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H2LAC INDEX 2024

Results of the **4th Hydrogen Economy Index** Latin America & The Caribbean

H2LAC JUNE 5 - 7, 2024

W SANTIAGO - SANTIAGO, CHILE

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SINCE 2021 HINICIO & NEW ENERGY HAVE MONITORED PROGRESS IN THE REGIONAL RENEWABLE H2 SECTOR. THIS IS THE 4TH INDEX

H2LAC INDEX



1. It develops a set of traceable, unified and quantifiable indicators that **allow us to measure and compare** the ongoing **development of the hydrogen ecosystem** in LAC.



2. It helps to identify and assess the **key variables that impact the development of the hydrogen sector in LAC**: public policies, regulation and incentives, projects in operation/under development, public and private initiatives, international partnerships, among others.



3. It **identifies leading countries** with regards to their H2 market development stage, reasons for success, alongside areas for further growth and improvement.



4. It builds structured information which **enables constructive discussions at a national and regional level to identify and recommend best practices** for further development.

H2LAC
Hydrogen Index for Latin America & the Caribbean

On a country-by-country basis, what is the status of hydrogen policy, development and investment in Latin America & the Caribbean?

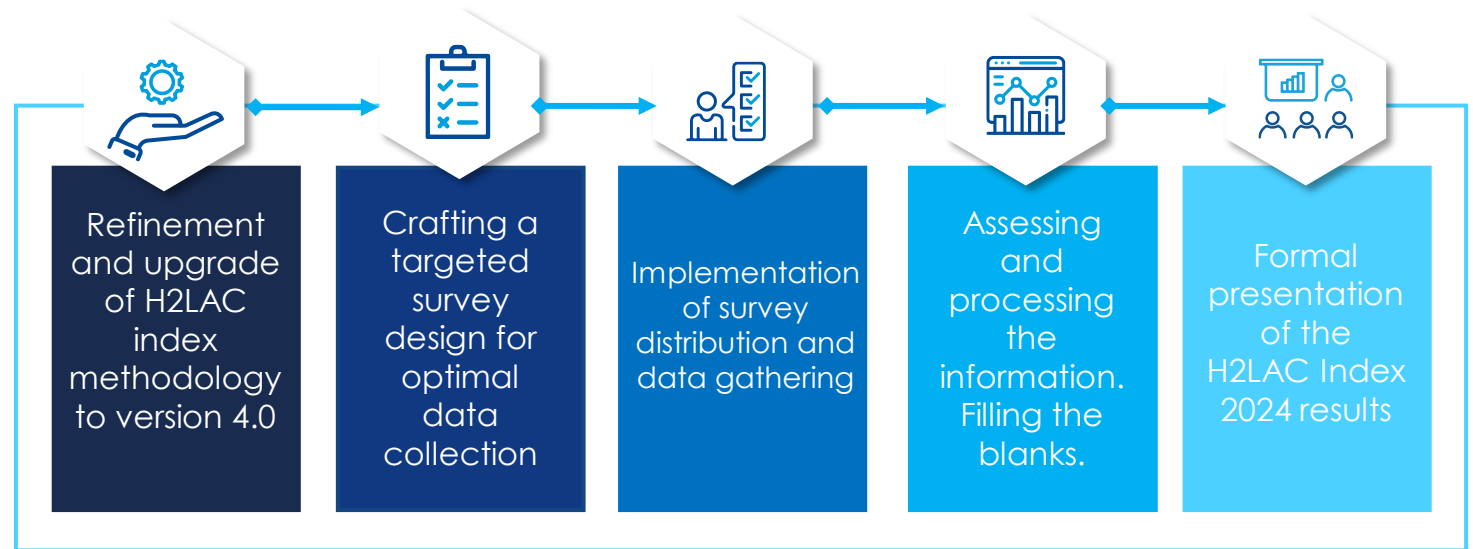
Reflecting extensive polling and research by **New Energy** and **Hinicio**, the **2023 H2LAC** Index provides critical insights into the evolution of the hydrogen market region-wide. Scroll over the map and provide your contact details to access the Index.

Country	Index Score
Chile	65
Colombia	64,25
Spain	60,75
Uruguay	48,25
Costa Rica	43,5
Argentina	41,25
Paraguay	39,75
Peru	35
Mexico	32,25
Panama	27,5
Turkey & India	24,5
Guatemala	21,25
Central American Republics	20
El Salvador	16,5
Ecuador	12
Honduras	10

What are the objectives of the H2LAC index?

- To identify a set of **traceable, unified, and quantifiable** indicators that can comprehensively, consistently and comparably measure the ongoing development of the hydrogen market in Latin America and the Caribbean region.
- To **identify and rank the leading countries** in the hydrogen market in Latin America and the Caribbean region, alongside areas for further growth and improvement.
- To **enable key stakeholders that can identify constructive discussions on hydrogen** at the national and regional levels. We encourage public and private entities to use the Index as a starting point for dialogue.
- To **identify and recommend best practices** for hydrogen development in the region.






THE H2LAC INDEX REFLECTS MONTHS OF RIGOROUS RESEARCH



2024 H2LAC INDEX:


▶ Measuring 5 key aspects of hydrogen sector development across 17 country's



-  1. National policies, incentives and regulation
-  2. Level of development of the H₂ ecosystem at national level
-  3. Projects in Operation or under development
-  4. Sectors and application of renewable H₂ at national level
-  5. Level of international cooperation and H₂ export planning



▶ **17 Countries**
1. are included in this year's index.

▶ 
Barbados
is a new participant in the fourth version of the H2LAC Index.

- Honduras remained with same score as 2023 due to insufficient surveys received
- Bolivia was not included as we didn't receive any answer.

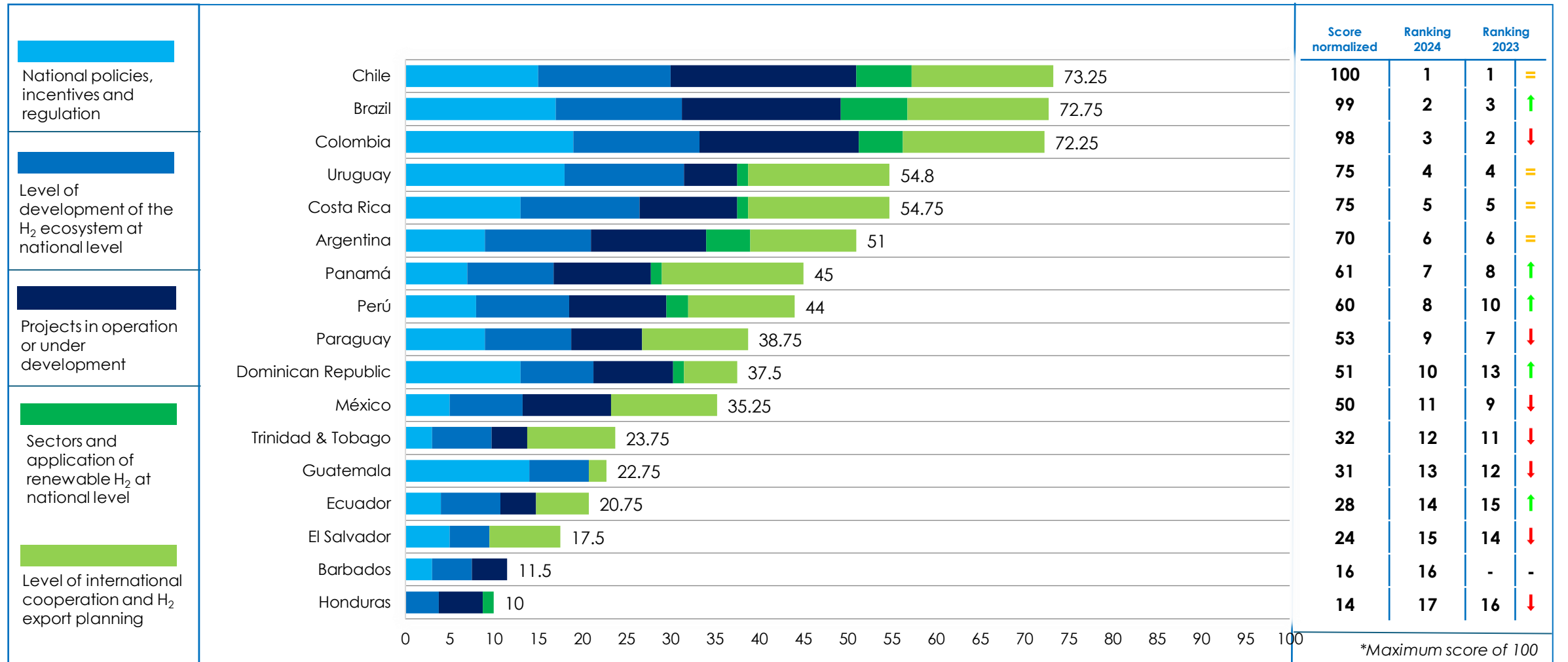
RESULTS 2024



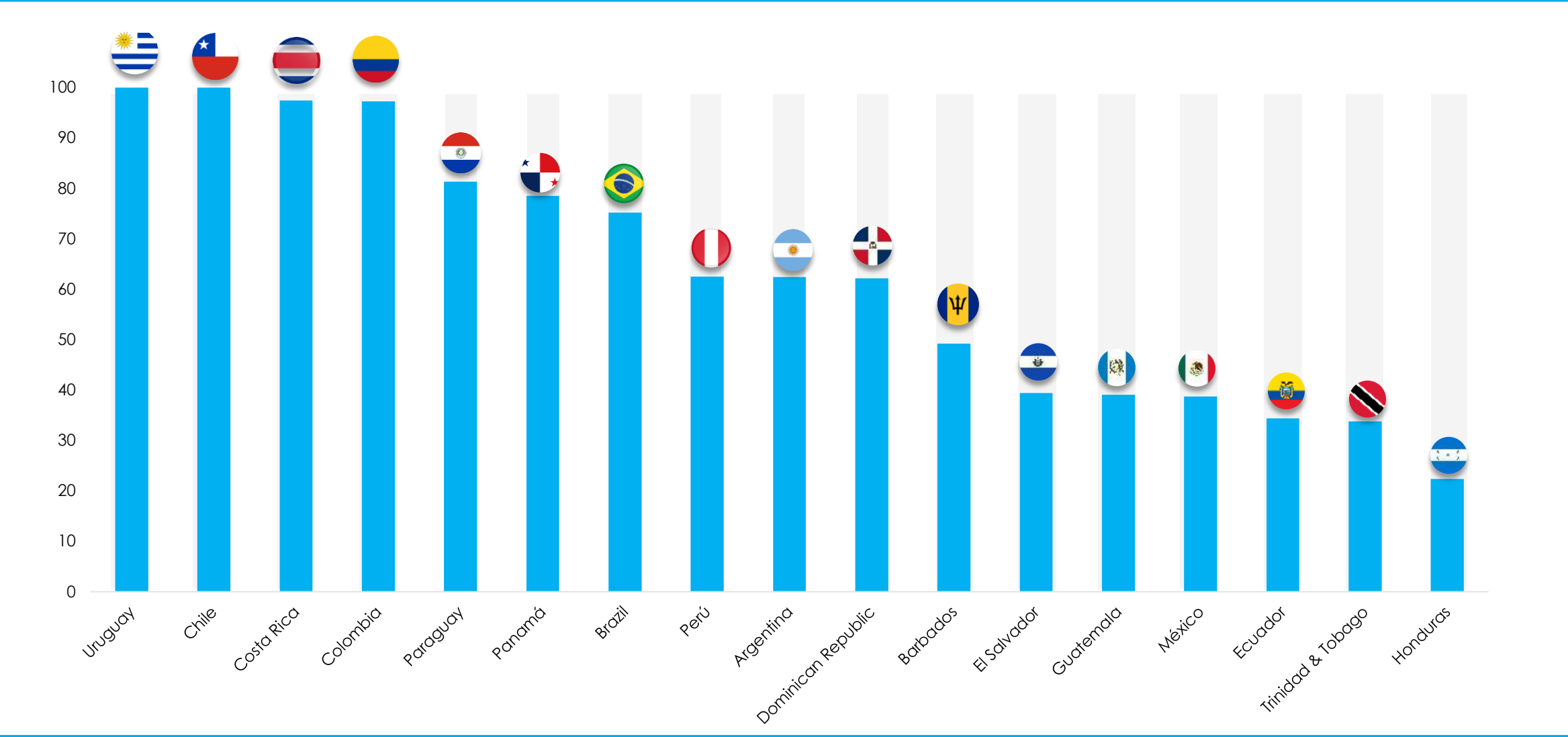
Chile, Brazil and Colombia remain the frontrunners with Brazil and Colombia close behind Chile



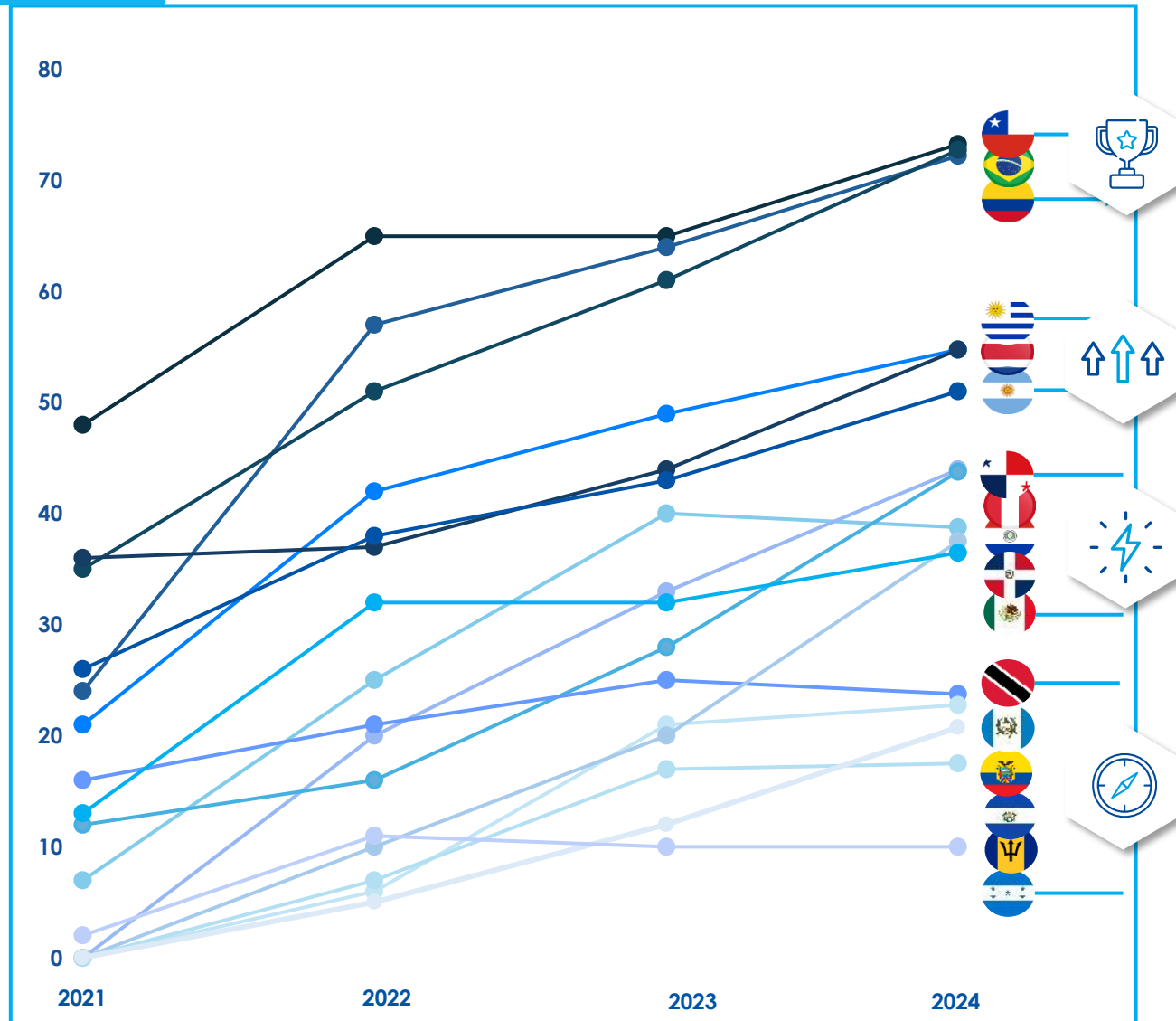
2024 H2LAC INDEX SCORE



NORMALIZED BY GDP, URUGUAY ASCENDS TO 1ST PLACE WHILE CHILE, COSTA RICA AND COLOMBIA FOLLOW CLOSE BEHIND



COUNTRIES CAN BE GROUPED INTO 4 CLUSTERS EACH ONE FACING DIFFERENT OPPORTUNITIES AND CHALLENGES



Frontrunners

Countries who have been able to capitalize on their **competitive advantages** by supporting the development of their regulatory framework and local ecosystem in recent years. Future advancement is mostly dependent on financing and executing projects successfully.

Promising contenders

These countries have **good renewable resources** and have great potential to expand to the hydrogen sector if supported by local stakeholders. Some have few pilot projects, but **industrial-scale projects are emerging** as countries are starting to spark interest from project developers.

Fast followers

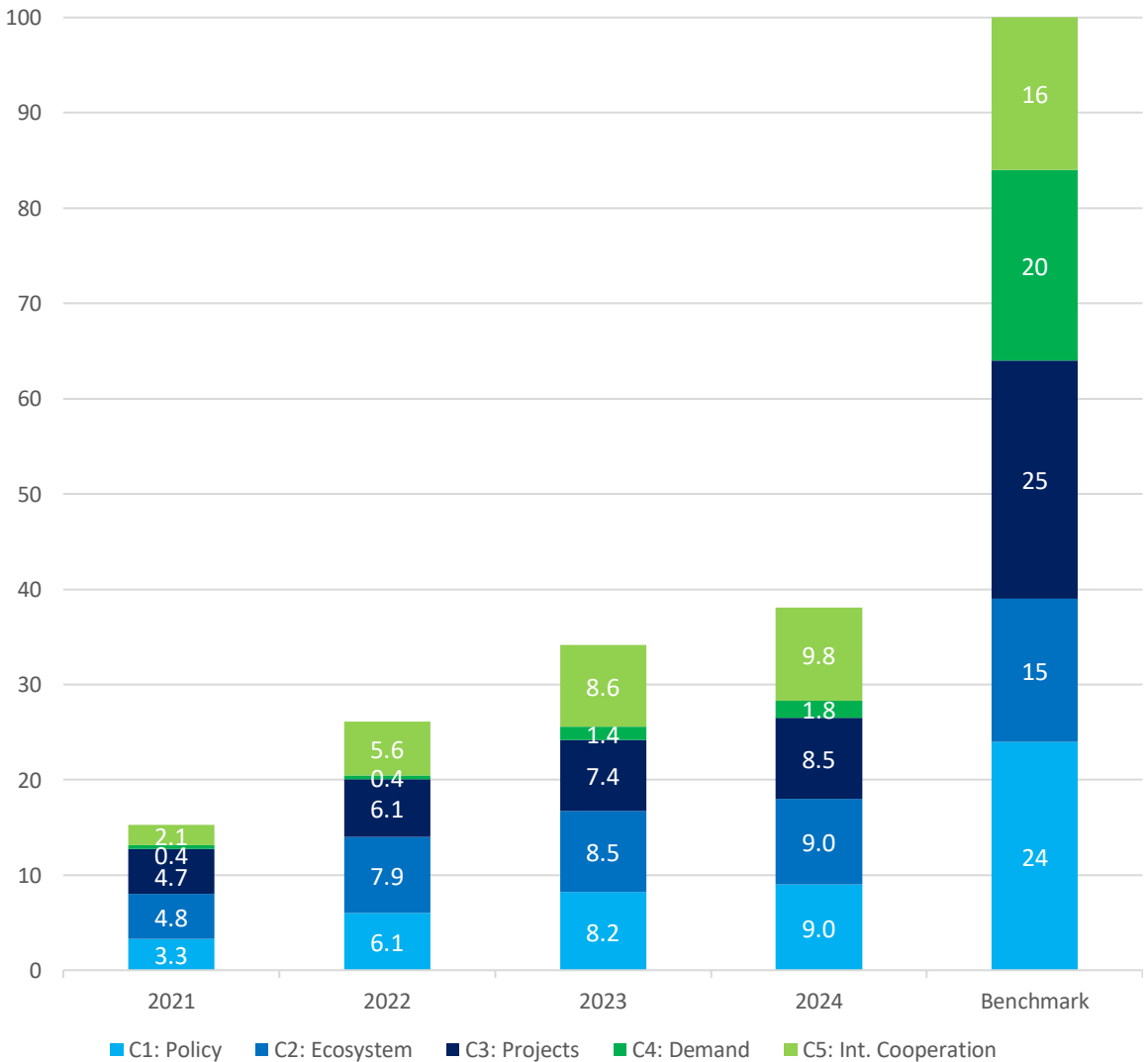
Countries that aspire to become hydrogen hubs and have clearly **defined their roles in the hydrogen economy through roadmaps and legislation**, some of which are still in development, have significant potential for accelerated growth. This can be achieved through the promotion of support mechanisms, enhanced local and international collaboration, and stimulation of local demand.

Early explorers

These countries are in **early stages of development** of their renewable hydrogen ecosystems and find themselves exploring their role and paths to foster the introduction of clean hydrogen in their economies.

DEVELOPMENT ACROSS INDEX SUBCATEGORIES

▶ Weighted Average Scores per Category since 2021



KEY MESSAGES



Continuous, but slowing development across C1: Policy, C2: Ecosystem and C5: International Cooperation. Advanced countries have already achieved maximum scores in these categories, while other countries are struggling to catch up



As more projects are announced and others transition to the operational phase, scores in C3: Projects have seen the most significant growth over the past year



LAC struggles to find or create local demand for renewable hydrogen. Many projects are therefore focused on exportation to markets where premium prices can be achieved.

THE INDEX ALLOWS US TO UNDERSTAND THE KEY CHALLENGES AND TO IDENTIFY SUCCESS CRITERIA



KEY CHALLENGE

HIGHLIGHTS AND CASES OF SUCCESS

Local Regulation & Public Policies

- ▶ **Peru** recently approved the “Law for hydrogen promotion”,
- ▶ **Argentina** published its hydrogen roadmap
- ▶ **Chile** Published the 2023-2030 Action Plan.

Creation of shared infrastructure

- ▶ **Brazil’s** hub strategy where state of Ceará has signed more than 32 MoU’s. They envision the creation of an Industrial hub with shared infrastructure around Port of Pecém.

Project financing

- ▶ **Panama’s** “National Fund for energy transition”(FONTE), which includes H2 and its derivatives
- ▶ **Colombia’s** FENOGÉ announced financing for hydrogen projects through their “More Hydrogen: a sustainable energy future” initiative

Stakeholder coordination

- ▶ **Ecuador:** The creation of H2Ecuador aims to incentivize stakeholder engagement in hydrogen ecosystem

Local demand

... Not yet!

Off-takers

... Not yet!

CONCLUSIONS

► Key findings of the H2LAC Index 2024



The Latin-American and Caribbean Hydrogen Ecosystem keeps growing, as more projects of both pilot and commercial scale become operational. Reaching FID is one of the major challenges for most developers.

Chile, Brazil and Colombia remain at the top 3 and retain their position as frontrunners. Based on the current pace and trends, **Brazil is expected to emerge as the most attractive market in 2025**. Under **GDP-Normalization, Uruguay and Costa Rica** improve their positions drastically.



Main challenges at regional level remains the creation of local demand, Local Regulation and incentives and project financing. Overcoming these challenges can greatly increase the pace of development.

Some countries have already implemented measures to address these challenges. Understanding these measures and their impact can contribute to developing best practices for the region. **We want more frontrunners and Promising Contenders!**



The key to building new industries is **developing the market across all aspects simultaneously**. This requires for all **stakeholders to share a common vision and act in a coordinated manner**. If the region wants to deploy the industry by 2030, this and next year are critical to pave the road for projects to reach FID and materialize.

H2LAC

Hydrogen Index for Latin America & the Caribbean

Explore the evolution of the hydrogen economy
in Latin America & the Caribbean over the past
four years.

www.h2lacindex.com



[View the 2024 Index Results](#)

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