

NEWS

STATISTICAL DATA

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## BY 2035, ARTIFICIAL INTELLIGENCE WILL DEMAND 5% OF THE ELECTRICITY CONSUMED IN LATIN AMERICA AND THE CARIBBEAN



Recent research studies have raised concerns about the high electricity consumption required—and expected to increase—for data processing centers used by artificial intelligence (AI) applications. This demand is linked to algorithm training, query processing, and server cooling systems.

It is estimated that there are around 7,000 Al-related data centers worldwide, with an annual electricity consumption of approximately 350 TWh, indicating an average annual consumption of about 50 GWh per data center. Other studies suggest that by 2030, the number of such centers will increase by 165% compared to 2023, representing an average annual growth rate of 15%.

In Latin America and the Caribbean (LAC), there are currently 455 AI data centers. Based on the global average energy consumption per center, in 2023, AI-related electricity use accounted for 1.6% of the region's total electricity consumption. Taking into account the projected growth in both total electricity consumption in LAC and the expected increase in the number of AI data centers by 2035, this technology is projected to demand 5% of the region's electricity consumption by that year—equivalent to just over 120 TWh.



Figura 1. Proyección de la participación de la IA en el consumo total de electricidad en ALC

Fuente: elaboración propia

## LATIN AMERICA AND THE CARIBBEAN NEED MORE RESILIENT AND INTERCONNECTED POWER GRIDS TO PREVENT BLACKOUTS



The Latin American Energy Organization (OLADE) organized the webinar "Why the Blackouts occure in Latin America? Solutions...", a high-level technical forum that brought together international experts to analyze the causes of recent power outages in the region and promote resilient, sustainable, and regionally integrated strategies.

The virtual event featured representatives from the Global Energy Interconnection Development and Cooperation Organization (GEIDCO), University of Chile, University of Genoa, the Inter-American Dialogue, and regional energy authorities. During the meeting, it was shown that blackouts in Latin America and the Caribbean are not isolated incidents but the result of critical factors such as underinvestment in transmission, climate vulnerability, outdated infrastructure, and obsolete regulatory frameworks.

Andrés Rebolledo, Executive Secretary of OLADE, emphasized that the event aims to foster technical reflection and coordinated action: "We are living at a crucial moment between the transition to clean energy and an urgent energy security agenda. The region needs experience-sharing and collective solution-building."

In his opening remarks, Fitzgerald Cantero, Director of Studies, Projects and Information at OLADE, stressed: "Blackouts should not only be understood as a technical issue but as a structural challenge that affects quality of life, economic development, and the security of millions of people."

Dr. Cheng, Executive Secretary of GEIDCO, emphasized that grid resilience is an urgent need, highlighting the importance of moving toward digital, smart, and regionally interconnected networks capable of responding to extreme events. GEIDCO shared simulations of recent blackouts in Chile, Argentina, Panama, and Cuba, identifying root causes and presenting concrete solutions.

Professor Rodrigo Moreno from the Institute of Complex Engineering Systems at the University of Chile stated, "There is no such thing as 100% reliable power supply. Failures are inevitable, and their impact can paralyze everything from transportation and communications to trade and political stability."

Daniele Mestriner, researcher at the University of Genoa, shared the European and Italian experience in managing large-scale blackouts and restoring electric systems, highlighting technological solutions such as HVDC links, regional coordination, and hybrid restart protocols. He noted that the Italian model, based on control centers, autonomous plants, and international cooperation, can serve as a reference to strengthen resilience and modernization of electric grids in Latin America and the Caribbean.

Meanwhile, Alfonso Blanco from the Inter-American Dialogue warned of a growing mismatch between electrification expansion and available infrastructure: "Electrification is advancing faster than infrastructure. We need adaptive regulatory frameworks, deep planning, and increased investment in transmission to face climate change." This event is part of a series of OLADE initiatives to strengthen regional energy resilience

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## ARGENTINA AND CHILE STRENGTHEN ENERGY INTEGRATION WITH SUPPORT FROM

Argentina and Chile are consolidating their energy integration through the "Argentina-Chile Gas Integration" project, whose results were presented during an event held at the headquarters of ECLAC, with the participation of government authorities, energy sector specialists, and private sector representatives.

The initiative, promoted by the Latin American Energy Organization (OLADE) and the Development Bank of Latin America and the Caribbean (CAF), aims to strengthen natural gas transportation infrastructure between the two countries and move toward broader regional integration, including Bolivia and MERCOSUR countries.

During the event, the main findings of the technical study developed by OLADE under CAF's Regional Infrastructure Pre-Investment Program were presented. The report highlights the strategic potential of natural gas as a vector for industrial and energy development in Latin America.

According to the analysis, expanding the binational gas pipelines would require an estimated investment of US\$3.65 Million. In addition to promoting bilateral trade, the works would increase exports, reduce imports, and lower Chile's long-term energy system costs. The study also proposes extending the lifespan of existing infrastructure, such as pipelines and the Quintero LNG terminal, thereby avoiding the use of more polluting fuels.

OLADE's Executive Secretary, Andrés Rebolledo, emphasized the "urgent need for energy security" in the region. "Latin America produces 4% of the world's natural gas, and 20% of the region's electricity generation is based on this fuel. By 2050, it is expected to still account for around 20% of the energy matrix," he noted.

CAF's Executive President, Sergio Díaz-Granados, stated that "natural gas will be key in the energy transition, and investing in its infrastructure is essential." He also praised the strategic partnership between Chile and Argentina and the joint work with OLADE.

Chile's Minister of Energy, Diego Pardow, stressed that the study "provides concrete data to support decision-making and promote public integration." "We have a great opportunity in the regional energy market, and it's time to step on the gas," he added.

Argentina's Undersecretary of Liquid and Gaseous Fuels, Federico Veller, described the current moment in his country's hydrocarbon production as "extraordinary," with eleven investment projects underway in the Vaca Muerta formation that will boost exports in the medium and long term. "We must be more ambitious and pursue longer-term agreements with Chile," he said.

From the private sector, Gasandes' General Manager, Santiago Romero Oneto, indicated that gas transport capacity is currently underutilized and called for long-term contracts to secure the financing needed for such infrastructure projects. The panel "Gas Integration and Opportunities in Chile and Argentina," moderated by Guido Maiulini, Head of Strategic Advisory at OLADE, addressed key challenges and opportunities to build more sustainable and efficient regional energy markets.

Christian Asinelli, CAF's Vice President of Strategic Programming, reaffirmed the institution's commitment to a just energy transition. He highlighted the agreement with ENEL Chile to accelerate decarbonization and the cooperation with OLADE to strengthen natural gas infrastructure and promote integration between Chile, Bolivia, and MERCOSUR. Former President of Chile, Eduardo Frei Ruiz-Tagle, called for major investments in energy infrastructure and for the establishment of State policies that transcend political cycles to ensure continuity and sustained growth in the energy sector.

The event concluded with a call to continue the regional energy integration process through new stages of technical and political work, consolidating a shared vision to accelerate the energy transition and sustainable development across Latin America.

## BOLIVIA IMPLEMENTS ENERGY INFORMATION SYSTEM SIEBOLIVIA

The Ministry of Hydrocarbons and Energy of Bolivia, the Latin American Energy Organization (OLADE), with technical and financial support from the French Development Agency (AFD), launched the Energy Information System Implementation Project of Bolivia (sieBolivia), a digital tool aimed at modernizing, increasing transparency, and strengthening the country's energy planning.

During the launch event, OLADE's Executive Secretary, Andrés Rebolledo, emphasized the importance of having official, systematized, and permanently accessible data for public policy decision-making. "Latin America and the Caribbean are experiencing a moment full of potential: countries are transforming their energy matrices, integrating renewables, and moving toward sustainable models, while also facing immediate challenges in terms of energy security," he noted.

The system has already been implemented in 11 countries in the region, which has helped consolidate the Latin America and the Caribbean Energy Information System (sieLAC), a regional platform developed by OLADE. Bolivia thus joins this network, embracing interconnection and technical cooperation—strategic pillars of the organization for over five decades.

Fredy Velásquez, Vice Minister of Energy Planning and Development, stressed that the project represents "a solid step toward more efficient, modern, and transparent management of our energy resources."



He added that access to reliable and timely data is key to boosting economic growth and social well-being, and that sieBolivia will directly contribute to improving the population's quality of life.

Marco Yujato, Associate Specialist at OLADE, explained that the system is based on methodologies and technical tools designed to facilitate the collection, processing, and analysis of energy statistics. "sieBolivia has been designed according to the structure of the national energy matrix, integrating functionalities that allow the administration, analysis, and publication of data from a single digital environment accessible to authorities, companies, and the general public," he explained.

During the official launch, a dynamic view of the system's overall framework and its main functionalities was presented, including remote access to key energy sector data.

With this initiative, Bolivia reinforces its commitment to institutional modernization, transparency, and sustainability in the management of its energy resources.

# FRST MEETING OF<br/>OLADE'S<br/>REGONAL ENERGY<br/>PLANEGONAL BENERGY<br/>COUNCILImage: Council<br/>CouncilFRST MEETING OF<br/>OLADE'S<br/>REGONAL BENERGY<br/>OLADE'S<br/>DLANEGETICA DE OLADE<br/>DLANEGÉTICA DE OLADE



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The Latin American Energy Organization (OLADE) recently held the first meeting of the Regional Energy Planning Council, a new platform promoted by the organization to strengthen cooperation and policy coordination in the energy sector across Latin America and the Caribbean.

The Council was established as a result of the Ministerial Decision adopted during the IX Energy Week held in Paraguay. It now stands as a key mechanism for aligning visions, coordinating strategies, and promoting integrated solutions to address the current challenges facing the energy sector.

"The regional energy integration process is more urgent than ever. This Council becomes a central platform for cooperation and energy development at a time when renewable energies are gaining ground, yet we continue to face challenges in investment, regulatory frameworks, and infrastructure," stated OLADE's Executive Secretary, Andrés Rebolledo.

Rebolledo emphasized that energy integration has historically been a pillar of OLADE, but today it becomes a strategic necessity. "At OLADE, we are actively driving this collective process, which will allow us to build a Regional Energy Integration Agreement, generating synergies and systemic solutions beyond the national level," he added.

Guido Maiulini, Head of Strategic Advisory at OLADE, highlighted that the Council is a fundamental tool to tackle the energy challenges in the region. "We are facing a unique opportunity to position energy planning as a lever for development," he said.

Maiulini also acknowledged the commitment of member countries and the valuable technical support provided by the Economic Commission for Latin America and the Caribbean (ECLAC), Colombia's Mining and Energy Planning Unit (UPME), and Brazil's Energy Research Office (EPE). "We highlight Brazil's leadership, which—through its G20 presidency and the Energy Transitions Working Group—has placed energy planning as a strategic pillar for developing countries," he added.

This vision aligns with the recent creation of the Global Coalition for Energy Planning, led by Brazil, reinforcing the region's commitment to advancing towards more integrated, sustainable, and resilient energy markets. During this first session, the 2025 Work Plan was presented, incorporating valuable technical contributions from ECLAC, the International Renewable Energy Agency (IRENA), and energy transition and decarbonization experts.

Key upcoming priorities include organizing a Council working session in June, drafting a regional energy planning diagnosis as a foundation for sustainable public policies, and hosting a webinar on energy poverty—aligned with G20 commitments and the upcoming COP30.

Through this initiative, OLADE reaffirms its commitment to collective, participatory, and results-oriented energy planning, in alignment with global challenges and the regional priorities of Latin America and the Caribbean.

#### ECUADOR AND OLADE PROMOTE SOUTH AMERICAN ENERGY INTEGRATION THROUGH THE BRASILIA CONSENSUS



Within the framework of the Pro Tempore Presidency of the Brasilia Consensus, held by the Republic of Ecuador, the main progress and the work plan for the energy axis were presented, aligned with the commitments adopted in the Quito Declaration and the action lines agreed upon in Bogotá (2024).

This strategic vision seeks to consolidate regional energy integration, particularly in the electricity sector, with the firm goal of achieving South American energy autonomy in the near future. To this end, the implementation of public policies is proposed to strengthen energy sovereignty and ensure a reliable, efficient, and high-quality electricity supply for all citizens.

The Brasilia Consensus acknowledges that energy integration must go hand in hand with joint efforts to increase energy efficiency, expand access and coverage, and encourage technological innovation in shared infrastructure. With the technical support of the Latin American Energy Organization (OLADE), in its role as Technical Secretariat, three strategic pillars have been identified to advance this agenda:

- 1.Regional electrical interconnection: The need to harmonize regulatory frameworks and move toward a regional electricity market resilient to climate variability was discussed.
- 2. Energy integration: The role of natural gas as a backup energy source for a clean energy transition was highlighted, as well as the importance of having stable, shared infrastructure.
- 3. Joint energy information: Colombia's proposal to create a regional platform with georeferenced data was well received. This platform would support strategic decision-making based on climate, hydrological, and energy infrastructure information.

The meeting was attended by the Vice Minister of Electricity and Renewable Energy, Fabián Calero, and the Undersecretary for Latin America and the Caribbean of the Ministry of Foreign Affairs, Santiago Apunte, who shared the guidelines and priorities that Ecuador will promote during its leadership of the energy axis, which will continue through July of this year.

Calero emphasized that the main objective is to work towards regional energy autonomy that guarantees access to a reliable, efficient, and high-quality electricity service for all citizens.

Gloria Alvarenga, Director of Integration, Access, and Energy Security at OLADE, presented the results of the technical work the Organization has been carrying out with financial support from the Development Bank of Latin America and the Caribbean (CAF).

All these efforts converge toward a common goal: building an integrated, sustainable, and resilient regional energy system that allows South America to position itself strategically in the new global energy order.

## HUAWEI AND OLADE SIGN MEMORANDUM OF UNDERSTANDING TO PROMOTE CLEAN ENERGY TRANSITION IN LAC



The technology company Huawei and the Latin American Energy Organization (OLADE) signed a Memorandum of Understanding (MOU) to strengthen mutual cooperation in the field of clean energy in Latin America and the Caribbean. The signing ceremony was attended by Mason Qing, President of Huawei Digital Power LATAM, and Andrés Rebolledo, Executive Secretary of OLADE. The alliance establishes a strategic framework for collaboration to promote the transition to renewable energy sources, fostering the exchange of technical knowledge and the development of continental energy infrastructure. One of its main areas of focus is green energy storage.

The collaboration will focus on technological promotion, with the exchange of information and best practices on clean technologies, training and dissemination, through joint trainings in the countries where both entities are present.

"This agreement marks an important milestone in our commitment to Latin America and the Caribbean. The combination of Huawei's technological expertise in clean energy and OLADE's regional reach will allow us to support the energy transformation the region needs," said Mason Qing.

For his part, Andrés Rebolledo, President of OLADE, emphasized that "this collaboration is highly relevant in a context where new energy challenges arise every day. We want to move forward on issues such as energy storage, which is key to the energy future of our region."

The memorandum, valid for two years, includes OLADE's participation as co-organizer in Huawei's summits and events, while Huawei will support the Energy Week organized annually by OLADE. In addition, specific training and certification programs will be developed for the sector.



## CAF AND OLADE ARE JOINING FORCES TO PROMOTE CLEAN ENERGY ALTERNATIVES IN THE AYSÉN REGION OF CHILE.

Both organizations signed a commitment document to study and promote the incorporation of clean energy solutions in the Aysén Region, Chile, and to collaborate in reducing environmental pollution in the city of Coyhaique.

The goal is to establish a framework for evaluating strategies and proposals that facilitate an energy transition toward clean and efficient sources, including an analysis of international experiences and lessons learned in the field.

Both entities agree that the effective implementation of public policies and coordinated strategies will be essential to achieving the objectives outlined in this collaboration. The agreement aims to establish a regional cooperation link that promotes knowledge exchange and institutional strengthening for the energy transition.

## OLADE STRENGTHENS THE DEBATE ON ENERGY TRANSITION AT THE SEFORALL GLOBAL FORUM



The Latin American Energy Organization (OLADE) took part in the SEforALL Global Forum held in Barbados, where representatives from 32 member states in the region discussed the need to strengthen cooperation to accelerate a just and inclusive energy transition, aligned with the Sustainable Development Goals and the Paris Agreement.

During the Global Ministerial Session, at the closing of the SEforALL Global Forum, Gloria Alvarenga, Director of Energy Integration, Access, and Security at OLADE, emphasized the importance of reinforcing regional cooperation to advance an equitable energy transition in Latin America and the Caribbean.

"Our region is leading the transition to clean energy, generating 70% of its electricity from renewable sources. It is urgent to expand the focus to sectors such as transport and industry, leveraging technological innovation, artificial intelligence, and sustainable financing to ensure a resilient, inclusive, and equitable energy transition," Alvarenga stated.

The dialogue brought together international leaders to explore innovative approaches, such as integrating artificial intelligence into energy management and expanding renewable energy sources. Additionally, the discussion highlighted the need for stable policies to mobilize financing, strengthen regulatory frameworks, and foster collaboration networks among key stakeholders to address global energy challenges.

As part of the forum's agenda, OLADE's Executive Secretary participated in high-level meetings and panels, emphasizing the importance of:

- Expanding equitable access to clean energy.
- Promoting accessible financing for the energy transition.
- Encouraging community participation in decision-making.

Additionally, key strategies were discussed to strengthen investment in renewable energy, develop local supply chains, and train specialized labor.

International cooperation and the implementation of inclusive public policies will be essential to ensure that the energy transition not only contributes to mitigating climate change but also drives economic development, job creation, and the reduction of structural inequalities in the region.

Finally, the key role of international cooperation and effective public policies in transforming the energy sector was emphasized, ensuring that the energy transition serves as a tool for sustainable development and equity in Latin America and the Caribbean.

## OLADE AND SEFORALL SIGN SGREEMENT TO PROMOTE ACCESS TO SUSTAINABLE ENERGY IN LATIN AMERICA AND THE CARIBBEAN



The Latin American Energy Organization (OLADE) and the United Nations initiative, Sustainable Energy for All (SEforALL), have signed a Memorandum of Understanding to strengthen cooperation in sustainable energy development in Latin America and the Caribbean.

This agreement aims to advance the achievement of Sustainable Development Goal 7 (SDG 7), which promotes access to affordable, reliable, sustainable, and modern energy for all by 2030. The partnership will drive key actions in renewable energy, energy efficiency, and climate change adaptation, thus contributing to the region's energy security.

The Memorandum was signed by OLADE's Executive Secretary, Andrés Rebolledo Smitmans, and SEforALL's CEO, Damilola Ogunbiyi, in a global context that demands urgent measures to address climate change and ensure equitable access to energy.

Damilola Ogunbiyi highlighted the significance of this collaboration: "We have decided to partner with OLADE, an institution that works with its 27 member countries to advance the transition to clean energy. Together, we will analyze policies, regulations, tariffs, and investment opportunities with a regional perspective. We are also interested in driving innovation in green hydrogen. This alliance reinforces our commitment to energy integration, the development of effective policies, and the attraction of sustainable investments for the region."

For his part, Andrés Rebolledo emphasized the importance of this Memorandum of Understanding in accelerating action toward achieving SDG 7: "At OLADE, we work to support our member countries in designing and implementing energy policies that promote regional integration. With this agreement, we will strengthen our cooperation in key areas such as youth, gender, access to clean cooking, and the development of critical minerals for the energy transition."

The agreement establishes cooperation mechanisms in priority areas such as universal energy access, the promotion of sustainable investments, and the strengthening of knowledge exchange and clean technologies. Additionally, both organizations commit to conducting periodic consultations and implementing joint strategies to assess the impact of their initiatives in the region.

#### BY 2030: ENERGY EFFICIENCY MEASURES CAN SAVE UP TO 30GW OF ELECTRICITY IN LAC, EQUIVALENT TO THE CONSUMPTION OF 30 MILLION HOUSEHOLDS FOR ONE YEAR.



The Latin American Energy Organization (OLADE) and Ecuador's Ministry of Energy and Mines organized the event "Energy Efficiency: A Cross-Cutting Pillar of the Transition" at OLADE's headquarters in Quito. The meeting brought together industry leaders to analyze progress and challenges in implementing energy efficiency policies in the region. Energy efficiency is key to achieving UN Sustainable Development Goal 7, which aims to ensure access to affordable, reliable, and sustainable energy. During the LIV Meeting of Energy Ministers of OLADE in October 2024, 22 member countries reaffirmed their commitment to improving efficiency by 1.3% annually until 2030, which could save up to 30GW of electricity in Latin America and the Caribbean—equivalent to the annual consumption of 20 million households.

The event featured the participation of OLADE's Executive Secretary, Andrés Rebolledo, and Ecuador's Deputy Minister of Electricity, Fabián Calero, along with ambassadors from member countries, representatives of international organizations, the business sector, and academia.

During the meeting, Rebolledo presented an analysis of energy consumption in Latin America and the Caribbean: 5% in the commercial and public sector, 20% in residential, 30% in industrial, and 40% in transportation. "Real change in efficiency will happen in the transportation sector, but only with stable state policies and public-private cooperation can we transform the energy matrix," he stated.

Meanwhile, Calero emphasized that energy efficiency is a commitment to sustainable development, crucial for reducing environmental impact and optimizing production costs. He also highlighted the importance of strengthening regulatory and institutional frameworks and promoting rational energy use across all sectors.

The event included an expert panel with representatives from Chile, Brazil, Denmark, Uruguay, and Ecuador, discussing energy regulations, public policies, and the implementation of ISO 50001 for energy management. The discussion also covered clean cooking, a key initiative in reducing greenhouse gas emissions.

Gabriela Prata Dias, Director of the Copenhagen Centre on Energy Efficiency (UNEP), stressed the need for strong regulations and sectoral strategies. "The market alone is not enough; we need policies that drive innovation and allow us to review our national contributions under the Paris Agreement," she stated.

Esteban Israel Flores, from PRONACA Ecuador, pointed out that efficient resource management is the most costeffective strategy, followed by investment in innovation and technology. "Success depends on training, monitoring, and a solid methodological approach," he said.

From Brazil, Rogerio Miranda, from Ecofogão, urged the modernization of cooking in Latin America. "If phones and cars evolve, why not stoves? It's time to invest in cleaner technologies," he stated. "We need technologies that transform firewood usage and reduce pollution." This vision underscores the need for public policies that promote efficiency and innovation in the domestic sector.

Gustavo Lagos Aguilera, from Heavenward Elevators Chile, explained the potential of regenerative elevators to return energy to the system. "Turning an expense into generation is key to reducing costs," he affirmed.

Sebastián Wainberg, from Uruguay's Ministry of Industry, Energy, and Mining, highlighted the residential sector's role in the transition. "Individual incentives are limited; we need communication policies and incentives to transform consumption," he said.





Only 32% of jobs in renewables and 22% in oil and gas are held by women in the region. OLADE is making progress in implementing training programs, leadership initiatives, and professional networking to close the gender gap in the energy sector.

The Latin American Energy Organization (OLADE) presents its Technical Note No. 6, Towards an Inclusive and Equal Energy Sector: Gender Perspectives in Latin America and the Caribbean, This report addresses the challenges of advancing gender equality in the energy sector of the region. In the context of an ongoing energy transition, the document highlights the importance of equitable participation of both men and women to enhance the sustainability and effectiveness of energy policies.

Despite progress in other sectors and socio-economic areas, the energy industry continues to show disparities: women account for only 32% of jobs in renewable energy and a mere 22% in the oil and gas sector. This situation is exacerbated by cultural barriers and limited access to professional development opportunities, restricting both diversity and the sector's potential.

The report suggests concrete actions, including:

- Capacity building: Promoting leadership training programs for women in the energy sector.

- Creation of professional networks: Establishing support and mentoring networks to facilitate the development of women in technical and leadership roles.

 Collection of disaggregated data: Implementing measures to assess and evaluate the impact of gender equality policies in the energy industry.

With the energy transition as a key opportunity, OLADE aims to ensure that all individuals, regardless of gender, have equal access to resources and opportunities, positioning Latin America and the Caribbean as a global benchmark in integrating a gender perspective into the energy sector.

## THE RISE IN ENERGY PRICES IN LAC REMAINS BELOW THE INCREASE IN OVERALL INFLATION



#### According to OLADE, in January 2025 monthly energy inflation in Latin America and the Caribbean was 0.26%, while the annual rate was 2.08%

The Latin American Energy Organization (OLADE) today published its Energy Inflation Indicator for Latin America and the Caribbean (IE-LAC) for the month of May 2024. This report offers a detailed analysis of energy trends in the region, which is crucial to understand the behavior of energy markets and their impact on the economy and sustainability of Latin American and Caribbean countries.

Monthly energy inflation increased from 0.20% in December 2024 to 0.26% in January 2025. This increase is mainly attributed to the 8.9% rise in oil prices in international markets compared to December 2024, which is reflected in an increase in fuel prices. These have a share between 60% and 70% in the energy basket.



Source: OLADE, own elaboration based on the information published in the Institutes of Statistics and Censuses and Central Banks of the OLADE Member Countries.

In January 2025, annual energy inflation in Latin America and the Caribbean, compared to January 2024, was 2.08%. This figure is lower than total inflation, which reached 3.93%. At the beginning of 2025, the prices of the energy sector in the region have maintained the same behavior as the previous year, that is, a level lower than the prices of the regional economy.



Source: OLADE, own elaboration based on the information published in the Institutes of Statistics and Censuses and Central Banks of the OLADE Member Countries.

Energy inflation in OECD countries increased slightly, to 4.0% in January 2025, after 3.8% in December 2024, with a heterogeneous picture between their countries, ranging from -12% to 40%. LAC maintains a lower energy inflation level than the OECD for the third consecutive month.



Source: OLADE, own elaboration based on the information published in the Institutes of Statistics and Censuses and Central Banks of the OLADE Member Countries and information published by OECD.

# **IMPACT OF THE ENERGY EFFICIENCY IMPROVEMENT TARGET ON FINAL ENERGY CONSUMPTION IN LAC**

During the 54th Meeting of Ministers of OLADE, held in Asunción, Paraguay, on October 31, 2024, the Energy Ministers of the Member Countries of the Organization issued a Joint Declaration, committing their efforts to improve the region's energy efficiency by reducing energy intensity by 1.3% per year until 2030.

In this regard, a brief prospective analysis is presented, aimed at evaluating the implications of achieving this target on the region's final energy consumption.

It is important to recall that the energy intensity indicator is the ratio of total final energy consumption to the GDP of the country or region being analyzed, while the concept of Energy Efficiency refers to obtaining the same service or product with lower energy expenditure. Therefore, a reduction in energy intensity for a given economic development scenario indicates that a certain amount of GDP is being generated with less final energy consumption.

The first step of this analysis is to determine the economic projection scenario of PPP GDP by 2030, for which the growth rates projected by the World Bank up to 2026 were used for the LAC countries, based on its publication Global Economic Prospects, dated January 2025. For the last four years of the analysis horizon, the average annual PPP GDP growth rate from the 2013–2024 period was applied for each country. The result of this projection, in cumulative values for LAC, is shown in Figure 1.





El segundo paso, fue determinar un escenario proyectado de referencia de la intensidad energética, a partir de los datos históricos de consumo final total de energía y el PIB PPA de ALC, en el cual se asumió como valor constante de la intensidad energética para el período de proyección 2025-2030 el promedio de los valores históricos del período 2013-2024. A partir de este escenario de referencia, se generó una proyección a partir del año 2024, donde se aplicó la hipótesis de reducción de la intensidad energética a una tasa del 1.3% anual, que corresponde a la meta establecida en la Declaración Conjunta de los Ministros de Energía de OLADE. De esta manera se generaron dos escenarios de proyección para la intensidad energética uno de referencia y uno aplicando la meta de eficiencia energética, como se observa en la Figura 2.





Source: Own elaboration based on information from sieLAC – OLADE and the World Bank

Finally, with the projection of the region's PPP GDP to the year 2030 and the two projected scenarios of energy intensity, the final energy consumption is estimated for each of these scenarios. The resulting values are shown in Figure 3.

Figure 3. Historical and projected evolution of final energy consumption in LAC, without and with the energy efficiency target.



In conclusion, applying the target established in the joint ministerial declaration — to reduce energy intensity in LAC by 1.3% annually until 2030 — would allow for an accumulated savings over the next five years of 172 million tonnes of oil equivalent. This value is comparable to the current annual energy consumption of a country the size of Mexico.