

Venezuela not budging on Dragon

Adopts wait-and-see approach; suggests T&T, US need to stop insults



US Secretary of State Marco Rubio, right, and Prime Minister Kamla Persad-Bissessar shake hands at the end of their meeting in Washington DC, on Tuesday. AP PHOTO

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Venezuela is not budging and instead adopting a wait-and-see approach following Monday's announcement of the reincarnation of the Dragon gas deal with Trinidad and Tobago. Well-placed sources in the Nicolás Maduro administration told Guardian Media yesterday that the recent rhetoric by both T&T and the United States against Venezuela has been insulting. The sources said a different approach is required from both nations in order for the Maduro regime to change its current stance in order for any deal to go forward.

Sources also pointed to two recent injunctions issued by Justice Frank Seepersad in the T&T High Court which suggest that proceeds from the Dragon gas deal will go directly to US energy company ConocoPhillips and its subsidiaries and not to Venezuela. They are, therefore, questioning what benefit Caracas will get out of any deal.

ConocoPhillips and its subsidiaries brought the arbitration proceedings after the Venezuelan government expropriated its extra-heavy crude oil extraction facilities in the Orinoco Oil Belt between 2004 and 2007.

ConocoPhillips and its subsidiary companies claimed they were unlawfully dispossessed and that PDVSA was liable to partially indemnify them against the action taken by the then-government.

In 2019, the ICSID upheld its claim and ordered US\$8.5 billion plus interest in damages. Venezuela was also ordered to reimburse the company's \$6.46 million in legal fees and \$1.35 million in other court costs.

Ultimately, however, sources said Venezuela will also need to read the terms and conditions of the US Office of Foreign Assets Control (OFAC) licences to be issued ahead before it can make any real decision on the way forward.

The Maduro administration is yet to release any official statements on the development.

However, there was a mixed response across the media in Venezuela yesterday to the latest announcement from Rubio, following his meeting with Prime Minister Kamla Persad-Bissessar in Washington on Tuesday.

The conservative and pro-opposition Venezuelan newspaper, El Nacional, reported that while T&T could enter negotiations that will enable it to exploit the cross-border gas reserves, the arrangement will prevent the Venezuelan government from benefiting in any major way.

"The ultimate goal of the sanctions, which restrict Venezuela's exports and access to foreign currency, is clear: to prevent joint or cross-border energy projects from ultimately providing revenue to the Maduro Government," El Nacional's report said.

Pro-government journalists and media houses in Venezuela took a different stance.

Senior Venezuelan journalist at the Caracas-based regional media house Telesur, Madelein García, wrote on her Instagram page: "What a shame. Trinidad and Tobago protected by Marco Rubio and one should wonder too: Marco Rubio succumbed or cashed out?"

Reacting to the news, Venezuelanalysis, an English-speaking website which brings daily news out of Venezuela on its X account, stated: "So... back in business? The US Government is reportedly allowing the Venezuela-Trinidad Dragón field offshore natural gas project to resume, having revoked a licence a few months ago. The project is to be operated by Shell... At the same time, the impact of sanctions is quite clear in this project, as Venezuela's PDVSA is not a shareholder. Shares are split between Shell and Trinidad's National Gas Company (NGC)."

Online Venezuelan commentators also reflected how the issue has divided the nation.

One commenter on Madelein García's Instagram post wrote: "If they want gas, they should recognise Nicolás Maduro as the constitutional president, but we should not do business with Trinidad either."

Another online commentator posted: "Venezuela must analyse well that alliance... It has already been proven that Trinidad and Tobago is an enemy of the Venezuelan homeland."

Another wrote: “Trinidad needs our energy, that’s their problem.

But they have to pay for it.”

Venezuela Vice President Delcy Rodríguez, who is also the Energy Minister, spoke at an OPEC meeting on the oil and gas sector yesterday, but the state-run TV station, VTV, did not report on her making any comment on the latest development out of T&T.

In April, the Donald Trump administration revoked the licence that was supposed to allow T&T’s NGC to exploit the Dragón field in Venezuelan waters to export Liquefied Natural Gas (LNG).

Upon assuming office on May 1, Prime Minister Persad-Bissessar had declared that the Dragón project, which had been delayed for years due to Washington’s sanctions, “dead” and instead said T&T would strengthen energy relations with Guyana, Grenada and Suriname. On Tuesday, however, she hailed the announcement by Rubio as good news for T&T’s energy sector.