

**The Role of New Regions and Areas in the Global Energy Markets: What can be learnt from the South American Experience?**

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**ABSTRACT**

This paper discusses about the energy integration process within the *Mercosul* (the South American Free Trade Area constituted by Argentina, Brazil, Uruguay and Paraguay) and focuses on the experiences one can learn from this case to discuss other new international energy relations. Initially, we analyze the state-of-art on the energy integration process in the *Mercosul* on its different dimensions: the interconnection between electricity grids, the joint implementation of large hydroelectricity projects and the regional trading of fossil fuels such as crude oil and natural gas. We demonstrate the benefits of such regional integration. Then, we highlight the difficulties of building up an integrated energy market in a very unstable global economy and where regional political barriers still prevails. We end up by advocating for more energy integration initiatives in other parts of the world, trying to explore how the South American experience can help on this sense.

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