**REGIONAL DEVELOPMENT AND GREENHOUSE GAS EMISSIONS: THE CASE OF THE AMAZON REGION**

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This work aims to verify the existence of possible tradeoffs between policies directed at reducing the emissions of greenhouse gases (GHG) and those policies directed at fostering the development of the Brazilian Amazon Region, considering its economic relations with the rest of the country and international markets. To achieve this goal, this paper uses an interregional input-output (I-O) model, estimated for the Brazilian economy for the year 2004. The I-O model is used to compare the economic and environmental relevance of each sector in the Amazon region and the rest of Brazil. This study considers GHGs not only from economic activities, but also from the more important factor of land-use changes. This is a fact of most importance, given that in 2005, about 60% of Brazilian GHG emissions were due to land-use change in different biomes. Moreover, in the Brazilian Amazon region, especially in the last decades, deforestation has been linked mainly to economic factors rather than to policies of government. The results of our analysis show that the sectors with the greatest importance in terms of emissions are cattle and soybean production. They are also the most prominent for the region's economic development. This poses a dilemma that needs to be faced, not only by Brazil but also by developed nations, as the burden of reducing GHG emissions in the Brazilian Amazon region cannot be put only on the poor population of the region.

**Keywords:** Amazon Region, Greenhouse Gases, Input-Output, Regional Development, Productive Structure

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