Venezuela, India Want to Ditch US Dollar, Use Rupee for Trade

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*During a recent visit to **India**, Venezuelan Foreign Minister, **Jorge Arreaza**, said the South American country was interested in conducting transactions with the Indian government and business sector using India's national currency, the **Indian Rupee** (INR), instead of the **U.S. Dollar**.*

"We don't want to use the dollar at all," **Arreaza** said, according to the Times of India, an Indian daily. "We want to import technology, food products, and medicines by paying (Indian) rupees and they will pay us (Venezuela) not in (US) dollars but in Rupees."

The foreign minister who was in India's capital, New Delhi, to attend the International Solar Alliance (ISA), also gave investors insight into the Petro, the first national cryptocurrency based on natural resources and explained plans to use some its proceed to finance solar projects.

Venezuela, which has similar arrangements with Turkey, China, and Russia, proposed the same to India in the light of recent U.S.-imposed sanctions. **Currently**, nearly 44 Venezuelan officials have been sanctioned by the U.S., including the Venezuelan president, **Nicolas Maduro**, who was branded as a 'dictator' by **Washington** and is also seeking re-election in May.

"After President Maduro hopefully gets re-elected, he will visit India and also extend an invitation to Prime Minister **Narendra Modi** to visit **Caracas**," the Venezuelan foreign minister added.

India already has deep ties to Venezuela through commercial ventures such as oil agreements. The South Asian country is one of the largest buyers of Venezuelan crude oil.

"In view of the large and growing refining capacity in India, firms such as IOCL (Indian Oil Corporation) are ready to procure crude from Venezuela. This would be a possibility in the future when production of Venezuelan crude increases," a source told the Financial Express in the run-up to the summit.

"The other oil JV in Venezuela with the participation of Indian firms (OVL, IOCL, and Oil India) is expected to do better as infrastructure in the area develops and the economic situation in Venezuela improves."

In 2017, due to United States-imposed sanctions, Venezuela defaulted on its debt payment

to India's Oil and Natural Gas Corporation. Reliance Industries Ltd (RELI.NS), a private Indian company which owns the world's largest refining complex and one of PDVSA's (Petróleos de Venezuela, S.A) biggest oil buyers, stepped in and paid the US$68.66 million to Oil and Natural Gas Corporation on behalf of PDVSA in April, according to Reuters.

The Indian and Venezuelan governments have signed several cooperation agreements on hydrocarbons in the past. The first came in 2005, when **Hugo Chavez**, the then leader of the **Bolivarian revolution** visited India to sign a bilateral agreement.

In the same year, the two countries signed a Memorandum of Understanding and established the Indo-Venezuelan Joint Commission (JCM), which decided that India's state-run Oil and Natural Gas Corporation (ONGC) will be given opportunities to explore oil and gas in the South American country, including a massive oil field in the Orinoco belt.

In April 2008, another joint venture was signed, "Petrolera IndoVenezolana SA" between the two countries state-run oil companies, PDVSA and ONGC Videsh, or OVL, for production and exploration of oil reserves in the San Cristobal field, in which India's OVL has a 40 percent stake while PDVSA has the remaining. OVL's investments in the San Cristobal Project are around US$355.7 million.

India and Venezuela first established diplomatic ties in 1959, India maintains an embassy in the capital of the South American country, Caracas, while Venezuela maintains an embassy in New Delhi.

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