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ACTIONS AS COMPETITION MECHANISMS AND THE BRAZILIAN ENERGY INDUSTRIES RECENT EXPERIENCE

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Introduction

The legal and institutional changes through which most infra-structure industries in the Brazilian economy went through during the 1990s presented some similarities. Some of the major changes were the enactment of new laws, the creation of independent regulatory bodies and the promotion of a competitive environment in the markets.

Competition was implemented where it was possible by encouraging the entry of new players and implementing the end of public monopolies in key segments of the industries. In some sectors, moreover, competition was introduced through the adoption of bidding mechanisms.

This paper analyses two particular choices: the bidding system for concession leases for oil & gas exploitation and the auctions for electricity commercialization. It intends to analyze the bids adopted in the commercialization of electricity and the concession of oil and gas exploitation fields. From the viewpoint of the set of rules initially applied, there will be presented and compared the results obtained, as well as the modifications, improvements and changes of path implemented afterwards.