News Release

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# Latin America Grapples with Transition to Renewable Energy

**29 April 2011**

- Latin American governments face battle to grow and keep energy matrix clean
- Brazil is grappling with renewable fuels amid oil boom
- More information on the meeting is available at www.weforum.org/latinamerica2011

**Rio de Janeiro, Brazil –** Latin American countries face a complex battle to reconcile their rapidly growing energy requirements with the need to combat climate change, energy leaders and experts at the World Economic Forum on Latin America said today.

With many of the region's economies booming and the consumption of fossil fuels rising fast, governments need "courage" to push ahead with the introduction of alternative, low-carbon energy sources such as wind power or bio-fuels. "The task at hand is about changing the energy system that is the basis for modern civilization," said **Thore E. Kristiansen**, Senior Vice-President of the Norwegian oil company, Statoil. Kristiansen said that, while oil would continue to play a major role in the global energy matrix, companies and governments need to collaborate in the search for renewable alternatives. "The task at hand is too big for one single company, one single country or one single organization."

**Eduardo Estrada**, President, Latin America, and Vice-President, Human Nutrition and Health, DSM Produtos Nutricionais Brasil, said a balance is urgently needed to be struck between the use of traditional fossil fuels and pioneering new forms of economically viable alternative energy. "The art is striking a balance. Alternative resources have to be found," he said. However, the recent discovery of massive and potentially lucrative "pre-salt" oil reserves off Brazil's south-east coast has made the debate over the continuing role of fossil fuels particularly complicated, said **Kellie Meiman**, Managing Director, McLarty Associates, USA.

**Mauricio Tolmasquim**, the president of Brazil's Energy Research Company (EPE), part of the Ministry of Mines and Energy, said he believed Brazil would be able to strike a balance between investing in renewable energy sources and extracting the billions of barrels of oil located off the country's south-east coast.

"I am very optimistic that Brazil will be able to carry on growing in terms of energy [consumption] while keeping a low carbon profile," said Tolmasquim, noting that his country already has one of the world's cleanest energy matrixes, with 46% of its energy coming from renewable sources compared to a global average of around 14%. "Can Brazil carry on growing while maintaining its low emissions? The answer is yes," he added.

Tolmasquim said Brazil is looking at wind power and investing heavily in hydroelectric dams in order to keep the country's energy matrix clean, irrespective of the country's burgeoning oil boom. "There are ways of building hydroelectric dams while preserving the environment," he said, claiming that the dams could also become "vectors for sustainable regional development" in the Amazon.

Energy authorities also addressed the future role of nuclear energy around the world in the wake of the Fukushima disaster that followed Japan's recent earthquake. "The incident in Fukushima has changed [things] a little bit," said **Jan Flachet**, President and Chief Executive Officer, Latin America, GDF SUEZ Energy International, Brazil, denying, however, that the incident would have a terminal impact on the use of nuclear power. "People will not stop offshore exploration because there was an incident in the Gulf of Mexico," he said.

The World Economic Forum on Latin America is taking place in Rio de Janeiro, Brazil, on 27-29 April 2011. The theme of the meeting is "Laying the Foundation for a Latin American Decade" and convenes more than 700 top regional and global leaders.The Co-Chairs of the meeting reflect the international character of the participants:**Frederico Fleury Curado**, President and Chief Executive Officer, Embraer - Empresa Brasileira de Aeronautica, Brazil; **Orit Gadiesh**, Chairman, Bain & Company, USA; Member of the Foundation Board of the World Economic Forum; **Luis A. Moreno**, President, Inter-American Development Bank, Washington DC; **Vikram Pandit**, Chief Executive Officer, Citi, USA; and **Sir Martin Sorrell**, Chief Executive Officer, WPP, United Kingdom.

For more information about the meeting, please visit the Forum's website.

**Notes to Editors**

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