Russian Businesses in Venezuela Smuggling Billions for Currency Black Market

January 30, 2017

Venezuela's President Nicolas Maduro **Carlos Garcia Rawlins / Reuters**

Billions of Venezuelan bolivars are being transported to Russia in private jets and shipping containers◼stuffed with cash in a bid to squeeze profits from the country's◼ailing economy.

Russian companies working in the◼country are transporting the money back to Moscow in order to use◼black market dealers when exchanging the cash into U.S. Dollars, the◼Republic news outlet reported Monday.

The value of the bolivar has plummeted◼over the past three years, with the resulting severe deficit of hard◼currency making it almost "impossible" for Russian companies to◼exchange money, top-level Kremlin official Sergei Nosov told◼Republic.

The collapsing currency has instead◼opened up a lucrative illegal market, allowing black

market dealers⊠to charge 3,750 bolivars for $1. The official exchange rate currently⊠stands at 10 bolivars for $1.

Related article: [A New Economic Development Minister, But Still No Answers](#)

Unnamed Republic sources speculated that Russian oil giant Rosneft could be one of the largest buyers for bolivars, with the company conducting a large part of its business in Venezuela.

Venezuela's Minister of Internal Affairs, Nestor Reverol, accused foreign corporations of worsening the currency crisis by smuggling cash out of the country in December 2016. He claimed that 300 billion bolivars had been taken by gangs to the United States, Switzerland, Poland, Ukraine, Spain, Germany and the Czech Republic.

Venezuela entered a severe recession in 2014, with the situation rapidly declining due to financial mismanagement and falling oil prices. The country's Gross Domestic Product (GDP) fell by 10 percent in 2016, while inflation in the country is expected to hit 1660 percent in 2017.

Original url:
https://www.themoscowtimes.com/2017/01/30/russian-businesses-in-venezuela-smuggling-billions-for-currency-black-market-a56979