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U.S. Commerce Secretary Ross pledges support for Venezuela reconstruction

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BRASILIA (Reuters) - The United States is ready to support pro-market reforms and privatizations in Venezuela with investment and credit to reverse socialism and rebuild a ruined economy, U.S. Commerce Secretary Wilbur Ross said on Thursday.

U.S. Commerce Secretary Wilbur Ross arrives to a meeting with Brazil's President Jair Bolsonaro (not pictured) at the Planato Palace in Brasilia, Brazil July 31, 2019. REUTERS/Adriano Machado

There will be an immediate need for capital infusions to bridge the lack of liquidity in Venezuela once the internationally recognized government of opposition leader Juan Guaido takes over, Ross said at a meeting on the reconstruction of Venezuela.

In the long term, however, Venezuela has 300 billion barrels of oil, gold and other mineral riches to rebuild its economy, he told the gathering of infrastructure company executives in Brasilia.

Ross said the “terrible” mismanagement of the economy by socialist governments had to be reversed first by boosting private enterprise and investment to later restore sustainable growth with an infusion of capital

and management skills to rehabilitate the oil, gas and electricity industries.

“For immediate relief, the United States will ease sanctions, promote domestic and international trade credit, deploy technological advisers and engage international financial institutions to rebuild confidence in Venezuela’s new economic policies,” he said.

Ross led a round table on Venezuela at a conference organized by CG/LA Infrastructure, a Washington-based company dedicated to building world infrastructure markets, attended by companies such as Oracle and Hill International.

Among the issues discussed was how to get money into the South American country to jump-start a collapsed economy that has been shrinking steadily since 2014.

“Nothing works properly, not the electricity, not water, not sewage, not telephones, not the bus system, not healthcare, not distribution of food and medicine, and certainly not liquidity,”

“Over 4 million people have fled, including many young professionals,” Ross said, pointing to a brain drain that will have to be repaired.

He said the Venezuelan central bank would need to be overhauled because it has been “looted.”

Multinational engineering and technology companies see Venezuela as having the greatest potential for capital projects when the day comes, said Ricardo Wernikoff, Oracle sales director for Latin America.

“The opportunities are huge. We are looking at rebuilding a country from scratch,” he said.

The U.S. National Security Council asked the Commerce Department to draw up a plan for stabilizing Venezuela's economy, he said.

The initial goal is to reverse in one year the precipitous decline in energy production by facilitating investment in the oil, natural gas and electricity sectors.

In agriculture, the immediate focus is to provide food.

“We need to jump-start the import of seeds, fertilizer and farm equipment,” Ross said. “They have not been importing tractors for years.”

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