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**Business**

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## Venezuela seizes foreign oil fields

- **Workers jubilant at nationalisation of reserves**
- **Chavez pulls country out of World Bank and IMF**

Thousands of Venezuelan workers took control of foreign-owned oil fields yesterday as **Hugo Chávez** stepped up his battle with Washington in a new wave of nationalisation and an announcement that the country was leaving the World Bank and the International Monetary Fund.

Amid jubilant scenes, oil workers wearing red T-shirts emblazoned with "yes to nationalisation" moved into the giant Orinoco basin shortly after midnight after Caracas insisted six of the world's biggest oil companies cede operational control.

Three US companies - ConocoPhillips, Chevron and Exxon Mobil, together with BP, Norway's Statoil and France's Total agreed to transfer operational control to state-owned Petroleos de **Venezuela**.

In carefully-orchestrated moves designed to inflame concerns in the Bush administration about the new wave of left-wing populism in Latin America, the oil giants have been forced to accept a minority stake in joint ventures after Mr Chávez said he was ending an era of US-prescribed policies designed to open Venezuela's oil industry to foreign investment.

"President Chávez has ordered us to take full control over the sovereignty of our oil, and we are doing that today," Venezuela's oil minister Rafael Ramirez told state television at the oil installations shortly after midnight. In this very instant our oil workers are taking control of each of the areas of each of the installations."

The Orinoco Basin, 370 miles long and 43 miles wide, stretches along the Orinoco river in eastern Venezuela and is believed to hold the world's largest crude oil reserves. Venezuela says it could hold as much as 370 billion barrels, compared with the country's current oil reserves of about 80 billion barrels.

Mr Chávez followed up the move with a strong attack on the Washington-based Bank and Fund, accusing them of exploiting small countries. The two organisations were "mechanisms of North American imperialism", he said.

After using oil receipts to pay off \$3bn (£1.5bn) to the international financial

institutions last month, Mr Chávez said he wanted to "formalise" his country's exit from the Bank and Fund. "We are going to withdraw ... and let them pay back what they took from us," he said, claiming the organisations were "in crisis".

Mr Chávez is keen for Latin America to loosen their ties with the US by setting up a Banco del Sur, or Bank of the South, to replace the Bank and the Fund.

A spokesman for the IMF said that it had not been formally notified of Venezuela's decision to withdraw, but the IMF's deputy managing director, Murilo Portugal said he regretted the decision.

"It's a member that's been in the Fund for a long period, it's an important country," Mr Portugal said in Nairobi "It's their decision. We would regret it a lot, but it's not for me to judge if it's wise or not wise, or whether they will lose or are going to win." The Centre for Economic Policy Research (CEPR), a Washington-based think tank, said that the Fund's "support" for the botched coup against Mr Chávez five years ago might have influenced the decision to pull out of the Fund and the Bank.

The CEPR said that within four hours of the ultimately unsuccessful attempt to unseat Mr Chávez, an IMF spokesman was pledging to work with the new regime.

A Fund spokesman last night strongly denied that the IMF had supported the coup, adding that the spokesman had been responding to a hypothetical question at a press conference. "There was no more to it than that", he added.

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