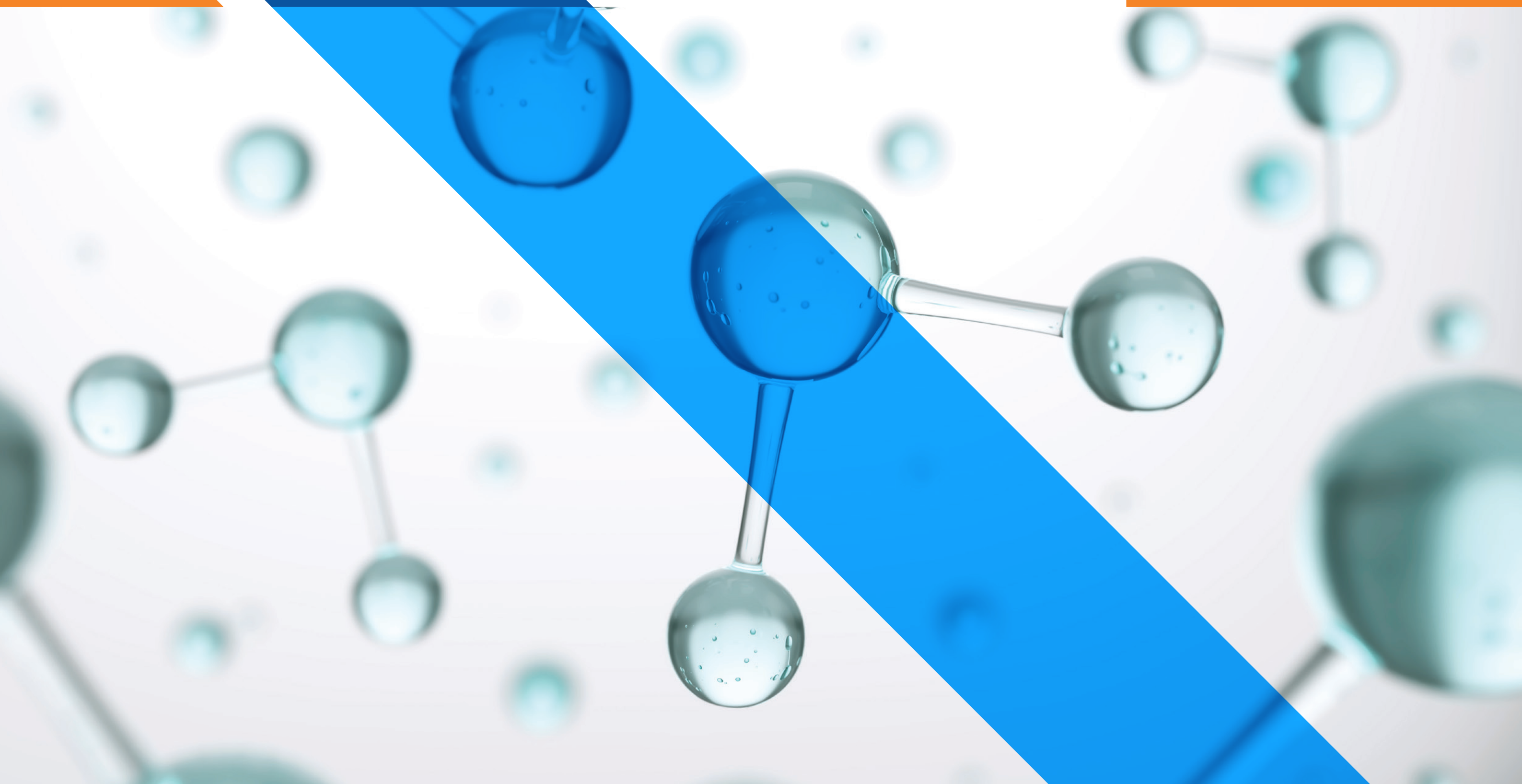
EIC INSIGHT REPORT



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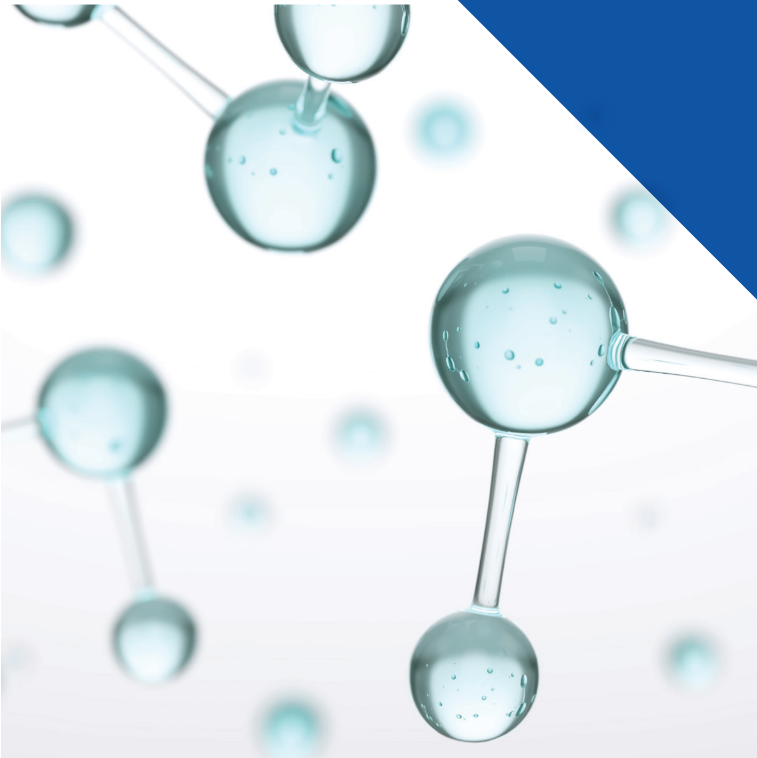

Executive summary

South America is emerging as a strategic region in the global clean-hydrogen economy, driven by world-class renewable resources, growing regulatory maturity, and accelerating government-industry coordination. Currently, the operational landscape in the sector is dominated by grey hydrogen facilities. However, as energy transition initiatives grow, the region is now seeing its first experimental and small-scale green hydrogen pilot plants achieving operational status.

Chile and Brazil lead the regional landscape, supported by national hydrogen strategies, fiscal incentives, and advancing port-based export hubs, whilst Colombia and Argentina offer further growth potential. Despite differing levels of maturity, the region collectively positions itself as a long-term exporter of green hydrogen, ammonia, and derivatives such as e-methanol and SAF.

Project activity continues to expand, but the transition from announcements to execution remains slow. Only a small share of projects has reached advanced developmen t (FEED/EPC), and no giga-scale hydrogen project in South America has achieved FID as of late 2025. Key structural challenges, such as grid access constraints (Brazil), port and transmission limitations (Chile), macroeconomic instability (Argentina), and financing gaps (Colombia), continue to affect bankability and

timelines. Concessional finance from multilateral institutions, EU-backed programmes, and national development banks is increasingly supporting projects at the pre-FID stage, and is de-risking early movers and strengthening investor confidence.

The export of hydrogen is consolidating around a handful of strategic ports: Pecém and Suape in Brazil, Punta Arenas and Antofagasta in Chile, Bahía Blanca in Argentina, and Cartagena / La Guajira in Colombia. Several of these hubs have signed MoUs with European ports (Rotterdam, Duisport, Rostock), creating the first South America–Europe green corridors for ammonia and e-fuels. This port-infrastructure alignment, combined with abundant renewables and growing regulatory clarity, positions South America as a future competitive supplier, though timelines for large-scale exports will depend on permitting reform, commercial offtake structures, and financing availability.

144 suppliers of key hydrogen-related equipment and services across South America were identified within the regional analysis, with strong cross-sector synergies with Oil & Gas. Brazil hosts the largest concentration of suppliers, with there also being a significant presence in Chile, Colombia, Argentina, and Peru.

For manufacturing and assembly, cross-industry capabilities position Brazil and Argentina as leading markets for heat exchangers, compressors, and separators, with Chile and Peru also benefiting from their established mining supply chains, particularly for separation systems.

Brazil and Chile's positioning in the hydrogen supply chain is underpinned by domestic incentives, financing mechanisms, strong project pipelines, and international support, particularly from Europe. Although only Brazil's Hydrogen Law includes minimum local content requirements, both markets are still expected to attract supplier presence due to tax incentives and the strategic proximity to project developments.