CROSS-BORDER PIPELINE TRADE

Gas pipeline trade is increasing rapidly in the Southern Cone, a region encompassing the southern half of Brazil, Argentina, Chile, Bolivia, Paraguay and Uruguay. This is where most of the population and industrial infrastructure is located and where the growth in energy and gas demand is highest. As mentioned in the previous section, both Argentina and Bolivia have abundant non-associated gas reserves, which they are eager to export to neighbouring countries, while Brazil and Chile have high-growth markets.

Figure 3.4 illustrates the rapid growth of cross-border gas trade in this area, from 2.1 bcm in 1996 to 9.9 bcm in 2001. In that year, cross-border flows accounted for 18% of the Southern Cone’s marketed gas production. Much of this was accounted for by Argentina’s exports to Chile (5.3 bcm in 2001); additionally, 3.7 bcm went from Bolivia to Brazil, 0.74 bcm from Argentina to Brazil, 0.12 bcm from Bolivia to Argentina and 0.04 bcm from Argentina to Uruguay.

Between 1996 and 2001, seven pipelines were built between Argentina and Chile, the 3,150-km Bolivia-to-Brazil pipeline was finalised, and the first stage of an Argentina-to-Brazil pipeline became operational, creating the basis for a sub-regional gas transportation network. Another pipeline from Argentina to southern Brazil via Uruguay is at an advanced planning stage and a possible route from southern Bolivia to Brazil via Argentina and Paraguay is being considered.

Map 3: gives an overview of existing pipelines, as well as those currently under construction or at an advanced stage of planning.

Figure 3.4 Cross-border gas trade in the Southern Cone, 1991-2001

gas exports in bcm per year

Sources: YPFB (for Bolivia), Secretaría de Energía y Minas (for Argentina).

1. All maps are located at the end of the book.