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EUROPE AND LATIN AMERICA AND THE CARIBBEAN: A KEY PARTNERSHIP FOR THE ENERGY TRANSITION

EDITORIAL

In today's international context—marked by geopolitical tensions, environmental crises, and increasing volatility in energy markets—the relationship between the European Union (EU) and Latin America and the Caribbean (LAC) has gained unprecedented strategic importance. Both regions face common challenges that demand multilateral responses, shared vision, and deeper cooperation.

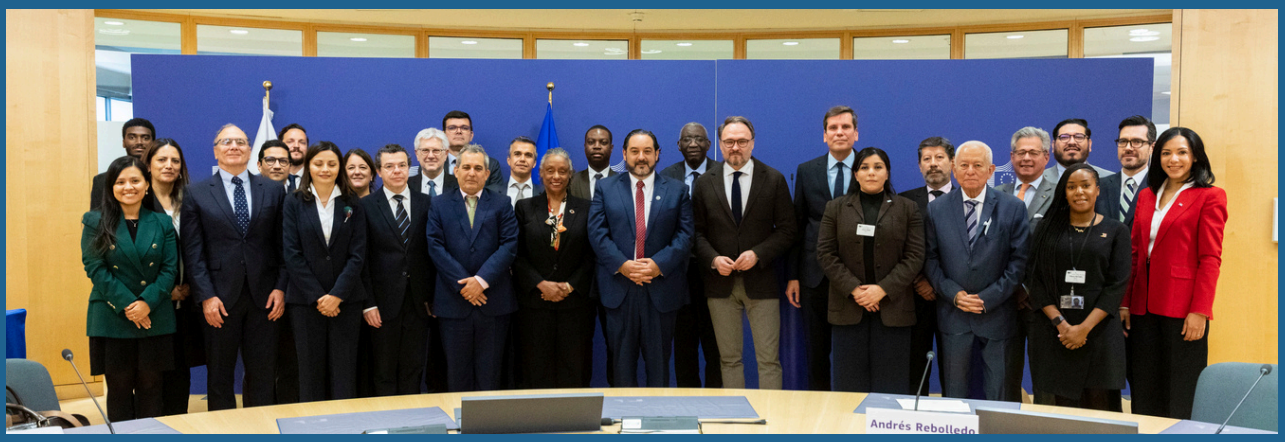
The European Union, with its technological, regulatory, and financial expertise, has positioned itself as a global leader in the transition toward a low-carbon economy. Latin America and the Caribbean, in turn, possesses vast potential in renewable energy and an abundance of critical mineral resources needed for this transformation.

Collaboration between the two regions is not only desirable—it is essential. Europe needs to diversify its energy sources and secure sustainable supply chains for clean technologies. Meanwhile, LAC requires investments, knowledge transfer, and access to markets to move toward more resilient, inclusive, and environmentally sustainable development.

In times of geopolitical uncertainty and a reconfiguration of international trade dynamics, a strong bi-regional alliance can make a significant difference—not only to drive an energy transition focused on universal access, supply security, and efficient resource use, but also to generate quality employment and reduce technological and knowledge gaps. This, in turn, will help build more sustainable, just, and inclusive economies.

For all these reasons, the European Union's accession as a Permanent Observer to OLADE is of particular importance for Latin America and the Caribbean, as it opens new opportunities for strategic cooperation at a decisive moment for both regions.

THE EUROPEAN UNION AND THE LATIN AMERICAN ENERGY ORGANIZATION SIGN AN IMPORTANT AGREEMENT



A Memorandum of Understanding was signed between the European Union (EU) and the Latin American Energy Organization (OLADE), under which the EU becomes a Permanent Observer to OLADE.

This Agreement marks a significant step in strengthening international energy cooperation and reinforces the dialogue and joint efforts between both regions to accelerate decarbonization, promote clean technologies, ensure global energy security, and foster sustainable development between Europe, Latin America, and the Caribbean.
The agreement was signed by the Executive Secretary of OLADE, Andrés Rebolledo Smitmans, and the EU Commissioner for Energy, Dan Jørgensen.

This strategic partnership aims to promote cooperation and work jointly to improve regional collaboration and the exchange of specialized knowledge in the energy sector across Latin America, the Caribbean, and the European Union, through the sharing of technical knowledge and best practices in the design of programs, projects, and other joint cooperation initiatives.

The EU's observer status includes participation in OLADE's governance bodies and technical working forums, which will facilitate the joint development of technological innovation projects and sustainable public policies, taking into account the strategic role of energy and its impact on socioeconomic development, climate change, industrialization, and the improvement of the human development index in both regions.

The Agreement promotes energy cooperation to advance sustainable development in Latin America and the Caribbean, supporting the region's current energy transitions toward a net-zero future.

According to a study conducted by OLADE, bilateral trade between the EU and Latin America and the Caribbean in the energy sector has shown consistent growth, increasing from USD 10.887 billion in 2020 to USD 35.707 billion in 2023.
Latin America and the Caribbean have a positive energy trade balance with the EU, with exports three times higher than imports from Europe, in a context that supports technology transfer, investment in clean energy, and economic resilience in the face of the climate crisis.

While the region has made progress in transforming its energy sector, it still faces challenges linked to climate change, such as extreme weather events, pressure on energy infrastructure, and the urgent need to diversify a primary energy matrix that still relies heavily on hydrocarbons and hydropower.

In this context, the EU plays an important role. For over a decade, foreign direct investment (FDI) in renewable energy projects in Latin America has exceeded that in hydrocarbons, and today, European companies are responsible for around 70% of FDI in renewables in the region.

Finally, this alliance strengthens and supports the ongoing efforts of OLADE and its member countries to advance regional energy integration, as the EU's established experience in this area offers valuable insights for designing best practices in integration efforts.

Andrés Rebolledo noted that "the inclusion of the European Union as an observer is especially timely, as there are meaningful similarities between the two regions in energy matters, with shared challenges around security, efficiency, and integration, as well as the unavoidable transition to renewable energy as a response to the environmental crisis and ecosystem degradation."

Commissioner Dan Jørgensen stated, "The EU and Latin America and the Caribbean are strengthening their partnership to drive green and digital transitions. The memorandum signed today aligns regional energy efforts and strengthens technical cooperation. Both regions are moving toward a clean and sustainable energy transition. The agreement supports our shared goals to triple renewable energy and double energy efficiency by 2030."

THE REGION AIMS TO DOUBLE GAS SUPPLY OVER THE NEXT FIFTEEN YEARS, DRIVEN BY ARGENTINA AND BRAZIL

CAF – Development Bank of Latin America and the Caribbean – and the Latin American Energy Organization (OLADE) held a technical meeting in Buenos Aires focused on the future of natural gas in Mercosur countries and Chile. The event marked the closing of the second phase of the Regional Gas Integration Project, which focused on medium- and long-term projections for natural gas supply and demand, and was preceded by working sessions aimed at advancing dialogue and consensus among the six countries, involving both public and private sectors.

The event brought together representatives from governments, energy companies, and international organizations to strengthen a technical dialogue space on the role of natural gas in regional energy security and its complementary role in the transition toward more sustainable energy sources.
The opening session was led by Jorge Srur, CAF Southern Regional Manager; Andrés Rebolledo, Executive Secretary of OLADE; Ernesto López Anadón, President of the Argentine Institute of Oil and Gas (IAPG); and Federico Veller, Undersecretary of Liquid Fuels at Argentina's Secretariat of Energy.

In this context, Andrés Rebolledo, Executive Secretary of OLADE, provided an in-depth analysis of the role of natural gas in the region's energy agenda, highlighting its strategic relevance for integration and economic development in the Southern Cone. Rebolledo noted that 75% of the gas consumed in South America comes from domestic production and is expected to continue accounting for around 20% of the energy matrix by 2050, even under carbon neutrality scenarios. He called for the promotion of a low-carbon gas industry, based on traceability, technological innovation, and cooperation between the public and private sectors.
Jorge Srur, CAF Southern Regional Manager, reaffirmed the organization's commitment to a fair and feasible energy transition, highlighting joint achievements such as the Methane Observatory and financing of strategic projects, including the Northern Gas Pipeline in Argentina.

Ernesto López Anadón, President of IAPG, recalled that regional gas integration originated in the private sector and that, thanks to resources like Vaca Muerta, the region now has tangible conditions to move toward structural integration.
Meanwhile, Federico Veller, Undersecretary of Liquid Fuels at Argentina's Secretariat of Energy, emphasized recent regulatory advances, record gas export levels, and a national energy outlook spanning more than 60 years. He stressed that the success of integration will depend on robust contracts, legal certainty, and a shared regional vision.

During the meeting, participants discussed economic aspects, energy demand projections, private sector challenges, and inter-institutional cooperation opportunities in the context of the energy transition.

Among the findings of the study presented, a projected increase in total natural gas demand in the Southern Cone between 2025 and 2040 was highlighted. Depending on the scenarios analyzed, gas demand for power generation grows, even under different levels of renewable energy penetration. For liquefaction and urea production, several incremental projects were identified in addition to those already announced, some of which depend on new potential pipeline routes. In Uruguay, projections show low demand, mainly due to industrial processes that have limited flexibility to adopt new technologies.

On the supply side, regional projections point to more than a doubling of total current production by 2040, due to successful development of formations in Argentina and Brazil.

Additionally, the study highlights continuous growth in renewable generation, reinforcing its competitiveness and emphasizing the need to expand electric interconnections as crucial tools to optimize the efficient use of energy resources.

OLADE REAFFIRMS REGIONAL COMMITMENT TO A JUST AND INCLUSIVE ENERGY TRANSITION AT GLOBAL FORUM IN COPENHAGEN

Gloria Alvarenga, Director of Integration, Access and Energy Security at the Latin American Energy Organization (OLADE), participated in the Sixth Global Conference on Energy-SDG Synergies, organized by UNDESA, UNFCCC, and other international organizations.

During the technical session on water-energy synergies, Alvarenga stated: "There is no energy transition without water, and no sustainable access to water without energy."

She highlighted the strategic role of hydropower in Latin America and the Caribbean, its vulnerability to climate change, and the transformative potential of solar microgrids, renewable desalination, and biogas systems for rural and Indigenous communities.

In the session dedicated to SDG7 (Affordable and Clean Energy), Alvarenga warned that 17 million people in Latin America and the Caribbean still lack reliable access to energy. She stressed the importance of deploying decentralized solutions, such as Amazonian microgrids and hybrid systems in Andean areas, alongside access policies with a gender and territorial focus.

She also addressed financing challenges, calling for increased climate investment to support local energy adaptation efforts.

Alvarenga held a bilateral meeting with the Guatemalan Sugar Association (Asazgua) and the Latin American Sugar Producers Union (UNALA), where they agreed to strengthen regional cooperation to promote biomass and cogeneration as part of the Global Network on Water-Energy Sustainable Solutions led by UNDESA.

At the side event "Promoting Climate-SDGs Synergies Through Energy Action", Alvarenga reaffirmed OLADE's commitment to energy planning aligned with the Sustainable Development Goals (SDGs) and climate resilience:
"We must move from fragmentation to synergy, and from isolated resilience to shared resilience."
She closed by underscoring the need for clear regulation, inclusive financing, and interoperable data to accelerate climate action from the energy sector.

LATIN AMERICA AND THE CARIBBEAN INCREASE ELECTRICITY GENERATION IN JANUARY 2025 DRIVEN BY NATURAL GAS

The region produced a total of 162 TWh, representing an 8% increase compared to December 2024. The data highlights a renewability index of 65%, driven by 105 TWh from renewable sources and a notable increase in the contribution of natural gas, which accounted for 5.4 TWh.

Hydropower remains the primary energy source in the region, covering 45.5% of total generation, followed by natural gas, which represents 25.9%. Likewise, wind and solar photovoltaic energy showed significant growth, with increases of 2.0 TWh and 0.9 TWh, respectively, reflecting progress toward a more diversified and sustainable energy matrix.

Nine countries in the region achieved renewability indices above 75%, reaffirming their commitment to decarbonization and sustainable energy development in Latin America and the Caribbean.

This analysis was conducted by the Latin American Energy Organization (OLADE) as part of its Monthly Electricity Generation Report #2, capturing the evolving energy landscape of the region.

OLADE HIGHLIGHTS THE ROLE OF THE ENERGY SECTOR IN INDUSTRIAL DECARBONIZATION IN LAC

During the Cement & Green Concrete 2050 Congress, Fitzgerald Cantero Piali, Director of Studies, Projects and Information at the Latin American Energy Organization (OLADE), shared strategic insights on the role of the energy sector in driving industrial decarbonization across Latin America and the Caribbean.
In his presentation, Cantero emphasized that transportation and energy are the sectors with the highest contribution to greenhouse gas emissions in the region. In 2022, the industrial sector accounted for 27% of total energy consumption in Latin America and the Caribbean.
Main energy sources used in the regional industrial sector:

- Bioenergy: 28%
- Electricity: 23%
- Natural gas: 22%
- Petroleum products: 15%
- Coal: 11%
- Solar energy: 1%

The energy sector is responsible for approximately 15% of total CO_2 emissions in the region. Nevertheless, there has been a significant improvement in industrial energy intensity, which has declined by 30% over the past 20 years, thanks to modernization and efficiency efforts.

Key actions identified to accelerate industrial emission reductions:

- Replacing combustion engines with electric motors.
- Substituting coal and petroleum derivatives with natural gas or renewable sources.
- Expanding the use of electricity in industrial processes.
- Strengthening energy efficiency and access to sustainable financing.

With this data, OLADE reaffirms its commitment to evidence-based public policies that promote a cleaner, more competitive industrial sector aligned with global climate goals.

OLADE PROMOTES RESILIENT POWER GRIDS

The Latin American Energy Organization (OLADE) held the technical workshop "Electricity Transmission in Latin America and the Caribbean: Modernization and Resilience of Power Grids", aimed at fostering the exchange of experiences and knowledge on key developments, challenges, and opportunities in the creation of modern, efficient, and sustainable power networks across the region.

This technical forum focused on the importance of building resilient, digitalized power infrastructure capable of addressing the demands of the energy transition through regional integration, operational efficiency, and supply security.
During his intervention, Fitzgerald Cantero Piali, Director of Studies, Projects and Information at OLADE, stated:
"Sometimes it takes a blackout to understand what energy truly means. Our grids must be modern, interconnected, and stable to meet the needs of our countries."
Cantero emphasized the urgency of enhancing international cooperation and treating power grids as key infrastructure for the region's future energy development.
Lin Hongyu, Director General of Cooperation at GEIDCO, remarked:"Next-generation power grids must integrate smart technologies, enhance climate resilience, and dynamically connect production and consumption in a decentralized way."

GEIDCO proposed an international cooperation platform to reinforce power infrastructure, promote renewable generation, and support the transition to sustainable energy systems across Latin America and the Caribbean.
The workshop also featured a high-level panel on power grid resilience and regional integration, moderated by Fitzgerald Cantero Piali. Speakers included Paulina Pazmiño, President of CIEEPI, and Gonzalo Uquillas from CEDE-Ecuador, who highlighted Ecuador's experience as a key case study for transmission challenges and opportunities.
With this initiative, OLADE reaffirms its commitment to modernizing the regional electricity sector by promoting safe, interconnected, and future-ready energy systems for the 21st century.

OLADE AND ADENE SIGN AGREEMENT TO STRENGTHEN ENERGY EFFICIENCY ACROSS IBERO-AMERICA

The Latin American Energy Organization (OLADE) and Portugal's Agência para a Energia (ADENE) signed a Collaboration Agreement to enhance technical and strategic cooperation in key areas such as energy efficiency, renewable energy, decarbonization, and sustainability across Ibero-America.
The agreement was signed at OLADE's headquarters by its Executive Secretary, Andrés Rebolledo, and the Chairman of ADENE's Board of Directors, Nelson Lage. Senior officials from both institutions also took part in the meeting, reaffirming their shared commitment to a common energy agenda.
The agreement includes:
Development of projects on energy efficiency, renewable energy, and sustainable mobility
Implementation of training and technical capacity-building programs
Energy literacy campaigns and efforts to combat energy poverty
Joint participation in international energy initiatives and forums
This high-level meeting reaffirmed a shared commitment to a just, inclusive, and sustainable energy transition, driven by institutional cooperation and knowledge exchange. The partnership between OLADE and ADENE aims to deliver innovative solutions that support comprehensive energy development in Latin America, the Caribbean, and the broader Ibero-American community.

OLADE–FICEM DEAL FOR SUSTAINABILITY

The Latin American Energy Organization (OLADE) and the Inter-American Cement Federation (FICEM), represented by OLADE's Executive Secretary, Andrés Rebolledo, and FICEM's Executive Director, María José García, respectively, signed a Memorandum of Understanding aimed at advancing energy sustainability in the cement sector across Latin America and the Caribbean.

This agreement will enable the collection, systematization, and publication of key energy data from the cement sector, providing accurate and up-to-date information to enhance energy efficiency, support regional planning, and accelerate industrial decarbonization efforts.

The partnership promotes the exchange of technical information, inter-institutional cooperation, and access to strategic statistics that will be essential for building a stronger, more inclusive, and sustainable energy transition in the region.
Through this initiative, OLADE and FICEM reaffirm their commitment to the sustainable development of the Latin American industrial sector, in alignment with global climate goals and the 2030 Agenda.

NATURAL GAS: A DRIVER OF ENERGY INTEGRATION AND SUSTAINABLE TRANSITION IN LAC

The Executive Secretary of the Latin American Energy Organization (OLADE), Andrés Rebolledo, participated in the seminar "Challenges and Solutions for Regional Gas Integration", organized by the Ministry of Mines and Energy of Brazil, where he emphasized the critical role of natural gas in the energy integration of the Southern Cone.

During his remarks, Rebolledo stated: "In the last decade, natural gas trade in the region has increased by 58%. Seventy-five percent of consumption is supplied by regional production, which demonstrates a strong foundation of self-sufficiency that supports energy security, integration, and a low-emission transition."

He also noted that even under carbon neutrality scenarios by 2050, natural gas will still account for 20% of the region's energy matrix. In this context, he announced that OLADE, in partnership with CAF, is promoting investments, infrastructure studies, and tools such as the Methane Observatory to support the decarbonization of gas production.

Guido Maiulini, Head of Strategic Advisory at OLADE, also participated in the seminar and emphasized the strategic value of natural gas in improving electric system reliability and regional competitiveness. "The reliability of our power systems also depends on stronger gas integration. If we move forward pragmatically and with cooperation, the entire region can benefit. Often, what holds back integration is how collective rents are distributed. That's a barrier we must overcome," he stressed.

OLADE is currently leading a technical study with CAF's support to identify opportunities for shared infrastructure and move toward effective gas integration with a long-term vision and strong regional commitment.

OLADE PRESENTS KEY FINDINGS ON CLEAN COOKING DURING HIGH-LEVEL REGIONAL WEBINAR

The Latin American Energy Organization (OLADE) held the webinar "Energy Transition in the Residential Sector – Findings and Proposals for Latin America", during which the main results of the regional study on energy transition in the residential sector were presented. This activity was carried out within the framework of the ETRELA project, with the support of the International Climate Initiative (IKI) of the German Government, EBP Chile, Universidad Mayor, and Fundación Futuro Latinoamericano.

During the opening session, Gloria Alvarenga, Director of Integration, Access and Energy Security at OLADE, warned that "biomass burning not only affects the health of women, children, and the elderly, but also contributes to deforestation and climate change." She called for progress toward clean technological solutions such as electrification and the use of biogas.

Andrés Rebolledo, Executive Secretary of OLADE, emphasized that the energy transition in households goes beyond energy access and requires alignment with public policies on health, housing, and social protection. "It's not just about energy," he stated, announcing that OLADE is promoting a roadmap with its 27 member countries to reach a regional political commitment on clean cooking by 2025.

During the event, Nicola Borregaard, General Manager of EBP Chile, presented the results of a study conducted in collaboration with institutions from Brazil, Colombia, Chile, and the United States, which highlights the lag of the residential sector in national decarbonization strategies. She stressed the urgency of electrifying the sector due to its positive effects on public health and emissions mitigation.

The technical report indicates that the residential sector accounts for between 11% and 19% of final energy demand in the countries analyzed, with intensive use of firewood and gas for cooking and heating:

- In Colombia, 70% of residential energy consumption is for cooking, with a high dependency on firewood.
- In Brazil, this figure ranges from 51% to 62%, with gas predominating.
- In Chile, firewood used for heating generates 22% of national CO_2 emissions.

Despite electricity coverage exceeding 90% in most areas, infrastructure and service quality deficiencies persist, especially in rural zones. The study also identifies regulatory gaps and the need to harmonize metrics and policy instruments.

Paola Valencia, from EBP Chile, presented unprecedented findings on fugitive methane emissions from household stoves:

- In Bogotá, 70% of methane comes from leaks while the stove is off.
- In Chile, these emissions account for over 50% of total residential methane.
- In Brazil, methane emissions from stoves were up to 10 times higher than official IPCC estimates.

In addition, measurements of nitrogen oxides, carbon monoxide, and benzene revealed significant health impacts. Data were collected on-site, considering altitude, stove type, and local conditions.

Cristóbal Galbán, researcher at Universidad Mayor, presented experiments conducted in Chile and Colombia confirming continuous methane emissions even when burners are off. He proposed using country-specific Tier 2 emission factors to replace the generic Tier 1 values from the IPCC, aiming to improve national greenhouse gas inventories.
Finally, Maryangel García, from Fundación Futuro Latinoamericano, explained the communication strategy that enabled technical data to be translated into accessible messages for the public, media, and decision-makers. "What is not communicated does not exist. And if it is not measured, it cannot be improved," she concluded.

LATIN AMERICA AND THE CARIBBEAN TRIPLE THE NUMBER OF ELECTRIC VEHICLES IN 2024 AND ACCELERATE SALES IN 2025

By the end of 2024, the number of light electric vehicles in Latin America and the Caribbean reached 444,071 units—nearly tripling compared to the end of 2023.

The transition toward electric mobility in the region is progressing rapidly, according to the latest technical note "Electric Mobility in Latin America and the Caribbean. 2024 Figures" by the Latin American Energy Organization (OLADE). In 2024, the light electric vehicle fleet grew by 187%, from 249,079 to 444,071 electric vehicles (BEVs and PHEVs). This remarkable growth is largely driven by a 78% increase in electric vehicle integration during the second half of the year compared to the first.

Brazil and Mexico stand out in the development of public charging infrastructure. In Brazil, the number of charging stations grew from 1,876 in 2023 to 12,700 by the end of 2024. Mexico increased its stations from 1,340 to 3,212 in the same period. Together, these two countries account for approximately 86% of the region's charging infrastructure.

In the first quarter of 2025, all countries in the region reported positive growth in electric vehicle sales. Colombia stood out with nearly a fourfold increase in BEV sales, followed by Uruguay. Brazil and Mexico continue to lead in terms of absolute volume of BEV and PHEV sales.

These advances are taking place in a global context where China remains the market leader, with over 49 million electric vehicles in circulation and a 47.9% share of new car sales in 2024, consolidating its position as the world's main producer and exporter. This situation directly impacts the region, as most imported electric vehicles come from China.

Despite these positive results, challenges remain, such as the relatively high cost of vehicles, insufficient charging infrastructure, and limited range. However, countries are progressively addressing these issues.

Read the full technical note at the following link:
Technical Note No. 8 Electric Mobility in Latin America and the Caribbean

OLADE PARTICIPATES IN THE II BUSINESS FORUM OF THE IBERO-AMERICAN ASSOCIATION OF ENERGY REGULATORY ENTITIES IN COSTA RICA

The Latin American Energy Organization (OLADE), through its Executive Secretary, Andrés Rebolledo, participated in the II Business Forum of the Ibero-American Association of Energy Regulatory Entities (ARIAE), held in San José, Costa Rica. The event brought together 180 representatives from the energy sector, including regulatory authorities, entrepreneurs, and international organizations such as the Inter-American Development Bank, the World Bank, the Ibero-American General Secretariat (SEGIB), and the Regional Energy Integration Commission (CIER).

The forum was locally promoted by the Public Services Regulatory Authority (ARESEP), as an active member of ARIAE, highlighting Costa Rica as the host country due to its progress in renewable energy generation, which exceeds 90%, leveraging hydro, solar, and wind resources.

The event addressed key topics such as the future of renewable energy, emerging technologies, energy efficiency, energy justice, and cybersecurity, with the goal of accelerating the energy transition toward decarbonization in the region.

In his remarks, OLADE Executive Secretary Andrés Rebolledo emphasized that "energy regulation is more strategic than ever to advance a just, secure, and inclusive energy transition in Latin America and the Caribbean. We need modern regulation that not only ensures fair rates and quality service but also fosters innovation, attracts sustainable investment, and facilitates regional energy integration."

Rebolledo also outlined some of the region's current challenges, such as disparities in energy access, 3% energy curtailment, low use of interconnections (25%), and increasing demand for electrification in transport, data centers, and green hydrogen. He called for flexible regulatory frameworks and a coordinated regional vision.

During the event, OLADE's Executive Secretary held a bilateral meeting with Franz Tattenbach, Minister of Environment and Energy of Costa Rica, along with Vice Ministers Ronny Rodríguez and Carlos Pérez Mejía, where the country's strong commitment to a sustainable energy transition was highlighted.

OLADE reaffirmed its readiness to provide technical and institutional support to Costa Rica, a country that has become a regional benchmark in clean energy, renewable electrification, and energy efficiency. This dialogue strengthens the Organization's mission to promote public policy, energy planning, and regional cooperation that enhance energy security and sustainable development in Latin America and the Caribbean.

IN MARCH 2025, LAC RECORDED THE LOWEST ENERGY INFLATION IN THE LAST SIX MONTHS

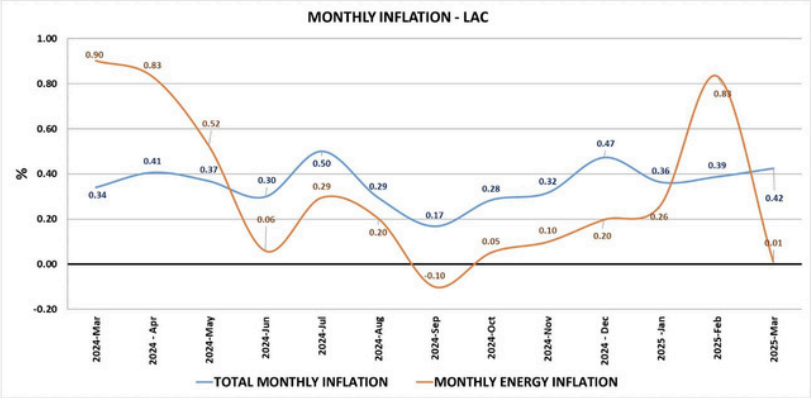
The Latin American Energy Organization (OLADE) has published the Energy Inflation for Latin America and the Caribbean (IE-LAC) for the month of March 2025, which reached only 0.01% and a year-on-year inflation of 1.15%

Monthly energy inflation in March 2025 reached the value of 0.01%, the lowest value since October 2024. If we compare the inflation of March of this year with that of the previous month, it is observed that there is a drastic fall due to the fact that in February 2025, in several of the countries of the region, there were increases in electricity prices between 10% and 16% and in fuels between 6% and 10%, an effect that during the month of analysis is offset.

Likewise, this fall is influenced by the decrease in the international price of oil, which has been falling since August 2024, standing at approximately 68 USD per barrel in March 2025, and whose value is trending downwards.

Regarding overall inflation, it remains stable throughout the period analyzed, showing an upward trend, in contrast to energy inflation, as shown in Figure 1.

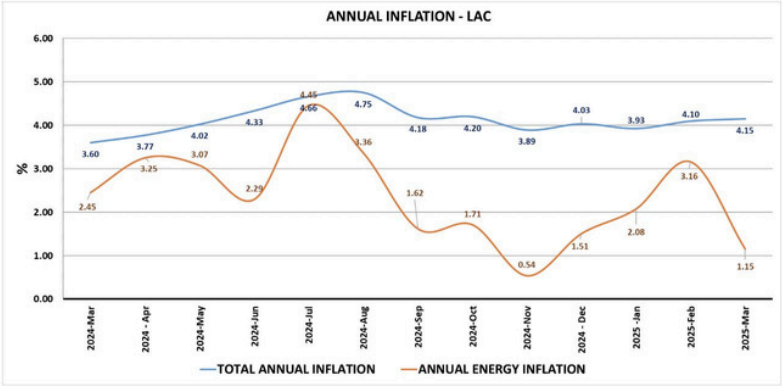
Figure 1. Evolution of Monthly Inflation in Latin America and the Caribbean (LAC)



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

In March 2025, annual energy inflation in Latin America and the Caribbean reached 1.15%, decreasing by 63.6% compared to February 2025. If we take into account that annual inflation is calculated regarding to the same month of the previous year, that is, if we compare the annual values, we observe a lower value in March 2025 compared to March 2024, which shows that the impacts that the increases or reductions in fuel prices had mainly were lower, as well as that the international price of oil in March 2024 had a value greater than 81 USD.

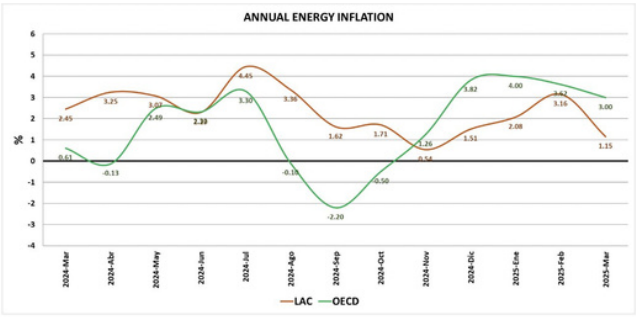
Figure 2. Evolution of Monthly Inflation in Latin America and the Caribbean (LAC)



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

Meanwhile, in March 2025, year-on-year energy inflation in OECD countries fell to 3%, after having registered 3.62% in February 2025, maintaining the downward trend. It is worth mentioning that in 28 of the 38 OECD countries there was a decrease in energy inflation by March 2025.
Comparing the energy inflation of LAC with respect to the OECD, it is worth mentioning that in both cases, the trend is downward, registering a greater variation for LAC and keeping the values below those presented by the OECD.

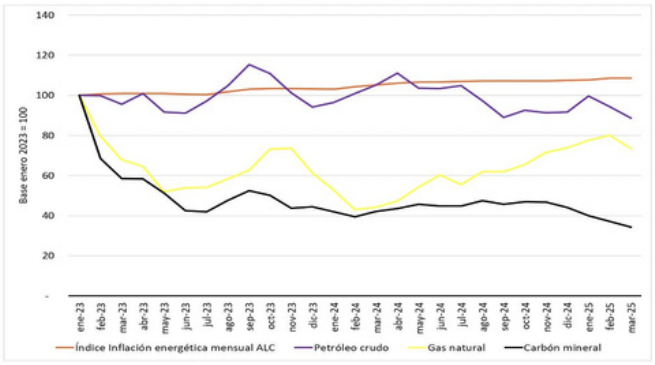
Figure 3. Evolution of Comparative Annual Energy Inflation LAC - OECD



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.

As of this edition, the contrast between the evolution of monthly energy inflation in Latin America and the Caribbean (LAC) calculated by OLADE and energy prices worldwide, estimated by the International Monetary Fund, is presented[1]. Figure 4 presents the evolution of four price indices: crude oil, natural gas, mineral coal and LAC energy inflation.[2] The analysis period corresponds to January 2023-March 2025, and all carried out on a January 2023 basis.
[1]Information on the data and methodology used by the IMF can be found at: https://www.imf.org/en/Research/commodity-prices
[2]Based on the information about energy inflation published by OLADE, the previous three are derived from the prices of the main commodities published by the IMF.

Figura 4. Contraste Inflación Energética Mensual de ALC y Precios Internacionales de la Energía



One of the main conclusions that can be obtained from the previous Figure is that the nominal international prices of crude oil, natural gas and mineral coal, had a downward behavior in the analyzed period. In fact, in March 2025, all three indicators are below the level observed in January 2023. On the other hand, the indicator for LAC does not seem to follow this trend; in fact, the latest value for March 2025 is 8.7% higher than the value in January 2023.

This result suggests that there is scope for public energy policy in LAC to ensure that consumers benefit from lower international energy prices, without discouraging investment in the sector.

Finally, the following Table presents the inflation as of March of each year. This exercise is useful because it allows you to eliminate the seasonal component that the time price series could present.

Description	Unit	Mar-23	Mar-24	Mar-25
Total monthly inflation	%	0.52	0.34	0.42
Monthly energy inflation	%	0.15	0.90	0.01
% Change in WTI Price	%	-4.62	5.22	-4-60

Source: Own elaboration based on information from OLADE and EIA|

OVERVIEW OF ELECTRIFIED VEHICLE SALES IN SELECTED COUNTRIES OF THE REGION DURING THE FIRST QUARTER OF 2025

1. Sales of 100% Electric Vehicles (BEVs)

Brazil and Mexico led the sales of 100% electric vehicles during the first quarter of 2025. However, both countries experienced a decline compared to the first quarter of 2024, with decreases of 6.9% and 15.4%, respectively. In contrast, the other reported countries showed growth, with Colombia standing out as the group's top performer—sales there approximately quadrupled compared to the same period last year—followed by Uruguay, where sales tripled. See Figure 1.

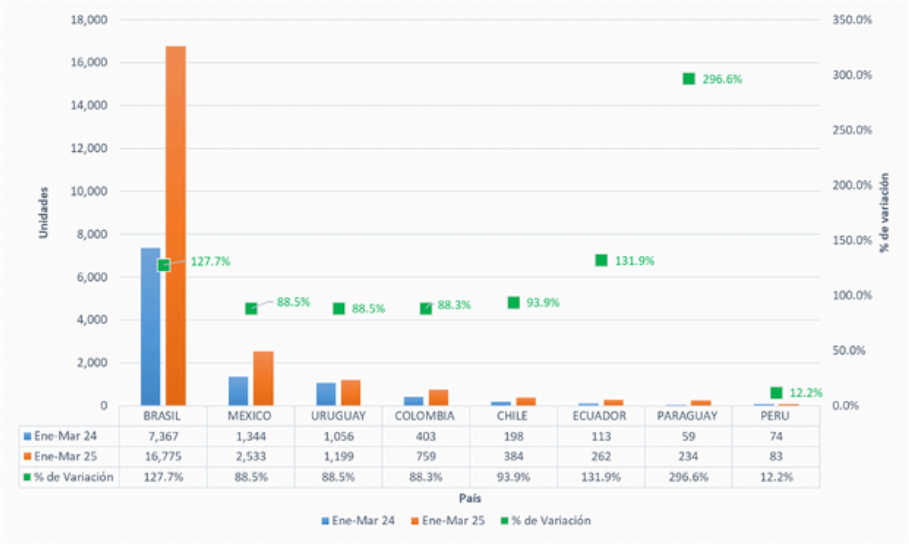
Figura 1. Ventas de vehículos BEV durante el primer trimestre de 2025 y comparación con el primer trimestre de 2024.

Fuente: elaboración propia con información proporcionada por la Asociación Latinoamericana de Distribuidores de Automotores (ALADDA) y la publicada por la Asociación del Comercio Automotor del Uruguay (ACAU)

2. Sales of Plug-in Hybrid Electric Vehicles (PHEVs)

As with BEVs, Brazil and Mexico reported the highest sales volumes of plug-in hybrid electric vehicles during the first quarter of 2025. All the reported countries showed growth rates compared to the first quarter of 2024, with Paraguay standing out as the top performer—sales there quadrupled between the two periods. See Figure.

Figura 2. Ventas de vehículos PHEV durante el primer trimestre de 2025 y comparación con el primer trimestre de 2024



Fuente: elaboración propia con información proporcionada por ALADDA y publicada por ACAU[1]

For more information on the state of electric mobility in Latin America and the Caribbean, we invite you to consult Technical Note No. 8: "Electric Mobility in Latin America and the Caribbean – Monitoring Electromobility". This publication provides an overview of electromobility in the region, focusing on data related to the size of the circulating electrified light vehicle fleet, the number of electric buses, and battery charging infrastructure, both disaggregated by country and consolidated at the regional level.

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