US sanctions and “secondary tariffs” begin to shut down Venezuela’s oil sector

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Starting on April 2, according to a White House directive, any country that produces or buys Venezuelan oil directly or through third parties will face 25 percent tariffs on all goods imported into the United States, potentially for a year after the last recorded purchase.

The secondary tariffs are part of an executive order signed by US President Donald Trump on March 24. Only four days after the *Wall Street Journal* reported that officials were considering lobbying efforts by US oil giant Chevron to extend its license to operate in Venezuela, the order came as a shock to analysts, with global oil prices increasing about 1 percent after the announcement.

The most drastic consequences will be for China, which is currently the largest buyer of Venezuelan oil. Existing US tariffs on China—the world’s two largest economies—would increase from 20 to 45 percent, which could further destabilize supply chains globally.

The stated aim of the order is to “sever the financial lifelines” to the government of President Nicolás Maduro to provoke its downfall. But the executive order claims in the most unambiguous terms to date that the United States is fighting an armed invasion launched by the Venezuelan government itself.

“The Maduro regime aided and facilitated the influx of Tren de Aragua members into the United States during the prior administration by failing to control its borders, permitting the gang’s operations to flourish within Venezuela, and refusing to take action against its members, thereby exacerbating the illegal immigration crisis,” the order says.

Trump had designated the Venezuelan gang Tren de Aragua as a “foreign terrorist organization” and used it as a pretext to invoke the Alien Enemies Act, destroying any semblance of legality in its mass deportation campaign.

Secretary of State Marco Rubio, who will be in charge of selecting the countries targeted for tariffs, summed up the order on X: “Any country that allows its companies to produce, extract, or export from Venezuela will be subject to new tariffs, and any companies will be subject to sanctions.”

The economic war against the Venezuelan government carries with it a direct threat of military aggression.

Last Thursday, Rubio traveled to Guyana, a tiny country half of whose claimed territory has been historically disputed by Venezuela. There, Rubio threatened: “It would be a very bad day for the Venezuelan regime if it attacked Guayana [sic] or ExxonMobil.”

This follows the announcement by Caracas that it will organize local elections within the disputed territory of Esequibo. In early March, a Venezuelan Navy ship reportedly sailed near the major offshore oil rigs managed by ExxonMobil in the disputed waters.

The threat of tariffs comes after the removal of all licenses granted to specific foreign firms to produce and trade Venezuelan oil. The deadline for Chevron, the company with the largest operation in Venezuela, to leave the country was extended to May 27.

The Maduro government has denounced the sanctions as “illegal” for violating international trade rules and a “desperate” attempt to underpin theVenezuelan fascistic right.

Maduro has made the case that Tren de Aragua is essentially defunct and was in the past used by the right-wing opposition. Today it is being invoked as a pretext for the mass deportation of Venezuelan migrants. The Maduro administration has also denounced the deportation of about 238 Venezuelan migrants to the socalled Terrorism Containment Center in El Salvador, a concentration camp overseen by fascistic President Nayib Bukele.

A Chinese Foreign Ministry spokesperson said: “We urge the United States to cease its interference in Venezuela’s internal affairs and to abolish the unlawful unilateral sanctions on the country.”

The announcement of the renewed sanctions and tariffs is immediately worsening Venezuela’s already devastating humanitarian catastrophe. More than seven million Venezuelans, nearly a third of the population, has left, and tens of thousands have died due to the social crisis caused chiefly by US sanctions.

The sanctions regime was first launched in March 2015, when President Barack Obama declared Caracas a “threat to the national security and foreign policy of the United States”. It was sharply intensified under the Trump administration’s “maximum pressure” campaign in 2017.

UN special rapporteur Alfred de Zayas warned as early as 2019 that US sanctions were “comparable with medieval sieges of towns” and could amount to “crimes against humanity” under international law.

The new measures would represent the most aggressive “medieval siege” of the Venezuelan economy thus far, demonstrating a willingness to inflict mass suffering and death on a scale comparable to the US-Israeli genocide in Gaza.

This course will imminently provoke a renewed exodus out of the country. Far from seeking to avoid such a prospect at a time when migrant arrivals to US borders have dropped to historic lows, the Trump administration sees millions of US-bound migrants as a necessary prop for its fraudulent migrant “invasion” narrative, which the would-be US Führer has used to justify massive attacks on democratic rights and threats of military aggression abroad.

The strategic imperative for the Trump administration, however, is securing its hegemony over the hemisphere and its resources as it prepares to escalate its war preparations against China.

Last week, Reuters reported that the loading of crude oil at Venezuela’s main ports slowed down, while all oil shipments to China have been suspended.

Indian firm Reliance Industries said it would halt its purchase of Venezuelan oil to avoid U.S. sanctions.

Several European countries, including Italy and France, whose firms have been trading Venezuelan oil, would also be affected by the tariffs.

For its part, Chevron, which is responsible for about a fourth of Venezuelan oil production, has already announced its departure from the country and is reducing its tanker fleet in Venezuela. The state oil firm PDVSA has grown reliant on Chevron for technical equipment and personnel for its operations and maintenance.

The informal dollar exchange rate, which is more accurate, has dropped about a third since the announcement of sanctions, its worse depreciation in four years. Prices for staple goods have begun to increase according to several local media reports.

Caracas announced a six-week plan to reduce electricity consumption amid daily power cuts of up to eight hours in western states.

Renewed sanctions have provoked divisions in the right-wing opposition camp, which fears becoming even more unpopular. However, the dominant faction led by CIA “asset” María Corina Machado and her surrogate presidential candidate Edmundo González Urrutia has aligned itself behind the Trump administration’s actions, hoping that it offers a shortcut to being installed as a US puppet regime.

The Maduro administration offers no alternative and has no response other than appealing to US imperialism, even collaborating with Trump’s deportation campaign by sending several Venezuelan aircraft to pick up deportees, initially in Texas and now in Honduras. As a representative of a faction of the capitalist ruling elite and relying on the support of the military brass, Maduro will continue to place the economic weight of the crisis on the shoulders of the working class and use police state measures to crack down on social unrest from below.