del-gobierno-de-maduro-3401005>; Ivonne Valdés, "Lula da Silva dice que no reconoce victoria de Maduro ni de la oposición en las elecciones de Venezuela", in *CNN Español*, 30 August 2024, <https://cnnespanol.cnn.com/2024/08/30/lula-da-silva-no-reconoce-victoria-maduro-oposicion-venezuela-orix>.

¹⁰ AFP, "Venezuela Restricts Diplomats from 'Hostile' European Countries", in *France 24*, 14 January 2024, <https://www.france24.com/en/live-news/20250114-venezuela-restricts-diplomats-from-france-italy-netherlands>.

back to the decades of dictatorships in Latin America. In its recent past, instead, Venezuela had almost 70 years of constitutional governments, only interrupted by the 2002 coup d'état and the self-proclamation of Pedro Carmona Estanga, who only lasted 48 hours in power.

This qualitative change towards an openly dictatorial government has taken place amidst a ferocious repression, which has been exacerbated since the electoral fraud and the appointment of Diosdado Cabello as Minister of the Interior and head of the country's police forces, as denounced in the latest Report of the Facts Finding Commission (FFC) of the UN Human Rights Council.¹¹

Faced with popular protests against the electoral results, government repression, including by pro-government armed "thug squads", was unleashed and more than 2,000 arrests,¹² among more than 110 minors, were carried out by security forces across the country. Most of those arrested were protesters or simply election witnesses of the opposition, accused of "terrorism" and "incitement to violence".

Since then, the country has lived in a state of generalised repression and fear. There have been dozens of arrests of

political leaders and activists, including former candidate Enrique Márquez¹³ who was nominated for the elections by a platform of left-wing parties and who, as a former CNE Director, publicly denounced all the irregularities of the electoral process and filed legal appeals with the TSJ that were rejected.

The repression and permanent violation of human rights leaves the country trapped in a logic of confrontation, with no real options for democratic participation. The government is trying to stabilise the political situation by forcing the opposition to accept the presidential election results and "participate" in the upcoming regional elections, while announcing a major change to the Constitution to adapt it to its political and economic needs.

The international context: Tensions and sanctions

After Trump's return to the White House, US-Venezuela relations have become more tense and uncertain. During his election campaign, Trump harshly criticised the Biden's Administration policy towards the Maduro government, as well as the lifting of sanctions on the oil sector in October 2022,¹⁴ immediately after the

¹¹ UN News, *Misión de Determinación de los Hechos de Venezuela dice que continúan la dura represión y los crímenes de lesa humanidad*, 18 March 2025, <https://news.un.org/es/node/1537341>.

¹² UN Office of the High Commissioner for Human Rights, *Oral Update on the Human Rights Situation in Venezuela*, 20 March 2025, <https://www.ohchr.org/en/node/111278>.

¹³ Florantonia Singer and Alonso Moleiro, "Detenido en Venezuela el excandidato presidencial Enrique Márquez", in *El País*, 8 January 2025, <https://elpais.com/america-colombia/2025-01-08/detenido-en-venezuela-el-excandidato-presidencial-enrique-marquez.html>.

¹⁴ In October 2022, the OFAC issued License 41, which allowed Chevron to operate and produce oil in Venezuela. Successively, in 2023, the US State Department issued the "comfort letters" to allow international oil companies to operate in the country.



signing of the "Barbados Agreement" on political-electoral guarantees, which was subsequently violated by the Venezuelan government.

The appointment of Senator Marco Rubio, who has maintained a firm stance against Maduro's government, as the new Secretary of State has added a strong ideological element to the new Administration's foreign policy, at least towards Latin America.

Trump's personal envoy Richard Grenell made an official visit to Caracas to meet with Maduro already on 31 January. Although there was much speculation about its purpose, Trump announced on his social media Truth that the meeting focused on the release of six US citizens detained in Venezuela as well as the Maduro government's commitment to receive the thousands of Venezuelan refugees in the US that the Trump Administration plans to deport.¹⁵

Although the Maduro government tried to use the meeting as a political move to get closer to the White House, on 4 March, OFAC issued License 41A which revoked the previous one and ordered Chevron to cease its operations in Venezuela before 3 April,¹⁶ a deadline which was later extended until 27 May.¹⁷

¹⁵ Robert Plummer, "Trump Says Venezuela Will Accept Migrants Returned from US", in *BBC News*, 1 February 2025, <https://www.bbc.com/news/articles/cjw4yejwlpco>.

¹⁶ US Department of the Treasury, *General License No. 41A: Authorizing the Wind Down of Certain Transactions Related to Chevron Corporation's Joint Ventures in Venezuela*, 4 March 2025, <https://ofac.treasury.gov/media/934026/download>.

¹⁷ OFAC License 41B, issued on 27 March 2025.

While Chevron has pushed to maintain its operations in Venezuela, where it benefits from very flexible fiscal conditions,¹⁸ the Trump administration's determination against the Venezuelan government can be explained by the political weight of Secretary of State Rubio and by the need to maintain cohesion within its electoral base before the mid-term elections in November 2026, especially in Florida, as well as among Republican representatives and senators in Congress.

Indeed, on 24 March, the US administration also announced secondary tariffs up to 25 per cent on countries that import Venezuelan crude,¹⁹ a measure that would affect China, India, Italy and Spain, among others, increasing the risks of oil operations in the country.

Finally, on 30 March, the US State Department revoked the "comfort letters" that had authorised Repsol, Eni, Reliance and Maurel & Prom to maintain oil operations in Venezuela, without being subject to sanctions.²⁰

So, the Venezuelan oil sector remains mired in legal and political uncertainty,

¹⁸ In accordance with the terms of OFAC's License 41, Chevron does not pay royalties, oil taxes or dividends to PDVSA.

¹⁹ White House, *Imposing Tariffs on Countries Importing Venezuelan Oil. Executive Order*, 24 March 2025, <https://www.whitehouse.gov/presidential-actions/2025/03/imposing-tariffs-on-countries-importing-venezuelan-oil>.

²⁰ "Eni Confirms US Will No Longer Allow Oil Payments from Venezuela's PDVSA", in *Reuters*, 31 March 2025, <https://www.reuters.com/business/energy/eni-confirms-us-will-no-longer-allow-oil-payments-venezuelas-pdvsa-2025-03-30>.

which discourages foreign investment and long-term participation.

It is paradoxical that the recent tensions between Washington and Caracas are not mainly due to oil or ideology, but to the issue of migrants, a fundamental issue in Trump's domestic policy, which has led to mass deportations to Latin American countries.

Trump himself, when revoking Chevron's License, lashed out on Truth against the Maduro government for not repatriating migrants at the rate agreed during Grenell's visit.²¹ Then, the US Administration, with a strong statement made by Trump himself invoking the 1798 Foreign Enemies Act (which is only used in times of war),²² has deported hundreds of Venezuelans to El Salvador, where they have been imprisoned, without trial, under the accusation of being members of the criminal organisation Tren de Aragua.²³

²¹ @realDonaldTrump, "We are hereby reversing the concessions that Crooked Joe Biden gave to Nicolás Maduro", *Truth Social post*, 28 February 2025, <https://truthsocial.com/@realDonaldTrump/posts/114071774104516883>.

²² White House, *Invocation of the Alien Enemies Act Regarding the Invasion of the United States by Tren de Aragua*, 15 March 2025, <https://www.whitehouse.gov/presidential-actions/2025/03/invocation-of-the-alien-enemies-act-regarding-the-invasion-of-the-united-states-by-tren-de-aragua>.

²³ Luc Cohen, Ted Hesson and Jack Queen, "Nazis Were Treated Better than Venezuelans Deported by Trump, Judge Says at Hearing", in *Reuters*, 25 March 2025, <https://www.reuters.com/legal/judge-rejects-trump-administration-request-end-block-some-deportations-2025-03-24>.

Looking ahead

US sanctions on Venezuela's oil sector could deal a heavy blow to the country's already fragile economy that has been affected by a deep crisis, mainly due to the collapse of the national oil industry since 2015.

The operational collapse of PDVSA,²⁴ which occurred after successive political interventions between 2015-2025, has led to a 70 per cent drop in the country's oil production compared to the 3 million barrels/day in 2013.²⁵ According to documents to which we have had access, international oil companies produce 62,3 per cent while PDVSA only 25,5 per cent of the country's oil production.

If Chevron and other international oil companies cease their operations in Venezuela because of the US sanctions, domestic oil production could be drastically reduced at the same level of 680-550 thousand barrels/day as in 2020-2022, when the full sanctions were in place.²⁶ Furthermore, the imposition of secondary tariffs on countries importing Venezuelan oil will prevent the redirection of oil

²⁴ Rafael Ramírez, "The Venezuelan Oil Industry Collapse: Economic, Social and Political Implications", in *IAI Commentaries*, No. 21|52 (November 2021), <https://www.iai.it/en/node/14308>.

²⁵ PDVSA, *Informe de Gestión Anual 2013*, January 2014, p. 53, <http://www.pdvsa.com/images/pdf/informesdeGestionNuevos/IGA2013Definitivo.pdf>.

²⁶ OPEC, *Monthly Oil Market Report January 2021*, 14 January 2021, p. 48, <https://www.opec.org/assets/assetdb/momr-january-2021.pdf>; *Monthly Oil Market Report January 2023*, 17 January 2023, p. 48, <https://www.opec.org/assets/assetdb/momr-january-2023.pdf>.



flows to other markets, depriving the government of the resources and of the possibility to further sustain the choke-economic model that has caused the country's current situation.

Overall, the severe economic crisis, lack of democratic legitimacy and strong popular rejection of the government, as well as the growing international tensions with the US, combine to foreshadow a possible collapse of the Maduro government, which has closed any possibility of political dialogue to find a way out of the crisis, leaving all scenarios open.

Internationally, Trump's policy towards Maduro, in a radical change compared to the Biden administration, greatly limits the possibilities of manoeuvre for the Venezuelan government, which is now isolated. Tensions could further escalate in the handling of confrontational situations such as the dispute with Guyana over the Essequibo.²⁷

Amidst this scenario, the countries of the region, although affected by the Venezuelan exodus and the country's economic collapse, observe from a distance, not wanting to get involved with a repressive government that acts against the rule of law and lacks the legitimacy granted by people's will.

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²⁷ Rafael Ramírez, "The Venezuela-Guyana Dispute over the Essequibo", in *IAI Commentaries*, No. 24|07 (February 2024), <https://www.iai.it/en/node/18122>.

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