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The global oil and gas scenario has entered a period of complexity. Economic development, technology, fierce competition and environmental concerns are playing a central role in energy markets and policies around the world.

to attract investments, easing the effects of the oil downturn. World class conventional and unconventional resources are found in places such as the Brazilian offshore (e.g. Pre-salt) or the Argentinian onshore (e.g. Vaca Muerta shale), which give a differentiated advantage in the

OIL & GAS CHALLENGES: A BRAZILIAN PERSPECTIVE

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With the steep drop in international oil prices and related fuels, agents are changing positions to protect themselves against further losses due to price volatility. Deferral of projects and portfolio adjustments are the choices that oil companies seeking efficiency and profitability in this landscape are taking. However, new business opportunities may arise in the midst of market uncertainty, and actors need to be attentive to them.

At the same time, large gas companies have firmly claimed the importance of gas as the fuel for “energy transition”, explicitly against coal development as the major source for electricity generation worldwide. In this context, carbon pricing is being viewed as a way to increase the competitiveness of gas while addressing climate change requirements within a global sustainable development agenda.

If we look at the Latin American region, oil exporting countries are facing a deepening crisis. Sector reforms are envisaged in order

international market.

In the Brazilian context, new and large pre-salt reserves are currently being reviewed. The national strategy to develop new fields in this area is now being revised, given current economic and political constraints, both for companies and government. The aim is to adapt the rules to market changes while maintaining socioeconomic objectives. If this strategy becomes successful, the Brazilian oil and gas sector would again be a powerhouse for the country’s economic development.

Therefore, factors such as geopolitical change, the increasing share of American unconventional oil and gas production, and changes in the global demand (particularly Chinese demand) guide the trajectory of prices and production in the short and medium term. Decisions of oil and gas companies, new projects and regulatory activities will define the direction that the industry will take in the future, in Brazil and elsewhere. ●