In Depth

Asian Investment in Venezuela
During a tour of Japan, South Korea, and China in late April, Venezuela’s energy and petroleum minister and president of state petroleum company Petróleos de Venezuela S.A. (PDVSA) Rafael Ramírez signed deals bringing investments of US$13.95 billion to the Orinoco oil belt, one of the largest oil reserves in the world.

The Japan Bank for International Cooperation will loan $1 billion to expand a refinery and provide petroleum goods and services. Four South Korean engineering and construction companies will invest $12.3 billion to build an oil pipeline and refinery, storage and shipment terminals, capacity-boosting systems, and a coke-fired power plant. In China, Ramírez attended the groundbreaking ceremony of the first of three oil refineries that will process 800,000 barrels per day of heavy crude from the belt. The refineries are part of a joint venture between PDVSA and China National Petroleum Corporation worth $8.3 billion. Before the tour, Venezuela agreed to supply 8 million barrels of crude oil per year to Vietnam and build oil cargo vessels in Vietnam.

PetroMacareo, a joint venture between PDVSA and state-owned PetroVietnam, began pumping oil last month in the Orinoco region.

PDVSA plans to invest $236 billion, including $44.73 billion from international partners, to increase oil production to 6 million barrels of oil per day (MBD) by 2019. These new investments stand in contrast to mishandling of Venezuela’s energy sector throughout the Hugo Chávez administration resulting in a production decline from 3.4 MBD in 1998 to 2.9 MBD last year. Venezuela can leverage this new cash by ending subsidized oil exports to political allies and curbing corruption. —Sebastian Arandia

In the News

Central America
The Central American Security Commission under the Central American Integration System (SICA) met in Honduras on May 3 and announced that its first six security projects will be implemented this month, funded by a US$80 million grant from Spain and the European Union. Ideally, the funds will help professionalize police, strengthen public defenders and criminal investigation, and improve prison management. —El Heraldo (Honduras)

El Salvador
El Salvador’s two largest gangs, Barrio 18 and Mara Salvatrucha (MS-13), expanded upon their truce by declaring schools to be “off limits,” or no longer disputed territory. Moreover, they agreed to terminate involuntary (more→)
recruitment of youths and young adults. The news came in the form of a communique read before local and international journalists at El Salvador’s Libertad prison in Quetzaltenango. Gang members expressed appreciation to Bishop Fabio Colindres and FMLN deputy Raúl Mijango for their role in mediation. —El Faro (El Salvador)

Caribbean: Dominican Republic

Among the list of electoral observers that civil society group Participación Ciudadana gave to the government’s Central Electoral Commission, 188 out of the 3,805 inscribed had previous criminal charges. The most common were crimes related to drug trafficking, involvement with organized crime, followed by robbery. —Listín Diario (Dominican Republic)

Jamaica

Jamaicans remain concerned about the impact of a U.S. tax law on their economy. The U.S. Financial Account Tax Compliance Act (FATCA), which will take effect in 2013, requires asset reporting on all “U.S. persons” abroad. Jamaicans worry that shopping overseas with U.S.-addressed credit cards, a common practice, will bring non-U.S.-affiliated Jamaicans under the law’s scrutiny. —Jamaica Observer (Jamaica)

South America: Venezuela

Perhaps in preparation for President Chavez’s succession, but certainly occasioned by his worsening health, the government convened a Consejo de Estado (State Council) to fill the vacuum created by his absence, prevent infighting among supporters, and ward off a military crisis. The council is also considering alternative candidates for the October elections, with Foreign Minister Nicolas Maduro a possible choice. —El Universal (Venezuela)

Brazil

China prohibited Brazilian mining giant Vale from docking supercarriers in its ports or building distribution centers on its soil, forcing Vale to look for other options to improve its Asian logistics, such as an ore transfer station in Subic Bay, Philippines, and a plan for another in Malaysia. Vale is competing with regional firms like Australia’s BHP. —Folha (Brazil)

Argentina

Máximo Kirchner, President Cristina Fernández’s son, brought 20,000 supporters for his youth group La Campora to a massive rally in Buenos Aires on April 27. Lawmaker Fernando Navarro commented that Máximo and his youth movement could close the gap between the state and society, helping move Argentina toward democratic consolidation, and urged Máximo to consider running for the lower house. —MercoPress (Uruguay)

Blog Posts

Canada Files: Harper’s Age of Majority

Television Row Ignites Campaign Controversy

Upcoming Events

May 9: “Mexico: Elections and Prospects for Structural Reform,” CSIS, B1-B Conference Room, 9:00 a.m.–12:00 p.m.

May 11: “A Conversation with Carmen Macias, Peru’s Drug Czar,” CSIS, B1-C Conference Room, 9:00 a.m.–10:30 a.m.

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