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Rosneft Could Get 'Full Control' of Venezuela's PDVSA — Reports

Venezuela considers stepping-up collaboration with Russian state oil giant in exchange for debt relief.

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Venezuelan state oil company PDVSA owes Rosneft $1.1 billion. **pdvsa.com**

Venezuela is considering handing "full control" of its beleaguered state oil company to Russia's Rosneft, according to reports in a Venezuelan newspaper cited by Russian media.

In exchange, Russia could offer debt relief to Venezuela, El Nacional reports, citing sources inside the Venzuelan oil industry.

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The deal has reportedly been welcomed in Russia, and Rosneft is said to have sent technical teams to Venezuela to prepare to step-up its involvement with national oil giant PDVSA. El Nacional says the transfer would not amount to privatization of the company, and it is unclear what the legal mechanism for any deal would be.

Rosneft said the proposals were "rumors" and refused to comment further.

"Frankly speaking, it seems strange," Alexander Korolkov, an expert at the Russian International Affairs Council (RIAC) told The Moscow Times.

"For me, there are more questions than answers around these rumors. Why do they want to give control to Rosneft? They owe much more to China than to Russia."

"And I'm not sure that Rosneft really needs this kind of a 'gift'. 'Control' here may mean not direct control over the business but a new level of coordination on the oil market. I suppose there might be an advisory team from Rosneft giving support to the locals in terms of reforms."

Any change in the control structure at PDVSA would need to be approved by Venezuela's National Assembly — the country's parliament, which is controlled by the main opponent to President Nicolas Maduro, Juan Guaido. Following a disputed election in January 2019, more than 50 countries recognised Guaido as acting president of Venezuela, including the United States and most of Latin America and Europe, while Russia and around 20 other states continued to back Maduro.

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