



Argus Consulting Services

Liquefied Petroleum Gas (LPG) Consumption in Europe: Division of Supply between Gas Processed and Refined LPG

**A Summary of the Report for the European LPG
Association (AEGPL)**

November 2013

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1 Summary

This summary document provides a brief overview of the report on the origin of LPG provided to the AEGPL by Argus Consulting Services.

1.1 Context

The report details the methodology employed by Argus to calculate the origin of LPG consumed in Europe. The approach considers the origin of LPG to be from two sources, namely refinery based production and gas processing plants (GPPs). The geographic focus of the report is the 28 European Union member states (EU28), with the addition of Norway. For each country, the report applies the same methodology to assess the origin of production, imports and consumption.

To complete the study, Argus sourced data and information from both the European LPG Sector Overview and the Statistical Review of Global LP Gas, and then applied it alongside additional data from the European Commission, as well as information provided by market participants and third parties.

1.2 Methodology

To calculate the origin of LPG consumption, Argus applied the following methodology and calculations.

Origin of LPG production

Argus collected data from each country on the origin of LPG production in the course of its work for the European LPG Sector Overview 2013.

Origin of LPG imports

Argus used import data, split by country of origin, to calculate the volume of LPG imported from each country. The import volumes were then pro-rated according to source of domestic production in the country of origin.

Origin of LPG consumption

Total supply in each country was calculated as production minus exports (re-exports are not taken into account), plus imports and losses/stock. The percentage of consumption from gas processing is then calculated by taking into account the volume and origin of both production and imports for the country.

This methodology is by no means a definitive answer to the question of origin, but it provides a reasonable estimation for each country in the report.

1.3 Key Findings

The major finding of the study is that approximately 47pc of LPG consumed in EU28 and Norway is from gas processing and 53pc is from refining, according to the methodology described in Section 1.2. The intermediate findings of the study on route to this conclusion are as follows.

Production of LPG globally is 60pc sourced from gas processing, but in the EU28 region is predominantly from refineries. However, Norway is the largest producer of LPG in Europe and the majority of Norwegian production is from gas processing. Within EU28 and Norway, around 35pc of LPG production in the region comes from GPPs. Of total imports, 64pc are from GPP and four countries import more than 1mn t/yr from this source. The countries importing the highest proportion of their imports from GPPs are Italy and Sweden, which both receive approximately 86pc.

The proportion of consumption from GPP versus refinery origin varies significantly between countries, from over 80pc in Norway and Sweden to less than 10pc in Denmark, Germany and Greece. However, according to the methodology, the ratio of LPG consumption from refineries or GPPs in the region as a whole is relatively balanced, with 47pc of consumption coming from gas processing.

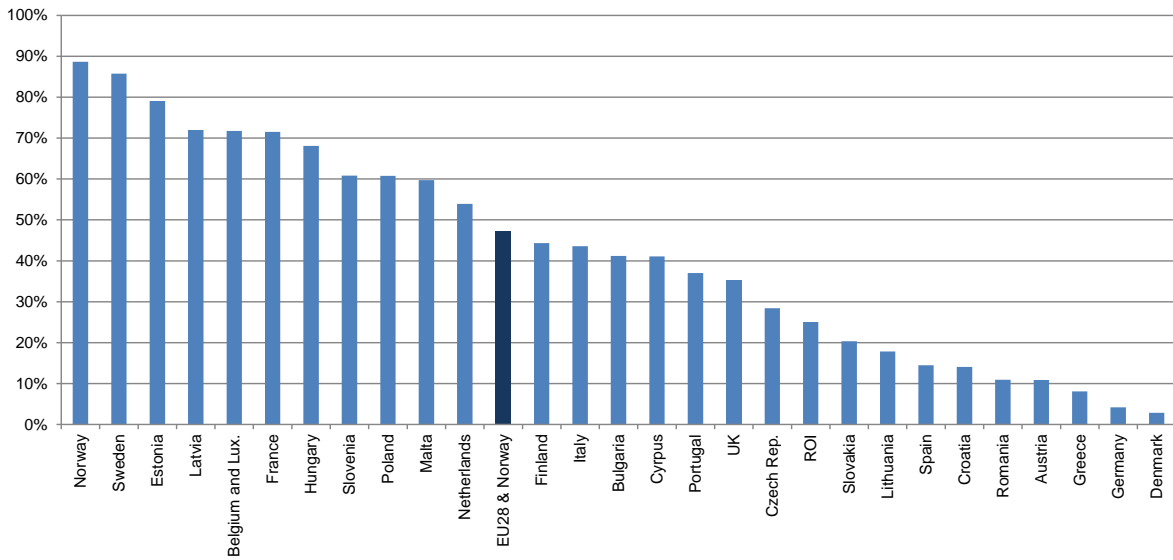


Figure 1: Percentage of LPG consumption from gas processing

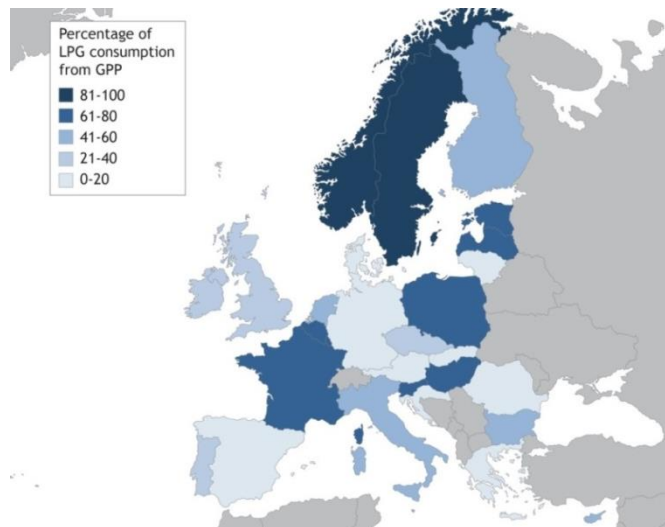


Figure 2: Map showing percentage of LPG consumption from gas processing

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