



Written by:  
[Michael Place](#)

# Latin America in 'high level' talks for regional gas price index

Published: 05/24/2021

[Economics](#) [Natural Gas Distribution](#) [Natural Gas](#) [LNG](#) [Natural disasters / Health Crisis](#) [Gas pipelines](#) [Commodities](#)



The Latin American Energy Organization ( [OLADE](#) ) has raised the prospect of a regional gas price benchmark to prevent distortions that it says is holding back local markets.

Speaking during the Institute of the Americas' 30th [La Jolla Conference](#), OLADE executive security Alfonso Blanco revealed that a Latin American alternative to the Henry Hub reference

price is being discussed at a "high level."

"Most contracts [in Latin America and the Caribbean] are linked to the Henry Hub price and that is not very good for the development of regional markets because the economic conditions are very different," Blanco said.

He added that a virtual index derived from "all of the economic inputs for regional markets" would benefit the region's entire natural gas value chain, including the burgeoning LNG segment.

Meanwhile, Blanco said the Quito-based entity is also engaged in talks with the [Inter-American Development Bank](#) and [International Energy Agency](#) to help energy stakeholders across Latin America overcome [the effects of COVID-19](#).

Recovery efforts are being focused on adapting policies, regulations and procedures to carbon-reduction commitments.

"Our regulatory frameworks for electric energy and oil and gas were designed in the 1990s with a different concept in mind," Blanco said. "We have to incorporate technology and [sustainable energy] in a new model for the sector.

"Digitalization will accelerate after the pandemic and it will be a crucial factor in the energy sector's recovery. The role of the private sector will be vital but to increase the private sector's role we need to improve the [investment] conditions."

Despite the rapid growth of renewable energy, Blanco said fossil fuels would remain a key source of income for Latin America in the coming years.

"The countries in the region that were most severely affected during the pandemic were the [bigger] oil and gas producers. But I'm convinced that oil and gas revenues will be an essential part of the economic recovery," he added.

[First projects in Mexico's US\\$3.3bn Oaxaca pact set to start in 4Q21](#)

Published 3 hours ago

[CRE deja sin efecto regulación asimétrica para Pemex](#)

Published a day ago

[Mexican Democracy's Big Test: The June 6 midterm elections are a chance to rein in the power of President López Obrador .](#)

Published 2 days ago

[Govt discretion is 'new name of the game' in Mexico energy sector, says expert](#)

Published 7 days ago

[Chile urged to move toward mandatory green economy goals](#)

Published 8 days ago

[The Virus Surge](#)

Published a month ago

[He's Back](#)

Published 2 months ago

[Latin America's Projects: Where the Opportunities Are](#)

Published 3 months ago

[Oil & Gas 2021 Outlook: A Road to Recovery](#)

Published 6 months ago

[What a Biden Administration Will Mean for Latin America](#)

Published 6 months ago

[Organización Latinoamericana de Energía](#)

Updated 2 months ago

[International Energy Agency](#)

Updated a year ago

[Inter-American Development Bank \(IDB\) - Banco Interamericano de Desarrollo \(BID\)](#)

Updated 2 years ago

[Michael Place](#)

Updated 2 years ago

[LME-LBM prices](#)

Updated 7 hours ago

[Installed capacity of Electric power generation by source](#)

Updated 5 days ago

[Oil imports. Thousand barrels per day](#)

Updated 7 days ago

[Monthly oil production](#)

Updated 7 days ago

[Drilling rigs by type](#)

Updated 8 days ago

The information in this document is for personal use. It is strictly forbidden to share any part of this document with any third, without a written consent of Business News Americas. Copyright 1996-2019 All rights reserved.

**Need help?**

Email: [info@bnamericas.com](mailto:info@bnamericas.com)

Phone: [+56 \(2\) 2232 0302](tel:+56(2)22320302)

Account manager: Ricardo Lillo ([ricardo.lillo@bnamericas.com](mailto:ricardo.lillo@bnamericas.com))