

New P4G-Getting to Zero Coalition report: With quick and strategic action, Mexico can become a competitive producer and exporter of zero-emission fuels

Published today, the new P4G-Getting to Zero Coalition report “Shipping’s energy transition: strategic opportunities in Mexico” explores the potential for Mexico to accelerate and to benefit from international maritime decarbonization. The report finds that Mexico has the potential to establish itself as a global leader within maritime decarbonization by engaging in green fuel production and bunkering. However, doing so will require quick and strategic action.

International shipping accounts for approximately 3% of global Greenhouse Gas (GHG) emissions, and this will increase in a business-as-usual scenario. To decarbonize the maritime industry, there will be a massive need for green fuels and associated technologies. In particular, scalable zero-emission fuels (SZEf) such as green hydrogen and green ammonia are considered the most promising fuels for the shipping’s energy transition.

“In the past years, the global maritime industry has made rapid gains in developing new innovations and technology to address the challenge of reducing sector emissions and is now heading towards full decarbonization. The massive demand for zero emission fuels that will arise constitutes a major growth opportunity for Mexico, having the chance to become a future powerhouse for international shipping in Latin America,” says Ingrid Sidenvall Jegou, Project Director at Global Maritime Forum.

With access to both the Pacific and Atlantic Oceans, well-established shipping routes and trade relations to multiple continents, Mexico can, according to the new P4G-Getting to Zero Coalition report, tap into new markets and establish itself as a global energy hub and provider of green fuels. Realizing this potential can accelerate the transition to cleaner forms of energy across the wider economy, creating several opportunities for the country.

“As hard to abate sectors like shipping strive to meet their 2050 decarbonization targets, countries like Mexico, with significant renewable energy potential, can position themselves as suppliers of the much needed zero emission fuels underpinning the industry’s transition. Realizing Mexico’s renewable energy potential will require collaboration among key stakeholders including governments, ports, industry and finance to drive down costs of green fuels and enable scaled production,” says Pedro Gomez, Head of Platform for Shaping the Future of Mobility at the World Economic Forum.

Being part of the transition for shipping and investing in it itself, Mexico could create new revenue streams from SZEf exports and bunkering, establish green hubs and ports, as well as open possibilities for green corridors along key shipping routes.

According to the report, estimates show that development of green fuel infrastructure to serve Mexico’s shipping sector could attract investment up to \$37-53 billion MXN (\$1.9-2.7 billion USD) in onshore infrastructure by 2030.

After extensive consultation with key Mexican stakeholders, the report names three key opportunities for Mexico, including the port of Manzanillo, DH2 Energy activities in Central Mexico, and Baja California, that each have potential to benefit from production, offtake, and distribution of SZEfs.

However, essential to unlocking these opportunities is a facilitative policy and financial framework capable of effectively motivating and convening key actors across sectors and value chains.

Presently, Mexico lacks a favorable ecosystem both politically and financially to leverage benefits from the production and use of SZEf, especially given the current administration's preference to continue exploiting the country's fossil fuel resources.

“For every country shipping’s transition will be a unique experience. For Mexico, it is an opportunity to take advantage of its renewable energy potential and proximity to major shipping activity to become a producer and provider of future fuels. Yet Mexico also has an opportunity to harmonize its domestic energy focus with its international climate representation and create a policy landscape that facilitates transition investments and innovation, while meeting many of its sustainable development goals,” says **Dr Alison Shaw, Shipping Policy Lead at UCL Energy Institute.**

As other countries in Latin America take steps to prepare their own bunker supply chains and engage with the international shipping sector, Mexico should take quick and strategic action to position itself as a competitive producer and exporter of SZEf. With appropriate incentives and targeted action towards encouraging investments into renewable energy and fuel production, Mexico can gain a competitive advantage in the bunkering and export of SZEf in Latin America, the report concludes.

“As Mexico charts its path toward sustainable development, this report highlights tangible steps the country can take to produce green fuels. This will help create jobs, expand clean energy across sectors and attract green investment. P4G is pleased to support the Getting to Zero Coalition Partnership’s report, so Mexico can leverage this momentum and take the quick action needed to transition to zero-emissions shipping,” says **Ian de Cruz, Global Director at P4G.**

Download the full report [here](#).

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About the report

The P4G report “Shipping’s energy transition: strategic opportunities in Mexico” has been prepared by the P4G-Getting to Zero Coalition Partnership.

The P4G-Getting to Zero Coalition Partnership, jointly implemented by the Global Maritime Forum, World Economic Forum, Friends of Ocean Action, Environmental Defense Fund, University College London and International Association of Ports and Harbours, is leveraging the P4G platform to engage stakeholders and companies from three P4G partner countries: Indonesia, Mexico and South Africa. The aim is to make zero-emission vessels and fuels a reality and identify concrete and actionable growth and business opportunities that can contribute to sustainable and inclusive economic growth in these target countries.

About the Getting to Zero Coalition

The Getting to Zero (GtZ) Coalition, a partnership between the Global Maritime Forum and World Economic Forum, is a community of ambitious stakeholders from across the maritime, energy, infrastructure and financial sectors, and supported by key governments, IGOs and other stakeholders, who are committed to the decarbonization of shipping.

The ambition of the Getting to Zero Coalition is to have commercially viable ZEVs operating along deep-sea trade routes by 2030, supported by the necessary infrastructure for scalable net zero-carbon energy sources including production, distribution, storage, and bunkering, towards full decarbonization by 2050.

About Partnering for Green Growth and the Global Goals 2030

The Partnering for Green Growth and the Global Goals 2030 (P4G) is a global delivery mechanism pioneering green partnerships to build sustainable and resilient economies. The P4G mobilizes a global ecosystem of 12 partner countries and 5 organizational partners to unlock opportunities for 66 partnerships working in five SDG areas: food and agriculture, water, energy, cities and circular economy.

About the Global Maritime Forum

The Global Maritime Forum (GMF) is an international not-for-profit organization dedicated to shaping the future of global seaborne trade to increase sustainable long-term economic development and human wellbeing.

About the World Economic Forum

The World Economic Forum (WEF) is the International Organization for Public-Private Cooperation. The Forum engages the foremost political, business, cultural and other leaders of society to shape global, regional and industry agendas. It was established in 1971 as a not-for-profit foundation and is headquartered in Geneva, Switzerland. It is independent, impartial and not tied to any special interests.

About Friends of Ocean Action

Friends of Ocean Action is a unique group of over 55 global leaders from business, international organizations, civil society, science and academia who are fast-tracking scalable solutions to the most pressing challenges facing the ocean. It is hosted by the World Economic Forum in collaboration with the World Resources Institute.

About Environmental Defense Fund

Environmental Defense Fund Europe is an affiliate of Environmental Defense Fund (EDF), a leading international non-profit organisation that creates transformative solutions to the most serious environmental problems. Since 1967, EDF has used science, economics, law and innovative private-sector partnerships to bring a new voice for practical solutions.

About University College London

University College London (UCL) Energy Institute Shipping Group aims to accelerate the shipping transition to an equitable, globally sustainable energy system through world-class shipping research, education and policy support. The group specialises in multi-disciplinary research anchored in data analytics and advanced modelling of the maritime sector.

About International Association of Ports and Harbours

The International Association of Ports and Harbours (IAPH) was formed in 1955 and over the last sixty years has grown into a global alliance representing over 180 members ports and 140 port-related businesses in 90 countries. The principal aim of IAPH revolves around the promotion of the interests of Ports worldwide, building strong member relationships and sharing best practices among our members.

UMAS

UMAS delivers consultancy services and undertakes research for a wide range of clients in the public and private sectors using models of the shipping system, shipping big data, and qualitative and social science analysis of the policy and commercial structure of the shipping system. UMAS's work is underpinned by state-of-the-art data supported by rigorous models and research practices, which makes UMAS world-leading on three key areas; using big data to understand drivers of shipping emissions, using models to explore shipping's transition to a zero emissions future and providing interpretation to key decision makers.