TRUMP’S VENEZUELA TAKEOVER IS A BLOW AGAINST XI IN THE NEW GLOBAL RESOURCE WAR

President Trump’s push to take control of Venezuela and its oil resources under Operation Absolute Resolve is good news for the United States and Europe, and bad news for Cuba, Russia, China, and Iran.

Venezuela, once celebrated as Tierra de Gracia – the Land of Grace – stands as one of the most striking examples of economic self-sabotage in modern history. Despite holding the world’s largest proven oil reserves – over 300 billion barrels – and roughly 73pc of South America’s natural gas, the country’s production has collapsed from more than three million barrels per day in 1999 to under one million today. Natural gas output has halved since the early 2000s.

This decline is not due to geology but governance. Beginning under socialist president Hugo Chávez and accelerating under his successor, Nicolás Maduro, Venezuela dismantled the foundations of a functioning energy economy. Expropriation of foreign assets, chronic underinvestment, and systemic corruption gutted production.

Western firms such as Royal Dutch Shell and ExxonMobil were forced out, effectively replaced by Russian-linked firms and Chinese giants like the China National Petroleum Corporation, deepening foreign influence in the hemisphere and undermining US energy security.

Venezuelan output continued to fall, exposing consumers to higher prices. The collapse of the country’s economy also fueled mass migration and created openings for transnational criminal networks, turning a once-stable energy exporter into a source of regional and international

instability.

These failures reverberated far beyond Venezuela's borders, harming US allies, bolstering US opponents, and contributing to humanitarian crises.

President Trump's push to restore US influence over Venezuelan oil resources sends a clear message to Cuba, Russia, China, and Iran: America is reclaiming strategic ground. This will benefit not only America but its allies.

It matters because the world is entering an era of unprecedented energy demand driven by artificial intelligence, data centres, and digital infrastructure. Reliable, affordable energy is now a prerequisite for technological leadership. Nations that fail to secure supply will fall behind.

China currently receives the majority of Venezuela's crude exports. While these barrels represent a small fraction of China's total imports, they provide Beijing with strategic flexibility. US leverage over Venezuelan exports could disrupt that advantage, limiting China's ability to secure discounted crude and reinforcing America's position in global energy markets.

This shift also weakens China's broader resource strategy in South America, where it is seeking critical minerals for electric vehicles and AI technologies.

But the ripple effects extend beyond China:

- Cuba, which traded security services, arms, and doctors for Venezuelan oil, will lose a key lifeline.
- Iran's regime faces diminished influence as its ally falters, and US actions to remove Maduro may well bolster the current protests against the mullahs.
- Russia, reliant on oil revenues to fund military operations, will suffer if expanded Venezuelan output pushes prices lower.

So Operation Absolute Resolve signals a broader geopolitical realignment, one that strengthens relatively new pro-US governments in Chile, Honduras, Bolivia, Argentina, and El Salvador, while curbing Chinese and Russian influence in the region.

There will, of course, be economic opportunities. Among the big winners are likely to be US refiners, optimised for heavy crude like Venezuela's, which stand to regain flexibility and

competitiveness. For decades, Venezuelan crude was a natural fit for this US industry. Its removal narrowed options and raised costs. Restoring that flow would be a game-changer.

However, energy dominance is not just about producing more at home. It’s about shaping global supply chains to reinforce US interests – both economic and geopolitical.

Economically, a reformed Venezuelan oil sector, integrated into a market-based system, could expand global supply, stabilise prices, and reduce the leverage of adversarial producers, while helping the United States to power an AI-driven economy.

Strategically, expanded oil output will lower global energy costs, strengthen US friends such as the UK and Europe, and fuel future infrastructure.

So ending Venezuela’s socialist regime is not only a victory for Western democracies and Venezuelans, but for global stability and technological leadership in the 21st century.

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