

Russia's Rosneft Rebuffs U.S. Sanctions Threat Over Venezuela Trading

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Dmirty Yefremov / TASS

Russian state oil major Rosneft said Tuesday that attempts to curb its business in Venezuela would be illegal and that the United States was using the threat of sanctions as a form of unfair competition.

The U.S. could impose sanctions on Rosneft “[at some point](#),” U.S. special envoy to Venezuela Elliott Abrams said Tuesday as he [criticized](#) the European Union for its failure to impose tougher sanctions on Caracas. Rosneft has become the [main trader](#) of Venezuelan crude oil, helping it offset the loss of traditional dealers who are avoiding it for fear of breaching U.S. sanctions.

Related article: [Rosneft Becomes Main Trader of Venezuelan Crude Oil, Helping to Offset Pressure From U.S. Sanctions](#)

“Any attempt to restrict the company or its subsidiaries in returning investments in any form

permitted by law ... would constitute unlawful expropriation of such investments by the American authorities," Rosneft [said](#) in a statement.

Rosneft said that all its oil operations in Venezuela had been agreed before U.S. sanctions were imposed and rhetoric from the U.S. government was aimed at creating tensions on global oil markets.

The U.S. sanctions threat "ultimately affects the investment value of the company," Rosneft said. The Russian state company added that it seeks "open dialogue with U.S. authorities to clarify its position."

Abrams had told reporters earlier Tuesday that "at some point, we will have to explore the possibilities [of] which retaliatory measures we can apply to Rosneft."

Oil accounts for more than 95% of Venezuela's export revenue and Washington has warned trading houses and other buyers about possible sanctions if they prop up Caracas.

The U.S. and some Western governments have recognized Venezuelan opposition leader Juan Guaido as the country's rightful head of state and are seeking to oust the current socialist President Nicolas Maduro.

Moscow is one of Maduro's closest allies and has provided military support to his government as well as billions of dollars in loans and equipment.

Reuters contributed reporting to this article.

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