



ECONOMIC
AND
SOCIAL COUNCIL



PROVISIONAL
E/CN.12/AC.31/SR.1
3 September 1955
ORIGINAL: ENGLISH

ECONOMIC COMMISSION FOR LATIN AMERICA
Sixth Session
Bogotá, Colombia

C O M M I T T E E V (Problems of Energy and Industrial
Development)

PROVISIONAL SUMMARY RECORD OF THE FIRST MEETING

Held at Bogotá, on Saturday
3 September 1955 at 10.40 a.m.

CONTENTS: Preliminary Statements
Adoption of the Committee's programme of work.

PRESENT:

<u>Chairman</u>	:	Mr. ZAMORA	México
<u>Rapporteur</u>	:	Mr. BAKULA PATIÑO	Perú
<u>Members</u>	:	Mr. LUCIANO	Argentina
		Mr. ANTEZANA PAZ	Bolivia
		Mr. FERREIRA	Brazil
		Mr. ROJAS OTALORA	Colombia
		Mr. HESS	Costa Rica

Note: - Corrections to this record should be submitted in one of the three working languages (Spanish, French or English) and addressed to Mr. Alfonso Santa Cruz, Secretary to the Conference, within 48 hours. The corrections should be accompanied by a note or written on headed notepaper and should give the symbol of the summary record in question, or better, be made on a mimeographed copy of the record.

Mr. DE CESPEDES	Cuba
Mr. DAZA	Chile
Mr. PITA-RQUE	Ecuador
Mr. WYTHE	United States of America
Mr. BROGNILLET) Mr. ELLEST)	France
Mr. APOLLON	Haiti
Mr. MOLINA	Honduras
Mr. CUEN BARRAGAN	Mexico
Mr. BOJORGE	Nicaragua
Mr. NEWTON	Netherlands
Mr. FABREGA	Panamá
Mr. SCOTT-FOX	United Kingdom
Mr. GINEBRA ENRIQUEZ	Dominican Republic
Mr. SOUTO CONTE	Uruguay
Mr. ALAMO BLANCO	Venezuela

Also present :Representatives of specialized agencies :

Mr. SAGO) Mr. ORTIZ)	Food and Agriculture Organization
Mr. LARSEN	International Bank for Reconstruction and Development

Representative of a non-governmental organization :

Category A: Mr. LUNAZEI	International Chamber of Commerce
-------------------------	--------------------------------------

<u>Secretariat:</u> Mr. PREBISCH	Executive Secretary
Mr. DORFMAN) Mr. LEUSCHNER)	Secretaries of the Committee
Mr. VUSCOVIC	Assistant Secretary

PRELIMINARY STATEMENTS

Mr. LEUSCHNER (Secretary of the Committee), after explaining that the energy study would be presented by the other secretary, drew attention to the industrial studies prepared for the present session.

The study of the iron and steel industry in Latin America (C/Cn.12/293/Rev.1) was the work of the meeting of the Expert Working Group held at Bogotá in 1952 under the joint auspices of ECLA and TAA and with the co-operation of the Colombian Government. The document was the final version of the preliminary study that had been submitted at the fifth session of the Commission and took into account the observations of representatives at that session. A second volume had been added containing the working papers presented by the experts, together with a summarized discussion of the papers.

Pursuant to resolution 57 (V) the Secretariat had made considerable progress in plans for a meeting of a second Expert Working Group at Sao Paulo between 4 and 16 June 1956. That group would have before it the study of iron and steel transforming industries in selected Latin American countries (E/CN.12/377) as revised in the light of the comments that might be made at the present session. The Secretary reviewed the history of the study and summarized its main conclusions. He then observed that there was under consideration a recommendation to convene a committee of experts which might after the Sao Paulo meeting where broader participation of Latin American countries could be expected, tackle such problems as specifications relating to qualities and

properties of raw materials, and the standardization of steel products.

After describing the history and conclusions of the study, he presented the document on pulp and paper prospects in Latin America (E/CA.12/370), which was a report on the conclusions to be drawn from the working papers presented at the meeting of experts held at Buenos Aires in October - November 1954 under the auspices of ECLA, FAO and other specialized agencies, pursuant to resolution 58 (V). The working papers themselves, together with a summary of the discussion at the meeting, would be published later.

After reviewing the conclusions to be drawn from the document, the Secretary drew attention to resolution 59 (V), which had recommended that the Secretariat should initiate as soon as possible studies relating to various chemical industries, giving priority to studies relating to basic chemical products which showed the largest import figures in Latin America as a whole. Because of recent technological developments in the chemical industry, the Secretariat's studies had not reached the stage where a paper could be presented at the present session. The Secretariat planned to make a pilot study of one country, Chile, in which account would be taken of the possible impact of technological changes on the future of the chemical industry. That study, it was hoped, would be followed by similar studies of two or three other countries, which would then be submitted to the seventh session for consideration¹.

¹/ For the text of the Secretary's statement, see Information

Mr. DOREFMAN (Secretary of the Committee) presented to the Committee the Secretariat's studies on the subject of energy production and utilization in Latin America (E/CN.12/373/Rev.1 and E/CN.12/384 and Add.1). He pointed out that they were preliminary in nature only, merely indicating the main aspects of the problems involved and making tentative suggestions as to their solution.

One of the salient features of the situation was the recent rapid increase in the rate of consumption of all kinds of energy in Latin America, both in the domestic and in the industrial sectors. That was to be explained in part, however, by the very low level of consumption which had previously obtained; even now per capita consumption in the area was less than one third of the average world rate and lower still by comparison with the highly industrialised countries of Europe, and the United States. One reason why consumption had not reached a higher level was the lack of supply of all forms of energy, but particularly of electricity. Energy was thus not playing its proper part in the development of the economy, and industry, transport and the domestic services alike had suffered.

Another problem to which the Secretariat had given its attention was the fact that in most countries in the area the demand for, and consumption of, energy was increasing at a faster rate than national production. Fuel importing countries were consequently encountering balance of payments difficulties, whilst the exportable margins of traditionally exporting countries were being reduced.

It was noteworthy, too, that in the Latin American countries the consumption of energy was low in proportion to the

raw product, and that the proportion was still diminishing in some of them, although that fact did not have the same significance as in the more industrialized countries, where technological advances made constantly higher yields possible. In studying that problem it would be necessary to take account of whether based on the extractive industries or on agriculture, since that helped to explain the variations in the relation between consumption of energy and the national production. In general the level of utilization of energy in the Latin American countries was low in comparison with that of the technologically advanced countries. The loss in value between raw production and final consumption was sometimes as great as 80-85 per cent. Efforts were required to find ways of improving that situation, but the comparative information available was often misleading, for it was not always clear to what stage of the process the figures given applied.

Accurate information was lacking also regarding the sources of energy available in each country; in some cases even the preliminary geological and geophysical surveys had not yet been undertaken. The figures given, therefore, constantly underestimated the sources really available. That applied particularly to the hydraulic potential, about which in many countries or regions within countries appallingly little was known, although hydroelectric power could play an important part in economic development programmes.

One chapter of the Secretariat's report (E/CN.12/384) was devoted to the subject of nuclear energy, which could be of

/ paramount interest

paramount interest to Latin America. The Secretariat's observations were based on the limited information available before July 1955, but, if the Committee so wished, could prepare further information from the documents which had become available since the conclusion of the Geneva Conference on the Peaceful Uses of Atomic Energy. It was already clear, however, that nuclear power could be included among the world's sources of energy. Pilot projects had shown that, although the costs at the initial stage were higher, nuclear energy could later compete, economically, with the traditional sources of electricity and heat production.

Other points of interest in the Secretariat's studies were the projections of future requirements of energy in relation to economic development, the outline of substitution possibilities, and the estimates of the investments and foreign exchange required for the development of national resources.

One of the conclusions of the study was that in future the investments required for energy would probably be greater in relation to total investments. Finally, the study summed up what might be considered the principal obstacles to the more rapid development of energy production in Latin America. Among them were the serious lack of accurate and detailed statistics and information of all kinds; inadequate knowledge of resources; the high percentage of losses in the use of energy; and the possibility of developing substitute activities for present imports, so as to lighten the burden which future changes might put on foreign exchange resources. 1/

1/ For the text of the Secretary's statement see Information Document No

ADOPTION OF THE COMMITTEE'S PROGRAMME OF WORK.

The CHAIRMAN suggested that the Committee should consider the items referred to it by the plenary meeting in the order in which they appeared in document E/CN.12/386. If the Committee saw fit, a final item, "Chemical industries", could be added. He further suggested that sub-committees should be formed to study each item after a preliminary discussion in the Committee.

It was so decided.

The meeting rose at 12 noon.