

Latin America Gas Business Outlook

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Latin America witnessed during the 1990's a substantial shift in government policy towards natural gas. One of the major changes took place in Brazil where the Government in Brasilia abandoned hopes of energy self-sufficiency and finally went ahead with a pipeline project from Bolivia that had been under "negotiation" for almost 35 years. That policy decision detonated a flurry of activity in gas exploration in Bolivia and in the power generation sector in the Southern Cone. Argentina now has four "trans Andean pipelines supplying customers in Chile, Brazil and Paraguay and more export pipelines are under construction. Not only the southern cone has paid renewed attention to natural gas, Trinidad and Tobago turned an 'oil-economy" into a "gas-economy". Five of the ten reaches holders of hydrocarbon reserves in Latin America have more gas than oil in energy equivalency. This paper will attempt to put the recent developments in the natural gas business in Latin America and draw conclusion on what is to come.