

The energy transition process and the Latin American role

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Three aspects related to this topic will be briefly address: first, the role of Latin America in international trade; then, the role of Latin America in energy transition; and finally, some reflections about Chinese expansion throughout the world and Latin America.

- a) Latin American history unfortunately has been characterized by being the suppliers of raw material and commodities to the industrialized countries. However, it has not always been this way; between 1960 and 1970 (approximately) the development model known as “Industrialization and Import Substitution” was implemented globally and it gave Latin American countries the needed boost to start an industrialization process. However, the opportunity was lost with the implementations of neoliberal development model principles.
- b) Within this context the energy transition process and the Latin American role is both encouraging and discouraging. Discouraging, because Asia is the only region in the world that has shown, year after year, constant growth in terms of its global share of renewable energy installed capacity, while the other regions have shown decreases. The outlook is also discouraging because the five countries with the largest installed capacity in renewable energy in the world (China, USA, Brazil, India and Germany) still depend largely on fossil fuels (e.g., USA 92% and China 91%); better distribution among fossil energy and renewable energy are those of Germany, India and Brazil; and in this sense, not only Brazil, but Latin America in general stands out when compared with the countries in the top-five for installed capacity in renewable energies. This is thanks to our natural resources, especially water for hydropower, and sun and wind. These allow us to be among the most energy sustainable countries but, there are some difficulties relying so heavily in one of such energy sources.
- c) Talking about energy transition implies talking about political considerations. Hence, a few thoughts about the importance that China wants to acquire and is acquiring in the whole world and, particularly in Latin America will be shared; at least for now, there are two different trends, between the countries of Central America and those of South America in terms of their current exports (including Lithium) and commercial relationships with China that will have different implications.