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Brazil-bolivia Energy Agreements

by John Neagle

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On Nov. 27, Brazilian and Bolivian energy ministers had scheduled a meeting to sign a bilateral energy program agreement, part of a set of accords signed in August 1988 by Brazilian President Jose Sarney and Bolivian President Victor Paz Estenssoro. The Integral Energy Program calls for the construction of a 557-km.-long gas pipeline in Bolivia. Natural gas is Bolivia's second most important export after tin. The program includes the construction of a power plant to supply electricity to Brazil, a polyethylene plant and a fertilizer plant, which would supply Brazil and other countries. The energy complex is to be located at the border city of Puerto Suarez, 1,600 km. from La Paz. The agreements cover a 25-year period that is to begin once the energy complex is completed. According to projections by Bolivian Hydrocarbon and Energy Minister Angel Zannier, the complex should be complete by the first half of 1993. Zannier told AFP that Bolivia must invest some \$1.2 billion for the program to be viable. Nearly half the investment would cover construction of the gas pipeline which is to feed the thermoelectric plant. The Interamerican Development Bank (IDB) has promised some financing for the gas pipeline. Officials in La Paz estimate that exports from the energy complex will provide about \$130 million in earnings per year to Bolivia. (Basic data from AFP, 11/26/89)

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