



Independent Statistics & Analysis

U.S. Energy Information
Administration

ARGENTINA

Last Updated: March 2016

Overview



- In 2014, Argentina was the largest dry gas producer and the fourth largest petroleum and other liquids producer in South America.
- Argentina's new hydrocarbons reform, published on October 31, 2014, provides investors with offshore exploration opportunities and encourages foreign ventures in unconventional plays. Before the 2014 reform to the 1967 Hydrocarbon Law, Argentina's energy sector policies prompted an imbalance of energy supply and demand by limiting the industry's attractiveness to private investors, restraining the profits of domestic producers, and shielding consumers from rising prices. Domestic demand for energy grew rapidly while production of both petroleum and other liquids and natural gas declined — making Argentina a net hydrocarbons importer.
- To incentivize foreign investment in the hydrocarbons sector and boost domestic energy supplies policy reforms have changed the national bidding process, increasing the frequency of offshore licensing rounds, allowing for longer exploitation periods, and offering tax exemptions to companies that invest more than \$250 million over a three-year period.
- To limit the influence of the low oil prices on production, the Ministry of Economy reduced oil exports tariffs in 2014.
- The Argentine government provides tax incentives to companies that form partnerships with state-owned energy company, Energía Argentina Sociedad Anónima (ENARSA), for offshore exploration and offers higher gas prices for new gas production sold in the domestic market under the Gas Plus Plan.

- In Argentina, the energy sector is regulated by the Ministerio de Planificación Federal, Inversión Pública y Servicios (Ministry of Federal Planning, Public Investment, and Services). The Ministry includes the Ente Nacional Regulador de Gas (ENARGAS), which regulates natural gas transportation, and distribution activities; and the Secretaría de Energía (Energy Secretariat), which oversees upstream oil and natural gas production. The 2014 reform transferred all of the offshore permits and concessions of state-owned energy company ENARSA to the Energy Secretariat.
 - According to the 2014 Energy Balance published by the Argentina's Energy Secretariat, total primary energy production in Argentina was 3.35 quadrillion Btu. Natural gas production accounted for approximately 51%, and production of crude oil represented 37% of the total energy production portfolio. Hydroelectricity is the third largest primary energy source.
 - Natural gas, which is used widely in the electricity, industrial, and residential sectors, represented 52% of total primary energy consumption in 2014 (3.34 quadrillion Btu). Oil is the primary fuel used in the transportation sector and represented 33% of total primary energy consumption. A smaller share of the country's total energy consumption can be attributed to nuclear, coal, and hydropower, which are used for electricity generation, while other renewable resources are used to produce biofuels for transportation.
-

Petroleum and other liquids

- As of January 2016, Argentina held 2.4 billion barrels of proved crude oil reserves according to *Oil and Gas Journal* (OGJ). In 2015, total oil production was 716,000 barrels per day (b/d), of which 513,000 b/d was from crude oil and 108,000 b/d was from natural gas plant liquids.
 - YPF is the largest oil producer in the country and extracts oil from about 59 fields. The second-leading oil producer, with 19% for total production in 2014, is Pan American Energy (PAE), which is owned by BP and the Bidas Corporation (a 50-50 joint venture between the China National Offshore Oil Corporation and Bidas Energy Holdings). PAE currently operates one of Argentina's largest oil fields, the Cerro Dragón field. Chevron (U.S.), Petrobras (Brazil), and Sinopec Group (China) also have had a significant presence in Argentina's upstream oil production.
 - Argentina has ten refineries with a combined 634,000 b/d of crude refining capacity, more than half of which is controlled by YPF, according to the OGJ.
 - Argentinian refined products do not satisfy all domestic fuel demand. As a result, Argentina imported 91,813 b/d of total oil products, including 63,000 b/d from the United States, in 2015.
 - In November 2013, the European Union (EU), Argentina's largest biodiesel export market, implemented anti-dumping tariffs on biodiesel imports. In January of 2015, the U.S. Environmental Protection Agency (EPA) approved the import of biodiesel from Argentina for fuel use, a move that may help the country recover from the EU tariffs. However, in the fourth quarter of 2015, total biodiesel exports were down 33% year on year.
-

Natural gas

- Argentina had proved natural gas reserves of approximately 11.7 Trillion cubic feet (Tcf) in January 2016, according to latest estimates from OGJ, an increase of 0.6 Tcf from 2015. Argentina holds the world's second-largest shale gas reserves. Vaca Muerta, located in the Neuquen Basin, is Argentina's largest shale gas play with an estimated 308 Tcf of dry, wet, and associated shale gas resources.
- According to Argentina's energy ministry, YPF — Argentina's former state owned energy company — was Argentina's largest natural gas producer in 2015, accounting for about 31% of the country's total domestic supply. Other significant players in the natural gas sector include Total Austral, Pan American Energy, Petrobras (Brazil), Tecpetrol (Argentina), and Apache Energy (U.S.).
- Argentina produced 1.25 Tcf of natural gas in 2014 according to BP. The largest-gas producing basins include Neuquén, Austral, and Noroeste. Together, these three basins account for roughly 85% of the country's natural gas production.

- Argentina has 18,598 miles of natural gas pipelines. Predominant pipelines include Neuba I, Neuba II, and San Martin, which connect producing provinces in the Neuquén, San Jorge, and Austral basins (located in the central and southern parts of the country) with Buenos Aires and other demand centers.
 - Bolivia is the source of virtually all of Argentina's natural gas imports via pipeline. In 2014, Argentina imported 203 Billion cubic feet (Bcf) from Bolivia via pipeline. Located on the Paraná River, the Escobar terminal is Argentina's sole LNG terminal. Argentina imported 207 Bcf of liquefied natural gas in 2014 via the terminal, of which the largest share of LNG came from Trinidad and Tobago.
 - Although Argentina is a net importer of natural gas, it continues to export natural gas to its neighbors – largely Chile and, to a lesser extent, Uruguay.
-

Electricity

- Argentina consumed 120.9 billion kilowatthours in 2013 and remains the second-largest consumer of electricity in South America, after Brazil.
- Through electrical transmission interconnections with Brazil, Chile, Paraguay, and Uruguay, Argentina imported 18.4 billion kilowatthours in 2014, a 130% increase from electrical energy imports in 2013 (8.0 billion kilowatthours), to meet increasing domestic electricity demand.