

## Opposition Claims Peru-Brazil Transcontinental Highway Is Too Expensive

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Peruvian President Alejandro Toledo signed contracts Thursday, August 4, in Lima for the construction of a highway that will extend more than 2,600 kilometers from Peru's Pacific coast across Bolivia into southwestern Brazil and the Atlantic.

The highway will be one of the most ambitious projects ever undertaken under the South American Regional Infrastructure Integration Initiative (IIRSA) and will require an investment of over US\$ 1.1 billion, which Peru's political opposition claims is excessive.

"Today, we're drafting the first page in the history of six million Peruvians in the south of the country" Toledo said at the signing ceremony at the presidential palace.

The President added that the project, which will be handled by two Peruvian-Brazilian consortia, will turn into reality the "yearned-for physical South American integration".

The Peruvian government and private companies will participate in the highway project and the consortia will be in charge of maintaining the highway over the next 25 years.

Three legs of the trans-continental highway were awarded last June 23 to two consortia formed by Brazilian and Peruvian partners.

Work is scheduled to begin at the end of the month when Toledo and his Brazilian counterpart, Luiz Inacio Lula da Silva will meet for the official launching inauguration ceremony.

However the leader of Peru's main opposition APRA party, former President Alan Garcia, asked Toledo to carry out a thorough analysis of the costs of the project because it will represent "a major benefit for Brazil."

"I firmly believe in the project, but I'm not convinced of having to pay US\$ 1.142 billion," insisted Mr. Garcia, who is a presidential hopeful in next year's election. Alan Garcia served as President from 1985-1990.

But Economy Minister Pedro Pablo Kuczynski confirmed the significance of the project, which acknowledges that "the south of the country" is the region that experienced the least growth over the past decade.

"The transcontinental highway is a boost for the area and will help address other problems too", pointed out Mr. Kuczynski.

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