

**IIRSA: PERU-BRAZIL-BOLIVIA INTEROCEANIC HUB**

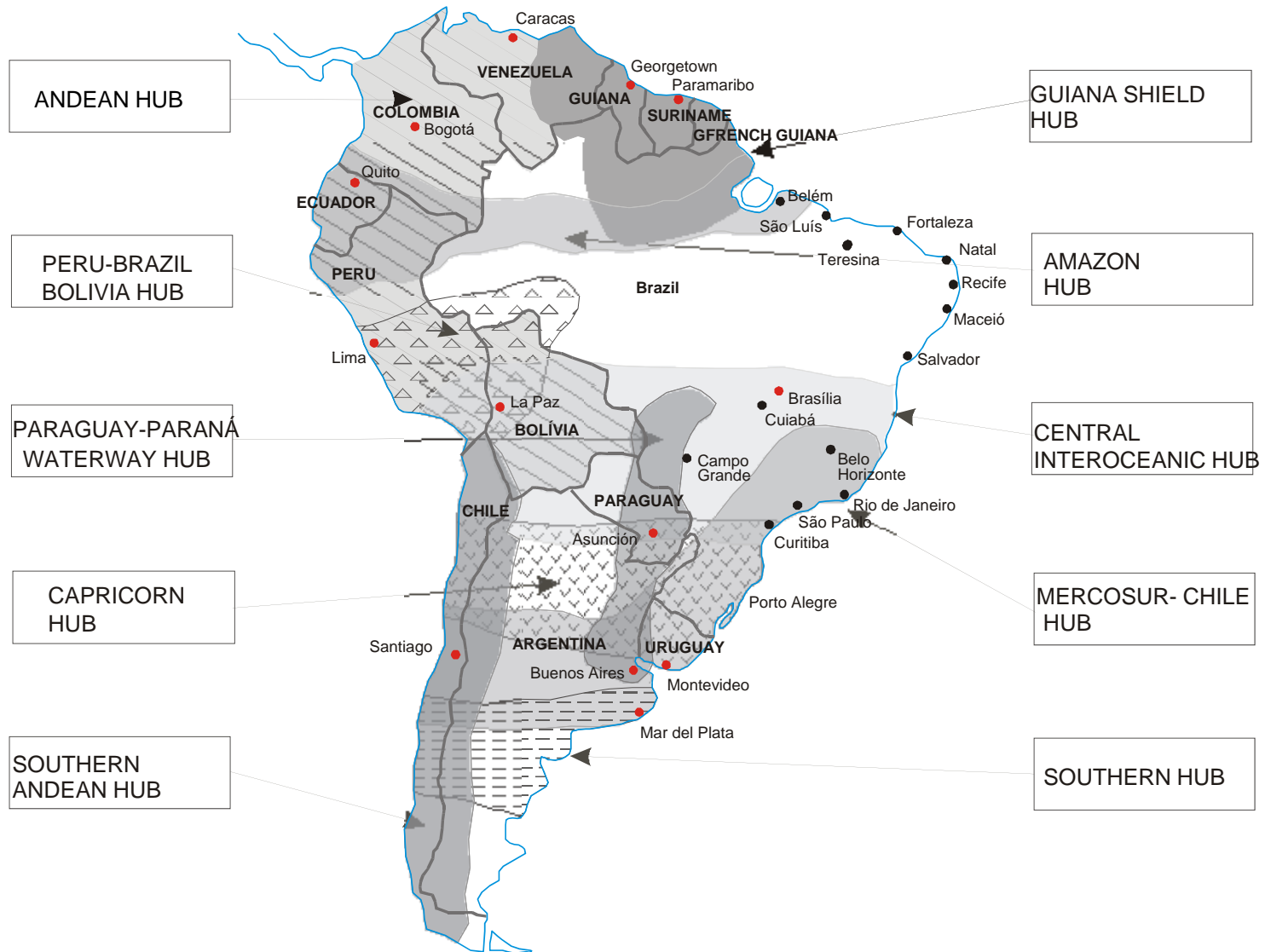
**THE CURRENTLY PROPOSED INTEGRATION PRESENTS A GAP IN THE NORTHEAST OF BRAZIL AS WELL AS IN PART OF THE NORTHERN AND CENTRAL-WESTERN SECTION OF THE COUNTRY**

**Despite the aim of balancing the harmonic development pattern of the South, the Northeastern part of Brazil as well as part of the Central–Western and Northern area of the country stayed as peripheral regions.**

**That may inhibit the attraction capacity of these regions, keeping them as areas with low economic dynamics and low social development indicators.**

**The lack of East-West corridors, at the Northeast region, part of the Central-Western area and the North of Brazil, is translated into a continuous dependence on the flow articulated by other regions.**

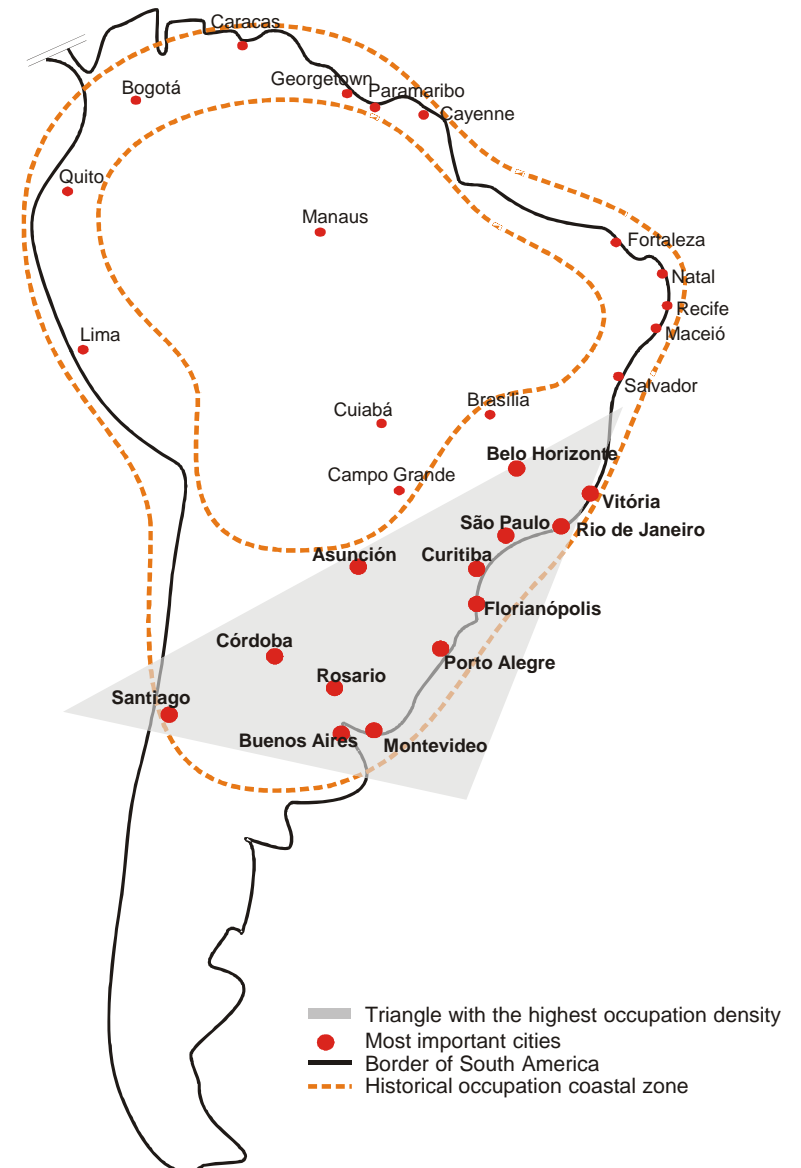
# INTEGRATION AND DEVELOPMENT HUBS



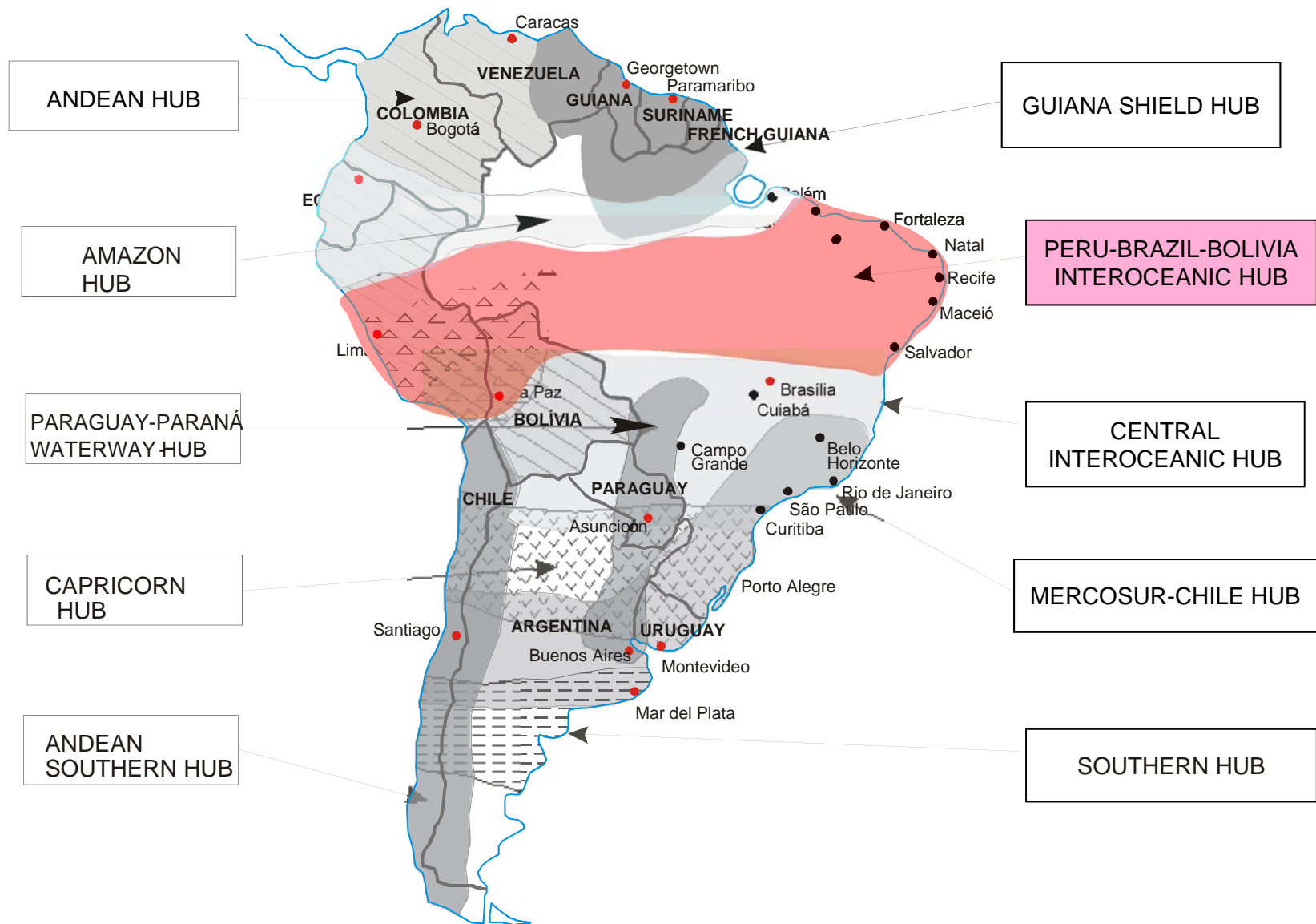
# SPATIAL DISTRIBUTION OF THE SOUTH AMERICAN ECONOMY

**THE INTEGRATION AND DEVELOPMENT HUBS CURRENTLY PROPOSED FOR IIRSA TEND TO STRENGTHEN THE MOST DYNAMIC REGIONS IN SOUTH AMERICA.**

Sketch 1  
Spatial distribution of the South American economy



# PROPOSAL FOR THE CREATION OF A NEW INTEGRATION AND DEVELOPMENT HUB



Own source. Work carried out on an IIRSA map.

## **PROPOSAL FOR THE CREATION OF A NEW INTEGRATION AND DEVELOPMENT HUB**

- Objectives:
  - To reinforce the most important IIRSA objectives: The integration and reduction of regional and social inequalities;
  - To make economic integration possible in the poorest region of South America, which involves: Peru, Bolivia and Brazil, specifically the Northern, Central-Western and Northeastern regions;
  - To implement a strategy for the regional development of economic dynamism induction in the poorest regions of South America;

## **JUSTIFICATIONS FOR THE CREATION OF THE PERU-BRAZIL-BOLIVIA INTEROCEANIC HUB**

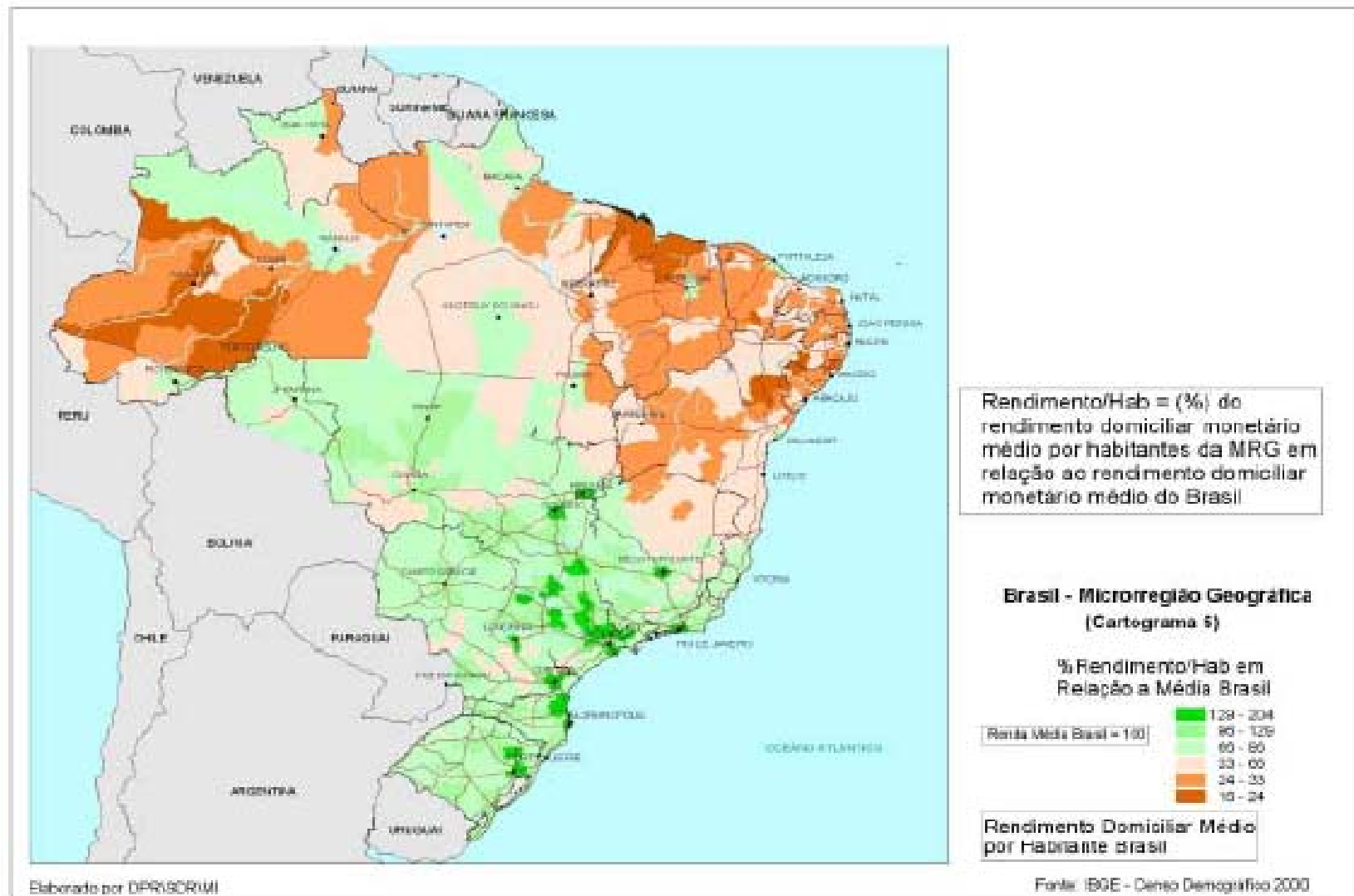
- **The areas from Peru to Bolivia and the Northern, Northeastern and Central-Western regions of Brazil may gain competitiveness in the attraction of investment.**
  - The facilities that the globalization process created for the spatial decentralization of some investment in relation to the least developed countries and regions, together with the physical proximity of Northeastern Brazil to markets in Europe, the North of Africa and North America, give place to the revision of regional policies always devoted to reinforce the concentration of the economy in the Southern-Southeastern part of South America;

## **JUSTIFICATIONS FOR THE CREATION OF THE PERU-BRAZIL-BOLIVIA INTEROCEANIC HUB**

- **The South American integration policy related to the reduction of social inequalities will have important allies with the integration of the least economically dynamic regions.**
  - In the case of Brazil, studies carried out by the Federal Government of Brazil establish that the country is split into two parts: the Northern part, with low economic dynamism and low social indicators; and the Southern part, that concentrates more than 80% of the GDP and presents the highest social indicators;



# JUSTIFICATIONS FOR THE CREATION OF THE PERU-BRAZIL-BOLIVIA INTEROCEANIC HUB



## **JUSTIFICATIONS FOR THE CREATION OF THE PERU-BRAZIL-BOLIVIA INTEROCEANIC HUB**

- **The countries with the least economic dynamism, located in the North of the South American continent, will be able to get benefits.**
  - Not only Brazil's regions, but also parts of the countries in the North, may have economies articulated with the newest production areas in the interior of the South American continent, with other development hubs, and attract new infrastructure investment, rising their employment offerings and reducing inequalities with respect to the countries with the highest GDP, located in the South of the continent.
  - The Peru-Brazil-Bolivia Interoceanic Hub is articulated with other Integration Hubs in South America and it also facilitates a greater North-South connection.

# JUSTIFICATIONS FOR THE CREATION OF THE PERU-BRAZIL-BOLIVIA INTEROCEANIC HUB

SOJA PRODUCTION IN BRAZIL - 2000



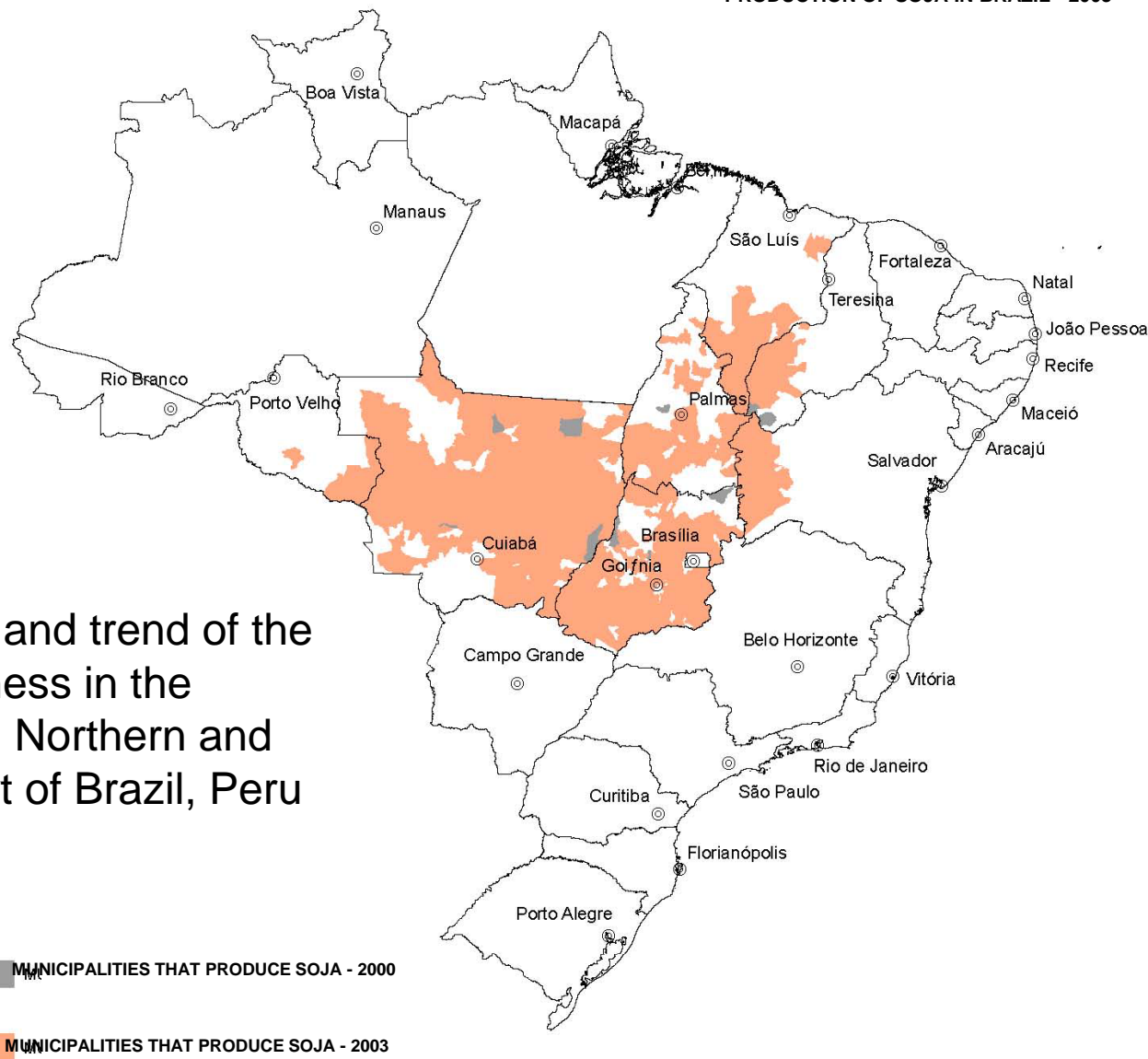
- Growth density and trend of the agricultural business in the Central-Western, Northern and Northeastern part of Brazil, Peru and Bolivia.



MUNICIPALITIES THAT PRODUCE SOJA - 2000

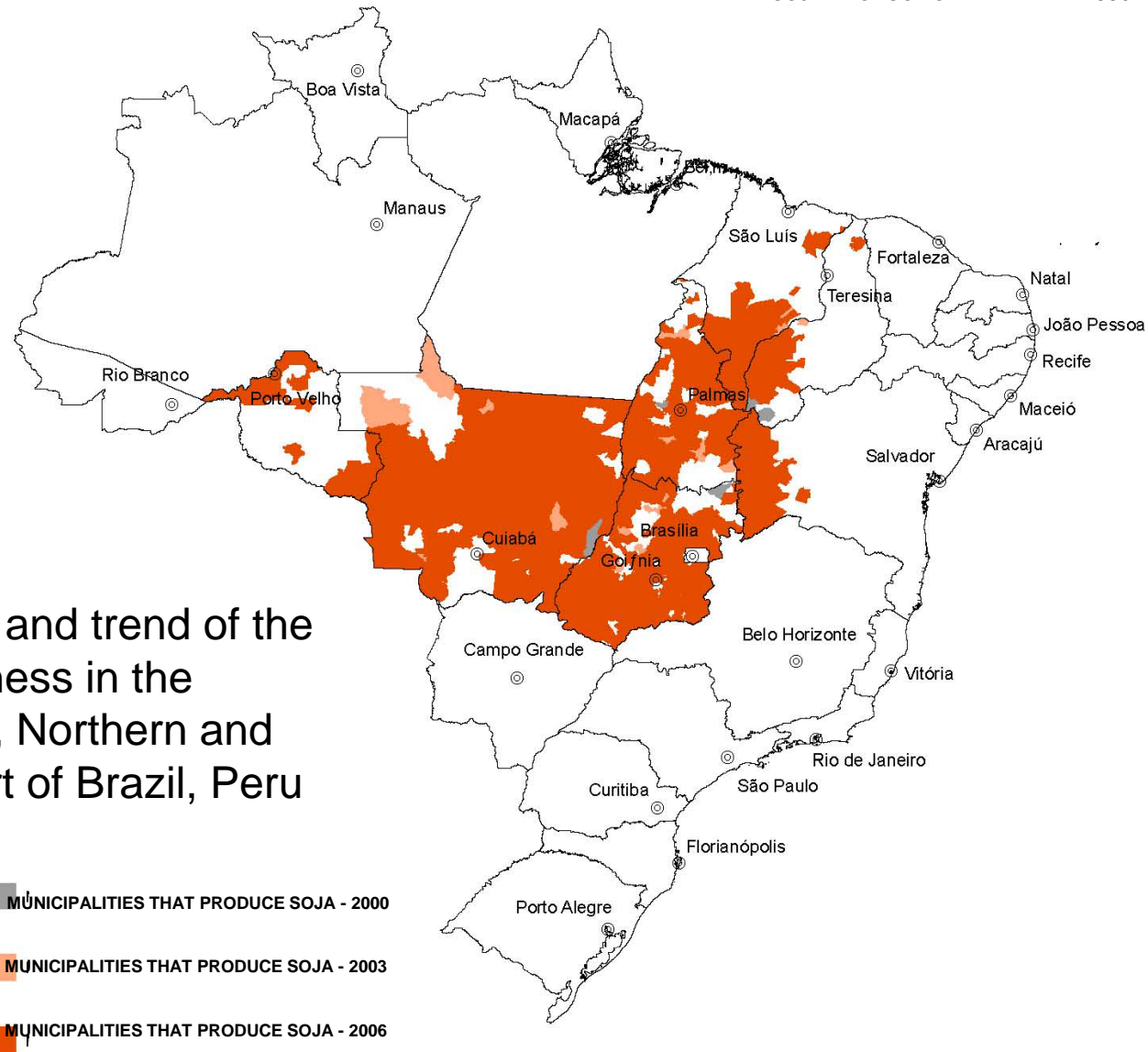
# JUSTIFICATIONS FOR THE CREATION OF THE PERU-BRAZIL-BOLIVIA INTEROCEANIC HUB

PRODUCTION OF SOJA IN BRAZIL - 2003



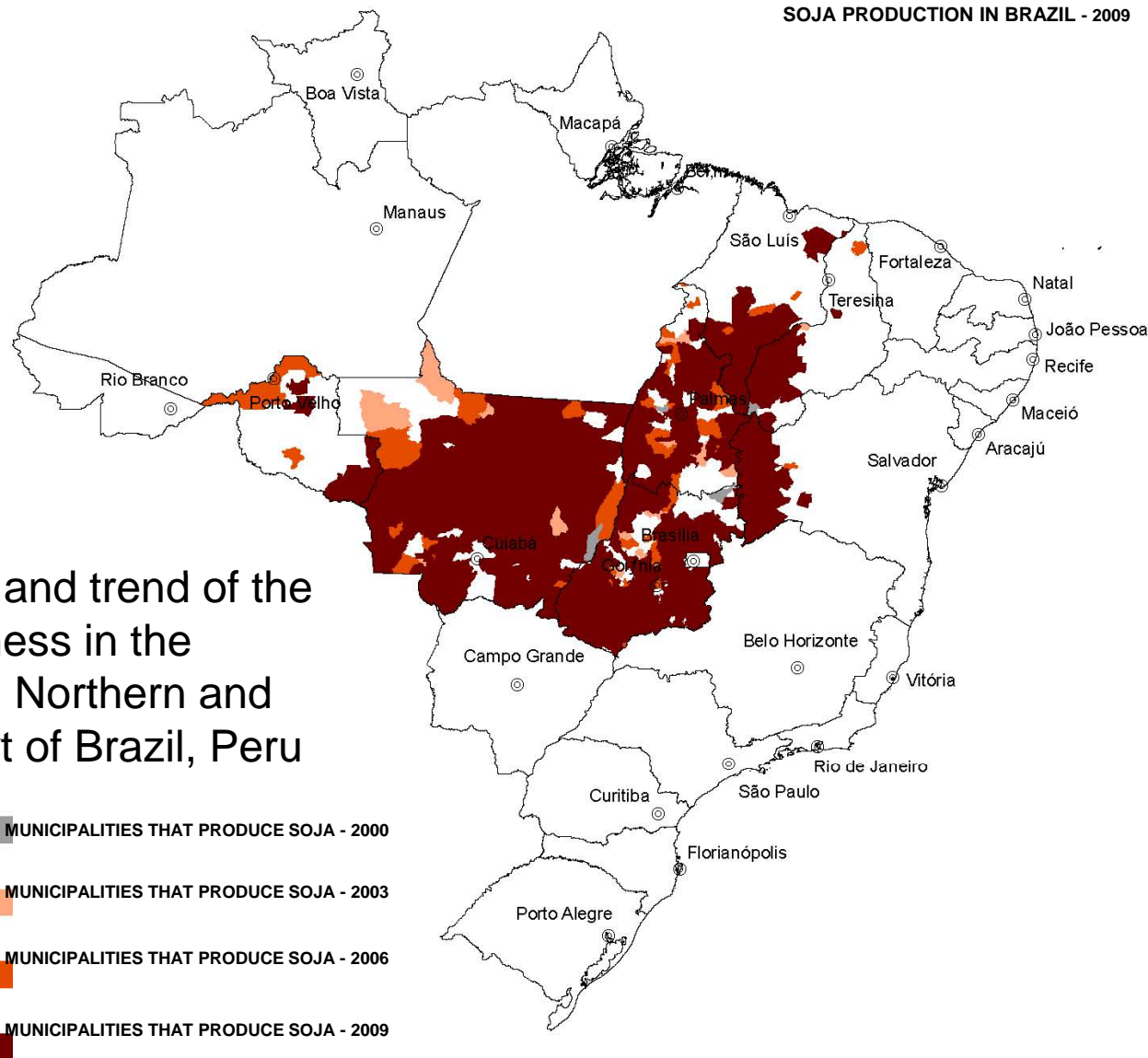
# JUSTIFICATIONS FOR THE CREATION OF THE PERU-BRAZIL-BOLIVIA INTEROCEANIC HUB

SOJA PRODUCTION IN BRAZIL - 2006



# JUSTIFICATIONS FOR THE CREATION OF THE PERU-BRAZIL-BOLIVIA INTEROCEANIC HUB

SOJA PRODUCTION IN BRAZIL - 2009



# JUSTIFICATIONS FOR THE CREATION OF THE PERU-BRAZIL-BOLIVIA INTEROCEANIC HUB

## BRAZILIAN SOJA EXPORTS

DESCRIPT. OF UF	WEIGHT (Ton.) 2010	WEIGHT (%) 2010
MATO GROSSO	8.654.780	32,27
GOIAS	2.205.965	8,23
BAHIA	1.632.047	6,09
MARANHAO	1.040.762	3,88
TOCANTINS	677.122	2,52
RONDONIA	357.059	1,33
PIAUI	119.043	0,44
<b>SUBTOTAL</b>	<b>14.686.780</b>	<b>55,00</b>
REST OF THE STA	12.133.036	45,00
<b>BRAZIL</b>	<b>26.819.815</b>	<b>100,00</b>

## PORTS RESPONSIBLE FOR BRAZILIAN SOJA EXPORTS

DESCRIPTION OF THE PORT	WEIGHT (Ton.) 2010	WEIGHT (%) 2010
SANTOS	8.226.982	28,30
PORT OF PARANAGUA	5.333.970	18,35
PORT OF RÍO GRANDE	4.564.075	15,70
SAO FRANCISCO DO SUL	3.044.282	10,47
VITORIA - PORT	2.379.156	8,18
SAO LUIS - PORT	2.063.214	7,10
MANAUS - PORT	1.283.034	4,41
SALVADOR - PORT	1.232.150	4,24

- About 55% of Brazilian soja exports is located in the Brazilian states that make up the Peru-Brazil-Bolivia Interoceanic Hub;
- The ports in the Southern and Southeastern part of Brazil are responsible for approximately 88% of the soja produced that then leaves the country.

Source: MIDIC, 2011

## **SUGGESTIONS FOR THE CREATION OF THE PERU-BRAZIL-BOLIVIA INTEROCEANIC HUB**

- To relate big investment with regional and local development;
- To identify potentialities for the integration and development of the small and medium-sized regional firms;
- To relate big logistics investment with investment in regional transportation and equipment;
- To articulate big projects with the public policies in the federal, state and municipal sphere;
- To understand the big investment impacts on the city network of their influence areas;
- To insert procedures devoted to assess cultural and environmental impacts in medium and big-sized projects;
- To create policies in a sustainable way and with the participation of society.



# **Characterization of the Hub**

## LOCATION OF THE INFLUENCE AREA OF THE PERU-BRAZIL-BOLIVIA INTEROCEANIC HUB

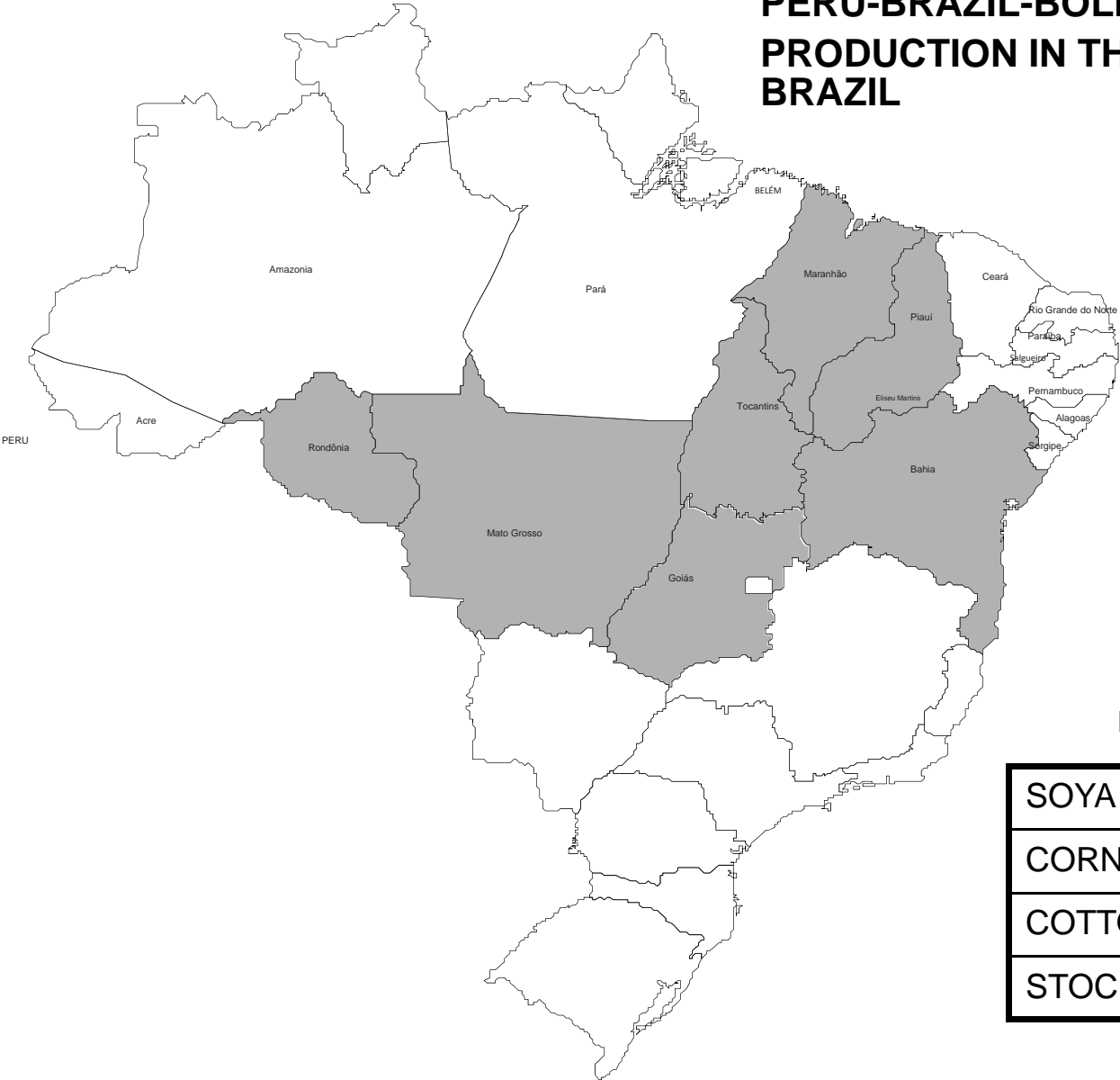
- The Peru-Brazil-Bolivia Interoceanic Hub is made up by a very significant influence area and interconnects, transversally, South America (Northeastern, Central-Western and Northern part of Brazil) with the neighboring countries: Bolivia and Peru;
- The Hub offers the possibility of interconnecting the Atlantic Ocean through several ports located in the Northeastern part of Brazil with important ports in Bolivia and Peru;
- The suggested Hub comprises the Northern, Central-Western and Northeastern part of Brazil and includes, in the Northern region, the states of: Rondonia, Acre and Tocantins; in the Central-Western region, the states of: Mato Grosso and Goiás; and in the Northeastern region, the states of: Bahía, Sergipe, Alagoas, Pernambuco, Paraíba, Rio Grande do Norte, Ceará, Piauí and Maranhão. It also covers the departments of: Tacna, Moquegua, Arequipa, Apurímac, Cusco, Madre de Dios and Puno, in Peru; and the departments of: Pando, Beni and La Paz, in Bolivia;
- That hub has an influence area with an extension of 4,233,869 km<sup>2</sup>, and it represents the 38.8% of the total territory of the three countries that make up the Integration and Development Hub (EID, for its acronym in Spanish).

## Area, Population and Main Cities in the Influence Area of the EID

Countries– Territorial units	Area (Km <sup>2</sup> )	Population/inhabit. 2010 <sup>1</sup>	Main cities
<b>BRAZIL</b>	8.514.877	190.755.799	
<b>Northeast</b>	1.554.388	53.081.950	Aracaju, Fortaleza, João Pessoa, Maceió, Natal, Recife, Salvador, São Luís and Teresina
<b>North</b>	679.335	3.679.413	Porto Velho, Rio Branco and Palmas
<b>Central-West</b>	1.243.433	9.038.910	Cuiabá, Goiânia
<b>PERU</b>			Tacna, Moquegua, Arequipa, Apurimac, Cusco, Puno and Madre de Dios
	<b>1.285.216</b>	<b>28.807.034</b>	
<b>BOLIVIA</b>	1.098.581	10.027.643	Pando, Beni, La Paz
<b>Total countries EID</b>	<b>10.898.674</b>	<b>229.590.476</b>	

# ECONOMIC ASPECTS IN BRAZIL

## PERU-BRAZIL-BOLIVIA INTEROCEANIC HUB PRODUCTION IN THE INFLUENCE AREA IN BRAZIL



### MAIN AGRICULTURAL PRODUCTS PARTICIPATION IN BRAZIL

SOYA	53%
CORN	33%
COTTON	91%
STOCKBREEDING	42%

## **POTENTIAL FOR THE DEVELOPMENT OF THE PERU-BRAZIL-BOLIVIA INTEROCEANIC HUB**

- Increase in trade flows in the IIRSA-involved regions;
- Existence of demographic density;
- Significant production of agricultural and stockbreeding commodities –soya, corn, cotton and bovine meat;
- Important ethanol production;
- Expanding mineral production;
- Important petrochemical area;
- Oil production;
- Natural gas.

# PORT INFRASTRUCTURE

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Countries – Territorial  
units

Sea and river ports

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## ATLANTIC OCEAN

### BRAZIL

#### Northeast

Salvador/Aratu, Porto Sul, Suape, Cabedelo, Pecém,  
Itaquí

#### North

#### Central-West

Cáceres

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## PACIFIC OCEAN

### PERU

Ilo, Puerto Maldonado

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## ROAD INFRASTRUCTURE

- Peru
  - Sections in: Iñapari- Puerto Maldonado-Inambarí, Inambarí-Juliaca/Inambarí-Cusco
- Bolivia
  - Cobija-El Choro- Riberalta road
  - Yucumo-Trinidad road
  - Cobija-Extrema road
- Brazil
  - Sections in the BRs in the Northern, Northeastern and Central-Western regions: BRs 101, 116, 232, 230, 135, 226, 222, 304, 242, 030, 020.

# SOME STRUCTURAL PROJECTS IN BRAZIL

- **Transnortheast Railway (being carried out)**
  - Aim: Construction: 1,728km – Remodeling: 550km
  - UF: CE/PE/PI/AL
  - Foreseen Investment 2007-2010: R\$ 2.16 billions
  - Foreseen Investment After 2010: R\$ 3.25 billions
  - Completion: 2012
- **West-East Integration Railway**
  - Aim: 1,527km
  - UF: BA/TO
  - Foreseen Investment 2007-2010: R\$ 431.1 millions
  - Investment After 2010: R\$ 4.4 billions
  - Completion: Ilhéus/BA-Caetité/BA – 30/12/2012
  - Caetité/BA-Barreiras/BA – 30/12/2013
  - Barreiras/BA-Figueirópolis/TO – To be defined
- **Port of Pecém**
  - Dredging
  - Railway Access – Transnortheast Railway (being carried out)
- **Port of Suápe**
  - Road-railway access (being carried out)
  - Internal and external dredging (being carried out)



# SOME STRUCTURAL PROJECTS IN BRAZIL

- **South Port (Porto Sul)**
  - Investment: around R\$ 2 billions
  - Construction of a multimodal port (Projects and Studies being developed)
- **Port of Itaquí**
  - Construction of boat trailers (implemented)
  - Dredging (implemented)
- **Port of Salvador/Aratú**
  - Dredging (completed)
  - Construction of boat trailers (Projects and Studies being developed)
- **Railway connection: Juazeiro/Petrolina with Salgueiro** (Projects and Studies being developed)
- **Railway connection: Eliseu Martins to North - South** (Projects and Studies being developed)
- **Recovery and requalification of the railway network in the Northeastern region**
- **San Francisco Waterway** (Navigability between Ibotirama-Juazeiro is being carried out)
- **Parnaíba Waterway**
- **São Gonçalo do Amarante Airport** (Natal) (being carried out)
- **North-South Connection: Port of Maranhão** (Projects and Studies being developed)

## SOME STRUCTURAL PROJECTS IN BRAZIL

- **Railway Branch for Paraíba** (Projects and Studies being developed)
- **Port of Cabedelo**
  - Dredging (being carried out)
- **Railway Branch for Ceará, Piauí and Maranhão** (Projects and Studies being developed)
- **Central-West Integration Railway: Vilhena (RO)- North-South Railway** (Projects and Studies being developed)
- **Railway Connection: João Pessoa – Salvador** (Projects and Studies being developed)

## Groups of Projects

<b>Groups - Peru-Brazil-Bolivia Interoceanic Hub</b>	<b>Countries involved</b>
Group 1 . Corridor: Porto Velho -Rio Branco- Assis- Puerto Maldonado- Cusco/Juliaca- Ports in the Pacific Ocean	Brazil - Peru
Group 2. Corridor: Rio Branco-Cobija – Riberalta – Yucumo – La Paz	Bolivia-Brazil - Peru
Group 3. River corridor: Madeira – Madre de Dios - Beni	Brazil - Bolivia
Group 4. (NEW) Transnortheast Railway Corridor	Brazil
Group 5. (NEW) Transnortheast Central Railway Corridor	Brazil
Group 6. (NEW) Railway Corridor: Bahia- Pernambuco	Brazil
Group 7. (NEW) Corridor: FIOF	Brazil
Group 8. (NEW) Central-West Railway Corridor	Brazil

