

## Brazil's Clashing Goals: Protect the Amazon and Pump Lots More Oil

State-owned Petrobras could soon be the world's third-biggest oil producer, in stark contrast to the country's promises to fight climate change and slow Amazon destruction.

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Jean Paul Prates, chief executive of the Brazilian oil company Petrobras, at the company's headquarters in Rio de Janeiro. Victor Moriyma for The New York Times

**By Max Bearak**

Max Bearak reported from Rio de Janeiro and São Paulo, Brazil.

March 13, 2024

Through his office window, the head of Brazil's state-run oil company looked out at the cluttered landscape of Rio de Janeiro. Looking back at him, across the city's run-down high-rises, was the looming statue of Christ the Redeemer. Hawks circled an overflowing trash heap. Plumes of smoke rose from a blaze in a hillside shantytown.

His company, Petrobras, is planning such a rapid increase in oil production that it could become the world's third-largest producer by 2030, a transformation he believes could play a role in lessening the poverty dotting his vista. This, even as his country positions itself as a leader in the fight against climate change which, of course, is primarily driven by the burning of oil and other fossil fuels.

Petrobras already pumps about as much crude oil per year as ExxonMobil, according to Rystad Energy, a market research firm. Over the next few years, it is projected to hurtle past the national oil companies of China, Russia and Kuwait, leaving only Saudi Arabia's and Iran's pumping more than Petrobras by 2030.

It's an enormous predicament for Brazil's president, Luiz Inácio Lula da Silva, better known simply as Lula, who has fashioned himself as the pre-eminent world leader on climate issues. By all accounts, Mr. Lula has come around in recent years to believing climate change is a major driver of poverty and inequality, which he has spent his decades-long political career vowing to eradicate.

Since being elected in 2022, Mr. Lula has drastically reduced deforestation in the Amazon and overseen a sizable build-out of renewable energy. But he will also preside over Petrobras' oil boom and a period of growing gas imports, both of which will facilitate Brazil growing hunger for cheap flights, meatier diets and air-conditioned homes.

However contradictory that might seem, it's only fair, said Jean Paul Prates, the Petrobras chief executive, perched up high in his company's gleaming headquarters.



A refinery near São Paulo, Brazil. Petrobras already rivals ExxonMobil in oil barrels produced and is growing quickly. Andre Penner/Associated Press

“We will not give up that prerogative,” he said, “because others are not doing their own sacrifice as well.”

It's an argument that bedevils global efforts to reduce reliance on fossil fuels. Industrialized countries like the United States, which became economic superpowers by emitting huge amounts of greenhouse gases, are still the world's biggest per capita producers and consumers of fossil fuels.

And if they won't stop, why should Brazil?

Mr. Lula's lead adviser on climate change, Ana Toni, a longtime director of various nonprofit groups, said that, ideally, Petrobras would be scaling back on oil and investing more heavily in renewables, essentially transforming itself into a new kind of company. But she echoed Mr. Prates and said that until the whole world moved together, with the richest leading the way, developing countries would balk at making their own sacrifices.

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Like many in Brazil, Ms. Toni pointed to the cautionary example of neighboring Colombia, whose [president embarked on an ambitious plan](#), the first for any oil-producing country, to phase out its production of the fossil fuel.

“Colombia’s brave decision is being taken by the market as creating economic insecurity. It’s really the worst-case scenario,” she said. “I wish countries richer than ours would have a real conversation about taking such steps, and not leave it to us vulnerable ones.”

That tension has dominated years of climate negotiations and will once again be front and center at this year’s United Nations-sponsored summit being held in November in Azerbaijan. There, negotiators from nearly all the world’s nations are hoping to tackle the thorny issue of how richer countries can channel more money toward poorer ones to help them both adopt cleaner energy sources as well as adapt to climate change’s effects.

After Azerbaijan, the next host of the U.N. climate summit will be Brazil itself. The summit will be in Belém, a city at the edge of the Amazon, near a place where Petrobras had proposed exploring for oil. But in one of the few instances of Brazil’s government curtailing the oil industry, the idea was blocked. Mr. Prates said Petrobras was appealing the decision.



Ana Toni at the headquarters of Brazil’s lead environmental institute. Ideally, she said, Petrobras would be investing more in renewables. Victor Moriyama for The New York Times

Meanwhile, Petrobras plans to spend north of \$7 billion over the next five years on exploration of potential offshore drilling sites along other stretches of Brazil's coast to augment its already growing production.

Petrobras, like many other oil and gas companies, internally projects that demand for its products will remain stubbornly high. Accordingly, the company operates on a starkly different set of assumptions than those envisioned by the International Energy Agency and others who say demand for oil has either already peaked or is close to doing so.

That leaves countries like Brazil in a kind of do-everything gray area, said Mercedes Bustamante, a professor and ecologist at the University of Brasília, and a member of the Climate Crisis Advisory Group, an independent group of scientists.

Brazil is growing both renewables and fossil fuels. This year it joined OPEC, the global oil cartel, as an observer, even as next year it plans to host the U.N.'s global climate negotiations. By 2030 it will be the world's fifth-biggest oil producer, according to Rystad's data.

This dynamic is reflected, too, in forests, Ms. Bustamante said. Land clearing in the Amazon has been curtailed, but it is simultaneously rising in the Cerrado, a vast savanna that covers much of central Brazil.



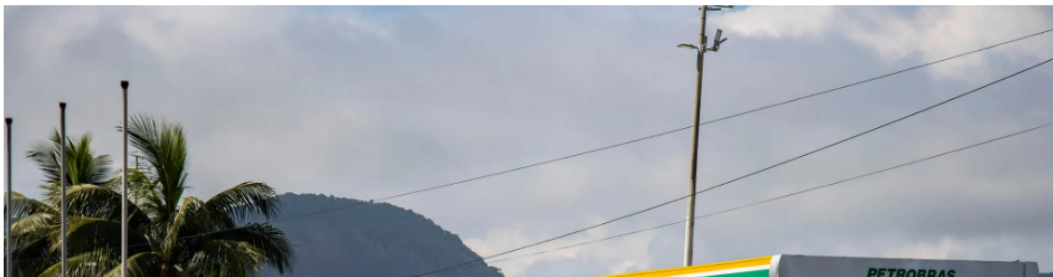
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“Having it both ways is very much part of Brazil's policy DNA,” said Oliver Stuenkel, professor at the School of International Relations at Fundação Getulio Vargas in São Paulo. “We will be a green superpower, yes, but we’re not going to take unnecessary risks. That means preparing for a world in which oil will play an important role for a long time and the transition takes longer than expected.”

Mr. Prates said he spoke with Mr. Lula every two weeks and was pushing him to understand that a transition away from fossil fuels needs to be “wisely slow.”

“That means not slow because we don’t want to do transition, but slow because we need to correspond to expectations of the market for oil, gas and its derivatives,” he said. “Petrobras will go up to the end of the last drop of oil, just as Saudi Arabia or the Emirates will do the same.”





A gas station near Copacabana Beach in Rio de Janeiro. Emmanuele Contini/NurPhoto, via Associated Press

Petrobras has some serious advantages in the long run, even if oil demand is peaking. Oil from Brazil's offshore sites near Rio and São Paulo costs roughly \$35 per barrel to produce, well below the international benchmark of \$90. That is partly because it is less energy intensive to produce, which makes it marginally cleaner and more desirable for some emissions-conscious buyers.

Mr. Lula's government also faces a polarized electorate that generally, according to recent surveys, doesn't consider climate change a voting issue. "Half the population doesn't have access to treated sewage," Mr. Stuenkel said. "Brazil has a very different set of public demands than richer countries. There's a very long way to go in convincing Brazilian voters that there needs to be a painful reorganization of society to stave off climate change."

Nevertheless, Mr. Lula does deeply care, said Ms. Toni, his climate adviser.

The world is relying on Brazil for leadership on this issue, and it has made ambitious pledges to reduce its greenhouse gas emissions. Those pledges are more ambitious, she made sure to note, than those of the United States or many other countries that have higher standards of living than Brazil.

It as a good sign, she thinks, that Brazil is under pressure to rethink its oil expansion. To her, it means they've been so successful on the deforestation front that people are holding them to a higher standard.

But that's all for naught if the biggest players don't mirror that ambition. "Even if Brazil stops producing oil tomorrow," she said. "the U.S., Russia and others will not stop."

**Max Bearak** is a Times reporter who writes about global energy and climate policies and new approaches to reducing greenhouse gas emissions. [More about Max Bearak](#)

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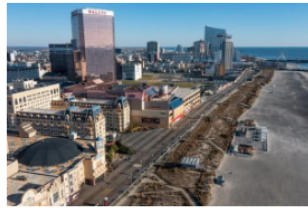
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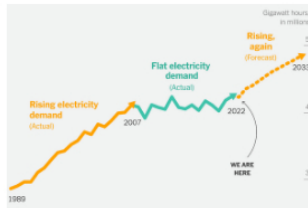
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