Maccio and Pascal in Inter-American Dialogue: Can Venezuela's New Rules Revive Oil Investment?

August 24, 2026

RELATED PRACTICES Latin America Caribbean, Oil and Gas, International

Venezuela's reformed hydrocarbons framework could create new opportunities for private-sector investment and help support the recovery of the country's oil industry. Haynes Boone Partners **Sudan I. Maccio** and **Larry Pascal** were featured in a Q&A for the *Inter-American Dialogue*, discussing the potential impact of the new framework and the financial, operational and regulatory challenges that could shape the pace of recovery.

Read Maccio and Pascal's Q&A below.

Venezuela's reformed hydrocarbons framework should have a material impact on investment and production because it gives private operators a more viable path to finance, operate, commercialize and recover value from oil projects. The reform is especially significant because Venezuela's production decline is less a geology problem and more an issue of a failure of recent governments to provide legal certainty and a viable economic environment for private sector actors, which over time deprived the system of capable operators and investment capital.

The harder question is how quickly the framework can translate into production. Contract terms certainly matter, but the decisive hurdles will be financial and operational: unresolved debt, contract certainty, restoring degraded infrastructure, a lack of technical human resources, talent gaps and basic administrative constraints inside the local industry. These are not permanent impediments, but they will slow recovery unless private investors see credible implementation, practical decision-making and a transparent and principled rationale for why particular operators receive designated fields and other important governmental actions. That transparency may be essential to attract healthy competition from qualified bidders rather than merely rewarding incumbency or political access. U.S. sanctions will further shape the field.

The new licensing architecture appears designed to channel activity toward legitimate, compliance-minded and capable operators from the United States and allied countries. That approach may ultimately prove to be a strength as Venezuela needs long-term industry actors who have the resources and commitment to rebuild the Venezuelan energy industry.

Read the full *Inter-American Dialogue* article **here**.