



The Daily Dish

Venezuela Petroleum and the Facts

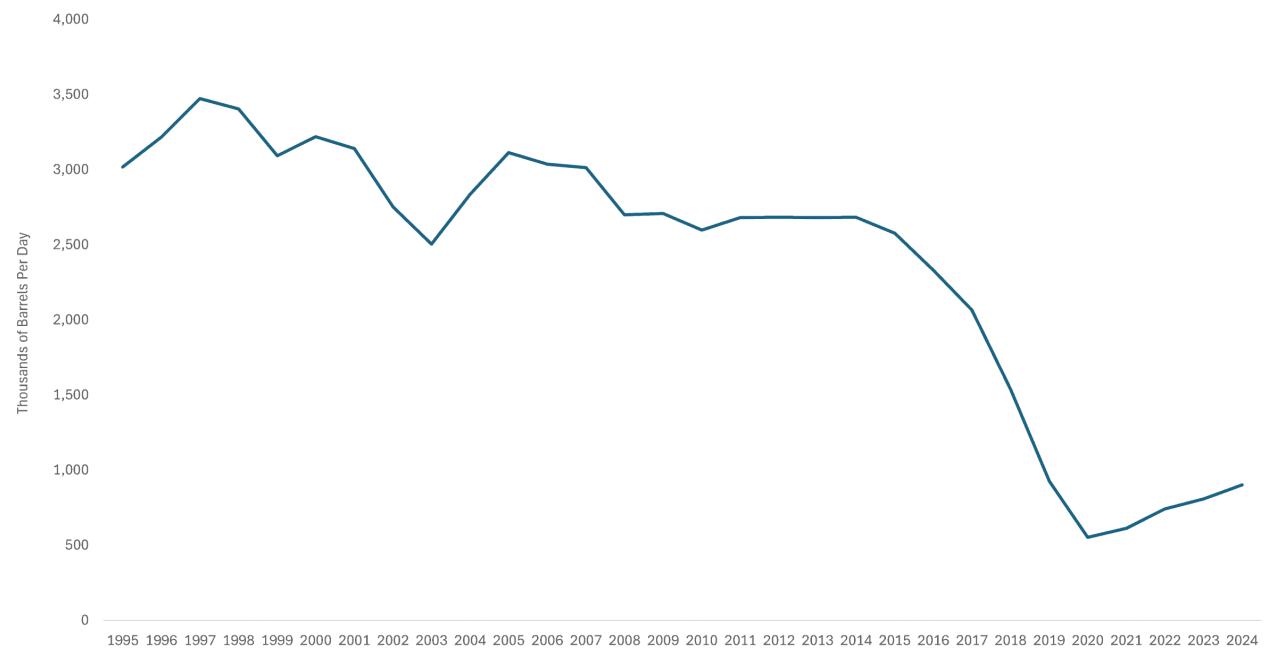
DOUGLAS HOLTZ-EAKIN | JANUARY 8, 2026

In the daily whirl of announcements, speculation, assertion, aspiration, hyperbole, and misstatements about Venezuela and oil, it is helpful to have some facts. So it is especially useful that Shuting Pomerleau has delivered "[President Trump Wants Investments in Venezuelan Oil: What Are the Challenges?](#)" It nicely navigates through the "potential challenges to investment including uncertainty in political stability, muted appetite of global oil markets, the country's deteriorating infrastructure, and the world's transition to clean energy." Very timely, indeed.

There are a number of conclusions, but one stands out: Nothing happens fast. (Her version is "it is unlikely that Venezuelan oil production and exports will recover significantly over the short term.") See the paper for more details.

As is now widely appreciated, there is a big difference between oil reserves in Venezuela (among the world's largest) and its aging and undermaintained oil infrastructure. Venezuela's crude oil production has dropped substantially from about 3.5 million barrels per day in 1997 to 0.9 million in 2024.

Figure 1. Venezuela's Annual Total Petroleum Production



Reversing this decline will require enormous infrastructure investments in a very unstable political environment. It is unlikely that U.S. petroleum companies would be interested in such a venture. President Trump has mentioned reimbursing U.S. firms for the cost of Venezuelan investments; that would be unprecedented.

Indeed, the president's focus on the oil industry at the expense of a plan for the transition to sustainable governance for Venezuela is reminiscent of the chatter that surrounded Iraqi oil after the U.S. invasion. Now, as then, a path to sustainable regime change is necessary to reduce the political instability that must be reduced to engender investments in oil infrastructure. Skipping the former will guarantee that Venezuela never sees the latter.