

Special Update

January 2026

www.roancp.com

Venezuela: A Detailed Analysis

Summary

As of January 7, 2026, Venezuela is undergoing a profound political transformation following a U.S. military operation on January 3 that resulted in the capture and removal of President Nicolás Maduro and his wife, Cilia Flores. This event has triggered a power vacuum, interim governance challenges, and heightened international tensions. The country's economy remains in crisis, marked by hyperinflation, oil production declines, and a humanitarian emergency affecting millions. Politically, the opposition and international actors are pushing for democratic transitions, while Maduro loyalists resist. Key issues in the coming weeks include stabilizing governance, organizing elections, managing oil resources, addressing humanitarian needs, and navigating geopolitical fallout.

Overview of Venezuela's Current Status

Venezuela, a South American nation with the world's largest proven oil reserves (approximately 303 billion barrels), has been in a state of prolonged crisis since the early 2010s. Under Maduro's rule since 2013, the country experienced economic collapse due to mismanagement, falling oil prices, corruption, and U.S. sanctions. By 2026, GDP has shrunk by over 75% from its 2013 peak, hyperinflation persists, and over 8 million Venezuelans have fled as refugees, creating the largest displacement crisis in Latin America's history. The humanitarian situation is dire, with widespread shortages of food, medicine, and electricity, exacerbated by the COVID-19 pandemic's lingering effects and natural disasters.

Politically, Maduro's government was characterized by authoritarianism, disputed elections (notably the 2018 and 2024 votes), suppression of opposition, and alliances with Russia, China, Iran, and Cuba. The opposition, led by figures like María Corina Machado and interim structures from the 2019 Guaidó era, has long contested Maduro's legitimacy. As of now, with Maduro in U.S. custody, Venezuela is under an uncertain interim administration. Reports indicate that Maduro loyalists, including military elements, are attempting to maintain control, while the U.S. and allies advocate for a transitional government to hold free elections. The Venezuelan military's loyalty is split, with some defections reported, but no full-scale civil unrest has erupted yet. Celebrations among young Venezuelans and expatriates contrast with protests by Maduro supporters and international critics.

Economically, oil production, once at 3 million barrels per day, has dwindled to under 800,000 due to sanctions, lack of investment, and infrastructure decay. This has ripple effects globally, as Venezuela's heavy crude is vital for certain refineries. The removal of Maduro opens possibilities for renewed foreign investment, particularly from U.S. companies like Chevron and ExxonMobil, but instability poses risks.

Analysis of Maduro's Capture

On January 3, 2026, U.S. forces conducted a targeted military operation in Caracas, codenamed Operation Just Cause (per some reports), resulting in explosions, strikes on key sites, and the extraction of Maduro and Flores. Maduro was blindfolded, handcuffed, and flown to the U.S., where he was arraigned in New York on January 5. He pleaded not guilty to longstanding charges from a 2020 indictment, including narco-terrorism, conspiracy to import cocaine, possession of machine guns and destructive devices, and money laundering. Additional allegations involve ordering kidnappings and ties to drug cartels. Flores faces similar drug-related charges.

The operation was justified by the U.S. as enforcing indictments and addressing humanitarian crises, with President Donald Trump publicly announcing the capture via social media, including a photo of Maduro in custody aboard a U.S. Navy vessel. A \$50 million reward for Maduro's arrest, doubled in August 2025 by Senator Marco Rubio, underscores the long-term U.S. pursuit. Evidence includes intercepted communications, witness testimonies from defectors, and links to the Cartel of the Suns, a alleged Venezuelan military-drug network.

This action has been hailed by some as a bold move against tyranny, potentially paving the way for democracy and economic revival. Venezuelans, particularly the youth, express relief after years of repression, with online narratives emphasizing lived hardships over geopolitical debates. However, critics, including the UN High Commissioner for Human Rights Volker Türk, condemn it as a violation of international law, undermining state sovereignty and the UN Charter's prohibition on unauthorized force. Nations like China, Russia, and South Africa have protested, with Cuba declaring national mourning after losing 32 personnel in the operation.

Comparisons to the 2011 Bin Laden raid highlight debates on congressional approval—none was sought here, drawing Democratic skepticism in the U.S. The capture sends a message to drug cartels and U.S. adversaries, potentially weakening alliances with Russia and China. Yet, it risks escalating tensions, with fears of retaliation or instability in Latin America.

Issues Influencing Venezuelan Politics in the Coming Weeks

Several factors will shape Venezuela's trajectory:

1. **Interim Governance and Elections:** With Maduro removed, the focus is on a transitional government. The U.S. has vowed to "run" Venezuela temporarily to facilitate elections, but Maduro's successor (possibly a loyalist like Diosdado Cabello) has declared a state of emergency and arrested celebrants. The opposition demands swift, fair elections under international oversight. Delays could lead to factional violence or military coups. The UN and OAS may mediate, but divisions persist.

2. Economic and Oil Sector Revival: Maduro's ouster unlocks investment opportunities, with U.S. firms eyeing partnerships. However, infrastructure decay and legal disputes (e.g., Exxon's Guyana border claims) complicate recovery. Oil markets view Venezuela as a "footnote" in abundance, but increased production could lower global prices, benefiting consumers but pressuring OPEC.
3. Humanitarian Crisis and Migration: The crisis may worsen short-term due to instability, with potential for more refugees. Aid from the U.S. and NGOs is crucial, but militarization risks exacerbating shortages. Neighboring countries like Colombia and Brazil, polling positively on the capture, may see reduced migration pressures if stability returns.
4. Geopolitical Ramifications: Allies like Cuba face collapse without Venezuelan oil subsidies, potentially triggering regime change there. Russia and China, with investments in Venezuela, may retaliate economically or militarily. U.S. domestic politics are polarized, with Republicans praising and Democrats questioning legality. Broader implications include weakened left-wing networks in Latin America and shifts in global order.
5. Security and Internal Stability: Maduro loyalists could mount resistance, while criminal gangs (e.g., Tren de Aragua) exploit chaos. U.S. involvement raises invasion fears, though operations were limited. Conspiracy theories link the capture to exposing voting fraud ties (e.g., Dominion systems), potentially influencing U.S. elections discourse.

Conclusion

Venezuela stands at a crossroads: Maduro's capture offers a chance for democratic renewal and economic rebound but risks deeper instability and international conflict. The coming weeks will test the resilience of institutions, the will of the Venezuelan people, and the strategies of global powers. Successful navigation requires inclusive dialogue, transparent elections, and targeted aid to avert further humanitarian decline.

References:

- Al Jazeera. (2026, January 5). Venezuela after Maduro: Oil, power and the limits of intervention. Al Jazeera. <https://www.aljazeera.com/news/2026/1/5/venezuela-after-maduro-oil-power-and-the-limits-of-intervention>
- BBC News. (2026, January 6). What is Maduro charged with and what is the evidence? BBC. <https://www.bbc.com/news/articles/cwyndnqqey5o>
- CBS News. (2026, January 6). Ousted Venezuelan President Maduro arraigned in U.S. court. CBS News. <https://www.cbsnews.com/live-updates/venezuela-trump-maduro-charges/>
- Center for Strategic and International Studies. (2026, January 5). What just happened in Venezuela? And what comes next? CSIS. <https://www.csis.org/analysis/what-just-happened-venezuela-and-what-comes-next>
- CNN. (2026, January 3). January 3, 2026 — Maduro in US custody. CNN. <https://www.cnn.com/world/live-news/venezuela-explosions-caracas-intl-hnk-01-03-26>
- CNN. (2026, January 5). January 5, 2025 - Maduro appears in US court. CNN. <https://www.cnn.com/world/live-news/venezuela-maduro-court-trump-01-05-26>
- CNN 10. (2026, January 5). A stunning regime change in Venezuela | January 5, 2026. YouTube. <https://www.youtube.com/watch?v=holTd7BeSf8>
- Fox News. (2026, January 7). Maduro arrest sends 'clear message' to drug cartels, allies and US rivals, retired admiral says. Fox News. <https://www.foxnews.com/us/maduro-arrest-sends-clear-message-drug-cartels-allies-us-rivals-retired-admiral-says>
- Global Coalition to Protect Education from Attack. (2026, January 6). Statement on the recent developments in Venezuela. GlobalR2P. <https://www.globalr2p.org/publications/statement-on-the-recent-developments-in-venezuela/>

References:

- House of Commons Library. (2026, January 7). The US capture of Nicolás Maduro. UK Parliament. <https://commonslibrary.parliament.uk/research-briefings/cbp-10452/>
- NBC Miami. (2026, January 3). These are the charges Maduro and his wife face following their capture. NBC Miami. <https://www.nbcmiami.com/news/national-international/these-are-the-charges-maduro-and-his-wife-face-following-their-capture/3743104/>
- NPR. (2026, January 6). Here's what to expect in the legal case against Maduro. NPR. <https://www.npr.org/2026/01/06/nx-sl-5666370/nicolas-maduro-trial-legal-case-prosecution-explainer>
- The Globalist. (2026, January 4). Venezuela's crisis is no accident: How oil and intervention shaped a state. The Globalist. <https://www.theglobalist.com/venezuelas-crisis-is-no-accident-how-oil-and-intervention-shaped-a-state/>
- United Nations. (2026, January 5). United States action in Venezuela puts sovereignty of states, international law at stake, many speakers tell Security Council. UN Press. <https://press.un.org/en/2026/scl6271.doc.htm>
- United Nations Human Rights. (2026, January 6). Türk says U.S. operation in Venezuela clearly undermines fundamental principle of international law. OHCHR. <https://www.ohchr.org/en/press-briefing-notes/2026/01/turk-says-us-operation-venezuela-clearly-undermines-fundamental>
- U.S. Department of Defense. (2026, January 3). Trump announces U.S. military's capture of Maduro. War.gov. <https://www.war.gov/News/News-Stories/Article/Article/4370431/trump-announces-us-militarys-capture-of-maduro/>
- U.S. Department of State. (2020, March). Nicolás Maduro Moros. U.S. Department of State. <https://www.state.gov/nicolas-maduro-moros>
- Wikipedia contributors. (2026, January 7). 2026 United States strikes in Venezuela. Wikipedia. https://en.wikipedia.org/wiki/2026_United_States_strikes_in_Venezuela
- @CBSNews. (2026, January 7). While some Americans are questioning the legality... [Post]. X. [Extracted from search results; original post ID: 2008697635448775121]

References:

- @CyrilRamaphosa. (2026, January 6). We reject utterly the actions... [Post]. X. [Extracted from search results; original post ID: 2008495770664923275]
- @ElliotKaufman6. (2026, January 5). Liberal internationalism is a moral... [Post]. X. [Extracted from search results; original post ID: 2008306831467131278]
- @GlobalMoney. (2026, January 7). Why is Cuba on the brink... [Post]. X. [Extracted from search results; original post ID: 2008817420321030273]
- @greendragonhq. (2026, January 7). Congressional approval? [Post]. X. [Extracted from search results; original post ID: 2008890930879922631]
- @IanJaeger29. (2026, January 6). BREAKING: Democratic Senator John Fetterman... [Post]. X. [Extracted from search results; original post ID: 2008604307139293187]
- @MancowMuller. (2026, January 7). Trump better do something SOON... [Post]. X. [Extracted from search results; original post ID: 2008882935127306553]

Disclosures:

Adviser believes that the content provided by third parties and/or linked content is reasonably reliable and does not contain untrue statements of material fact, or misleading information. This content may be dated.

The opinions expressed herein are those of the firm and are subject to change without notice. The opinions referenced are as of the date of publication and are subject to change due to changes in the market or economic conditions and may not necessarily come to pass. Any opinions, projections, or forward-looking statements expressed herein are solely those of author, may differ from the views or opinions expressed by other areas of the firm, and are only for general informational purposes as of the date indicated.

Roan Capital Partners is a registered investment advisor located in the State of Tennessee. The information presented is for educational purposes only and does not intend to make an offer or solicitation for the sale or purchase of any specific securities, investments, or investment strategies. Investments involve risk and, unless otherwise stated, are not guaranteed. Be sure to first consult with a qualified financial adviser and/or tax professional before implementing any strategy discussed herein. Past performance is not indicative of future performance.