

# Factsheet: The impact of sanctions on Venezuela



**Venezuela  
Solidarity  
Campaign**

The sanctions levied by the United States against Venezuela are illegal coercive measures designed to bring about 'regime change' and replace an elected government with a compliant administration posing no challenge to US economic and political interests in the region.

The sanctions began in 2015 in a limited way with the freezing of Venezuelan assets abroad and the cancellation of visas for various Venezuelan officials. But even those partial measures had an effect.

Loss of confidence meant that foreign companies started pulling out, disrupting supplies of essential goods. Foreign banks became reluctant to handle transactions involving Venezuela. It became impossible to repatriate dividends from Citgo Petroleum, the US-based subsidiary of Venezuela's oil company.

Then secondary sanctions were imposed by the USA on other countries – with penalties for any country daring to trade with Venezuela. Large quantities of Venezuelan funds have been seized by foreign banks, including €1.5 billion by Novo Banco, €453 million by Clearstream and £1.3 billion in gold by the Bank of England.

Under President Trump, the sanctions programme was ramped up into a blockade akin to that imposed against Cuba since the 1960s.

Crucially, the toughest sanction measures targeted the state-owned *Petróleos de Venezuela* (PDVSA) and its subsidiary CITGO, to disrupt Venezuela's reliance on oil exports. The effect was to cut PDVSA off from international markets and block it from servicing debt. The damage to the oil industry has cost Venezuela \$100 billion of revenue over the last five years.

## ***Criticism of impact of sanctions on Venezuelan people***

As the blockade tightened, the impact on the lives of ordinary Venezuelans, particularly the poor, the sick and the elderly, became devastating, with far-reaching effects. The Washington-based Centre for Economic and Policy Research calculated they led to more than 40,000 deaths in 2017-18 alone.

The sanctions's dire impact also attracted the UN's attention. In January 2019, Idriss Jazairy, the UN's special rapporteur on coercive measures' impact on human rights, voiced his major concerns about them: "coercion, whether military or economic, must never be used to seek a change in government in a sovereign state."

And two years later, UN human rights rapporteur Alena Douhan concluded from meetings with various Venezuelan sectors that "the sanctions and unilateral coercive measures applied by the United States and the European Union, as a deliberate tool to achieve regime change in Venezuela, flagrantly violate international law and all universal and regional human rights instruments."

The European Union's contribution to this policy of US aggression included, for example, an embargo on arms and various technological goods, and travel bans and/or asset freezes on around 55 officials.

The UK government also slavishly contributed to this agenda, in particular by blocking since 2018 Venezuela's access to 31 tons of its gold, deposited in the Bank of England and worth around \$2 billion, on the bogus grounds that President Maduro's elected government had no "democratic legitimacy".

Although Venezuela bitterly contested the Bank's refusal to release the funds, which would have helped it to tackle the Covid pandemic, the High Court ruled against it in July 2022. The Court's verdict was that control of the gold lay with US-backed opposition politician Juan Guaidó, who had declared himself 'interim president' of Venezuela in 2019 with no legal or constitutional justification.

Guaidó's record as "interim president" is one of repeated exposures for corruption, links to drug traffickers in Colombia, involvement in serial coup attempts and recurring calls to the military to oust Maduro. His standing among the opposition weakened as more moderate opposition parties broke with him to re-engage in electoral activity by participating in the December 2020 parliamentary elections, followed by extreme right opposition parties participating in the regional and local elections in November 2021.

This sidelining of Guaidó culminated in late December 2022 when the three largest Venezuelan opposition groups voted to eliminate his so-called "interim government", while continuing to fund its activities by setting up a five-person "Administration and Asset Protection Council" to manage funds drawn from Venezuelan state accounts that the US froze as part of the sanctions programme.

### ***Latest developments***

To date, Biden's policy has remained supporting Guaidó while promising to work with partner countries across the region "to exert pressure on the regime so the country can peacefully return to democracy."

But the current global energy crisis occasioned by the war in Ukraine has been shifting the US's ground. Faced with experiencing substantial hikes in gasoline and diesel prices following its ban on Russian oil imports, in March 2022 it approached the Maduro government with a view to buying oil to shore up its domestic market.

So far, progress in relieving sanctions on Venezuela has been minimal. In May, the US Treasury Department granted limited licences to Italy's Eni and Spain's Repsol to implement oil-for-debt swap deals with Caracas. In November, the US government granted Chevron a six-month licence to restart drilling and exporting Venezuelan crude oil, but with no benefit for Venezuela as the licence is drawn up to effectively block any profits going to the country. The licence also explicitly states that "other Venezuela-related sanctions and restrictions remain in place."

The US's economic aggression and destabilisation attempts against Venezuela remain deep-seated. Campaigning against US sanctions and the UK's continuing support for this drive to undermine Venezuela's national sovereignty remains a key priority for all parts of the solidarity movement here.

*Sign the statement against US sanctions and for normalised relations with Venezuela at [bit.ly/normaliserelationswithVenezuela](https://bit.ly/normaliserelationswithVenezuela)*