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LATIN AMERICA AND THE CARIBBEAN ENERGY OUTLOOK 2025



Latin America and the Caribbean are at a turning point in their energy future. In a global context marked by climate urgency, technological transformation, and the need to ensure both energy security and economic development, the region is moving toward an energy transition that combines climate ambition with technical realism and a long-term strategic vision. The Latin America and the Caribbean Energy Outlook 2025, presented by OLACDE, confirms this trend and provides strong evidence of a new regional energy landscape in motion.

The 2025 results show significant progress. Renewable power generation capacity increased by 7%. Today, 67% of the electricity available in the region comes from clean sources, with wind and solar playing a leading role (61% of new installed capacity during the year), increasing their output by 19% compared to last year. These figures reflect not only the region's natural resource potential, but also favorable regulatory frameworks, growing technological expertise, and rising investment interest in environmentally sustainable projects.

In 2025, final electricity consumption increased by 3.7%, while per-capita consumption rose by 2.6%. These indicators reflect economic progress linked to electrification — a key element for building more efficient and decarbonized power systems. As this trend advances, energy storage is beginning to make an increasingly relevant contribution: the region now has 1.7 GW of installed battery capacity, which plays a critical role in managing renewable generation variability.

At the same time, natural gas is consolidating itself as the main firm capacity resource during the transition. Gas-fired generation capacity increased by 12% in 2025, while coal- and oil-based generation declined significantly, by 21% and 31% respectively. This trend reinforces the role of natural gas as a strategic backup resource, complementing renewable energy and helping to reduce greenhouse gas emissions compared to more carbon-intensive fossil fuel alternatives.

A similar shift can be observed in the transport sector. Electric mobility in Latin America and the Caribbean is expanding rapidly. Between 2022 and 2025, the total number of electrified light-duty vehicles in circulation grew by 851%, nearly multiplying by ten, while sales increased by 52% in 2025 alone. This phenomenon anticipates structural changes in energy demand, urban planning, and electricity infrastructure, positioning the region as an emerging market for electromobility.

Looking ahead to 2050, projections under an accelerated decarbonization scenario (NET-0) reveal both major challenges and monumental opportunities. Total energy consumption would increase by 42%, while electricity consumption would grow by 156%. Installed power generation capacity would need to triple, reaching an 83% renewable share, with wind and solar expanding particularly fast — multiplying their installed capacity fivefold.

This scenario would require around 1,000 GW of additional electricity generation capacity and approximately 80 GW of battery storage systems, with an estimated investment requirement of nearly USD 1.5 trillion, 90% of which would correspond to renewable capacity. Natural gas would continue to play a relevant role: around 22% of electricity generation in 2050 and 34% of total energy supply would come from it, while oil and coal participation would decline substantially.

Within this horizon, new demand drivers are clearly emerging: transport electrification, the expansion of data centers, and green hydrogen. Combined, these uses could represent a significant share of regional electricity consumption by 2050, calling us to plan today for more robust, resilient, interconnected, and responsive power systems.

The Latin America and the Caribbean Energy Outlook 2025 is consolidated as a strategic publication for governments, institutions, investors, and academic circles alike. Its data and projections confirm that the region is moving in the right direction — but also that the success of the transition will depend on timely decisions that strengthen regional cooperation, stable regulatory frameworks, and an unprecedented mobilization of investment and technical capacity.

At OLACDE, we remain committed to working alongside our 27 Member Countries, continuing to provide accurate data, technical analysis, and spaces for dialogue that transform these challenges into opportunities for sustainable development across our region.

OLACDE PROMOTES INTERREGIONAL TECHNICAL DIALOGUE ON ENERGY EFFICIENCY WITH ASIA AND AFRICA



The Latin American and Caribbean Energy Organization (OLACDE) participated in the African Energy Efficiency Conference, an interregional technical event that brought together energy sector organizations from Asia, Africa, and Latin America and the Caribbean, with the aim of deepening knowledge exchange and strengthening technical coordination on energy efficiency, recognized as a fundamental pillar of the energy transition.

Representing OLACDE, Chief of Staff Mijal Brady took part in the various sessions of the event, where regional progress and challenges in energy efficiency policies, regulatory frameworks, energy planning, and implementation mechanisms were discussed in detail. These sessions enabled the analysis of concrete experiences from the participating regions, the identification of areas of convergence, and the exploration of opportunities for interregional technical cooperation.

In particular, Brady participated in Plenary Session VI: “Accelerating Investment and Action to Drive Efficiency through the African Energy Efficiency Facility (AfEEF)”, alongside Ministers of Energy from Gambia, Djibouti, Equatorial Guinea, and Tunisia, as well as officials from the African Union and representatives of development banks across the continent. The session addressed innovative financing mechanisms, data digitalization, and technical capacity development as key enablers to accelerate energy efficiency projects in buildings, industry, power grids, and clean cooking.

Within the framework of the event, OLACDE’s Chief of Staff also held a high-level meeting with African counterparts aimed at strengthening technical cooperation between regions. During the meeting, strategic priorities and experiences related to shared challenges in the energy transition were discussed, with consensus on the need to move toward a more structured collaboration framework. Key outcomes included the assessment of establishing a formal cooperation instrument and the development of a Joint 2026 Work Plan, focused on technical coordination, shared planning, and strategic interregional cooperation.

In her interventions, Brady underscored the importance of this dialogue with energy organizations from Asia, Africa, and Latin America and the Caribbean, aimed at exchanging experiences and best practices, addressing common challenges in energy efficiency, and strengthening interregional cooperation and coordination.

OLACDE’s participation in this event reaffirms its role in interregional energy cooperation between Africa and Latin America and the Caribbean, promoting the exchange of experiences in energy efficiency policies, a just energy transition, climate finance, energy productivity, and inclusive and sustainable development.

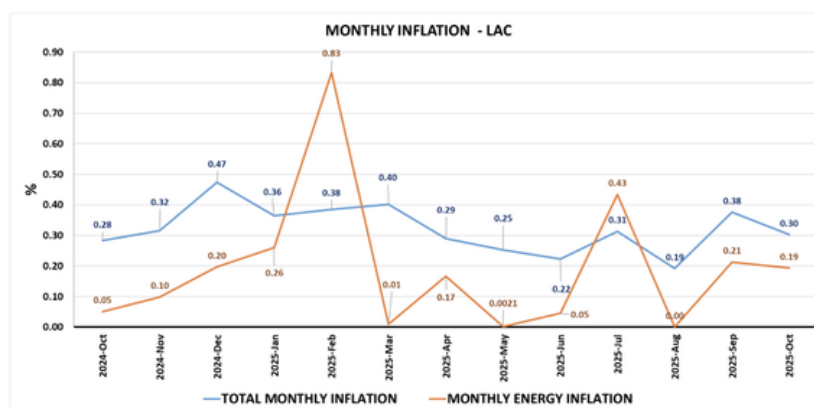
ENERGY INFLATION IN LAC DECLINED IN OCTOBER COMPARED TO THE PREVIOUS MONTH

Monthly energy inflation in LAC between September and October 2025 recorded a decline, decreasing from 0.21% in September to 0.19% in October. This represents a 9.5% reduction compared to the previous month, mainly because, of the 20 countries analyzed, 12 showed a decline in the indicator, as several of them implemented tariff adjustments to electricity prices and fossil fuels.

In general terms, when analyzing the period from October 2024 to October 2025, energy inflation shows very pronounced fluctuations, reflecting the volatility of energy basket prices. Following the indicator's peak in February 2025, an irregular pattern is observed, with alternating periods of increases and decreases, confirming its sensitivity to external factors (international prices, exchange rates) and domestic policies (subsidies, tariffs).

Total monthly inflation showed a more pronounced decline, falling from 0.38% in September to 0.30% in October 2025. This indicates that the decrease was driven mainly by components other than energy, such as food, goods, and services, which carry greater weight in the index. See Figure 1. It should be noted that total inflation shows a more stable trend with moderate variations, while energy inflation exhibits greater volatility and sensitivity, with sharp changes ranging from 0% to as high as 0.83% over the period analyzed.

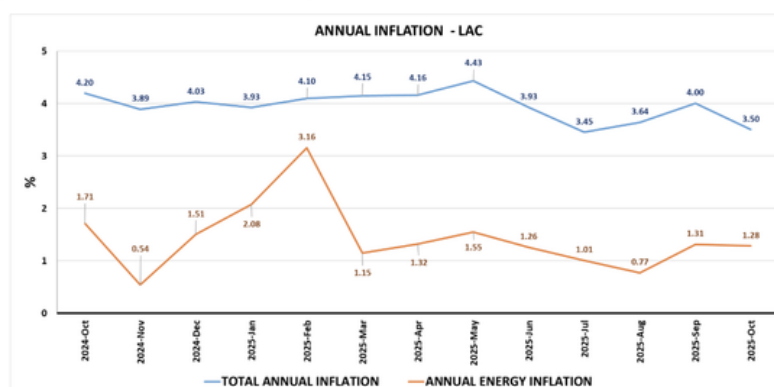
Figure 1. Monthly Inflation Developments in Latin America and the Caribbean (LAC)



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

Annual energy inflation in October 2025 stood at 1.28%, registering a decrease compared to the previous month and displaying a variable pattern of increases and decreases. These fluctuations are mainly related to the variability of both domestic and international prices affecting the energy basket. Regarding total annual inflation, in October 2025 it showed a downward trend similar to that of annual energy inflation, standing at 3.5% and exhibiting a more stable pattern than annual energy inflation. See Figure 2.

Figure 2. Annual Inflation Developments in Latin America and the Caribbean (LAC)



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

Year-on-year energy inflation in OECD countries remained stable at 4.22% in October 2025, while in LAC it declined, indicating that the region exhibits greater volatility and a more pronounced decrease, whereas the OECD maintains higher and more stable levels. Regarding energy inflation in the OECD, 20 countries recorded a decrease, 14 an increase, and 3 remained stable. However, in several countries, the decline in energy inflation followed an increase in September 2025, reflecting a base effect stemming from a significant reduction in energy prices between August and September 2024.

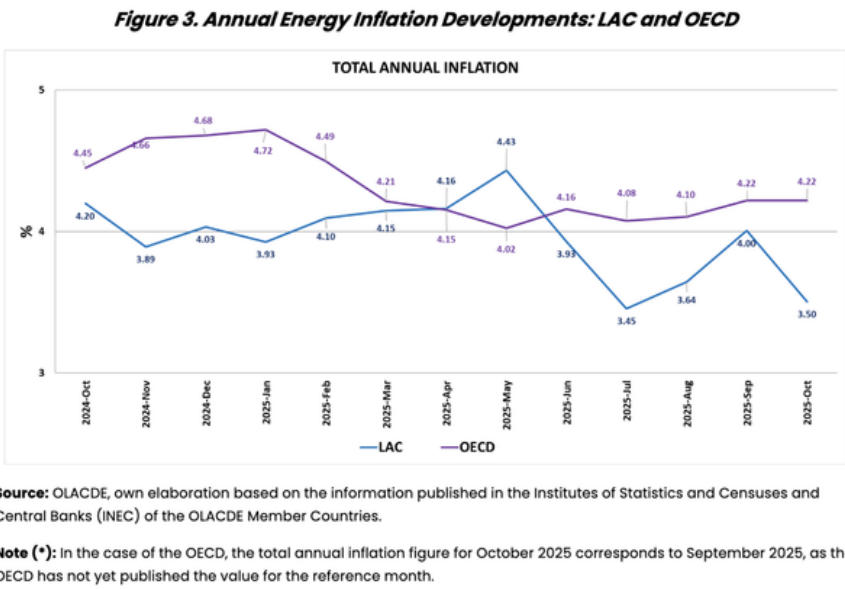
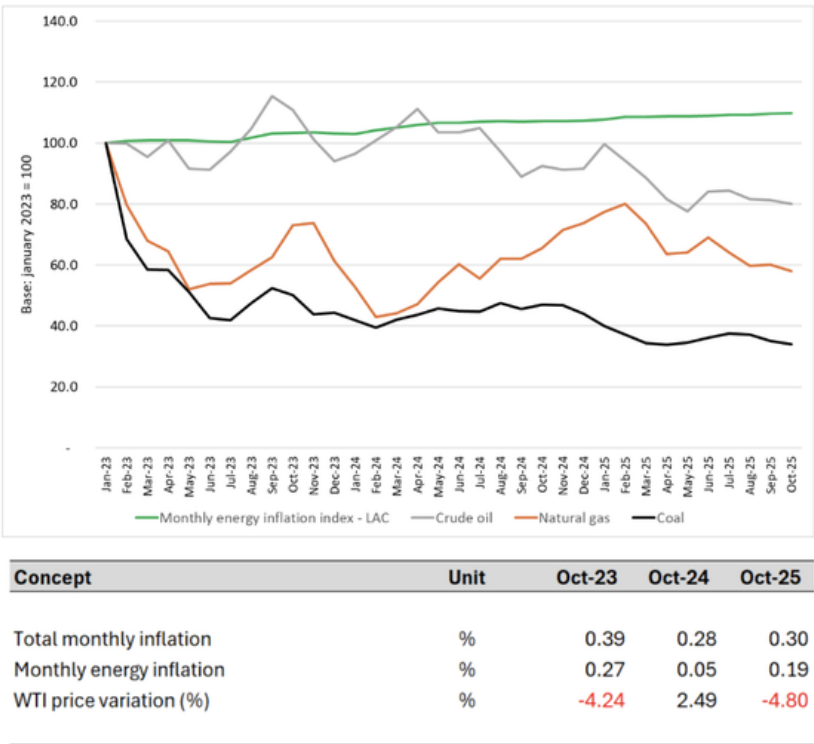


Figure 4 shows that the international oil price index records a slight decline of 1.6%, while the natural gas price index decreases by 3.45%. These trends are highly likely to explain the decline in monthly energy inflation in LAC, from 0.21% in September to 0.19% in October 2025. The attached table presents the monthly variation in the WTI price, which in October 2025 was negative at -4.80% , while in September 2025 it stood at -1.39% . This further deceleration would explain the evolution of the price indices.

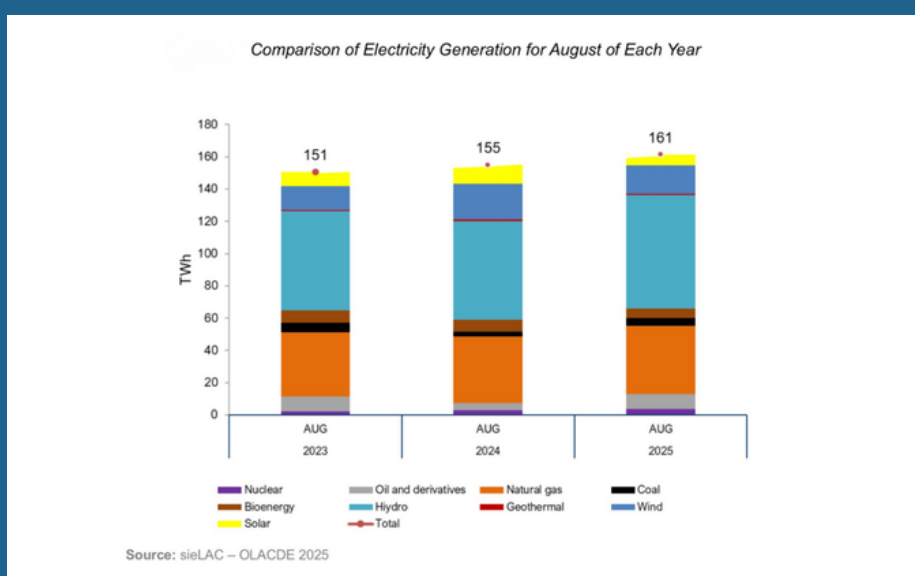
Figure 4: Comparison between Monthly Energy Inflation in LAC and International Energy Prices



HYDROPOWER AND NATURAL GAS SUSTAIN THE REGIONAL POWER MIX IN AUGUST 2025

The electricity generation report of the Latin American and Caribbean Energy Organization (OLACDE) highlights a total generation of 161 TWh in August 2025, a volume similar to that recorded in July. The report underscores relative variations in the regional energy mix and emphasizes the dynamics of renewable and non-renewable energy sources.

In August 2025, the generation mix continued to be dominated by hydropower, with a 43.6% share. However, a 4% decline in hydropower generation compared to July 2025 was observed, attributed to drought conditions in the Andean region and Central America.



To offset this decline, fossil-based sources increased their contribution, with natural gas raising its share to 26.1% of the total. This increase reflects the role of natural gas as a firm energy source, essential to ensuring the security and stability of electricity supply in the region. This trend was further reinforced by the commissioning of new energy complexes, such as Energía del Pacífico (EDP) in El Salvador.

Within the segment of other renewables, solar energy recorded a 5% month-on-month growth, driven by the entry into operation of new photovoltaic installations. Wind generation also showed a slight increase, attributed to the persistence of strong winds in Southern Cone countries.

On a year-on-year basis (August 2024 vs. August 2025), total electricity generation in Latin America and the Caribbean increased by 3.9%. Hydropower emerged as the resource with the largest absolute growth over this period, with an increase of 9.4 TWh.

Despite the predominance of renewables (101 TWh), the regional Renewability Index declined to 63% in August 2025, down from 65% in July, marking one of the lowest levels in the past five months. This decrease is mainly explained by the reliance on hydropower generation and the increased contribution of non-renewable sources, which totaled 60 TWh.

MERCOSUR ADVANCES REGIONAL ENERGY INTEGRATION AND SIGNS A MEMORANDUM OF UNDERSTANDING WITH OLACDE



MERCOSUR and the Latin American and Caribbean Energy Organization (OLACDE) signed a Memorandum of Understanding to strengthen regional cooperation in the energy sector through the development of technical projects in priority areas for the Member States.

The signing took place during the 65th Extraordinary Meeting of the Common Market Group (GMC), held on December 17–18 in Foz do Iguaçu, within the framework of the MERCOSUR and Associated States Summit of Heads of State and Government, under the Pro Tempore Presidency of Brazil.

The Memorandum was signed by the National Coordinators of the Common Market Group (GMC): Ambassador Fernando Brun (Argentina); Ambassador Francisco Pessanha Cannabrava (Brazil); Ambassador Patricia Frutos Ruiz (Paraguay); and Ambassador Paola Repetto (Uruguay). Representing OLACDE, Guido Maiulini, Head of Strategic Advisory, participated in the signing.

The document establishes the development of joint work projects in priority areas such as electricity and gas integration; regulatory interoperability and the promotion of regional energy markets; the development of renewable energy and new technologies; energy efficiency; sustainable fuels; and the responsible use of strategic minerals associated with the energy transition.

Through this understanding, MERCOSUR and OLACDE consolidate a framework for technical cooperation that will support energy transition processes, strengthen regional energy security, and advance the modernization of energy systems, while assisting Member States in coordinating public policies and regulatory frameworks and in building a long-term energy agenda that strengthens regional integration.

OLACDE AND IAEE SIGN COLLABORATION AGREEMENT



In a key step toward strengthening its international outreach, the Latin American and Caribbean Energy Organization (OLACDE) and the International Association for Energy Economics (IAEE) have signed an important Collaboration Agreement aimed at jointly organizing the 47th IAEE International Annual Conference, to be held in Santiago, Chile, in July 2026.

The agreement was signed by Andrés Rebolledo, Executive Secretary of OLACDE, and Ricardo Raineri Bernain, Past President of IAEE. Through this partnership, both institutions will combine efforts for the co-organization of academic and strategic sessions during the Conference, reinforcing OLACDE's role as a regional partner in the global debate on energy transition, regional integration, and sustainable development.

The IAEE International Conference is recognized as the world's most prominent event in the field of energy economics, bringing together more than 500 leaders from at least 70 countries, including ministers of state, business executives, regulatory authorities, academics, and representatives of multilateral organizations. The 2026 edition will address the main challenges facing the global energy sector, including oil, natural gas, coal, renewable energy, and electricity, along with strategic cross-cutting themes such as energy security, infrastructure financing, critical minerals, hydrogen, and a fair and sustainable energy transition.

OLACDE's participation in this collaboration reaffirms its commitment to promoting technical dialogue and international cooperation, contributing to the strengthening of energy policies in Latin America and the Caribbean and their articulation with global energy trends and debates.

LATIN AMERICA AND THE CARIBBEAN ACCELERATES ITS ENERGY TRANSITION: RENEWABLES LEAD, NATURAL GAS CONSOLIDATES, AND ELECTRIC MOBILITY REBOUNDS



The Latin American and Caribbean Energy Organization (OLACDE) presented the Energy Outlook of Latin America and the Caribbean, its flagship annual publication that compiles the most relevant official energy statistics from its 27 Member States and analyzes the main trends, challenges, and projections of the energy transition in the region.

The report confirms that Latin America and the Caribbean (LAC) is making steady progress toward a cleaner energy matrix, in which renewable energies continue to expand, natural gas consolidates as the main firm energy source supporting this growth, and electric mobility records unprecedented expansion.

20 Key Milestones in the Energy Sector of Latin America and the Caribbean 2025 Results

1. In 2025, renewable generation capacity increased by 7% compared to 2024.
2. In 2025, 68% of newly installed capacity was renewable, and 67% of electricity generation came from clean sources.
3. Sixty-one percent of the new generation capacity installed in 2025 corresponds to wind and solar power plants.
4. Electricity generation from wind and solar energy in 2025 increased by 19% compared to 2024.
5. Final electricity consumption in 2025 was 3.7% higher than in 2024, while per capita consumption increased by 2.6%.
6. In LAC, sales of electrified light-duty vehicles continue to grow strongly, particularly over the last three years, resulting in an 851% increase in the number of these vehicles in circulation between 2022 and 2025—nearly a tenfold increase. As of October 2025, sales of light-duty vehicles in the region increased by 52% compared to 2024.
7. By 2025, LAC has 1.7 GW of battery energy storage capacity.
8. Natural gas-fired generation capacity increased by 12% compared to the previous year.
9. In 2025, electricity generation from coal decreased by 21%, while generation from oil and oil products fell by 31%.
10. Crude oil production in LAC in 2025 increased by 20% compared to the previous year; regional domestic demand rose by 24%, and net exports increased by 13%.

Projections to 2050 under an Accelerated Decarbonization Scenario (NET-ZERO)

11. Under an accelerated decarbonization scenario of the LAC energy sector (NET-ZERO) by 2050, total energy consumption would increase by 42% compared to 2025, while electricity consumption would grow by 156%, nearly tripling.

12. Under this same scenario, while the renewability index of final energy consumption stands at 31% in 2025, it would reach 48% by 2050.
13. Installed electricity generation capacity would triple by 2050 compared to 2025, and its renewable share would increase from 68% in 2025 to 83% in 2050. Combined wind and solar capacity would increase fivefold.
14. Nearly 1,000 GW of additional electricity generation capacity will be required, supported by 80 GW of battery banks, with an estimated total expansion cost of approximately USD 1.5 trillions, of which 90% would correspond to renewable capacity.
15. Electricity generation by 2050 would triple compared to 2025, and its renewability would increase from 67% in 2025 to 76% in 2050. By that year, wind and solar combined would account for 37% of total generation, while natural gas would represent 22% of total electricity generation.
16. Under the assumptions of the NET-ZERO scenario, electricity consumption in the transport sector in LAC would represent nearly 10% of the sector's total energy consumption by 2050, 3% of total final energy consumption in the region, and 9% of total electricity consumption in the region.
17. With the expansion of data centers in LAC, electricity consumption from these facilities would represent, by 2050, 40% of the total electricity consumed by the commercial and services sector, one-third of the total energy consumption of that sector, 10% of total electricity consumption in the region, and 4% of total final energy consumption in the region.
18. Electricity requirements for green hydrogen production in LAC—both for domestic consumption and exports—considered under the NET-ZERO scenario for 2050, would amount to approximately 12% of total electricity generation in the region and 4% of total energy supply in that year.
19. Of the total energy supply in LAC by 2050, natural gas would account for 34%, compared to 26% in 2025, while the share of non-conventional renewable energy sources would increase from the current 5% to 14% by 2050.
20. By 2050, oil and oil products would represent 20% of the region's total energy supply, while coal would account for only 1%.

The Energy Outlook of Latin America and the Caribbean thus consolidates itself as a key decision-making tool, providing solid evidence on the direction of the regional energy transition and the technical, economic, and investment challenges that will need to be addressed in the coming decades.



BOLIVIA LAUNCHES THE NATIONAL ENERGY INFORMATION SYSTEM – SIEBOLIVIA, DEVELOPED WITH THE SUPPORT OF OLACDE

With the objective of strengthening the management, availability, and dissemination of statistical information on the energy sector in Latin America and the Caribbean, the official launch of the National Energy Information System – sieBolivia was carried out. This digital platform was developed by the Latin American and Caribbean Energy Organization (OLACDE), in collaboration with the Ministry of Hydrocarbons and Energy (MHE) of Bolivia and with financing from the French Development Agency (AFD).

sieBolivia is a strategic tool for the modernization and standardization of the country's energy data, strengthening processes for planning, public policy formulation, and sector performance evaluation. During the launch event, Fitzgerald Cantero, Director of Studies, Projects and Information at OLACDE, and Marco Yujato, Specialist at the Organization, presented the main results of the technical assistance provided for the implementation of the system. They emphasized that the platform makes it possible to integrate, process, and publish reliable and standardized energy information, automate data management through modern Internet-based technologies, and ensure the sustainability of information through the Inter-Institutional Committee on Energy Information.

It was also highlighted that sieBolivia optimizes the administration of national energy data, facilitates informed decision-making, and promotes transparency in public sector management, while strengthening institutional capacities and interoperability among entities linked to the national energy chain.

With the implementation of this platform, Bolivia moves toward a more efficient, modern, and evidence-based energy management model, consolidating itself as a regional reference in the development and application of energy information systems. This initiative is part of OLACDE's ongoing commitment to supporting its Member Countries in strengthening statistical systems, advancing regional energy integration, and promoting policies that contribute to a sustainable energy transition.

OLACDE HELD THE REGIONAL WEBINAR “ADVANCES IN SUSTAINABLE MOBILITY IN LATIN AMERICA AND THE CARIBBEAN”



The Latin American and Caribbean Energy Organization (OLACDE) held the webinar “Advances in Sustainable Mobility in Latin America and the Caribbean,” a technical space aimed at strengthening capacities, sharing good practices, and promoting cooperation among member countries.

During the opening session, Gloria Alvarenga, OLACDE’s Director of Integration, Access and Energy Security, emphasized the strategic importance of these collaborative spaces and noted that OLACDE’s Technical Groups were approved by member countries in 2023, supported by the Lima Convention and the decisions adopted by the Board of Experts and the Meeting of Energy Ministers. “We promote the creation of technical groups to strengthen capacities and share good practices throughout the region,” Alvarenga highlighted, affirming that this mechanism enables progress on common priorities and fosters sustainable solutions based on direct exchange between institutions and specialists.

Later, Fitzgerald Cantero, OLACDE’s Director of Studies, Projects and Information, underscored the growing relevance of sustainable mobility in national agendas. He explained that, after analyzing regional trends and the development of OLACDE’s Electric Mobility Monitor, the organization decided to deepen its study and develop the White Paper on Sustainable Mobility, available in both Spanish and English. “Sustainable mobility has become a central issue in our countries; that is why we developed the White Paper to study it in greater depth,” he stated, while thanking the countries and experts who contributed to the process. The event also featured welcoming remarks from OLACDE’s Executive Secretary, Andrés Rebolledo, who stressed the importance of building a shared energy agenda that drives innovation and solutions for cleaner, more inclusive, and more resilient mobility across Latin America and the Caribbean.

The webinar presented experiences from various countries and institutions involved in the transition toward sustainable mobility. Hernán Nilo Fernández discussed electromobility in the region, highlighting incentives that have accelerated the adoption of electric vehicles in Colombia, Chile’s leadership in electric buses and successful public–private models, as well as the need to advance in standardization, charging infrastructure, and technical training with a gender perspective. María Dolores Ortiz Sánchez shared Madrid’s experience, focused on the Madrid 360 Strategy, the expansion of active mobility systems such as BiciMAD, and the pedestrianization of public spaces. Rachel Henriques presented Brazil’s progress, where 11% of vehicle sales already correspond to electrified units, driven by tax incentives, circulation benefits, and the integration of solar panels for home charging. From Uruguay, Antonella Tambasco highlighted that the country now exceeds 11,000 electric vehicles in 2025, is expanding its charging network, promoting a new sustainable urban policy, and developing circular economy regulations for battery management, in close regional cooperation. Finally, Felipe Quirama from the United Nations Environment Programme (UNEP) stressed that transport decarbonization requires strengthening electromobility, energy efficiency, public transportation, and active mobility, as well as promoting open data and gender equity as central pillars of the transition.

Through this webinar, OLACDE reaffirms its commitment to developing sustainable solutions, advancing energy integration, and strengthening regional capacities to accelerate the transition toward cleaner, more modern, and lower-impact transportation systems. The work of the Technical Group on Sustainable Mobility will continue to generate tools, analysis, and spaces for exchange that will enable countries to move forward together toward more efficient and sustainable mobility in Latin America and the Caribbean.