



Ministry of Foreign Affairs

# *Electric vehicles in Mexico*

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## Electric vehicles (EV) in Mexico



Many countries are now banning new vehicles that run on fossil fuels like gasoline, diesel or liquefied petroleum gas. Germany, India, Ireland, Israel, and the Netherlands have announced plans to ban fossil fuel cars starting in 2030; Britain, France, Taiwan and California will ban them in 2040; and Norway in 2025. Paris, Rome, Madrid, Athens and Mexico City will ban diesel vehicles in 2025.

Mexico's climate legislation targets emissions cuts of 50% by 2050 (from 2000 levels) and 35% renewable energy by 2024. Mexico City's overall goal is to reduce emissions by up to 30% (8 to 10 million tonnes of CO<sub>2</sub>) from business as usual between 2014 and 2020.

In the Metropolitan area of Mexico City, 29 % of all daily travel (approximately 6.3 million) is by private vehicle and 60.6% by low capacity public transport concessions, such as mini busses, vans, suburban buses and taxis; only 8% is carried out on mass public transport systems, such as the Metro, Metrobus, light train and trolley bus, and

2.4% by bicycle and motorcycle. As for the BRT prepaid card systems, Mexico City has the Metrobus and Mexibus.

### **Electric Vehicles Market in Mexico**

- Over 500 electric vehicles & 15,000 hybrid cars in Mexico
- EV charging stations: over 900
- Main EV car brands: Nissan Leaf, Renault Twizy, BMW i3, Tesla S, X, M3, Chevrolet Bolt EV, and Zacua M2 (Mexican)
- Most important EV Stakeholders in the Mexican Market :  
OEMs: Nissan, Tesla, Renault, BMW, GM, Porsche, Mercedes-Benz, Fiat, Ford and government bodies, both national and local.
- Charge Point Producers: ABB, Bosch, GE, Schneider Electric, Siemens, Tesla
- Utility: CFE (Comisión Federal de Electricidad)
- Entrepreneurs: Carrot (car sharing), Econduce (moped sharing)
- Cities involved in the market: Mexico City, Cuernavaca, Nuevo Leon, Guadalajara, Aguascalientes, Leon, Tampico.
- Mexico is the 3rd largest market for Toyota Prius

Thanks to the active participation of governments and companies to promote new technologies for the environment, Mexico now has several incentives, promotion mechanisms and user benefits for electric vehicles. These developments provide new opportunities in the electric vehicle (EV) industry in Mexico.

Mexico's recent energy reform, opened up the sector for increased private participation, is expected to result in lower electricity tariffs, creating new business opportunities. The country's electricity reform and momentum focused on addressing climate-change represents an opportunity to set the stage for the long-term adoption of electric vehicles. Ultimately, electric vehicles are part of a larger ecosystem of sustainable transport and cleaner energy generation, which is also called for in Mexico's climate change law. Mexico aims to provide 35% of the nation's electricity generation mix by clean energy sources by 2014, 40% by 2035, and 50% by 2050. Therefore, Mexico's electric vehicle market prospects are promising.

Thanks to the active participation of governments and companies to promote new technologies for the environment in Mexico there are several incentives, promotion mechanisms and preferential electric rates for the use of electric vehicles.

In the first half of 2017 there was an incremental increase of 78.1% in purchase with respect to the first semester of 2016. AMIA reports that during June 2017 the sale of hybrid and electric vehicles was 791 units, of which 44% where in Mexico City. Also,

it has been announced that another incentive has come with the price of electric cars 2017 being deducted up to 25% compared to the price of the vehicle.

Mexico City's government aims to improve its public transport systems and incorporate new mobility policies. Therefore, the government is looking for new technologies and mobility solutions as well as support from abroad.

Research presented by the Institute of the Americas during a Mexico City EV conference "Electric Vehicles in Mexico: A Green Economic Choice for Fleets," shows that widespread usage of electric vehicles in urban areas can generate environmental and economic benefits as well as new sources of employment in the manufacturing of automobiles and batteries. It also indicates that companies can increase the use of this technology through the purchase of fleets of vehicles, with a relatively modest short-term investment and an offsetting reduction in energy costs. According to the study, the cost of electric cars in Mexico is financially feasible for fleets of vehicles operated by public agencies and private companies.

Some of the brands that are present in the Mexican EV market are: BMW (Active 3, Active 5, i3, i8), Chevrolet (Spark, Volt), Ford (Fusion), Honda (Civic, CR-Z), Infiniti (Q50), Nissan (Leaf), Porsche (Cayenne SE, Panamera SE), Renault (Twizy), Tesla (Model S), Toyota (Prius).

### **Business Opportunities**

Reducing carbon emissions through the widespread introduction of EVs in Mexico's corporate and government fleets is within the grasp of this generation of Mexico's government and corporate leaders. It will require government, researchers, manufacturers, and fleet operators to work together to line up the correct incentives so that purchasing EVs is not just the responsible thing to do, but is also the right economic decision.

BMW and Nissan are the two main car brands which try to stimulate EV in the Mexican market. As competitors in this new market they both cooperate and compete with their projects. BMW seems to be slightly more positive towards open standards such as the Open Charge Point Protocol (OCPP) than Nissan. BMW has invested in charging points, but they much rather want a Charge Point Operator or Service Provider to enter the EV market.

One of goals of the Netherlands Embassy in Mexico is to set up a triangular cooperation between NL-US-MX. Coast2Coast E-Mobility and East Coast Electrics are considered to be important potential partners in this cooperation. The Embassy is promoting business opportunities in the area of sustainable mobility in Mexico, through different initiatives this year, in which your company can take part:

***- Intertraffic Dutch Trade Mission to Mexico 2018 (November 11–16 2018)***

It includes a week program with activities such as a Dutch Seminar -where companies can present their technologies- a matchmaking session, companies & government meetings, etc. Registration is open till October 8th.

<https://www.rvo.nl/actueel/evenementen/handelsmissie-mexico-met-beursbezoek-intertraffic>

- ***Presentation Mexico City government E-transport needs on October 29<sup>th</sup>***

The government wants to replace the current public transport system with e-buses and e-minivans. The government invites Dutch companies to join this working session to discuss potential solutions and technologies. This will be a good opportunity to network and inform the new government about the strengths of Dutch companies, e.g. in the area of charging stations and electric public transport. Dutch companies are welcome to join the Embassy to attend this event in Mexico City.

The Embassy is working in coordination with the organisers of the events mentioned above and is in contact with relevant players. If you are interested in the EV Market in Mexico, please contact us at:

## **The Netherlands Embassy in Mexico**

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