

01 LPG SUMMIT NEWSLETTER 2020



CHINA

With more than half of the top 10 countries of total LPG demand coming from Asia and more than half of this coming from China, the Chinese LPG market is one of the largest in the world. The country together with India also represent more than 35% of global residential and commercial demand for LPG. The major driver for this sustained growth has been attributed to the country's fast-growing petrochemical industry. Imports from last year alone were estimated to be 25.3 million mt.

With steady continued growth projected over the next 5 years, there is an interesting opportunity here with the recent news that the US and China are willing to move forward and past their trade war with their latest trade deal signing.

China has since committed to buying significant amounts of LPG from the US under the "phase one" trade deal that was inked last week. This not only means that the Chinese industry is ready for just receiving more LPG but they are also increasingly likely to require more LPG products and related services from other markets.

We are excited to see the growth in this gargantuan market and hope to be able to give you access into the industry for the first time.



PHILIPPINES

The Philippines' annual LPG demand is expanding at around 8% per year with 2019 imports estimated at 1.5 million mt from 1.4 million mt the year before. The World LPG Association (WLPGA) has identified the island nation's LPG market as a very interesting opportunity over the coming 10 years.

As the country's energy prices are significantly high relative to other nations in South East Asia due to their interesting geography of more than a thousand islands making up the whole nation, there is limited natural gas infrastructure and LPG looks like it has a lot of potential as a bridging fuel.

LPG consumption in the country is around 100 million kgs per month with more than half of this coming from Metro Manila, Southern and Central Luzon. LPG is used primarily in the residential sector and there are other areas for development. LPG is a key fuel to be adopted by the Philippines vehicle modernisation program covering the replacement of more than 300,000 public transport vehicles with clean euro certified emissions. More developments are likely in Autogas. LPG Philippines and GDR Taxi which has one of the largest taxi fleets in the region.

We will be posting updates on LPG Summit social media sites LinkedIn, Facebook and Instagram over the coming weeks and months.

PowerGen is also an area that has potential and PowerGen companies are actively looking into the opportunities available.

The government has also been extremely supportive of LPG use developing extensive LPG rules and regulations for the industry to follow to ensure the safe and widespread use of the fuel.

It is our pleasure to bring you back to explore this vibrant market for the potential new and upcoming opportunities that exist there later in April this year.



BANGLADESH

Bangladesh is the fastest growing LPG market in Asia growing exponentially with current estimated demand at about 1 million mt and is projected to surpass more than 1.4 million mt in the next 2 years. This superb growth is being driven by the country's projected shortage of natural gas, a lack of firewood, a rising GDP per household and the rapid urbanization that is taking place across Bangladesh.

The economy in Bangladesh is growing so rapidly that it was expected to have ended in 2019 as the second-best performing economy in the world with an estimated growth rate of 7.9%!

In order to sustain and facilitate continued growth, LPG has been the fuel of choice to continue to uplift the standards of living of the populace. This comes with strong government support of the industry government implementing tax exemption policies and reduced import taxes on equipment used for assembling LPG cylinders in Bangladesh.

It is expected that together with Bangladesh's continued robust economic growth that the LPG market will also follow suit over the coming years and that opportunities in the space will only be more abundant.

Back for the 3rd year running, we invite you to join us in this market which is growing faster than almost everywhere else in the



SENEGAL

One of French West Africa's most politically stable nations, the country has been experiencing strong economic growth of more than 6% consecutively since 2014 and is expected to continue to grow at this same rate over the next 2 years. This growth is then expected to significantly accelerate as Senegal will begin production of its own offshore oil and gas projects in 2022.

LPG is used by more than 4.6 million people in the country and is currently only at about 29% penetration with many still using biomass and charcoal. The potential for increased market penetration is tremendous and following the country's recent discovery of even more gas reserves at their Greater Tortue Ahmeyim project, much of this gas which includes significant amounts of LPG, is due for Senegal's very own shores.

LPG use is primarily concentrated in the capital city of Dakar with consumption of about 31kg per capita per year for a population of 3.73 million people. Much investment and development in infrastructure is about to come to Senegal as a whole and with LPG use in Dakar specifically.

We see huge potential for the LPG market here across the entire LPG value chain in this beautiful city and are thrilled to invite you to explore this market in July with us before it truly takes off in the next few years.



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