







further, to less than 400,000 bpd in mid-2020. Production recovered, nearing 800,000 bpd in late 2021, but once Venezuela ran out of spare production capacity, further increases did not materialize until Chevron started to invest in late 2022.

### **A Lifeline from Washington?**

Since the United States loosened sanctions on Venezuela, Chevron has been the most relevant player, responsible for more than 80% of increased production over the last two years. The rest of the production increase largely happened in Chinese and Russian extra-heavy oil joint ventures. This is in part

fresh capital. There are other minor Canadian and European companies that have recently signed deals with PDVSA, but they are going to yield even smaller increases in output (even if they get licenses). The problem is that few are willing to risk significant amounts of fresh capital, before generating any revenues, in a country with a shaky institutional framework, an unreliable partner, and few guarantees of repayment.

The only two partners of PDVSA with substantial production (combined adding to Chevron's) are the Chinese and Russian national oil companies. Like Chevron, they could use the cashflow of their projects to reinvest, without risking new capital, but they are unlikely to

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