

## Maduro Embraces Xi

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Given the slim chances of securing a third presidential term in a fair, free, competitive, and verifiable election, Venezuelan President Nicolás Maduro aligns himself closely with China's most powerful leader since Mao Zedong, Xi Jinping.

During Maduro's recent week-long visit to China, the bilateral relationship upgraded to an "all-weather, enduring strategic partnership" - a status only Pakistan shares. It indicates that the bond between the two nations remains unaffected by external factors or temporary challenges, regardless of geopolitical, economic, or diplomatic shifts.

From China's viewpoint, this unwavering relationship offers a reliable ally for global diplomatic and strategic support; benefits in geopolitics, regional power balance, and international organizations; joint economic projects and investments that integrate into China's Belt and Road Initiative, further intertwining their economies; countering rival nations' influence in specific regions; and promoting cultural, educational, and interpersonal exchanges.

Though this relationship seems like Beijing's firm pledge of support, it also suggests a perpetual dependency on China for Venezuela. It could lead to Venezuela's future being increasingly politically and economically beholden to the Chinese Communist Party.

Notably, investments related to agreements in the energy and electricity sectors will be made in the Chinese currency, Renminbi (RMB). This decision seeks to bolster the RMB's stature against the U.S. dollar. Furthermore, the funds will be monitored by Beijing through its corporations. Repayments for these debts will traditionally be guaranteed against daily crude oil sales by Venezuela's PDVSA to China's National Petroleum Corporation (CNPC). It contrasts with prior projects financed by Venezuela's state development bank, Banesco, from 2007 to 2015.

By bringing Venezuela into China's orbit, China gains access to vast resources and is a staunch ally in its geopolitical standoff against the U.S. and the broader Western world. As the Chinese Communist Party aims to reshape the global order, nations like Venezuela become pawns in China's strategy to encircle the U.S. and exert more influence in the American hemisphere, akin to moves in the traditional Chinese game of Go.

This mutual relationship also benefits Maduro. As he challenges Washington, he celebrates the "dawn of a new world order" alongside China, undermining Western values such as

individualism, liberalism, freedom, constitutionalism, human rights, the rule of law, democracy, free markets, and the separation of church and state.

Maduro's pivot to this enduring relationship with China serves as a lifeline, especially after his alliance with Vladimir Putin waned post-2020, following the exit of Russian oil company Rosneft from Venezuela. It was after the U.S. Treasury sanctioned and froze assets of Rosneft Trading, S.A., and its president for collaborating with Maduro's regime.

In the first year of these sanctions under the Trump administration, Rosneft supported Maduro's regime by handling over 60% of Venezuela's total oil exports, directing them to refineries in India and China, as these countries had ceased direct Venezuelan crude imports.

Additionally, in 2022, funds from various Venezuelan ministries deposited in Russian banks were withheld by Putin's government when the West decided to freeze \$300 billion of the Russian Central Bank's gold and currency reserves in response to sanctions for the Ukraine invasion.

Since Joe Biden's 2020 White House entry, U.S.-Venezuela relations have been recalibrated. The new U.S. administration's approach toward Venezuela's political, social, and economic crises emphasizes semi-free, fair, competitive, and verifiable presidential elections.

For over a year, both parties have engaged in direct negotiations, with Maduro's regime receiving incentives such as releasing his relatives from prison and licensing Chevron to produce and sell Venezuelan oil.

The Biden administration is contemplating easing economic sanctions on PDVSA, and release retained funds to the Venezuelan regime in hopes Maduro might contribute to an electoral solution to the crisis. However, Maduro recognizes that winning the election is a significant challenge. He needs billions of dollars, which Xi did not provide during his recent visit.

Thus, Maduro leans heavily on China's new emperor, hoping to retain his presidency. He hopes to replicate the 2018 election process when countries like the U.S., the UK, Canada, and the E.U. did not recognize him as the legitimately elected president. Maduro also counts on Chevron to continue providing legal foreign exchange until Chinese corporations' resume investing RMB in Venezuela. After 2024, he will remain a pawn of the Chinese Communist Party, awaiting the day the courageous Venezuelan people break free from oppression.