Making Extractives Work for Latin America
Reserves: Metals and Minerals

LAC Mineral Reserves (% of global, 2016)

Source: USGS
Mining Exploration

Global Non-Ferrous Exploration ($ billion)

Stark decline since price collapse, but LAC continues to take nearly 1/3 of the world’s investments in exploration (US$ 330M in 2016)

Source: SNL
Mexico, Peru and Bolivia are global leaders in the production of silver; Chile is the largest copper producer.
Reserves: Oil

Source: Energy Information Administration
Reserves: Oil

LAC represents 21% of global reserves
4 countries in Global Top 20, including largest reserves in Venezuela

Source: Energy Information Administration
Production: Oil

LAC represents 12% of global production
4 of largest 20 global producers: Brazil, Colombia, Mexico, Venezuela

Source: International Energy Agency
Reserves: Gas

LAC represents 4% of global reserves
Only Venezuela in Global Top 20, with 198 trillion cubic feet – rest of LAC, 92 trillion cubic feet

Source: Energy Information Administration
Production: Gas

LAC represents 7% of global production
4 of largest 30 global producers: Argentina, Mexico, T&T, Venezuela

Source: Energy Information Administration
By 2020, 6 countries in LAC – Argentina, Brazil, Chile, Colombia, Mexico and Peru – will receive 50% of global investments in mining.
World Resource Rents

Source: WDI
LAC Resource Rents

Percentage of GDP

Mineral rents
Hydrocarbon rents

Source: WDI
Exports (LAC)

Source: UN Comtrade
Exports (LAC)

<table>
<thead>
<tr>
<th>Year</th>
<th>Oil, Gas, and Mining Exports</th>
<th>Other Exports</th>
</tr>
</thead>
<tbody>
<tr>
<td>2008</td>
<td>46%</td>
<td>54%</td>
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<tr>
<td>2009</td>
<td>43%</td>
<td>57%</td>
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<tr>
<td>2010</td>
<td>41%</td>
<td>59%</td>
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<tr>
<td>2011</td>
<td>48%</td>
<td>52%</td>
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<td>48%</td>
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<tr>
<td>2014</td>
<td>32%</td>
<td>68%</td>
</tr>
<tr>
<td>2015</td>
<td>27%</td>
<td>73%</td>
</tr>
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Source: UN Comtrade
Exports (LAC no Mexico)

Source: UN Comtrade
Exports (LAC no Mexico)

- Oil, Gas, and Mining Exports
- Other Exports

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<td>2015</td>
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<td>62%</td>
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Source: UN Comtrade
Exports

Oil, Gas and Mining Exports (% total, 2015)

Source: UN Comtrade
9% of total LAC energy goes to extractives; it takes ~20% of region’s gas.

Water risk correlates with critical mining areas.

Over 300 conflicts associated with extractive industries in the past decade.

Source: IEA (left), WRI – Asqueduct Water Risk Atlas (Center); EJ Atlas (right)
Conditions and Requirements
The IDB’s Role

Opportunities to promote long-term resource-based growth and development
Key Pillars

Institutional Capacity
- Transparency and information management systems
- Fiscal regimes
- Infrastructure planning

Innovation & Technology
- Hydrocarbons
- Innovation and competitiveness in mining value chains
- Knowledge agenda

Engagement
- Public consultation mechanisms
- Communications

Socio-Environmental Sustainability
- Clean technologies
- Local content development
- Gender equity
Canadian Facility for the Extractive Sector

- **Innovative and sustainable solutions** for challenges in the extractive industries that contribute to social, environmental and economic sustainability

- CAN$ 20 million grant (2016-21)

- Initial phase of implementation
  - Colombia, the Dominican Republic and Peru
  - Project pipeline for regional knowledge activities
The Way Forward

- Create a positive narrative
- Build and solidify partnerships to leverage opportunities
- Enhance effectiveness of multi-stakeholder dialogue platforms in LAC
Thank you!

Want to know more about Extractives in Latin America and the Caribbean? Email us at EXTRACTIVES@IADB.ORG to subscribe to our newsletter.