

Brazil's Electricity Sector Ready for 5% Annual Growth

Contributed by Nielmar de Oliveira
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The Brazilian electricity sector is prepared for the national economy to grow at an annual rate of 5% for the next five years, without constituting a bottleneck to this growth.

This assurance was offered by the president of the Energy Research Company (EPE), Maurício Tolmasquim, who announced that electricity consumption grew 4.6% in 2005, 0.1 percentage point less than in 2004.

According to Tolmasquim, "historically, even with the economy on the upswing, consumption growth does not exceed 5.1%. Nevertheless, we are prepared to meet the demands of a growing economy.

For at least the next five years, the supply of electricity will be sufficient to accompany the expansion of the economy."

The president of the EPE observed that there is not a direct correlation between growth in the Gross Domestic Product (GDP, the total wealth produced in the country) and growth in electricity consumption.

"When the GDP increases a lot, energy demand does not necessarily expand to the same degree. There is no direct ratio between the two. On the other hand, when GDP growth is slow, the growth in energy demand tends to be comparatively much more significant," he explained.

The rationing of electricity imposed on the country in 2001, according to Tolmasquim, altered Brazilians' consumption habits, and the population continues to use less energy.

"The slight increase in energy demand reflects patterns considerably below those that existed before the government's decision to ration consumption."

EPE data indicate that over 1.7 million residences were added to the energy distribution network last year. This increase, however, had practically no effect on average monthly residential consumption, which rose from 140 KWh (Kilowatt hours) in 2004 to 142 KWh last year. Prior to rationing, average monthly consumption was around 180 KWh, according to the company.

The objective of the EPE, which is linked to the Ministry of Mines and Energy, is to carry out research and studies to assist in the planning of the Brazilian energy sector.

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