“Brazil’s Oil Boom”: Off-shore Drilling

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The Discovery

- In 2007, Brazil found “pré-sal” (below the salt) oil
  - Salts which catch oils in rocks around 6,500 m deep

- Found off the coast of Rio de Janeiro

- President Rousseff: “God is Brazilian

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The Details of the Find

- Prior to 2007, Brazil was proven to have 20 Billion barrels of oil in reserves.
- After the 2007 discovery, some say Brazil’s reserves contain 50 Billion Barrels.
- Optimists say Brazil has 150 Billion Barrels.
- Success rate 87% compared to world average of 25%.

Petroleo Brasileiro (Petrobras)

- Leading energy company in Brazil
- Currently the 11th largest oil producer
- By 2020 expected to be in the top 5
- By 2020, 4.9 million barrels daily
- Exporting 1.5 m daily

http://en.mercopress.com/data/cache/noticias/13042/0x0/FPSO_Petrobras.jpg
Overall Benefits

- New Oil industry should bring Brazil greater self-sufficiency
- Brazil has lasted 9 years without loans from the International Monetary Fund
  - Oil should bring security to Brazil’s currency
- Oil will improve Brazil’s GDP
  - Currently, Oil is only 16%
    - But that is soon to rise
- Oil will bring Brazil the International recognition the country has been striving for in hopes of becoming a global power
Challenges

- It’s dangerous
  - Pressure
  - Temperature

- It’s costly
  - Each floating oil rig cost billions of dollars
  - Pipelines will have to be laid on the ocean floor
  - Transportation of workers

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Discussion

- Do the benefits of Brazil developing an oil industry outweigh the challenges? Do you think that Brazil’s growing oil industry will change the country’s identity and take away from Brazil’s uniqueness?

- Oil seems to coincide with international conflict for example in the Middle East. Will Brazil be able to manage future problems? How will such problems affect Brazil?
Conclusion

Now I wonder why Obama visited Brazil in March of 2011...

Over Brazil’s history the country has struggled to find a sustainable and dependent industry for support. Finally an opportunity presents itself. Brazil must be cautious and active in developing their oil industry. They must not look in the short-term, as they have in the past, and instead look for the long-term good of the nation. With stability economically, Brazil will be able focus on the improvement of other problems such as the “decrepit infrastructure.”

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Work Cited


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