

## Chavez Compares Brazil's Lula to Jesus and Sees Venezuela in Mercosur

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There was a love fest this Friday between presidents Luiz Inácio Lula da Silva of Brazil and Venezuelan Hugo Chavez during a visit the Brazilian leader paid to Venezuela. Lula stressed the leadership of Chavez and praised him for building a richer more independent country.

But it was Chavez the most enthusiastic of both, comparing Lula to Jesus Christ. The leaders visited together a soy field in El Tigre where Brazilian technology is being used. Chavez was happy mainly due to the fact that Brazil Senate's foreign relations committee has approved the admission of Venezuela into the South American common market, the Mercosur.

"President Luiz Inácio Lula da Silva came as Christ, announcing the good news," said Chavez. "It is beneficial to all to create a large market for South America. Mercosur is going to become a new hub of economic power."

Earlier Chavez had said that he deplores the fact that Lula has to leave the government of Brazil in January 2011 and defended the idea that he be reelected for a third mandate. He added, however, that he is sure that chief of staff minister Dilma Rousseff, hand-picked by Lula to succeed him, will be the next Brazilian president.

"I lament that Lula get out from the government. Why does he have to leave? If a president governs well and has 80% of popular approval, why does he have to leave?," asked Chavez,

The final vote on Brazil Senate's floor is expected in the next two weeks and both presidents seem confident Venezuela will be accepted by the Brazilian legislature. The admission has been approved by the Argentinean and Uruguayan parliaments but the motion still needs to be ratified by the group's fourth member, Paraguay.

"From the moral, economic and political point of view," said Chavez, "I already consider Venezuela territory of Mercosur."

Brazil's government-controlled oil and gas multinational Petrobras announced that it had concluded a deal with Venezuela's PDVSA to construct and operate a refinery in northeast Brazil.

Petrobras said in a statement to the Brazilian securities regulator that it has concluded negotiations with PDVSA for a joint venture that will build and operate the 230.000-barrel-per-day Abreu e Lima refinery in Brazil's Pernambuco state.

The deal was made by Petrobras' director of gas and energy, Maria das Graças Foster, during Lula's visit to Venezuela.

Petrobras will have a 60% stake in the joint venture while Venezuela will have 40% and each partner will supply 50% of the crude oil for the refinery. Although the cost of the refinery was initially estimated at US\$ 4.5 billion, it is being revised and sources with knowledge of the project estimate that the cost may exceed US\$ 10 billion.

The refinery is expected to be completed by 2011, according to preliminary estimates, although Petrobras has not confirmed if that timeline is still current. Low sulphur diesel will be the main refined product produced at the refinery, the Petrobras said.

The refinery was conceived to process crude from a PDVSA-Petrobras joint venture in the Carabobo region of Venezuela's Orinoco belt, but it has taken years for the two companies to come to an agreement on the terms of the partnership.

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