

Venezuela Imports First Diesel Cargo In Six Months

Venezuela welcomed this week its first diesel cargo since November 2020, a fuel that the country sitting atop the world's largest oil reserves has been forced to ration, similar to gasoline. The oil products tanker Bueno arrived on Sunday near the Amuay port of Venezuela, Reuters reported on Thursday, quoting sources and shipping documents.

The tanker, carrying nearly 500,000 barrels of diesel, began discharging the fuel on Monday. Bueno departed from Fujairah in the United Arab Emirates (UAE) in the middle of last month, passed the Suez Canal earlier this month, and then turned off its transponder, while Lome in Togo is entered as a final destination, according to MarineTraffic.

It wasn't immediately clear who provided the diesel cargo, Reuters noted.

The U.S. sanctions on Venezuela, the recession, hyperinflation, and the years of underinvestment and mismanagement in the oil industry have resulted in acute fuel shortages in the country in recent years, although this country holds the world's largest crude oil reserves, larger than those of Saudi Arabia.

Until the fourth quarter of 2020, the United States allowed crude-for-diesel swaps under which Venezuela was obtaining the fuel needed for agriculture and trucking. But the Trump administration tightened the screws on the regime in Q4 2020 and banned the crude-for-diesel swaps.

This resulted in shortages and paralyzed the agricultural sector in Venezuela, which continues to struggle with a deep recession and hyperinflation. The government of Nicolas Maduro started to ration diesel in Q4 when the crude-for-diesel swaps were banned.

Ahead of President Biden's inauguration in January, officials from fuel suppliers to Venezuela said they planned to call on the new Administration to reverse the ban on the crude-for-fuel deals.

Earlier this month, Brian Nichols, nominee for assistant secretary of state for the western hemisphere, said at the Senate Foreign Relations Committee, as carried by Argus, that the Administration doesn't plan to either ease the sanctions on

Venezuela or allow the crude-for-diesel trade soon.

By Charles Kennedy for Oilprice.com

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