

# Natural resources within the Union of South American Nations

Status and trends for a regional  
development agenda



UNITED NATIONS

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The opinions expressed in this document are the sole responsibility of the authors and do not necessarily reflect the views of the Organization.



## CONTENTS

	<i>Page</i>
Foreword .....	7
Note by the secretariat of the Union of South American Nations .....	11
Introduction .....	13
 Chapter I	
THE MINING SECTOR IN UNASUR COUNTRIES: RECENT TRENDS AND DEVELOPMENTS .....	
A. The important role of UNASUR countries in global mineral output .....	21
B. Evolution of the international price of metals and mineral exports at the regional level .....	21
C. Investment in mineral prospecting .....	26
D. UNASUR countries account for an increasing proportion of world mineral reserves .....	28
E. Forecasts for mineral investment show vigorous growth .....	29
F. State share in economic rent from the mining sector during the most recent price cycle .....	31
 Chapter II	
THE HYDROCARBON SECTOR IN THE UNASUR COUNTRIES: TRENDS AND RECENT DEVELOPMENTS .....	
A. Oil and natural gas: exploration and production .....	35
B. Reserves, production, consumption and trend indicators .....	35
1. South America in the global context .....	35
2. Reserves .....	39
3. Production and consumption .....	44
C. The trade in hydrocarbons .....	46
D. Investment .....	49
E. Main trends: production, consumption and reserves .....	54
F. Contractual frameworks, economic rent and fiscal revenues .....	54
G. The State share of economic rent from the hydrocarbon sector during the latest price cycle .....	62
 Chapter III	
PUBLIC POLICIES FOR THE DEVELOPMENT OF DRINKING WATER AND HYDROELECTRICITY IN UNASUR .....	
Introduction .....	65
A. Efficient, equitable and sustainable provision of drinking water and sanitation services .....	67
1. The contribution of drinking water and sanitation services to economic development, social equity and environmental sustainability .....	68
2. Public policies for service efficiency, equity and sustainability .....	71
B. The sustainable development of hydroelectricity (the interface between water and energy) .....	78
1. The current situation of hydroelectric generation in UNASUR .....	78
2. The sustainability of hydro power .....	80
3. A proposal for sustainable hydroelectricity .....	84

Chapter IV	
CONCLUSIONS AND POLICY IMPLICATIONS .....	89
A. The response of the mining sector to the price cycle .....	89
B. The response of the hydrocarbon sector to the price cycle .....	90
C. Sustainable development of water resources.....	91
Bibliography .....	95
Annex.....	103

## Tables

Table I.1	Latin America and the Caribbean: share of the total global mining output, 1990-2012.....	22
Table I.2	Indicators and fiscal contribution of the mining sector in selected countries, 1990-2009.....	33
Table I.3	State share in the mining sector's estimated economic rent and the total fiscal revenue in selected countries, 1990-2003 and 2004-2009 .....	34
Table II.1	Latin America and the Caribbean: oil and natural gas reserve life .....	43
Table II.2	Latin America and the Caribbean: ratio between production and consumption of oil and natural gas, 1995-2011 .....	47
Table II.3	Latin America (selected countries): future investment plans to 2017.....	52
Table II.4	Latin America and the Caribbean (selected countries): fiscal systems for hydrocarbon exploration and exploitation, 2011 .....	56
Table II.5	Latin America (selected countries): hydrocarbon sector indicators and fiscal contribution, 1990-2009 .....	62

## Figures

Figure I.1	International prices of copper, lead and zinc, 1965-2012 .....	23
Figure I.2	Latin America and the Caribbean and the world: share of minerals in total exports, 1962-2009 .....	24
Figure I.3	Latin America and the Caribbean and major mineral exporters: exports of minerals in the primary stage of processing, 1962-2010 .....	25
Figure I.4	Latin America and the Caribbean and major mineral exporters: evolution of exports of minerals in the manufacturing stage, 1962-2010.....	25
Figure I.5	Latin America and the Caribbean: evolution of exports of primary minerals and mineral manufactures, 1962-2010.....	26
Figure I.6	Distribution of global mineral prospecting budget 2003 and 2010 .....	27
Figure I.7	Latin America: global mineral prospecting budget, by region and world total, 2003-2010 .....	27
Figure I.8	Latin America and the Caribbean: major destinations for mineral exploration, 2010 .....	28
Figure I.9	Latin America and the Caribbean: main mineral reserves, 2000 and 2010 .....	29
Figure I.10	Mining investment project portfolio, by region, 2000 and 2010 .....	30
Figure I.11	Distribution of mining investments among the top ten receiving countries, 2000 and 2010 .....	30
Figure II.1	South America: shares of the oil and natural gas sectors, 1995, 2000, 2005, 2010 and 2011 .....	36
Figure II.2	South America and the world: oil and natural gas reserves, production and consumption versus economic growth and prices.....	37

Figure II.3	Latin America and the Caribbean and the world: prices, costs and activity in the hydrocarbon industry, 2000-2011 .....	38
Figure II.4	Latin America (selected countries): oil and natural gas reserves, 1995, 2000, 2005, 2010 and 2011 .....	40
Figure II.5	Latin America and the Caribbean (selected countries): five-year evolution of the oil and natural gas reserve replacement indices, 2001-2010 .....	42
Figure II.6	Latin America and the Caribbean (selected countries): ratio between reserves and production of oil and natural gas.....	43
Figure II.7	Latin America (selected countries): oil and natural gas production, 1995, 2000, 2005, 2010 and 2011 .....	45
Figure II.8	Latin America and the Caribbean (selected countries): ratio between production and consumption, 1995, 2000, 2005, 2010 and 2011 .....	47
Figure II.9	Latin America (selected countries): hydrocarbon trade balances and production to consumption ratios, 2000, 2005 and 2011 .....	48
Figure II.10	Latin America (selected countries): foreign and State investment in hydrocarbons, 1996-2011 .....	51
Figure III.1	UNASUR: share of hydrocarbons in the total primary energy supply, 1970-2011 .....	79
Figure III.2	UNASUR and the world: energy mix, 2010.....	80
Figure A.1	Latin America and the Caribbean (selected countries): reserves, production and consumption of oil and natural gas, by five-year periods, 1991-2010.....	103
Figure A.2	Latin America and the Caribbean (selected countries): drilling activities and natural gas prices, 2000-2010 .....	104
Figure A.3	Latin America (selected countries): drilling activities and oil prices, by crude oil type, 2000-2010 .....	105
Figure A.4	Latin America and the Caribbean and the world: proportion of hydrocarbons in the primary energy consumption matrix, by five-year periods.....	106
Figure A.5	South America (selected countries): oil and natural gas consumption, 1995, 2000, 2005, 2010 and 2011 .....	107
Figure A.6	Latin America and the world: balance of trade in natural gas, 2005, 2010 and 2011.....	108
<b>Boxes</b>		
Box III.1	The human right to drinking water and sanitation .....	67



## FOREWORD

The debate on natural resource endowment and more equitable sustainable development is a priority on the public policy agenda of the countries of Latin America, in general, and those of the Union of South American Nations (UNASUR), in particular. South American countries possess some of the world's most extensive mineral reserves: 65% of global reserves of lithium; 42% for silver; 38% for copper; 33% for tin; 21% for iron; 18% for bauxite and 14% for nickel. Their mineral potential is estimated to be even greater since only partial geological information is currently available. The subcontinent is also known to have vast oil reserves, especially since the certification of the extra-heavy crude reserves in the Orinoco Belt in the Bolivarian Republic of Venezuela. It also accounts for approximately 30% of global renewable reserves of water, corresponding to over 70% of the water on the American continent.

This study was prepared by the Economic Commission for Latin America and the Caribbean (ECLAC) at the request of the Secretary-General of UNASUR and as part of the cooperation agreement signed by the two organizations in March 2012.

Natural resource governance is viewed by these two entities as playing a central role within their lines of work and as referring to the set of sovereign policies over ownership and allotment of natural resources and the distribution of productivity gains arising from their exploitation. This document seeks to provide useful information to enable countries to extend their contribution to more inclusive development and to shore up the equality agenda.

This publication identifies the different legal and economic instruments which States invoke in order to assert ownership of and distribute the revenue derived from the exploitation of mineral, water and hydrocarbon resources. These instruments include: legislation and special regulations; sectoral planning policies and regimes for public-private partnerships for investment and development; institutions created for regulatory purposes, mechanisms for the control and distribution of revenue from natural resources between levels of government; direct participation in the development of resources through public enterprises; public management and mechanisms for the resolution of socioenvironmental conflicts in mining sectors; creation of targeted public savings and investment funds (geared to investment in education, innovation and development, among others) and macrofiscal stabilization funds, as well as support for countercyclical macroeconomic management in response to cyclical fluctuations in the international prices for natural resource exports.

The subregion faces challenges and tensions arising from natural resource management and

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