



JISPAR:

Jurnal Ilmu Sosial, Politik dan Pemerintahan (JISPAR)

2089-6123 (p) / 2684-9119 (e)

<https://ejournal.upr.ac.id/index.php/JISPAR/index>

From Blockade to Business: Trump's Strategy to Reclaim Venezuelan Energy Assets

Rizki Masyahbandi¹, Hafidz Ridha Try Sjahputra², Yunus Praja Panjika²

¹*Faculty of Political Science, Universitas PGRI Palangka Raya, Indonesia*

^{2,3}*Faculty of Political Science, Universitas Palangka Raya, Indonesia*

ARTICLE INFO

Article history:

Received

Received in revised form

Accepted

ABSTRACT

This article examines the shift in United States policy toward Venezuela's energy sector after the removal of Nicolás Maduro in January 2026, from the sanctions-centred "maximum pressure" approach of 2017–2024 toward a transactional, business-oriented strategy. Using qualitative document analysis of Executive Order 14373, OFAC General License 46, policy research, legal commentary, and media records, the study identifies three mechanisms: U.S. custody of oil revenues shielded from creditor attachment, conditional sanctions relief for established U.S. entities, and crude marketing through U.S.-designated intermediaries. These mechanisms have restarted exports and narrowed the space for Chinese and Russian actors, but they remain fragile: major investors consider the sector uninvestable without legal reform, the revenue mechanism raises unresolved questions of sovereignty and creditor rights, and the licenses can be revoked by future administrations. The article concludes that the approach is a transitional, executive-driven protectorate arrangement rather than a stable model of regional energy security.

Keywords: United States, Venezuela, oil sanctions, energy security, resource nationalism

¹ hafidzridha4@gmail.com

INTRODUCTION

Venezuela occupies an unusual position in the political economy of energy. The country holds the largest proven crude oil reserves in the world, concentrated mainly in the extra-heavy deposits of the Orinoco Belt, yet for more than a decade it has been better known for economic collapse, institutional decay, and political confrontation than for its productive capacity (Corrales & Penfold, 2015). This paradox is familiar from the literature on resource-dependent states, which shows how oil wealth can weaken institutions, entrench incumbents, and expose economies to volatile external shocks (Ross, 2012). In Venezuela, these structural vulnerabilities were compounded after 2017 by an escalating regime of United States sanctions.

Between 2017 and 2024, U.S. policy toward Venezuela relied primarily on economic coercion. Financial sanctions imposed in 2017 were followed in 2019 by the designation of *Petróleos de Venezuela, S.A. (PDVSA)* and by secondary sanctions risks for foreign firms operating in the oil sector, an approach widely described as “maximum pressure.” Empirical evidence indicates that these measures contributed substantially to the contraction of oil output, particularly among Orinoco joint ventures that had relied on international credit (Rodríguez, 2022). Yet the campaign did not achieve its central political objective of removing the incumbent government. Policy analysts have further argued that it pushed Venezuelan crude toward discounted sales to China, increased dependence on Iranian diluent, and deepened the role of Russian partners as Western firms withdrew (Tobin, 2025). These outcomes echo a broader debate on the limits of comprehensive sanctions, which tend to be least effective when their goals are most ambitious (Hufbauer et al., 2007; Drezner, 2021).

The political context changed abruptly in January 2026. Following the U.S. military operation of 3 January that removed Nicolás Maduro from power, Washington began to exercise an unusual degree of control over Venezuela’s oil exports, drawing on sanctions leverage and on cooperation with the interim authorities in Caracas led by Delcy Rodríguez (Brookings Institution, 2026). The administration framed its role largely in economic terms: it announced that the United States would take over the sale of 30 to 50 million barrels of previously sanctioned crude and urged U.S. oil companies to return to the country (Kim & Nikhinson, 2026). On 9 January 2026, President Trump signed Executive Order 14373, which places certain Venezuelan oil revenues in designated U.S. Treasury accounts and shields them from attachment and other judicial process (Executive Office of the President, 2026; Mayer Brown, 2026). On 29 January, the Office of Foreign Assets Control (OFAC) issued General License 46, authorizing established U.S. entities to engage in a range of transactions involving Venezuelan-origin oil under strict conditions (Office of Foreign Assets Control, 2026).

These measures suggest a shift from a policy that sought to deny the Venezuelan state access to oil revenue toward one that seeks to control how that revenue is generated, marketed, and spent. This article characterizes the shift as a move “from blockade to business.” The label captures two features of the new approach. First, it treats Venezuelan energy assets as an instrument of U.S. economic and security interests, consistent with a broader return of state-led energy policy in which governments, rather than markets, increasingly shape energy flows (Bordoff & O’Sullivan, 2022; Yergin, 2020). Second, it revives a hemispheric logic reminiscent of the Monroe Doctrine, in which limiting the presence of extra-regional powers in the Western Hemisphere is a central objective (Gilderhus, 2006).

Despite extensive media and legal commentary, academic analysis of this shift remains limited, largely because the relevant instruments are new and continue to evolve. Existing studies of Venezuela sanctions focus mainly on the 2017–2024 period and on the economic effects of coercion (Rodríguez, 2022; Tobin, 2025), while legal commentary on the 2026 instruments tends to address compliance questions for firms rather than their political meaning. This article addresses that gap by asking three questions: what policy instruments constitute the post-January 2026 U.S. strategy toward Venezuelan energy assets; what early outcomes these instruments have produced; and what legal, economic, and geopolitical risks may limit the strategy’s sustainability. It argues that the strategy is better understood as a transitional, executive-driven protectorate arrangement than as a durable framework for energy security.

METHODS

This study uses a qualitative, descriptive-analytical design based on document analysis. The approach suits the research questions because the object of analysis, namely a set of executive and regulatory instruments and the policy debates surrounding them, is primarily documentary, and because the policy is too recent for systematic quantitative evaluation.

Data were drawn from three categories of sources. Primary sources consist of official instruments, principally Executive Order 14373 as published in the Federal Register and OFAC General License 46, together with related OFAC general licenses. Secondary analytical sources include policy research and legal commentary that examine these instruments in detail (Anderson & Zerden, 2026; Baker Botts Venezuela Task Force, 2026; Brookings Institution, 2026; Mayer Brown, 2026). Contextual sources consist of reports by news agencies and commodity-market publications on oil sales, trading arrangements, and corporate responses (Kim & Nikhinson, 2026; Reuters, 2026; S&P Global Commodity Insights, 2026). Sources published between January and July 2026 were prioritized and complemented by scholarly literature on sanctions, resource politics, and energy geopolitics.

The analysis proceeded in three steps. First, the legal instruments were read closely to identify their scope, conditions, and exclusions, with particular attention to differences from the sanctions framework of 2017–2024. Second, the documents were coded thematically along three dimensions: a legal-financial dimension (revenue custody and creditor protection), a commercial dimension (authorized activities, market access, and trade flows), and a geopolitical dimension (the position of China, Russia, and other extra-regional actors). Third, findings were triangulated across source types to distinguish documented facts from official claims and from analysts' projections. Because the policy is still evolving and some figures, particularly production forecasts, come from secondary estimates, the findings should be read as an assessment of the strategy's design and early implementation rather than of its long-term outcomes.

RESULT AND DISCUSSIONS

From Maximum Pressure to Managed Market Access

The most visible change after January 2026 is not the removal of sanctions but their conversion into an instrument of management. The sanctions architecture built since 2017 remains formally in place; relief has come through general licenses that authorize specific conduct against otherwise broad prohibitions (Brookings Institution, 2026). This design allows Washington to open the oil sector selectively, to determine who may participate, and to attach conditions to each transaction.

General License 46 illustrates this logic. It authorizes established U.S. entities to engage in transactions ordinarily incident to the lifting, export, sale, storage, transportation, and refining of Venezuelan-origin oil, including dealings with the Government of Venezuela and PDVSA (Office of Foreign Assets Control, 2026). Its conditions are demanding: contracts must be governed by U.S. law with dispute resolution in the United States, payments to blocked parties must be made into accounts designated by the U.S. Treasury, and participants are subject to reporting obligations and to exclusions concerning parties connected to specified countries of concern (Baker Botts Venezuela Task Force, 2026; Diaz Reus, 2026). Importantly, the license does not by itself authorize upstream activities such as exploration, drilling, or new production, which still require specific licenses (King & Spalding, 2026). The framework is therefore narrower than political rhetoric about "reopening" Venezuela suggests: it liberalizes the marketing and processing of existing output far more than it liberalizes investment in new capacity. Subsequent licenses covering diluent imports and service providers address some of the technical bottlenecks of Venezuela's extra-heavy crude, but they follow the same conditional, revenue-channelling logic (Brookings Institution, 2026).

Restarting Exports through Designated Intermediaries

The immediate objective of the new framework was to move crude that had accumulated under the embargo. After Washington and Caracas agreed to export some 30 to 50 million barrels, the trading houses Vitol and Trafigura were tapped to provide marketing and logistics services for these sales (Reuters, 2026; S&P Global Commodity Insights, 2026). Early cargoes were placed with refiners in the United States and in Europe, including Spain's Repsol and Italy's Saras refinery (Reuters, 2026). By late January, U.S. officials reported that authorized traders had marketed about USD 500 million worth of Venezuelan oil, and tanker-tracking data indicated that roughly half of the crude exported that month was bound for the United States (S&P Global Commodity Insights, 2026).

Two observations follow. First, the early phase relied on intermediaries selected by the U.S. government rather than on open market competition; the Secretary of State described the arrangement with the trading houses as a short-term measure to avoid production shut-ins and to raise revenue quickly (S&P Global Commodity Insights, 2026). Second, the redirection of trade was significant but partial. Flows shifted away from the opaque channels to Asian buyers that characterized the sanctions era (Tobin, 2025), yet they were not confined to the U.S. Gulf Coast. The strategy is therefore better described as returning Venezuelan crude to regulated Western markets under U.S. supervision than as an exclusive "Americanization" of Venezuelan output.

Prospects for a larger production recovery remain uncertain. Restoring idle wells, power supply, and diluent imports can raise output in the short term, but sustained growth in the Orinoco Belt requires capital-intensive upgrading, years of rehabilitation, and stable contractual terms (Brookings Institution, 2026; Rodríguez, 2022). Production forecasts circulating in 2026 should therefore be treated as scenarios rather than as demonstrated results of the policy.

Narrowing the Space for Extra-Regional Rivals

The geopolitical dimension of the strategy is explicit. During the sanctions era, China became the main destination of Venezuelan crude, often through discounted sales, while Russian and Iranian partners supplied finance, diluent, and services (Tobin, 2025). The 2026 framework reverses this pattern by tying access to Venezuelan oil to U.S. licensing conditions, U.S.-law contracts, and U.S.-controlled payment channels. Participation thus becomes conditional on alignment with Washington, and the operational space of Chinese and Russian actors narrows without formal expropriation. In this sense, the strategy is an economic expression of the hemispheric exclusion historically associated with the Monroe Doctrine (Gilderhus, 2006), and it illustrates the broader trend in which governments use energy markets as instruments of strategic competition (Bordoff & O'Sullivan, 2022).

This exclusion is not costless, however. Venezuela continues to owe substantial sums to Chinese and Russian creditors from the Maduro era, and these claims do not disappear when trade flows are redirected (Brookings Institution, 2026). Any eventual debt settlement will have to address them, which means that the geopolitical contest over Venezuela is likely to move from the oil terminal to the negotiating table rather than end.

The Uninvestability Paradox

The most significant constraint on the strategy lies in private investment. At a White House meeting with oil executives on 9 January 2026, ExxonMobil chief executive Darren Woods stated that, under the legal and commercial frameworks then in place, Venezuela was “uninvestable,” recalling that the company’s assets in the country had been seized twice (Kim & Nikhinson, 2026). The President responded publicly that he was inclined to keep ExxonMobil out of Venezuela (Kim & Nikhinson, 2026). The exchange captures a structural tension. The administration needs private capital to rebuild the sector, but private firms assess political and legal risk over decades, whereas the current framework rests on executive orders and revocable licenses. Threatening to exclude reluctant firms points toward a form of state-directed capitalism in which commercial access depends on political alignment with the incumbent administration. Such an approach may secure short-term compliance, but it does little to lower the long-term risk premium that deters investment.

Revenue Custody, Sovereignty, and Creditor Rights

Executive Order 14373 forms the legal core of the strategy. It declares a national emergency and protects Venezuelan oil revenues held in designated Treasury accounts from attachment, garnishment, and other judicial process, while prohibiting dealings in those funds unless expressly authorized (Mayer Brown, 2026). The order draws on earlier precedents, notably the 2003 order protecting the Development Fund for Iraq and the 2022 order concerning assets of Da Afghanistan Bank. Unlike those precedents, however, the Venezuelan mechanism holds the funds in U.S. Treasury accounts without an international layer such as a United Nations Security Council mandate (Brookings Institution, 2026).

This design raises three issues. First, it affects a large and heterogeneous group of creditors: Venezuela’s bond debt alone is estimated at USD 60–80 billion, in addition to bilateral loans, arbitration awards arising from past expropriations, and commercial claims (Brookings Institution, 2026). Shielding revenues may give Venezuela breathing space for reconstruction, but it also suspends creditors’ enforcement options without a defined restructuring process. Second, implementation has been inconsistent: the first USD 500 million transaction was routed through an account in Qatar rather than through the Treasury mechanism, prompting congressional questions about authority and oversight (Brookings Institution, 2026; S&P Global Commodity Insights, 2026). Third, the arrangement involves interim authorities that Washington does not formally recognize, which complicates the

question of who may consent to the use of Venezuelan public funds (Anderson & Zerden, 2026; Brookings Institution, 2026). The legal limits also extend to trade measures: after the U.S. Supreme Court held in *Learning Resources, Inc. v. Trump* that the International Emergency Economic Powers Act does not authorize tariffs, the legal basis for secondary tariffs on importers of Venezuelan oil became doubtful (Brookings Institution, 2026). Whether the escrow-style mechanism serves as a protective shield for reconstruction or as a precedent for unilateral control over another state’s resources therefore remains contested.

Heavy Oil in an Energy Transition

A final risk concerns the economics of the resource itself. Much of Venezuela’s reserve base consists of extra-heavy crude that requires diluent, upgrading, and substantial energy inputs to produce and transport. Such resources are among the most exposed to prolonged periods of low prices and to tighter climate policies as the global energy transition advances (Bordoff & O’Sullivan, 2022; Yergin, 2020). A strategy premised on the long-term value of Venezuelan reserves therefore carries a market risk that is independent of politics: even a stable legal framework may fail to attract the required investment if expected returns on heavy oil decline.

Table 1 summarizes the principal differences between the two policy phases discussed above.

Table 1. Comparison of U.S. Policy Instruments toward Venezuelan Energy Assets

Dimension	Blockade phase (2017–2024)	Business phase (2026)
Primary instrument	Sectoral and secondary sanctions; designation of PDVSA	Conditional general licenses (e.g., GL 46) within the retained sanctions framework
Control of oil revenue	Largely beyond U.S. reach; sales through opaque channels	Proceeds directed to U.S.-designated accounts protected by EO 14373
Access for U.S. firms	Largely prohibited, with limited specific licenses	Lifting, marketing, and refining authorized for established U.S. entities; upstream activity still requires specific licenses
Main export destinations	China, often at a discount	United States, Europe, and other markets through U.S.-designated traders
Position of China and Russia	Key buyers, financiers, and partners	Operational space narrowed by licensing and payment conditions
Principal risks	Humanitarian costs; strengthened position of rival powers	Investor scepticism; legal challenges; dependence on executive action

Source: Authors’ compilation from Rodríguez (2022), Tobin (2025), Executive Office of the President (2026), Office of Foreign Assets Control (2026), and Brookings Institution (2026).

Taken together, the findings show that the “business” phase has restarted exports and reasserted U.S. control over revenue and market access. Its long-term success, however, depends on whether these arrangements can move from executive enforcement toward a rule-based and durable framework negotiated with legitimate Venezuelan institutions.

CONCLUSION

This article has examined the shift in U.S. policy toward Venezuelan energy assets after January 2026. The analysis shows that the second Trump administration has replaced a strategy of denial with one of managed access. Rather than dismantling sanctions, it has converted them into a licensing system that determines who may trade Venezuelan oil, on what terms, and where the proceeds go. Executive Order 14373 and General License 46 form the core of this system, supported by U.S.-designated intermediaries for the marketing of crude.

In the short term, the strategy has achieved several of its stated aims: exports of accumulated crude resumed, revenue flows came under U.S. supervision, and the space available to Chinese and Russian actors narrowed. These outcomes, however, rest on executive instruments that a future administration can revoke, on a revenue mechanism whose legal basis and accountability remain contested, and on an investment climate that the largest U.S. oil company has publicly described as inadequate. Claims that the strategy will stabilize the Venezuelan economy or reduce outward migration also remain untested. The strategy is therefore best understood as a transitional protectorate arrangement rather than a stable model of regional energy security.

Several recommendations follow. For policymakers, a durable recovery of Venezuela's oil sector would require moving from executive orders toward institutionalized arrangements, including a transparent framework for revenue management, an orderly process for sovereign debt restructuring, and legal reforms negotiated with legitimate Venezuelan institutions. For future research, the evolving nature of the policy calls for follow-up studies using production and trade data once a longer time series is available, comparative analysis with earlier revenue-protection regimes such as that of Iraq, and closer attention to the domestic politics of the Venezuelan transition, including the perspectives of citizens, workers, and communities affected by the oil sector.

REFERENCES

- Anderson, S. R., & Zerden, A. (2026, February 2). Unpacking the Trump administration's plans for Venezuela's oil revenue. *Lawfare*. <https://www.lawfaremedia.org/article/unpacking-the-trump-administration-s-plans-for-venezuela-s-oil-revenue>
- Baker Botts Venezuela Task Force. (2026, February 4). *OFAC issues General License 46*. Mondaq. <https://www.mondaq.com/unitedstates/export-controls-trade-investment-sanctions/1740276/ofac-issues-general-license-46>
- Bordoff, J., & O'Sullivan, M. L. (2022). The new energy order: How governments will transform energy markets. *Foreign Affairs*, 101(4).
- Brookings Institution. (2026, July 14). *Managing Venezuela's oil revenue, sovereign debt, and economic rehabilitation* (Session 48 of the Congressional Study Group on Foreign Relations

- and National Security). <https://www.brookings.edu/articles/managing-venezuelas-oil-revenue-sovereign-debt-and-economic-rehabilitation/>
- Corrales, J., & Penfold, M. (2015). *Dragon in the tropics: The legacy of Hugo Chávez* (2nd ed.). Brookings Institution Press.
- Diaz Reus. (2026). *OFAC issues Venezuela-related General License 46, "Authorizing certain activities involving Venezuelan-origin oil."* <https://diazreus.com/ofac-issues-venezuela-related-general-license-46-authorizing-certain-activities-involving-venezuelan-origin-oil/>
- Drezner, D. W. (2021). The United States of sanctions: The use and abuse of economic coercion. *Foreign Affairs*, 100(5), 142–154.
- Executive Office of the President. (2026). Executive Order 14373 of January 9, 2026: Safeguarding Venezuelan oil revenue for the good of the American and Venezuelan people. *Federal Register* (FR Doc. 2026-00831, published January 15, 2026). <https://www.govinfo.gov/content/pkg/FR-2026-01-15/pdf/2026-00831.pdf>
- Gilderhus, M. T. (2006). The Monroe Doctrine: Meanings and implications. *Presidential Studies Quarterly*, 36(1), 5–16.
- Hufbauer, G. C., Schott, J. J., Elliott, K. A., & Oegg, B. (2007). *Economic sanctions reconsidered* (3rd ed.). Peterson Institute for International Economics.
- Kim, S. M., & Nikhinson, J. (2026, January 11). Trump 'inclined' to keep ExxonMobil out of Venezuela after CEO response at White House meeting. *Associated Press*. <https://abcnews.go.com/Business/wireStory/trump-inclined-exxonmobil-venezuela-after-ceo-response-white-129113591>
- King & Spalding. (2026). *U.S. government issues general license authorizing transactions involving Venezuelan oil*. <https://www.kslaw.com/Insights/Articles/us-government-issues-general-license-authorizing-transactions-involving-venezuelan-oil>
- Mayer Brown. (2026, January 16). *New executive order shields Venezuelan oil revenue in US government custody*. <https://www.mayerbrown.com/en/insights/publications/2026/01/new-executive-order-shields-venezuelan-oil-revenue-in-us-government-custody>
- Office of Foreign Assets Control. (2026, January 29). *Venezuela General License No. 46: Authorizing certain activities involving Venezuelan-origin oil*. U.S. Department of the Treasury. <https://home.treasury.gov/policy-issues/financial-sanctions/recent-actions>
- Reuters. (2026, January 22). *Trafigura sells first Venezuelan crude under U.S.–Venezuela supply deal*. *Pipeline & Gas Journal*. <https://pgjonline.com/news/2026/january/trafigura-sells-first-venezuelan-crude-under-us-venezuela-supply-deal>
- Rodríguez, F. (2022). Sanctions and oil production: Evidence from Venezuela's Orinoco Basin. *Latin American Economic Review*, 31, Article 6.
- Ross, M. L. (2012). *The oil curse: How petroleum wealth shapes the development of nations*. Princeton University Press.
- S&P Global Commodity Insights. (2026, January 28). *US Secretary of State reassures lawmakers on process to market Venezuelan oil*. <https://www.spglobal.com/energy/en/news-research/latest-news/crude-oil/012826-us-secretary-of-state-reassures-lawmakers-on-process-to-market-venezuelan-oil>
- Tobin, W. (2025, January 23). 'Maximum pressure' sanctions on Venezuela help US adversaries, hurt Venezuelans [Issue brief]. Atlantic Council. <https://www.atlanticcouncil.org/in-depth-research-reports/issue-brief/maximum-pressure-sanctions-on-venezuela-help-us-adversaries-hurt-venezuelans/>

Yergin, D. (2020). *The new map: Energy, climate, and the clash of nations*. Penguin Press.