FOR IMMEDIATE RELEASE

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Growing indigenous demand means that Central and South America are on the brink of becoming net importers of oil and gas unless the region attracts more investment. Fortunately, given the geological potential and increasingly equitable tax and fiscal regimes in most countries, the future looks promising.

That is the main message in a new IOGP Global Energy Brief (GEB) – the first in a series looking at the world’s seven main production areas, produced in conjunction with ARPEL, the regional association and based on data from BP.

This new GEB launches an innovative way of interpreting existing data: the IOGP Production Indicator©, which balances a region’s production of oil or gas against its indigenous demand. A Production Indicator score of 100% or more means a region is self-sufficient; 99% or less requires imports to meet demand.

Oil: Production Indicator 1970-2016

Source: BP Statistical Review of World Energy 2017 and IOGP calculations
As reported in the new GEB, Central & South America’s Production Indicator for oil is 107%, which means that for the first time in more than 30 years, the region is on the verge of losing its oil self-sufficiency – despite holding 20% of the world’s crude. Regional production growth will be led by Brazil. Opportunities offshore Guyana and Suriname could improve the region’s score, as would any move on Venezuela’s part to attract investment.

The situation is similar for natural gas, with a regional production indicator of 103%. Recent production increases in Bolivia, Brazil, Colombia and Peru are encouraging, as is the recovery of gas production in Argentina, particularly unconventional gas in Vaca Muerta.

Commenting on the GEB, ARPEL Upstream Director Miguel Moyano says:

‘A new realism is spreading throughout our region. Recognition of rising local demand for both oil and gas means that producers and governments alike are working together with a renewed sense of commitment to enable Central and South America to live up to its potential. Thus, the findings of this Global Energy Brief are a stimulus to further engagement.’

IOGP’s Global Engagement Manager, Olaf Martins, echoes that sentiment:

‘Working with ARPEL has given us new insights the energy scene in Central and South America. By raising awareness of the region’s challenges and potential, we hope to encourage the growth of the oil and gas sector there – as well as globally. Because, as the International Energy Agency forecasts, even in a lower carbon future, oil and gas will still be needed to meet almost half of the world’s energy needs for decades to come.’

To download the full Global Energy Brief in English, visit:  

For the Spanish version, visit: (https://arpel.org/)
About IOGP

The International Association of Oil & Gas Producers (IOGP) is the voice of the global upstream industry. Oil and gas continue to provide a significant proportion of the world’s energy to meet growing demands for heat, light and transport.

Our Members produce 40% of the world’s oil and gas. They operate in all producing regions: The Americas, Africa, Europe, the Middle East, the Caspian, Asia and Australia.

We serve industry regulators as a global partner for improving safety, environmental and social performance. We also act as a uniquely upstream forum in which our members identify and share knowledge and good practices to achieve improvements in health, safety, the environment, security and social responsibility.

About ARPEL

The Regional Association of Oil, Gas and Biofuels Sector Companies in Latin America and the Caribbean (ARPEL) is a vehicle of cooperation and reciprocal assistance among sector companies. Its main purpose is to actively contribute to industry integration and competitive growth, and to sustainable energy development in the region.

Our Members represent over 90% of oil and gas production in Latin America and the Caribbean. They embrace national and international operating companies, providers of technology, goods and services for the value chain, and national and international sector institutions.

We promote the integration, growth, operational excellence and effective socio-environmental performance of the industry in the region, facilitating cooperation with key stakeholders including society and governments.