



## Venezuela—April 4, 2019

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### **(U) Maduro Likely to Focus on Economic Improvement in Government Restructure**



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**(U) Venezuelan President Nicolas Maduro is likely to assign new cabinet members that provide economic assistance and support to the Maduro Regime.** On March 17, 2019, Maduro, asked his entire cabinet to resign in an effort to restructure the government as public support for Maduro declines, especially in the wake of the mass power outages throughout March. Maduro has changed cabinet members multiple times since becoming president in 2013.<sup>i</sup>

- On March 17, Maduro's Vice President, Delcy Rodríguez, posted a tweet stating that Maduro asked the entire Executive Cabinet to resign to restructure government to better protect Venezuela.<sup>ii</sup>
- Rodríguez' original announcement explained Caracas' intentions to make changes in the executive body as to optimize management and to protect the country. The director of Datanalisis, a pro-Maduro polling agency, stated that new cabinet members will most likely "be destined to make economic sectors feel comfortable and capable of negotiating with the United States."<sup>iii</sup>
- On April 1, Maduro announced the removal of the Venezuela's Electricity Minister, Luis Motta in an address on state television. Maduro replaced Motta with regime-supporter Igor Gavidia, an electrical engineer, marking the first cabinet change since Maduro's March 17 statement.<sup>iv</sup>

**(U) Maduro is likely to use his new cabinet appointments to assist in economic negotiations with United States, rather than for political support. Additionally, the restructuring is likely an attempt to prevent Maduro's removal, seeking to stall U.S. influence and other anti-Maduro support.**

- On March 17, Maduro stated that this restructuring is a chance to examine the efficacy of his cabinet, especially given the nationwide protests over Venezuela's recent blackout. As he continues to relegate the recent blackouts to U.S. cyber-attacks, Maduro claimed that he will reshuffle infrastructure units to combat those attacks.<sup>v</sup>
- Maduro has faced pressure due to an increase in U.S. sanctions against his regime and gaining support for opposition leader Juan Guaidó domestically and internationally. Venezuelans are currently facing food and medicine shortages and recently, a nation-wide blackout, all due to the economic crisis.<sup>vi</sup>
- Maduro plans to restructure the state power company Corpoelec. He expressed these plans to electricity workers in the Bolivar state after the power outage. They include a unit in the armed forces focused on protecting key infrastructure from cyber-attacks. This is due to Maduro's accusations of a cyber-attack by the United States that caused the recent blackout.<sup>vii</sup>

**(U) Maduro's new cabinet is unlikely to have a serious impact on diplomatic relations and economic trade due to the United States' continued recognition of opposition leader Juan Guaidó. However, the new cabinet's focus on economic revival will likely strengthen ties with Maduro-backing nations, specifically Russia.** Maduro's cabinet restructuring is a sign of a need to maintain internal support and comes amidst growing international support for the opposition.<sup>viii</sup> Despite insistence on non-interference in Venezuela's internal affairs, the Kremlin is a staunch supporter of the regime and largely involved economically.

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- In March, the minister counselor at the Russian Embassy in Caracas said in an interview “relations between Russia and Venezuela are excellent. At the moment, we are working to strengthen cooperation.”<sup>ix</sup>
- In February, Russia announced that it would increase its oil output in Venezuela despite American sanctions, and that it remained committed to Venezuela.<sup>x</sup> The Venezuelan government owes the Russian Finance Ministry \$3.1 billion for arms and agricultural products acquired on credit. It additionally owes Russian oil company Rosneft \$2 billion in loans.<sup>xi</sup>
- By the end of April, a senior delegation from Maduro’s government will arrive in Moscow to discuss Russian investments in Venezuela’s mining, agricultural and transport sectors.<sup>xii</sup>

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<sup>i</sup> Cohen, L. “Venezuela's Maduro plans 'deep restructuring' of government: VP.” Reuters. March 17 2019. Retrieved from: <https://www.reuters.com/article/us-venezuela-politics/venezuelas-maduro-plans-deep-restructuring-of-government-vp-idUSKCN1QY0XC>

<sup>ii</sup> Rodríguez, D. “Tweet.” Twitter. March 17 2019. Retrieved from: <https://twitter.com/DrodriguezVen/status/1107367094470041600>

<sup>iii</sup> Munoz, L. “Maduro and the cabinet change in times of crisis.” Latin American Post. March 25, 2019. Retrieved from: <https://latinamericanpost.com/27104-maduro-and-the-cabinet-change-in-times-of-crisis>

<sup>iv</sup> Sequera, V. & Valderrama, S. “Venezuela’s Maduro replaces electricity minister amid blackout.” Reuters. April 1, 2019. Retrieved from: <https://www.reuters.com/article/us-venezuela-politics/venezuelas-maduro-replaces-electricity-minister-amid-blackouts-idUSKCN1RD2KI>

<sup>v</sup> Wyss, J. “Venezuela’s Maduro asks entire Cabinet to resign amid political tensions.” Miami Herald. March 17 2019. Retrieved from: <https://www.miamiherald.com/news/nation-world/world/americas/venezuela/article228064399.html>

<sup>vi</sup> Ibid <sup>3</sup>

<sup>vii</sup> Ibid <sup>2</sup>

<sup>viii</sup> Ibid <sup>3</sup>

<sup>ix</sup> Zuniga, M., Faiola, A., & Troianovski, A. “As Maduro confronts a crisis, Russia’s footprint in Venezuela grows.” The Washington Post. March 29, 2019. Retrieved from: [https://www.washingtonpost.com/world/the\\_americas/as-maduro-confronts-a-crisis-russias-footprint-in-venezuela-grows/2019/03/29/fcf93cec-50b3-11e9-bdb7-44f948cc0605\\_story.html?utm\\_term=.ae024fe57908](https://www.washingtonpost.com/world/the_americas/as-maduro-confronts-a-crisis-russias-footprint-in-venezuela-grows/2019/03/29/fcf93cec-50b3-11e9-bdb7-44f948cc0605_story.html?utm_term=.ae024fe57908)

<sup>x</sup> Kurmanaev, A. & Krauss, C. “U.S. Sanctions Are Aimed at Venezuela’s Oil. Its Citizens May Suffer First. The New York Times. February 8, 2019. Retrieved from: <https://www.nytimes.com/2019/02/08/world/americas/venezuela-sanctions-maduro.html>

<sup>xi</sup> Tharoor, I. “Trump has a Russia problem in Venezuela.” The Washington Post. April 2, 2019. Retrieved from: [https://www.washingtonpost.com/world/2019/04/02/trump-has-russia-problem-venezuela/?utm\\_term=.ef9435a501a7&noredirect=on](https://www.washingtonpost.com/world/2019/04/02/trump-has-russia-problem-venezuela/?utm_term=.ef9435a501a7&noredirect=on)

<sup>xii</sup> Ibid <sup>9</sup>