Economic Impact of Methanol
Benefits of Domestic Production

Methanol is used every day in the U.S. in a diverse array of consumer products and industrial applications. The expanded use of methanol as a clean-burning fuel source and hydrogen carrier for fuel cells, which can be made from a number of traditional and renewable feedstocks, will help fuel the growth of the clean energy economy in various regions across the country.

Economic Impact

• Domestic methanol plants and production of its derivative products (methanol fuel cells, building materials, plastics) already provide thousands of valuable high-skilled jobs to the U.S. economy.
• Renewable methanol fuel – and derivative fuels such as biodiesel and dimethyl ether (DME) – can help efficiently and economically achieve the U.S. Renewable Fuel Standard.
• In 2010, the U.S. consumed 5.3 million tons – estimated to be a $1.4 billion dollar industry. Extrapolated with the Commerce Department's 'ripple effect' multiplier for energy industries, the total economic impact in the U.S. is $3.5 billion dollars annually at current consumption rates.
• Expanded use of methanol as a clean-burning fuel source could provide tens of thousands more jobs at various skill levels and billions of dollars additionally in the clean energy economy.

Global Competitiveness

• The U.S. economy represents 11% of the global demand for methanol, or just over 5.3 million of the 48 million metric ton global consumption of methanol in 2010.
• At the same time as demand continues to expand in the U.S. and around the world, global production capacity is growing at an even faster rate and is expected to reach over 85 million metric tons by 2012.
• As with many energy sources, the U.S. consumes a disproportionate amount of methanol to domestic production – but unlike other petrochemicals, the U.S. has the resources and technical capabilities to increase production drastically and become a rising force in the clean energy economy.
• China – which uses methanol as a clean-burning fuel – controls 40% of global methanol production capacity and consumption continues to grow at over 30% per year.
• Of the 9 methanol plants currently in the U.S., only 3 remain active and operational – the country could more than double its production capacity almost immediately by reopening these plants.

Distributed Generation and Energy Security

• Since methanol can be produced from a diverse array of feedstocks, economies across the country would benefit from greater implementation:

Agricultural Waste – Iowa, Illinois, Nebraska

Coal – Wyoming, West Virginia, Pennsylvania, Kentucky

Timber Waste – Oregon, Washington

Natural Gas – Texas, Louisiana, Colorado, Oklahoma, New York

• Distributed production of methanol as a transportation fuel not only increases economic impact for more areas, but also helps to contain the impact of potential catastrophic events (i.e., hurricanes) that can dramatically interrupt traditional fuel sources and impact consumer prices.

• Methanol's use as a direct substitute for petroleum can provide the U.S. with increased energy independence and decreased reliance on foreign economies and, thus, close the energy trade gap.