



## The Crisis in Venezuela

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The current crisis in Venezuela has turned the once economically stable and regional power into a country with a stalled economy, high inflation and unemployment rates, facing shortage of food, medical provisions, electricity and other necessities causing small riots. Organized crime and extrajudicial police killings have become common, with narco-traffickers conducting business with the help of corrupt officials and security forces. The crisis in Venezuela continues to escalate, with no recovery or relief in sight. The rescue of the economy will likely involve a tough adjustment program, large-scale financing from international policymakers, and deep sacrifices from Venezuela's creditors and, most of all, the Venezuelan people. There is a slowdown in the economic activity and the seeds of hyperinflation have been planted. Reserves are falling sharply, driven by capital flight and a fiscal deficit.<sup>1</sup>

This is a departure from the Venezuela that was the power for Latin American integration. Under President Hugo Chavez the country was at the forefront of building a Latin America and Caribbean alliance. Today, Venezuela is being criticised by regional organisations on political and economic instability within the nation.

The question that is being asked by the international community is how did a prosperous nation with one of the largest reserves of oil in the world face such dire situation. The paper is an attempt to find out the answer to this question.

### **The Crisis in Venezuela**

The Venezuela's economy is facing its worst recession in decades as the price of oil, which accounts for 95 percent of its export revenue, has fallen since its peak in June 2014. International financial experts say that the global oil price will have to rise about \$15 a barrel — to \$70 — to substantially improve the financial situation for the government.<sup>2</sup> Oil was responsible for about

one-third of the country's gross domestic product (GDP). Venezuela is a founding member of Organisation of Petroleum Exporting Countries (OPEC), and since the 1973 oil crisis, its economy is linked to the rise and fall of global oil prices. Increases in world oil prices in the past decade allowed the government to expand its social security programmes, invest in social spending and elevate the role of Venezuela in the region. The government established a variety of public companies and nationalized many private firms in sectors such as oil and gas, mining and metallurgy, cement, banking and telecommunications. Large social programs called misiones were implemented to deliver basic services and transfer resources to previously excluded parts of the population. Economic growth and redistribution policies led to a significant decline in poverty, from 50 percent in 1998 to approximately 30 percent in 2013, according to official figures.<sup>3</sup> Inequality also decreased, as reflected in the decrease in the Gini Index, from 0.49 in 1998 to 0.40 in 2012, among the lowest rates in the region.<sup>4</sup>

Nevertheless, the collapse in international oil prices, along with inadequate macro and microeconomic policies, have significantly affected Venezuela's economic and social performance. The decline in oil prices has showcased the consequences of one commodity dependency of the economy. Venezuela has been in the process of diversifying its economy into mining, agriculture etc, but oil continues to have a disproportionately high share of the economy (Venezuela's oil revenues account for about 95 per cent of export earnings. The oil and gas sector is around 25 per cent of gross domestic product). The decline in oil prices is not the only reason for the economic hardship in the country. It been compounded due to wide spread corruption among government officials and a lack of accountability. There is shortage of consumer goods, high inflation and unemployment rates. The concentration of the power in the hands of the President, supported by the Judiciary and the military had ensured that the system of checks and balances has eroded over the years.

Under President Chavez, Venezuela adopted a new Constitution (1999), triggering a number of institutional and political changes that led to a progressive concentration of power in the hands of the President and a gradual, yet sustained, control by the Government of the institutional mechanisms established by the new Constitution. His "Bolivarian Revolution" in 1999, along with the new constitution, placed a lot of emphasis on social progress and human rights. It also converted the legislature from bi-cameral to unicameral and greatly increased the powers of the executive branch. It increased the presidential term from five to six years and allowed for the president to hold the office for two consecutive terms. Chavez's revolution concentrated power in the executive branch and weakened the checks and balances that existed in the previous system.<sup>5</sup> In the meantime, several referenda were called, which were all won by the Government bar one exception. The Government gained increased control over the media and the nationalized several sectors of private industry and businesses. Having risen to power without the support of a structured political party, and relying mostly on the military, President Chávez eventually favoured the creation of the Unified Socialist Party of Venezuela (Partido Socialista Unificado de Venezuela – PSUV) and launched a political "revolutionary project" aimed at establishing a "21<sup>st</sup> Century Socialism". This polarised the government and the opposition.<sup>6</sup> Further the sustained persecution of the opposition added to the strain.

In April 2013, President Nicolas Maduro won the Presidential elections that were called after the death of President Chavez, while still in office. He was the handpicked successor and had been promoted by President Chavez to lead the PSUV. According to the Government controlled national electoral council (CNE), he won the elections with less than 2 percentage points. The opposition's challenge of the victory was disregarded by the State and the other regional organisations. With inflation running at more than 50% a year, the National Assembly then controlled by the ruling party, gave President Maduro emergency powers for a year, prompting protests by opposition supporters.<sup>8</sup> Protests which had started against the government's mismanagement of the economy and law & order also continued. In the elections for municipal corporations that were held the same year (Dec. 2013) the PSUV won the elections but it became clear that the opposition was gaining support. In this closely run election, approximately 49% of the votes went to the PSUV versus approximately 43% to the opposition MUD coalition. The PSUV secured its support mainly in rural areas and smaller towns where the Government is the principal source of employment and revenues. The opposition, represented by the MUD coalition, obtained an increase of votes compared to the latest regional elections, and snatched several mayoralties from the ruling party and increased its presence in major urban municipalities including the capital city of the State of Barinas, Hugo Chávez' hometown.<sup>9</sup>

In 2014, protests over poor security in the western states of Tachira and Merida spread to Caracas, where they won the backing of opposition parties and turned into anti-government rallies. The government accused the opposition of seeking to launch a coup and broke up the protests. It led to the death of protestors. The government also announced cuts in public spending as oil prices reached a four year low. The government also charged the mayor of the city of Caracas, Mr. Antonio Ledezma of plotting to assassinate President Maduro.<sup>10</sup>



Source: Google Maps

In December 2015, the opposition (represented by the People's Unity Coalition) was able to win the majority in the National Assembly after winning some key seats in the congressional elections

for the first time in seventeen years. This changed the political landscape of the country and it was presumed that President Maduro, who had accepted the result stating that the constitution and democracy had triumphed, would now build bridges with the opposition parties. However, difference between the President and the National Assembly became apparent when the President asked for emergency powers to bring about changes in the economy. This request was denied by the Assembly, which opposed the uncontrolled power that was being accumulated by the President. The decision of the National Assembly was overturned by the Supreme Court of Venezuela, which has a majority of members supportive of President Maduro and his party. They ruled that President Maduro could declare an emergency without the support of the National Assembly. President Maduro blamed the United States and Spain (a number of the Venezuelan wealthy have shifted here) along with the elites in Venezuela for not allowing him to reform the economy. In May 2016 President Maduro declared a 60-day state of emergency accusing the United States and countries of the OPEC grouping of plotting to topple his leftist government. He signed a state of emergency and extended a state of economic emergency to protect the country from foreign and domestic "threats," without providing details.<sup>11</sup> He pointed to the impeachment of Brazil's President Dilma Rousseff as a sign that the United States would like to impeach him as well. These actions came as the opposition parties criticised Venezuela's electoral authorities for not taking appropriate action on a petition to conduct a referendum to remove the President, as provided in the constitution.

The efforts by the National Assembly to call a referendum and to begin legal action for the impeachment process were blocked by the Supreme Court. The Supreme Court had stated that the measures of the assembly are null and void, as the investigation into the allegations against three legislators, accused of corruption and vote-buying, was not complete. The non-availability of the three legislators has deprived the opposition the two third majority needed to pass the legislation and/or to block legislation proposed by President Maduro. Efforts by the Vatican to mediate between the President and the opposition also failed.

In Feb 2016, President Maduro announced economic reforms to fight the crisis that had plagued the country. He devalued the Venezuelan Bolivar by 37 percent and marginally raised the price of gasoline/ petrol<sup>12</sup> (for the first time in nearly two decades<sup>13</sup>) in an effort to stimulate the economy, which is heavily dependent on oil exports. He also announced that the three tier exchange rate system would also be reduced to two tiers. Venezuela has a complex multi-layered exchange rate system that offers different exchange rates. The first exchange rate offered is the official exchange rate, intended for importing food and medicine. The second exchange rate for priority sectors is supposedly auction-based, but was fairly fixed, called the Ancillary Foreign Currency Administration System I or SICAD I. There is another rate, SICAD II, which was introduced in March 2014. They assign dollars to enterprises that import all other types of goods. Because of the fact that US dollars are limited, coupons are auctioned only sporadically; usually weekly in the case of SICAD 1 and daily for SICAD 2.<sup>14</sup> The government controls these three rates. In February 2015, the government in Venezuela announced a new exchange rate system in an attempt to de-control the currency. The new mechanism does not end the tier system, but allows for legal buying and selling of Bolivars wherein the price of the currency will be set by the forces of supply

and demand, i.e., the market rate. The new dual foreign exchange system has one rate fixed at 10 Bolivars to the dollar and another "floating" at a starting rate of 206 Bolivars. The second tier is a merging of the SICAD I and II. The new mechanism, SIMADI or the Marginal Currency System. Under SIMADI, the purchase and sale of foreign currency by businesses and individuals will be allowed at the price set by market forces.<sup>15</sup> The move was to bring some control to the black market buying of US dollars.

Following his announcement, the Central Bank of Venezuela unexpectedly released inflation and growth data for 2015, showing the extent of the economic crisis. Inflation surged to 180.9 percent by the end of the year and the economy shrank 5.7 percent. President Maduro also announced a 20 percent increase to the country's minimum wage effective 01 March 2016.<sup>16</sup> In November 2016, the government announced that it was withdrawing the largest used currency denomination (the 100 Bolivar note) from circulation. The move led to widespread panic and long lines in front of banks. The shortage of new currency to replace the old led the government to postpone the transition to January 2017. The government claimed sabotage and stated that planes with the new notes were diverted, causing the shortage. President Maduro justified the currency ban as a way of strangling mafia and smugglers on the frontier with Colombia and Brazil, who were hoarding the Bolivar and buying subsidised good in Venezuela to sell to the neighbours. . He has also closed border crossings with Colombia and Brazil until 02 January 2017 to prevent any further sabotage attempts or smuggling of goods.

People from Venezuela have been crossing the border in search of food and basic amenities, as the prices of these products have skyrocketed compounded by severe shortages. The economic crisis and high inflation has pushed many people into poverty making basic products expensive. The problem is compounded by the fact that Venezuela is importing nearly everything and to make payments it needs cash. A report by the Central Bank of Venezuela (March 2017) shows the country's foreign reserves is at a depleted US \$10.5 billion, US \$7.2 billion of which it owes in outstanding debt payments. Amid a humanitarian, economic and political crisis, the oil-rich nation went from US \$30 billion in reserves in 2011 to US \$20 billion in 2015.<sup>17</sup> Venezuela's domestic production of food is not enough to meet its requirements. It relies on import to supply most of its citizen's food requirements. However, due to lack of cash it has been forced to reduce this import. In an effort to curb black-marketing of food products and to provide fair supply of the limited produce, the Venezuelan military was made in-charge of the national food supply, from distribution to price. However, according to an investigation by the Associated Press, the military which is now in-charge of both, food distribution and pricing, is involved in food trafficking which is further contributing to the food shortage in the country. The military is accused of selling the food in black-markets across the country.

It was feared, by August 2016, that Venezuela would default on its international payments. Venezuela has been able to avoid the crisis when its state-owned oil company, Petróleos de Venezuela (PDVSA) made principal and interest payments for the year (2017). However, the country has to rebuild its economy quickly if it wants to continue make its payments in the years to come. The external bond debt of the government and PDVSA amounts to roughly US \$ 60

billion, most of which has been incurred since President Chávez took power nearly two decades ago. But that tells only a part of the story, since the country has additional liabilities with international lending institutions. The Venezuelan government and the state oil company owe US \$ 8.5 billion in payments in 2017, and at least an additional US \$ 7.9 billion in 2018 — amounts that economists say will further erode international reserves that form the last defence against default.<sup>18</sup>

With Venezuela's military a key factor in past power-shifts, Defense Minister Vladimir Padrino has stated that the armed forces would protect the constitution of the country and it would continue to support President Maduro in fighting foreign intervention to destabilise the country.

Venezuela is a large market in the region and under President Chavez actively pursued the economic integration of the region. Venezuela signed regional agreements with most countries of the region. It became a member of the MERCOSUR<sup>19</sup> in 2006. However, in December 2016 its membership was suspended after the ban on recall referendum for President Maduro. The Organization of American States (OAS) is also considering action against Venezuela. In response, Venezuela has decided to withdraw from the OAS. While largely symbolic as a formal withdrawal can only occur after a two-year waiting period, the move will increase Venezuela's isolation in the region. Most members of the Union of South American Nations (UNASUR) have also expressed concern over the situation in Venezuela and condemned the Venezuelan Supreme Court's decision to take over legislative powers (March 2017). Internationally also the country has been facing condemnation from the European Parliament, the United States, and Canada. The Group of 77 and China in its declaration of support to the Government of Venezuela, stated that "...its rejection to the latest decision of the Government of the United States of America to renew its unilateral sanctions against the Government of the Bolivarian Republic of Venezuela, on January 13th 2017, under the Executive Order signed by President Barack Obama, which declares "a national emergency with respect to the unusual and extraordinary threat to the national security and foreign policy of the United States posed by the situation in Venezuela... The Group of 77 and China conveys its solidarity and support to the Venezuelan Government affected by these measures which do not contribute, in any way, to the spirit of political and economic dialogue and understanding among countries."<sup>20</sup>

### **India and Venezuela**

In 2016 Venezuela assumed the Chairmanship of the Non-Aligned Movement. In his speech at the meet in Caracas, Vice President Hamid Ansari stated that "Peace, Sovereignty and Solidarity for Development", the theme for the movement for the next three years was in keeping with the larger goal of NAM, which is to ensure "the dignity and development of all mankind." He further stated that, "the foundations of our Movement, namely "respect for sovereignty", "peaceful settlement of disputes" and "international cooperation" – are as relevant today as they were at the time of our first Summit."<sup>21</sup>

Relations between India and Venezuela have continued to remain cordial despite the political turmoil in the country. For India, its supply of crude oil from the South American nation is

important. After Saudi Arabia and Iraq, Venezuela became an important source of oil for India over the past decade, when India increased its global share to become the world's third-largest oil importer, after the U.S. and China. Diversifying its import sources became important in the wake of the Arab uprisings, because West Asia is India's primary source of oil. When United States production of domestic shale oil increased, it cut its oil imports from Venezuela by 49%, providing an opportunity for India to step in. These market-driven factors are the primary reason for India's increasing oil imports from Venezuela.<sup>22</sup> Nonetheless, the political overturn in Venezuela has significance for India. The crisis has hurt Indian oil companies who have business partnerships with PDVSA. State-owned ONGC Videsh, Indian Oil Corporation and Oil India have invested in Venezuela's Carabobo and San Cristobal oil fields. These companies have seen production at the San Cristobal field cut in half amid an exodus of talent, shortage of equipment, and theft in the Orinoco Belt. India is also owed about \$600 million in late dividends for the joint crude project San Cristobal. Under pressure, Venezuela recently began settling those debts by giving ONGC the money it collects from 17,000 barrels per day of crude exports - meaning even more oil is being used to finance debt payments.<sup>23</sup> PDVSA is facing problems of production due to lack of funds to pay its service providers and suppliers or to maintain its equipment. This has caused delays in production and delivery apart from adding to the recession in the country.

The other main problem facing the Venezuelan company is the issue of paying back its debt to countries such as Russia and China through oil payment. Venezuela has in the past sold its oil in exchange for products such as food and medicines. India is one of the few countries that buys oil in cash from Venezuela. The sale of oil to India would mean the company would get the much needed cash for itself, but Caracas needs the oil to pay debts to China and Russia, key political allies that have together lent Venezuela at least \$50 billion in exchange for promised crude and fuel deliveries. This has meant that Venezuela is losing its market to Saudi Arabia, Iraq and now Iran. The other issue with oil from Venezuela is that it is heavy and harder to refine. In a market place that offers India with other higher quality fuel which is not expensive from more stable countries, it would mean that while India is continuing to look at Venezuela as important for its diversification options, oil from West Asia will remain dominant for the moment. One option that is being explored by both India and Venezuela is the purchase of Venezuelan crude from Russia and China. Indian refineries have the technology to refine the heavy crude and this export from China and Russia is likely to increase if the situation in the South American nation does not improve. While this allows India to continue with her diversification option, it also means that it will be of no direct benefit to PDVSA or help the Venezuelan economy.

Lack of payment is also the concern for Indian pharmaceutical companies supplying drugs to the country. Venezuela, along with Brazil and Mexico are important markets for Indian pharmaceutical companies that provide the health care services of these countries with high quality but cheap drugs. However, the lack of funds within the country and strict forex measure implemented by the Venezuelan government has meant that most of the Indian companies have not been able to recover their dues. In the past one year, supplies of Indian medicines to the South American nation have all but stopped. In an effort to find a solution to this, the pharmaceutical industry has proposed 'oil-for-drugs' barter to the government. This has not

found much support in Venezuela. It is not keen to block its oil supplies and is in favour of bilateral arrangements with the various companies. However, India has been provided an opportunity to further explore this option as Venezuela, facing its fourth year in recession, has sought the assistance of the United Nations to help buy pharmaceutical products. The Chamber of Pharmaceutical Industry of Venezuela recently said the Venezuelan government owes about \$700 million in dues to pharma companies. Many foreign firms have stopped supplying medicines to Venezuela due to outstanding payments. According to UNICEF, India is already the topmost country in supplying medicines and medical equipment to countries in need. Indian companies have already built their reputation for quality products in the Venezuelan market. Thus, it is an opportune moment to push for the bargain. The other proposal is that the subsidiaries of the company's deposit money in an Indian public sector bank in Caracas, which is linked to an account of the same bank in India. India would deposit its payments for oil and other products into this account. If and when Venezuela makes any purchases from India, it will deposit the amount in the Indian bank in Caracas, and the Indian entity would withdraw the money from the account held in India.

### **Conclusion**

In the short to medium term, the economy of Venezuela will continue to be in distress and face fiscal deficit. The limited foreign reserves it has and the limited access to international financing, along with the collapse of the private sector to provide basic goods and services has meant that the country is facing inflation in triple digits with an economy that is steadily contracting.<sup>24</sup> Runaway inflation has also eroded the savings and income of people thus marking a decline in private consumption. Investments have also stopped due to the uncertainty in the market. Venezuela is also facing a power supply crisis as a result of drought that has affected the working of the hydro-power plants, that provide the country with close to two-third of its electricity needs. To conserve power, the government has restricted the work week and changed time to make maximum use of daylight.

Even if oil prices were to increase in the near future, providing Venezuela with much needed currency, the country would still need to build on an economic reform package to tied over the recession that is likely to remain. With the differences between President Maduro and the opposition parties growing, protests on the streets have become more violent. The Supreme Court recently backed down from its decision to suspend the National Assembly. The ruling stated that all powers vested under the legislative body will be transferred to the Supreme Court. The Court has been supportive of President Maduro. The ruling effectively meant that all three branches-the executive, the legislative and the judiciary would be under the control of the ruling party. The reversal is being viewed by some as the first signs that President Maduro is realising the limits of his power. Nonetheless, how the political situation will unfold in the next few months remains to be seen and questions on how the government will address the economic crisis with growing domestic unrest and international pressure remain uncertain.

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*Disclaimer: Views expressed are of author and do not reflect the views of the Council.*

## End Notes

<sup>1</sup> Robert Kahn, and Steven A. Tananbaum, "Venezuela's Descent Into Crisis," <file:///C:/Users/Lenovo/Downloads/GEM%20May%202016.pdf>, Accessed on 01 May 2017.

<sup>2</sup> Clifford Krauss, "Venezuela Staves Off Default, but Low Oil Prices Pose a Threat," <https://www.nytimes.com/2017/04/12/business/venezuela-oil-debt-payment.html>, Accessed on 02 May 2017.

<sup>3</sup> BBC, "Time-Line Venezuela," With inflation running at more than 50% a year, the National Assembly gives President Maduro emergency powers for a year, prompting protests by opposition supporters., Accessed on 01 May 2017.

<sup>4</sup> The World Bank, "Overview: Venezuela," <http://www.worldbank.org/en/country/venezuela/overview>, Accessed on 02 May 2017.

<sup>5</sup> Kevin Grier and Norman Maynard, "The Economic Consequences of Hugo Chavez: A Synthetic Control Analysis," [http://cas.ou.edu/Websites/oucas/images/Econ/Chavez\\_Synth-10.pdf](http://cas.ou.edu/Websites/oucas/images/Econ/Chavez_Synth-10.pdf), Accessed on 02 May 2017.

<sup>6</sup> Dr. Andrés Serbin, "Venezuela in Crisis: Economic and Political Conflict Drivers In the Post-Chávez Era," [http://www.gppac.net/documents/130492842/o/GPPAC\\_Alert\\_Venezuela\\_Final27Mar2014.pdf/6a3257a4-2749-43e9-8e83-e289bee86b21](http://www.gppac.net/documents/130492842/o/GPPAC_Alert_Venezuela_Final27Mar2014.pdf/6a3257a4-2749-43e9-8e83-e289bee86b21) Accessed on 01 May 2017.

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<sup>8</sup> BBC, "Time-Line Venezuela," With inflation running at more than 50% a year, the National Assembly gives President Maduro emergency powers for a year, prompting protests by opposition supporters., Accessed on 01 May 2017.

<sup>9</sup> Dr. Andrés Serbin, "Venezuela in Crisis: Economic and Political Conflict Drivers In the Post-Chávez Era," [http://www.gppac.net/documents/130492842/o/GPPAC\\_Alert\\_Venezuela\\_Final27Mar2014.pdf/6a3257a4-2749-43e9-8e83-e289bee86b21](http://www.gppac.net/documents/130492842/o/GPPAC_Alert_Venezuela_Final27Mar2014.pdf/6a3257a4-2749-43e9-8e83-e289bee86b21) Accessed on 01 May 2017.

<sup>10</sup> Op. Cit 03, BBC, "Time-Line Venezuela," With inflation running at more than 50% a year, the National Assembly gives President Maduro emergency powers for a year, prompting protests by opposition supporters., Accessed on 01 May 2017.

<sup>11</sup> Matt Ford, "Venezuela's State of Emergency," <https://www.theatlantic.com/international/archive/2016/05/venezuelas-state-of-emergency/482826/>, Accessed on 01 May 2017.

<sup>12</sup> The price of a litre of 91 octane petrol will rise 1,329 per cent to 1 bolívar from 0.07. That of 95 octane will increase 6,086 per cent from 0.097 to 6 bolivares.

<sup>13</sup> In 1989, a fuel price hike led to three days of riots in the capital, Caracas, resulting in military repression known as the "Caracazo," in which several hundred people were killed. Memories of the event have steered politicians away from touching oil subsidies.

<sup>14</sup> Emiliana Disilvestro and David Howden, "Venezuela's Bizarre System of Exchange Rates," <https://mises.org/library/venezuelas-bizarre-system-exchange-rates>, Accessed on 04 May 2017.

<sup>15</sup> Prableen Bajpai, "The Impact Of Venezuela's Bolivar Exchange Rates," <http://www.investopedia.com/articles/forex/022415/impact-venezuelas-bolivar-exchange-rates.asp>, Accessed on 04 May 2017.

<sup>16</sup> Andrew Rosati and Pietro Pitts, "Venezuela Hikes Gas Price, Devalues Bolivar as Economy Tanks," <https://www.bloomberg.com/news/articles/2016-02-17/venezuela-raises-gasoline-prices-for-first-time-since-1996-ikrfoppn>, Accessed on 01 May 2017.

<sup>17</sup> Fox News, "Venezuela's foreign reserves tank to \$10.5 billion, official report shows," <http://www.foxnews.com/world/2017/03/02/venezuelas-foreign-reserves-tank-to-10-5-billion-report-says.html>, Accessed on 02 May 2017.

<sup>18</sup> Clifford Krauss, "Venezuela Staves Off Default, but Low Oil Prices Pose a Threat," <https://www.nytimes.com/2017/04/12/business/venezuela-oil-debt-payment.html>, Accessed on 02 May 2017.

<sup>19</sup> Mercosur is an economic and political bloc, was created in 1991 when Argentina, Brazil, Paraguay, and Uruguay signed the Treaty of Asunción (PDF). The accord called for the "free movement of goods, services, and factors of production between countries." It signatories agreed to eliminate customs duties, implement a common external tariff (CET) of 35 percent on certain imports from outside the bloc, and adopt a common trade policy toward outside countries and blocs. Mercosur residents may live and work anywhere within the bloc.

<sup>20</sup> G77, "Declaration In Support Of The Government Of The Bolivarian Republic Of Venezuela (New York, 19 January 2017)," <http://www.g77.org/statement/getstatement.php?id=170119>, Accessed on 02 May 2017.

<sup>21</sup> The Ministry of External Affairs, "Address by Vice President at the 17th NAM Plenary Meeting (September 18, 2016)," [http://www.mea.gov.in/Speeches-Statements.htm?dtl/27412/Address\\_by\\_Vice\\_President\\_at\\_the\\_17th\\_NAM\\_Plenary\\_Meeting\\_September\\_18\\_2016](http://www.mea.gov.in/Speeches-Statements.htm?dtl/27412/Address_by_Vice_President_at_the_17th_NAM_Plenary_Meeting_September_18_2016), Accessed on 02 May 2017.

<sup>22</sup> Hari Seshasayee, "India's Stake in What's Happening in Venezuela," <https://thewire.in/19013/indias-stake-in-whats-happening-in-venezuela/>, Accessed on 02 May 2017.

<sup>23</sup> Reuters, "Oil-for-loan debts cost Venezuela's PDVSA hard-won India market share," <http://www.reuters.com/article/us-venezuela-india-oil-insight-idUSKBN16FoIR>, Accessed on 02 May 2017.

<sup>24</sup> Inflation Rate in Venezuela averaged 32.47 percent from 1973 until 2017, reaching an all time high of 800 percent in December of 2016. It is estimated that inflation as of April 2017 was around 500 percent.