

## **The US uses the “nuclear option” in Venezuela**

Antonio De La Cruz

*Executive Director*

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Nicolas Maduro lost popular support. The massive demonstrations on January 23 across the country proved it. For this reason, he did not dare with his henchmen to suppress popular concentrations. To do so would have been the end of the “usurper” of the Presidency of the Republic of Venezuela, so it clings to the military salvation table, to the leadership that has participated in the political corruption and the illicit businesses that make up the Mafioso State.

Maduro’s exit strategies aim to continue buying time with the United States. However, the sanction of the Donald Trump government against the state oil company PDVSA changed his plan.

The blockade of the income of dollars to the “usurper” for oil exports to the United States and the Citgo entries in the US market leaves it without 80% of the currencies that Venezuela receives in cash. According to the Treasury Department, the sanctions against PDVSA amount to 7 billion dollars in assets -basically the market value of Citgo- and 11 billion dollars added by the future oil exports this year to that country.

The impact of the PDVSA blockade is devastating for the stability of the “usurper” in power, because he ran out of the \$ 11 billion cash that allowed him to move the machinery of political corruption this year.

The Treasury Department also said it would issue licenses for Venezuelan crude - in the same way it did with Iranian oil when that country was sanctioned last year - to avoid collateral damage to the US Gulf refineries that use in Venezuelan crude oil. However, the cancellation of these purchases will have to be deposited in an account that will be blocked for “the usurper”, so Pdvsa will not sell more oil to the refineries in the United States.

The other significant impact is the import of 100,000 barrels per day of refined products (naphtha, gasoline, oil) from the United States, to mix with the extra-heavy crude from the Orinoco oil belt and supply the Venezuelan domestic market. Citgo has carried out this operation. Now, PDVSA will have to resort again to Algeria, Russia, Nigeria and Angola for the supply of naphtha to dilute the extra heavy oil from the belt. The difficulty will be in the payment of the imported volume of light crude oil as it does not have the necessary cash for the operation, which will lead to a decrease in the export of oil from the belt and therefore the production itself.

Therefore, the 450,000 barrels per day average/year that PDVSA sold to the refineries of the Gulf of the United States in 2018 will have to be placed in other countries. What happens is that the new refinery that process this crude will require a discount due to its characteristics. Also, if it is sent to Russia (India) and China, it would enter into the payment program of the credits

that Venezuela has with Beijing and Moscow. In other words, the income would be reduced in the first case, and in the second case, it would not generate constant and sound dollars.

If Maduro and his henchmen insist on continuing to usurp the Venezuelan Presidency at whatever cost, the consequences for the nation will be devastating. His commitment to the Mafia State will take the country to a higher level of conflict that will impact his security, as happened with Muammar Al Gaddafi in Libya and Saddam Hussein in Iraq.

The “nuclear option” used by the Trump government must be interpreted as the action so that Maduro stops the usurpation of power and give way to the transitional government headed by Juan Guaidó and the election of a new government that will conduct Venezuela’s future.

It is the best exit plan for the Venezuelan nation because it will allow reconstruction with amnesty, without bloodshed and social fracture.

The United States uses the “nuclear option” to restore democracy in Venezuela.