

TRADE AND TRAVEL FACTS—VENEZUELA

Prepared by: Michael Snyder

TRADE

- The US is Venezuela’s largest trading partner, with bilateral trade estimated at US\$16 billion.¹
 - In 2017, the US imported approximately \$12 billion and exported approximately \$4 billion in trade goods from Venezuela.²
 - While significant, this represents a major decline in imported goods from Venezuela from the previous decade (ie, in 2008, the US imported \$50 billion in trade goods from Venezuela).²
- Declines in US-Venezuela trade are likely due to a combination of the global recession, the economic crisis in Venezuela, and the imposition of sanctions by the Trump administration and previous US administrations.
 - In 2017, the Trump administration imposed at least 5 rounds of sanctions via executive order against Venezuela, which it calls an “illegitimate dictatorship.”³
 - These sanctions freeze assets, prohibit US citizens and companies from dealing with them, and prohibit dealings in new debt from the Venezuelan government or its state oil company.^{3,4}

TRAVEL

- Citing financial and/or safety reasons, most US airline carriers no longer offer flights to Venezuela.
 - United Airlines was the most recent airline to suspend its service to Venezuela (Houston-Caracas) in July 2017 because of low demand from customers and tourists. Other airlines, such as Delta, suspended service following payment disputes with Venezuela’s socialist government. American Airlines offers a significantly reduced number of flights and routes.^{5,6}
 - Other major international carriers, such as Lufthansa, have also suspended service, citing crumbling airport infrastructure and concerns over the safety of crew members, who have been the victims of violence and robbery.^{5,6} This has led to Venezuela’s “becoming disconnected” from the world “above all by air” according to the International Air Transport Association (IATA). IATA said \$3.78 billion was owed to international airlines by Venezuela in 2016.⁵

REFERENCES

1. US Department of State. U.S. relations with Venezuela. April 2, 2018. <https://www.state.gov/r/pa/ei/bgn/35766.htm>. Accessed May 6, 2018.

2. US Census Bureau. 2018: US trade in goods with Germany. 2018. <https://www.census.gov/foreign-trade/balance/c4280.html>. Accessed May 6, 2018.
3. Korte G. Trump administration unleashes more Venezuela sanctions following state election problems. *USA Today* November 9, 2017. <https://www.usatoday.com/story/news/politics/2017/11/09/trump-administration-unleashes-more-venezuela-sanctions-following-state-election-problems/848541001/>. Accessed May 6, 2018.
4. Ulmer A, Lawder D. Trump slaps sanctions on Venezuela; Maduro sees effort to force default. Reuters August 25, 2017. <https://www.reuters.com/article/us-usa-venezuela-sanctions/trump-slaps-sanctions-on-venezuela-maduro-sees-effort-to-force-default-idUSKCN1B5216>. Accessed May 6, 2018.
5. Tanzi CJ. Why airlines hate flying to Venezuela. Bloomberg August 9, 2017. <https://www.bloomberg.com/news/articles/2017-08-09/stick-ups-and-dirty-fuel-mean-airlines-hate-flying-to-venezuela>. Accessed May 6, 2018.
6. Gupta G. United Airlines ends flights to Venezuela, further isolating country. Reuters June 3, 2017. <https://www.reuters.com/article/us-venezuela-airlines-united/united-airlines-ends-flights-to-venezuela-further-isolating-country-idUSKBN18U0TL>. Accessed May 6, 2018.

Date: May 6, 2018