

# The Latin America LPG Market

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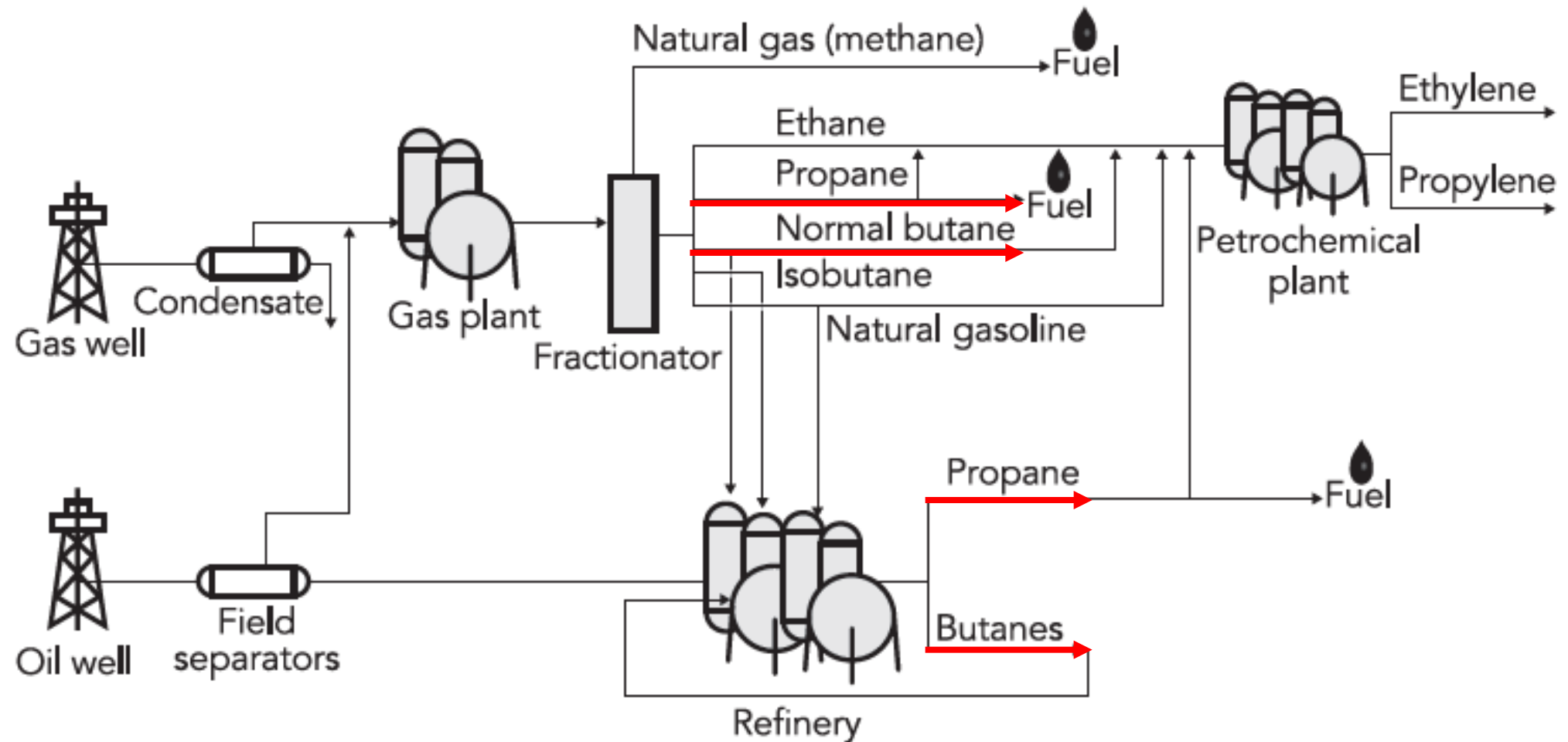
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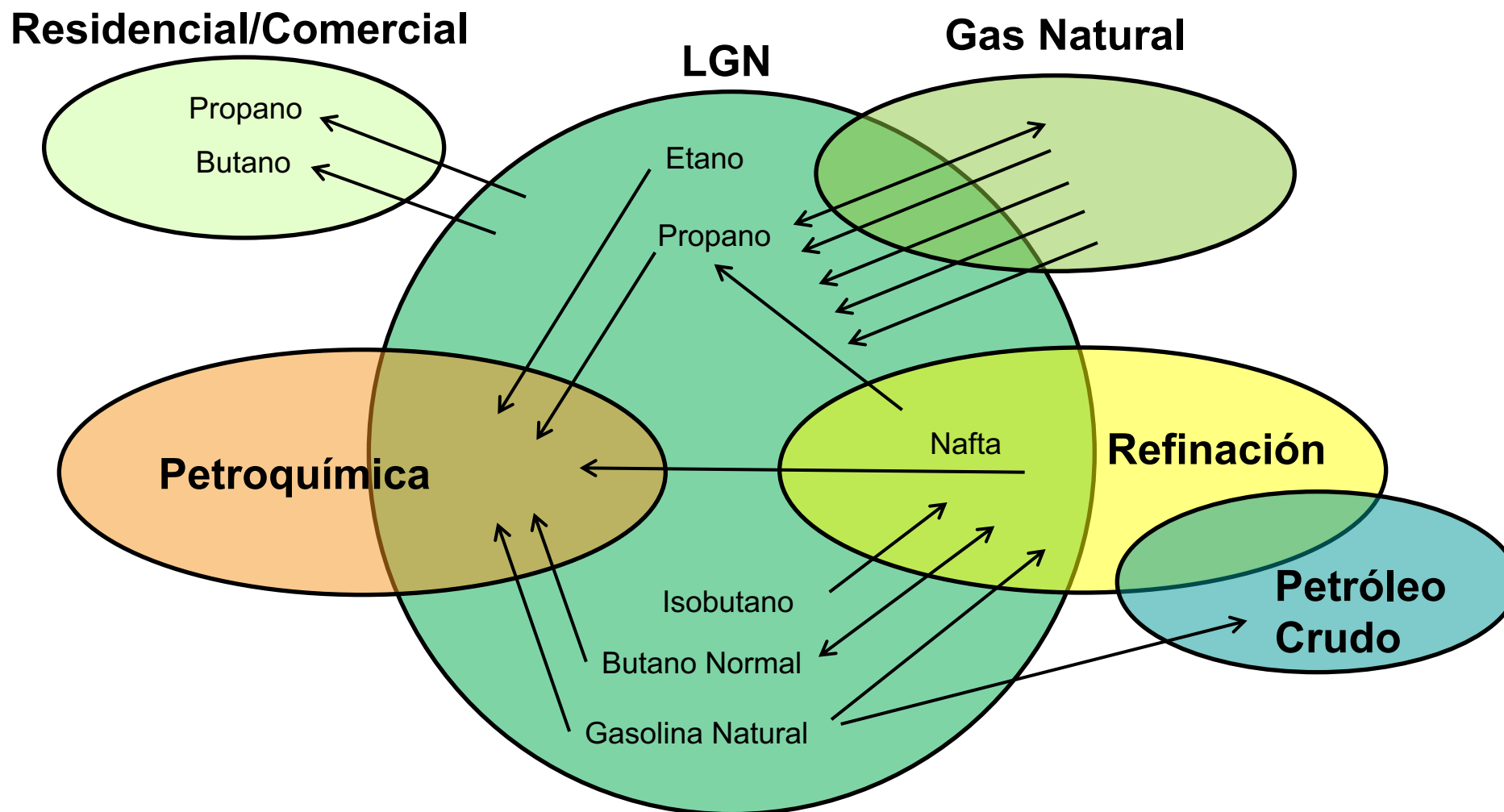


# Suministro de LGN



Source: **Natural Gas Liquids: A Nontechnical Guide**, William Leffler

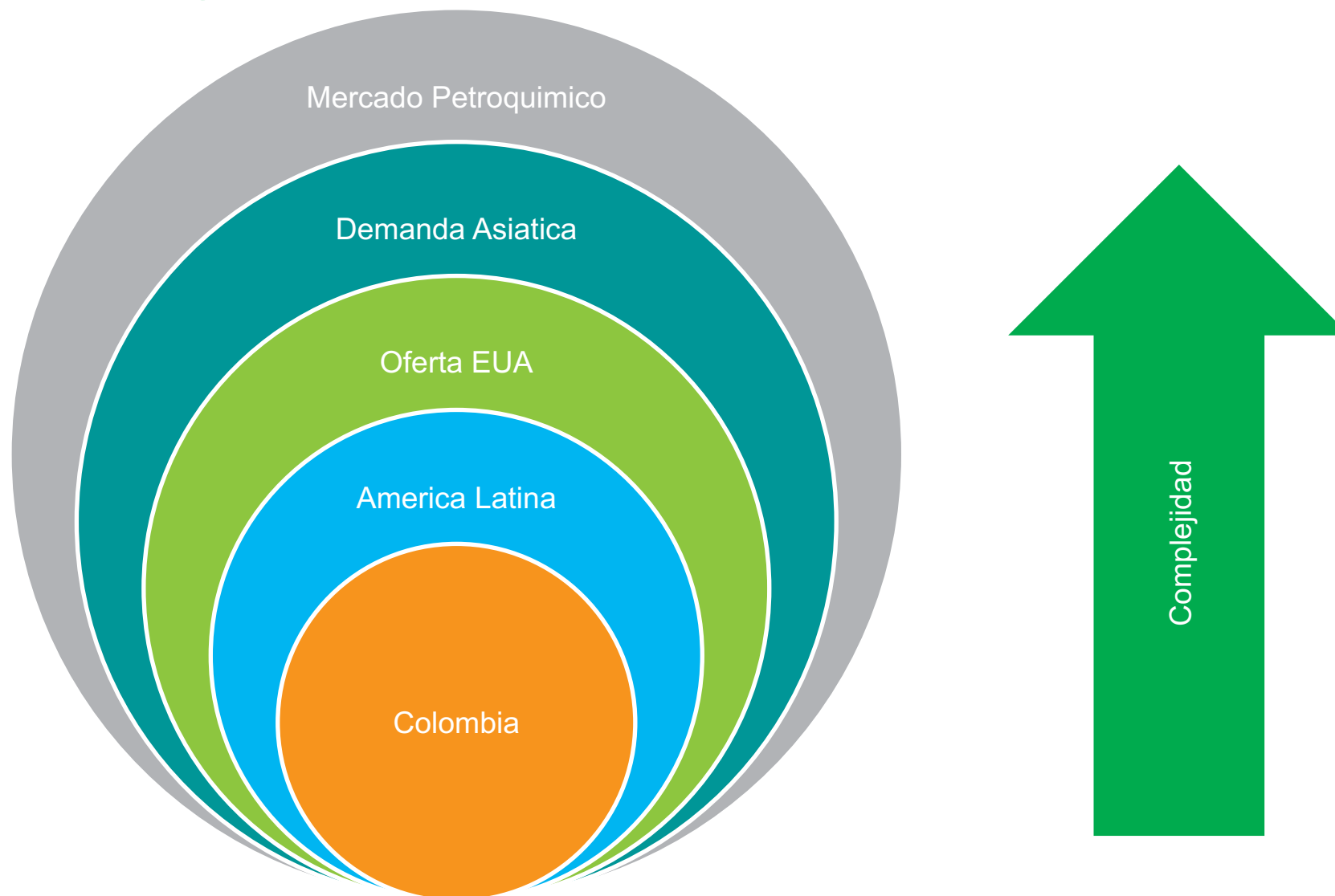
# Los Líquidos del Gas Natural (LGN) se ven afectados por varios mercados.



## Direccion del Analisis



# El Gas LP es un mercado global

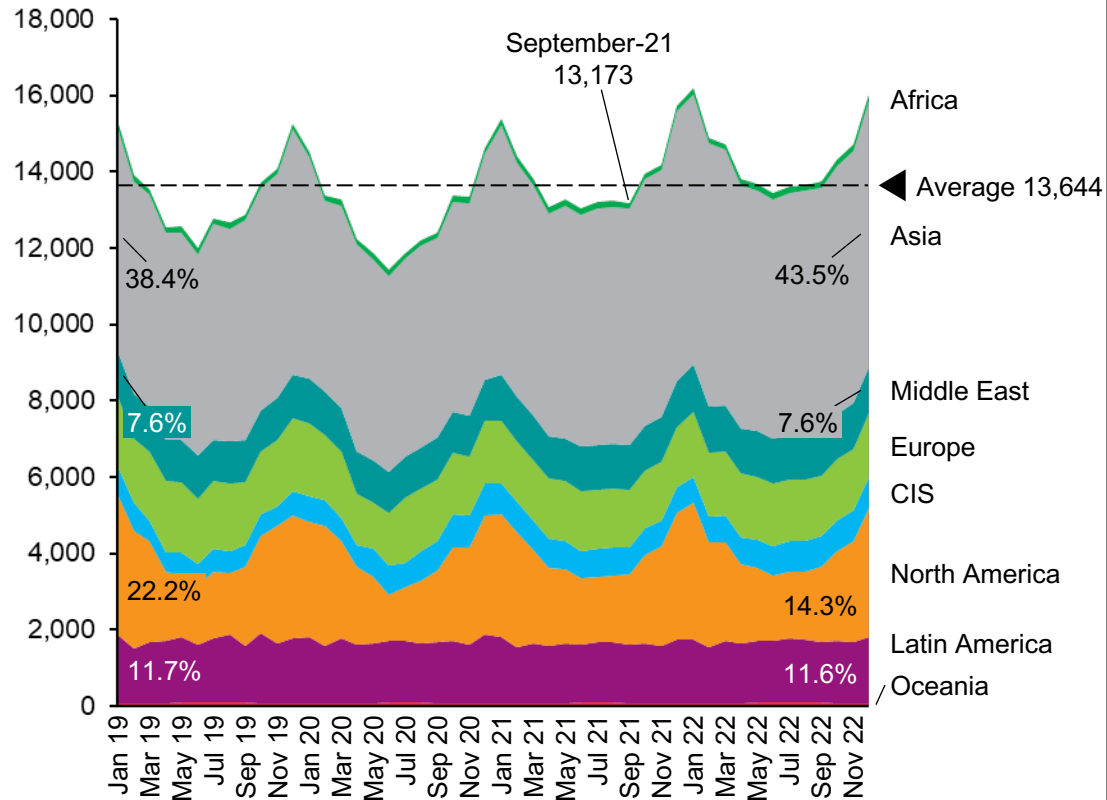


# Panorama Global

# World Propane Supply and Demand Balance

## Global Propane Demand by Region

Thousand Metric Tons

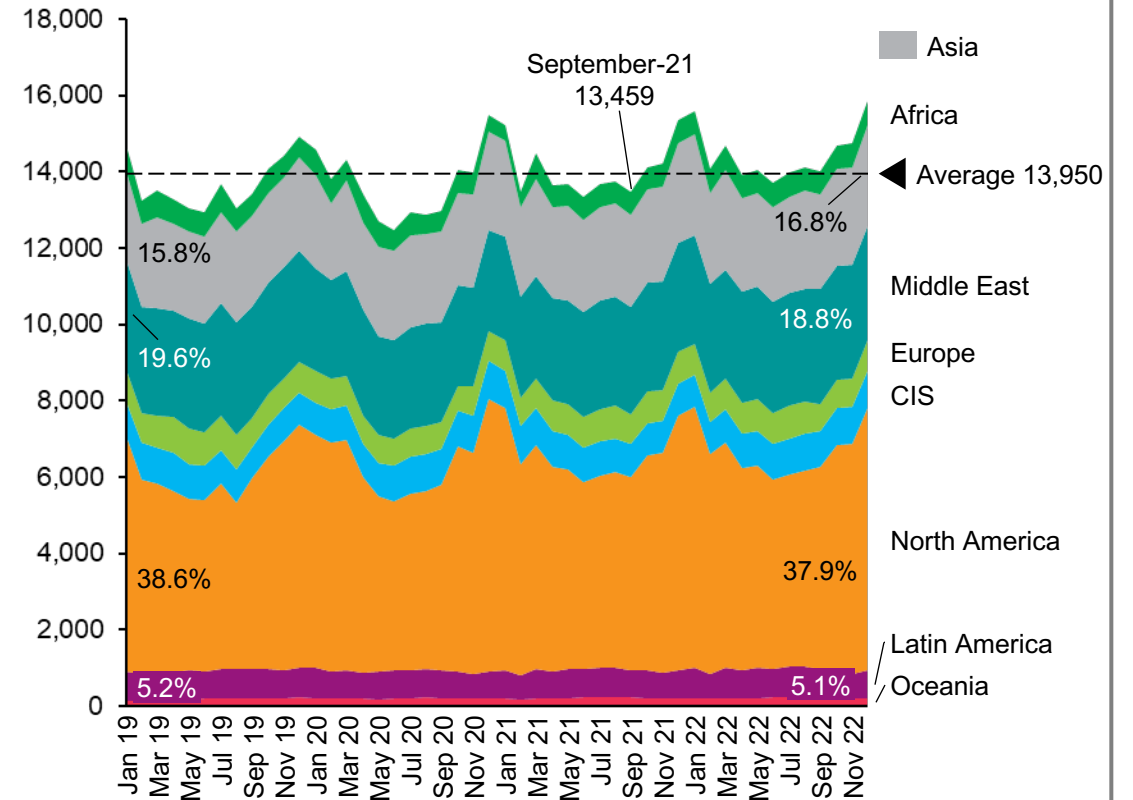


Notes: Global demand estimates based of monthly STO and ASW reports (May 2021).  
Source: IHS Markit

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## Global Propane Supply by Region

Thousand Metric Tons



Notes: Global demand estimates based of monthly STO and ASW reports (May 2021). Includes net storage withdrawals.  
Source: IHS Markit

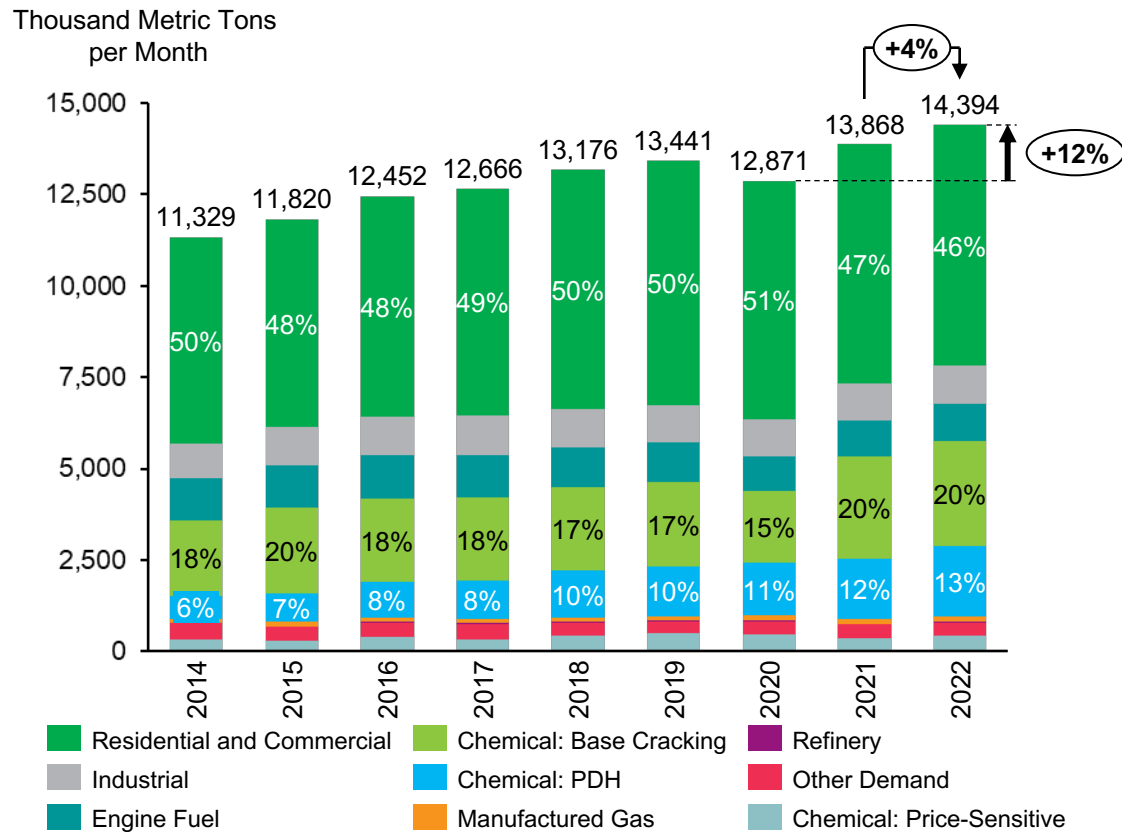
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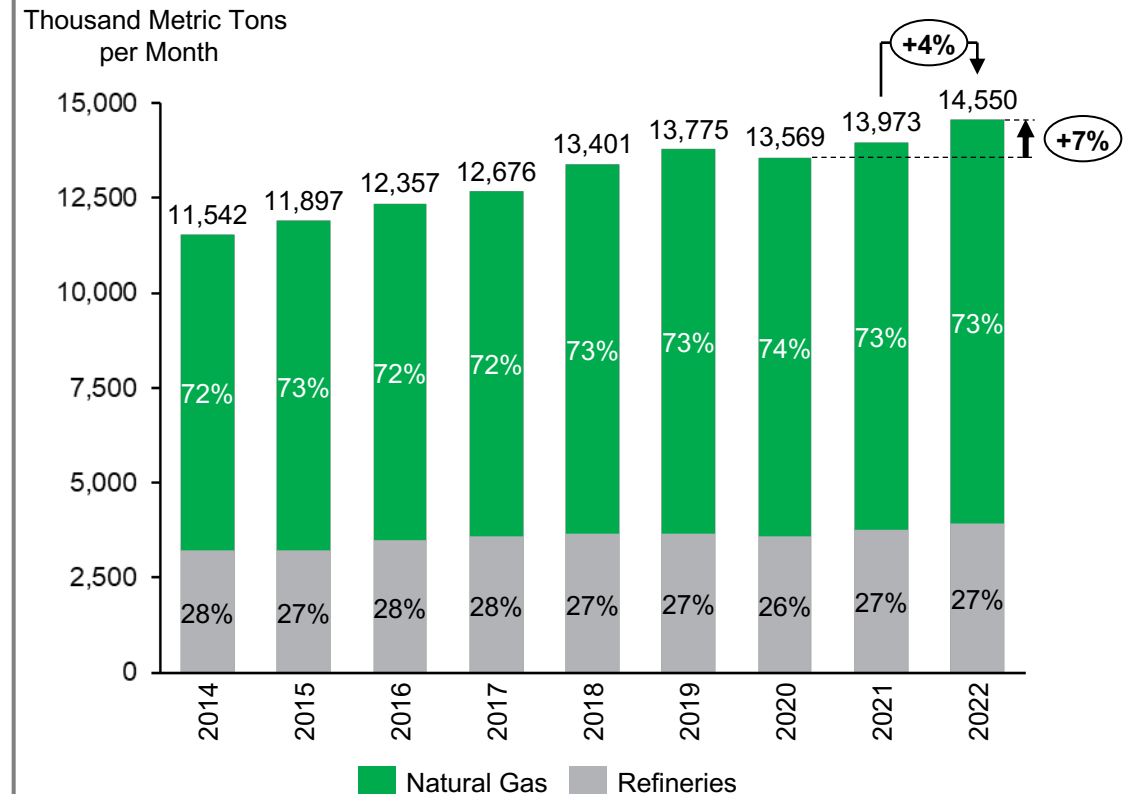
## Propane

# Residential and commercial a key global demand source; base chemical cracking and PDH expected to increase share by 2022

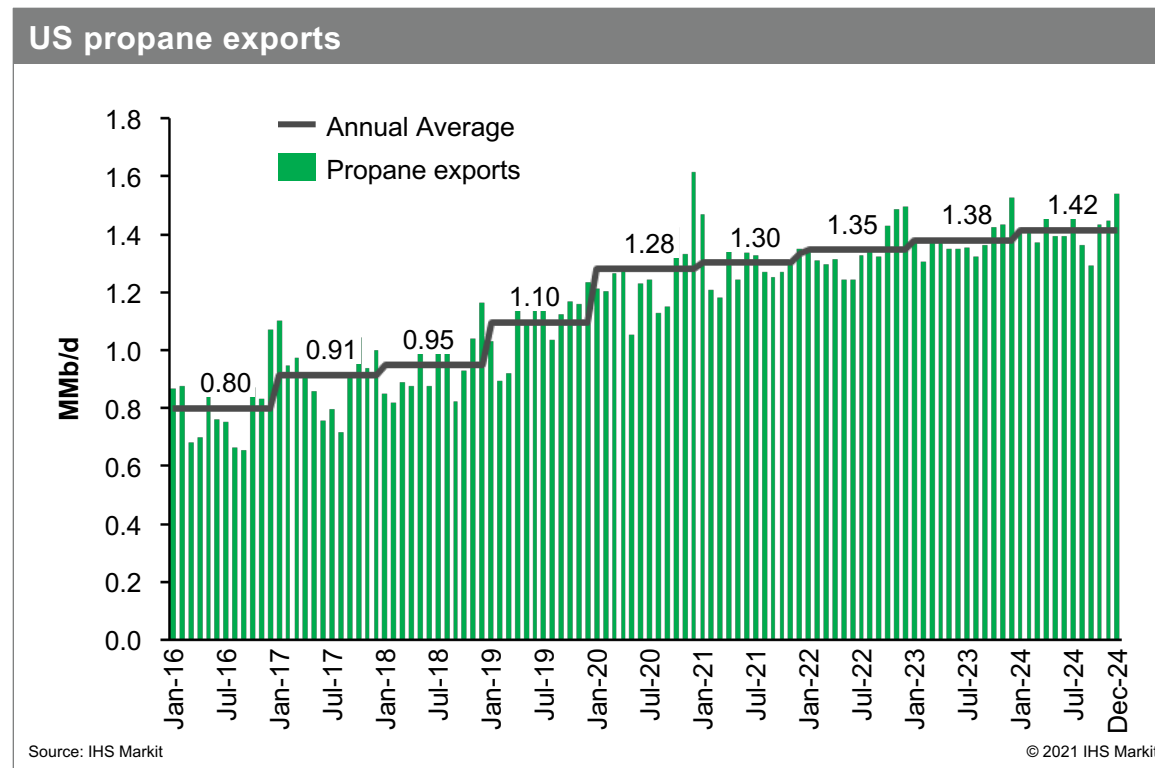
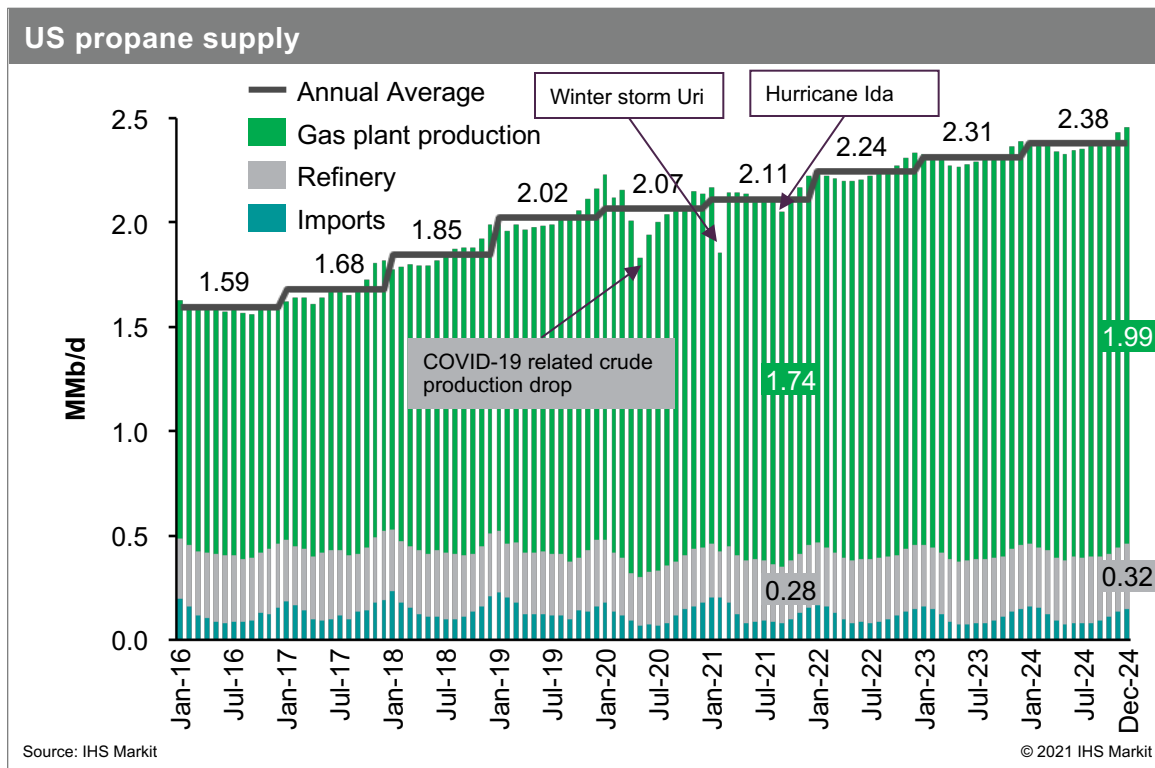
Global Propane Demand by Source



Global Propane Production by Source

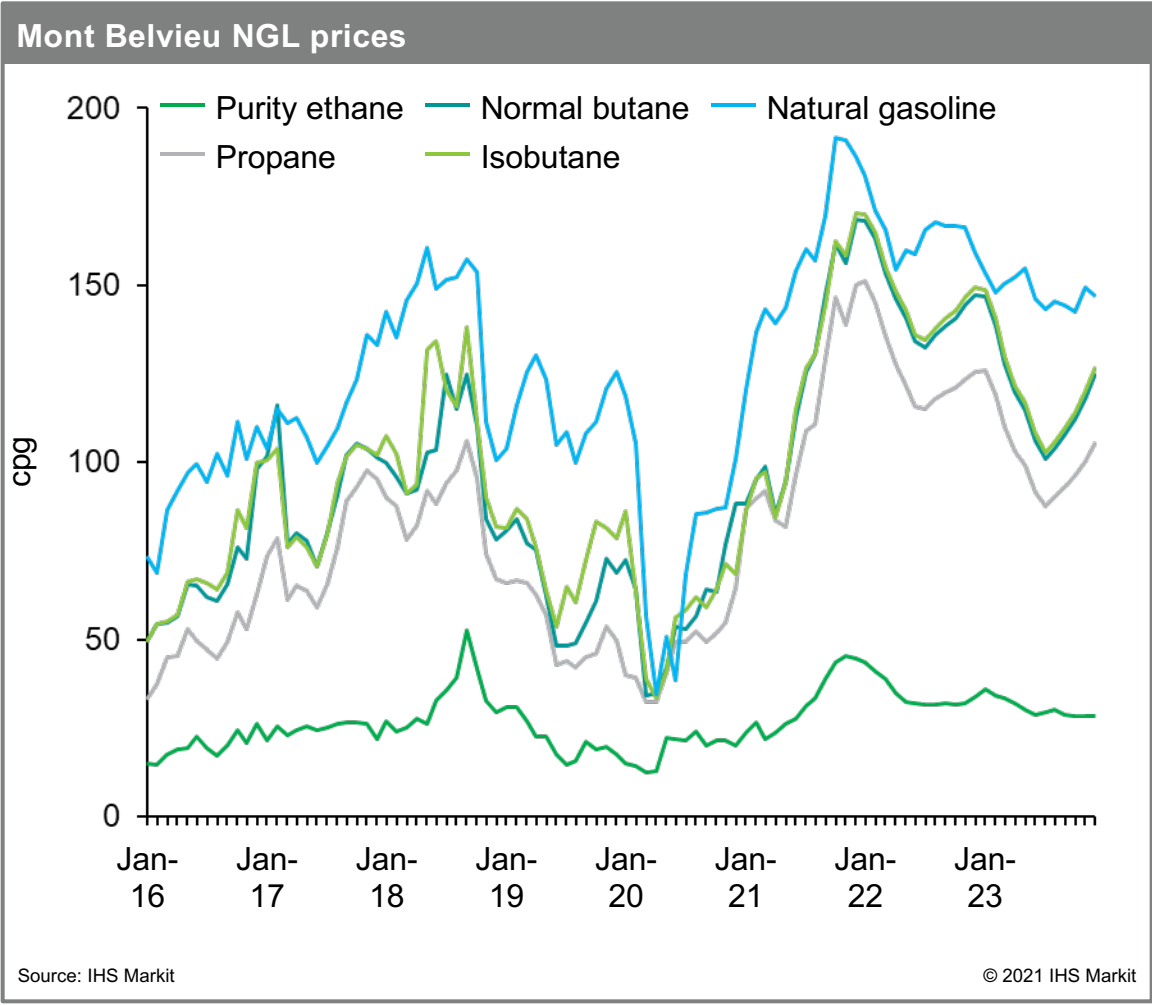
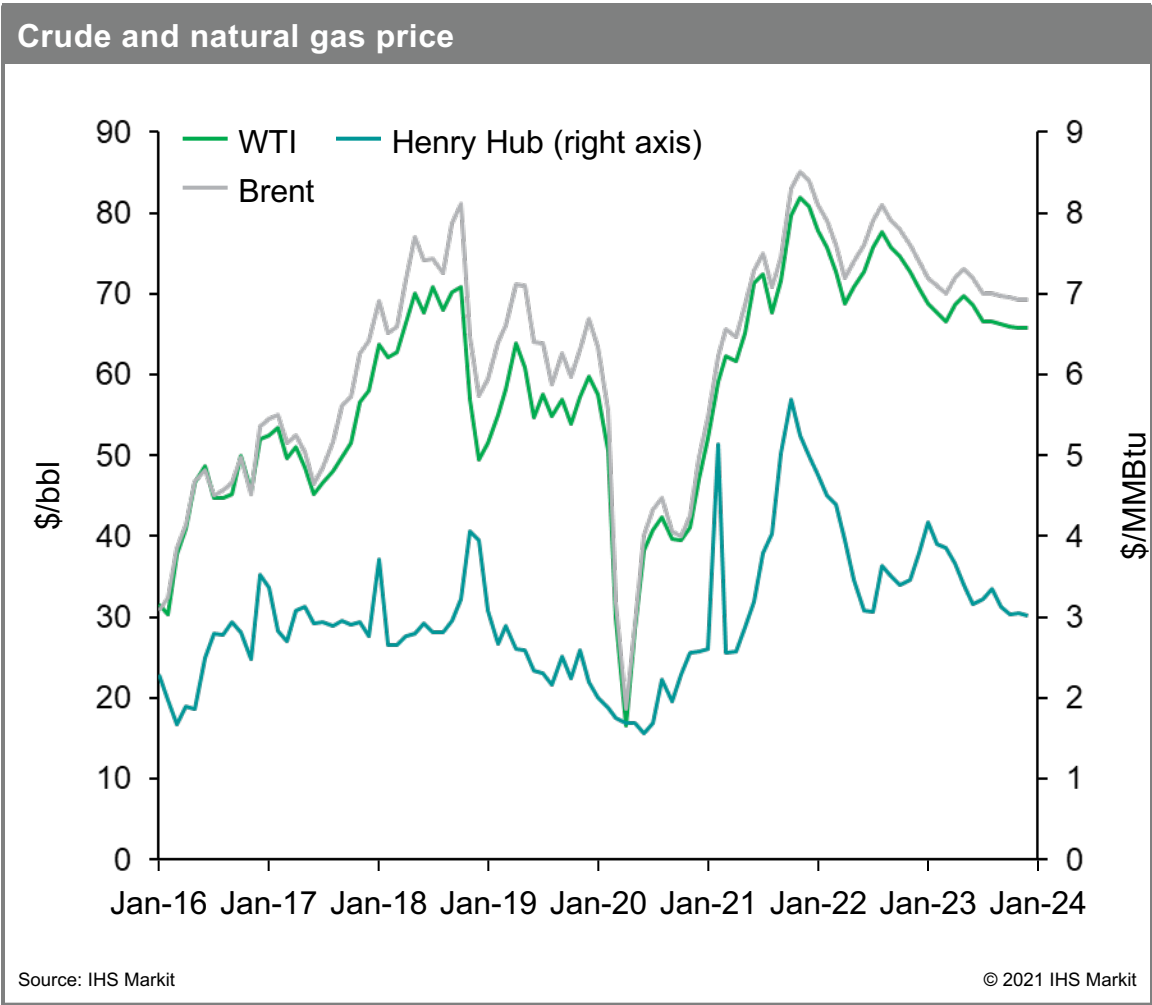


# Propane supply should generally improve with crude and gas production through 2024, barring any weather-related disruptions



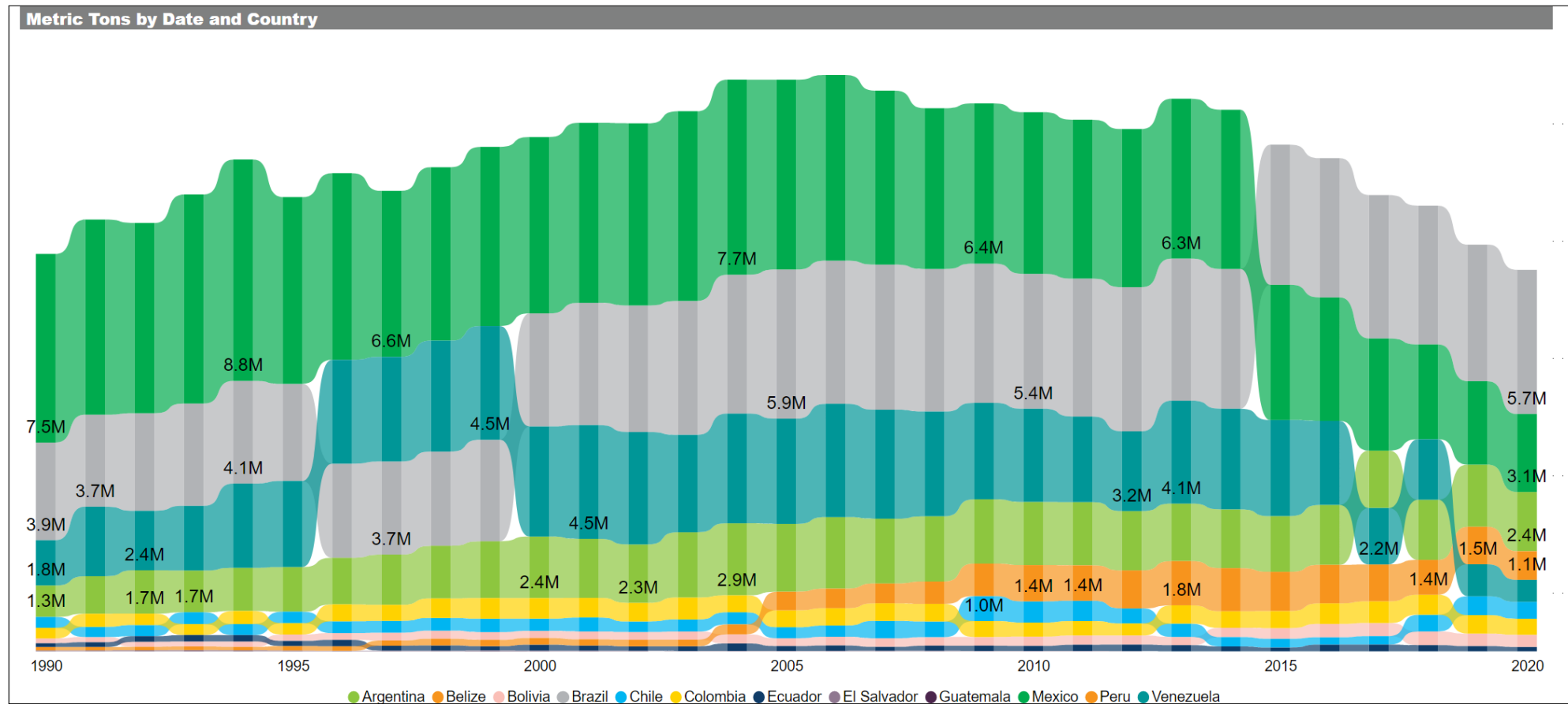
- **Propane supply from natural gas will grow by 120,000 b/d in 2022.** Gas plant based production will improve as more associated gas is produced along with crude. We expect crude production in the US to grow by 700,000 to 800,000 b/d (entry to exit) in 2022. Based on the current crude and gas production forecast, propane supply from gas plants will reach an average of 1.98 MMb/d by 2024, and considerable increase from 1.70 MMb/d in 2021.
- **Imports from Canada expected to decrease through 2024.** Rail imports from Canada will fall as the utilization of Canadian marine export terminals is prioritized.
- **Exports out of the US will increase to 1.42 MMb/d by 2024.** Year to date propane exports have averaged 1.29 MMb/d and are expected to average around 1.31 MMb/d by fourth quarter of this year. Higher exports during 4Q 2021 will be driven by seasonal demand from Asian countries and startup of PDH plants in China. US supplies about 40% of China's import needs and this could grow more if supply from Middle East remains low. Exports will increase through the forecast with incremental petrochemical demand from Asia. More propane exports from Middle East could ease the export growth from US.

# Prices are expected to trend down post 2021-22 winter through the forecast as supply and demand fundamentals improve

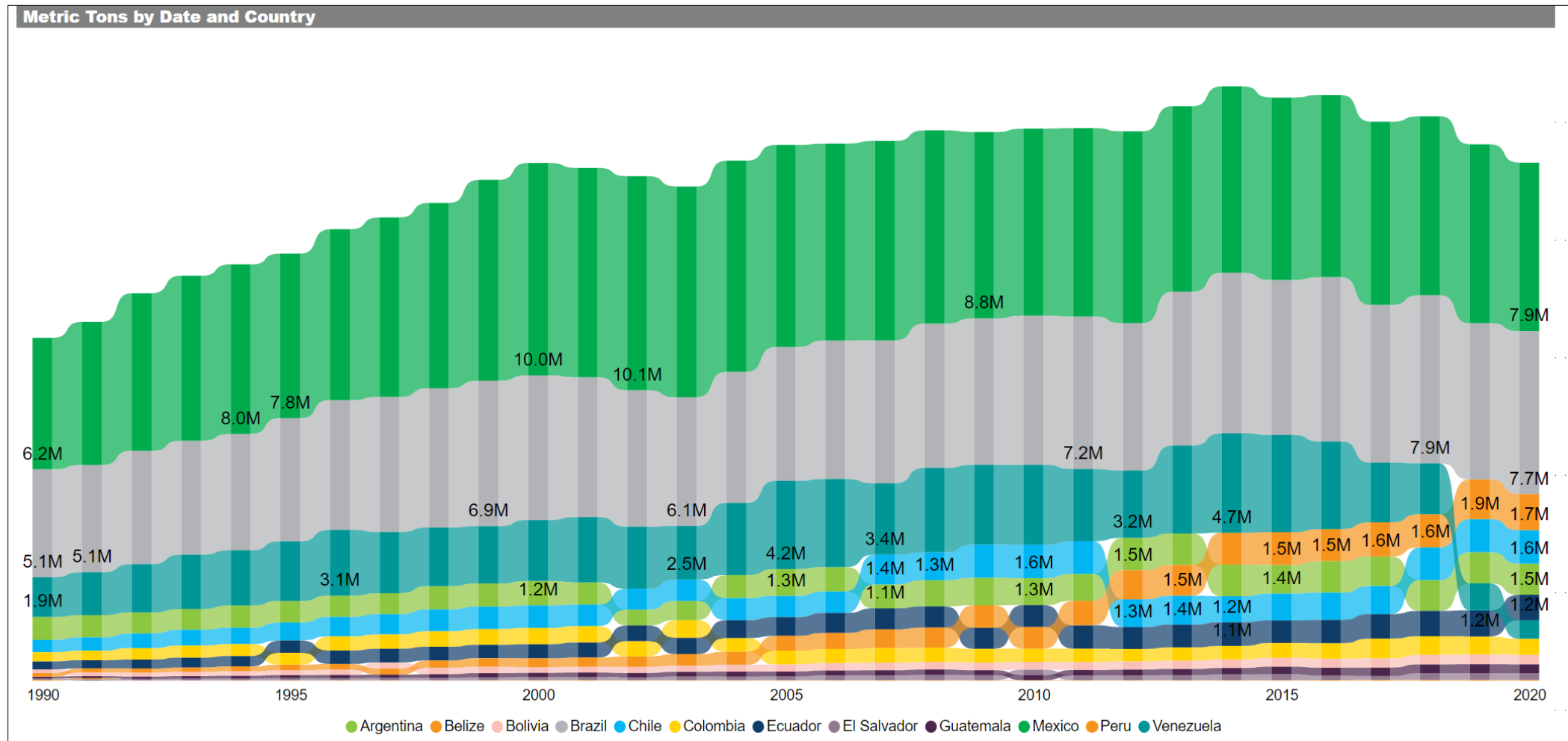


# America Latina

## Evolution of Latin America LPG Countries production



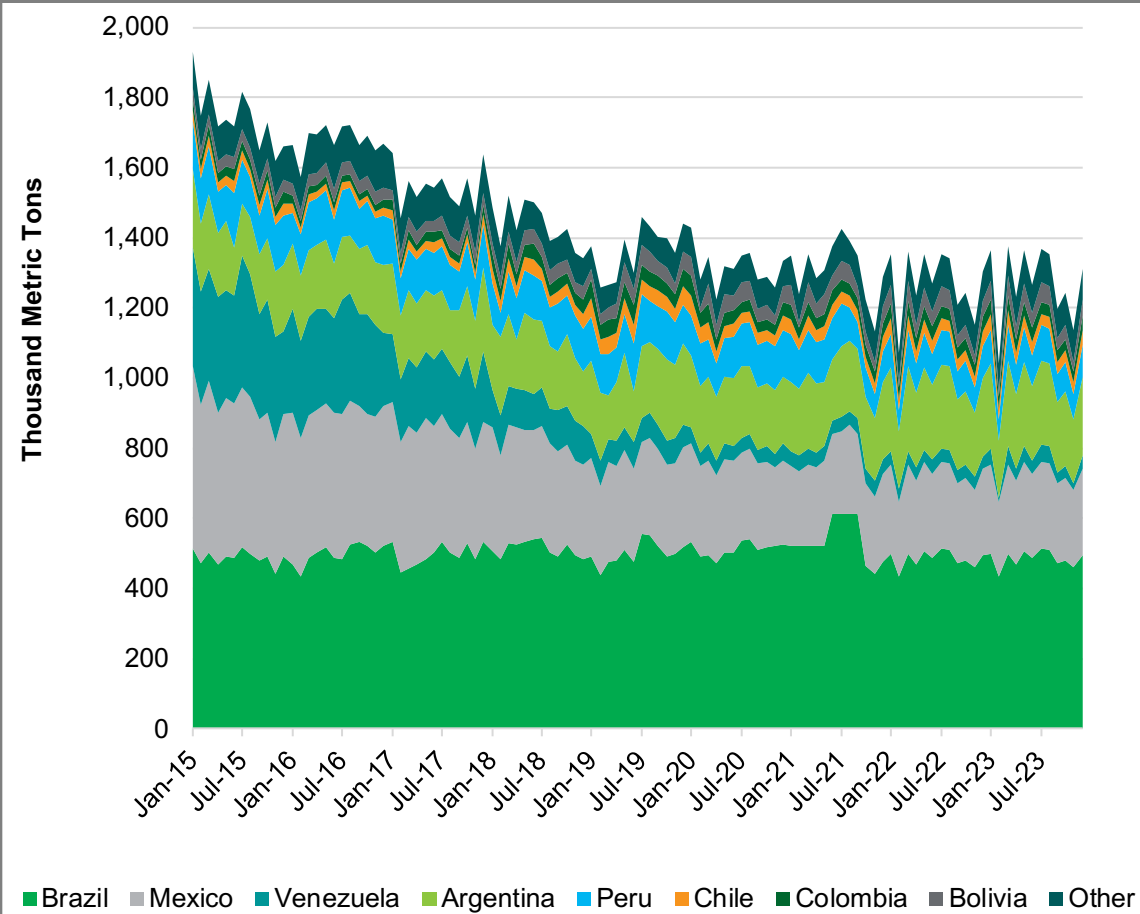
## Evolution of Latin America LPG Countries consumption



# Latin America: LPG Market Overview



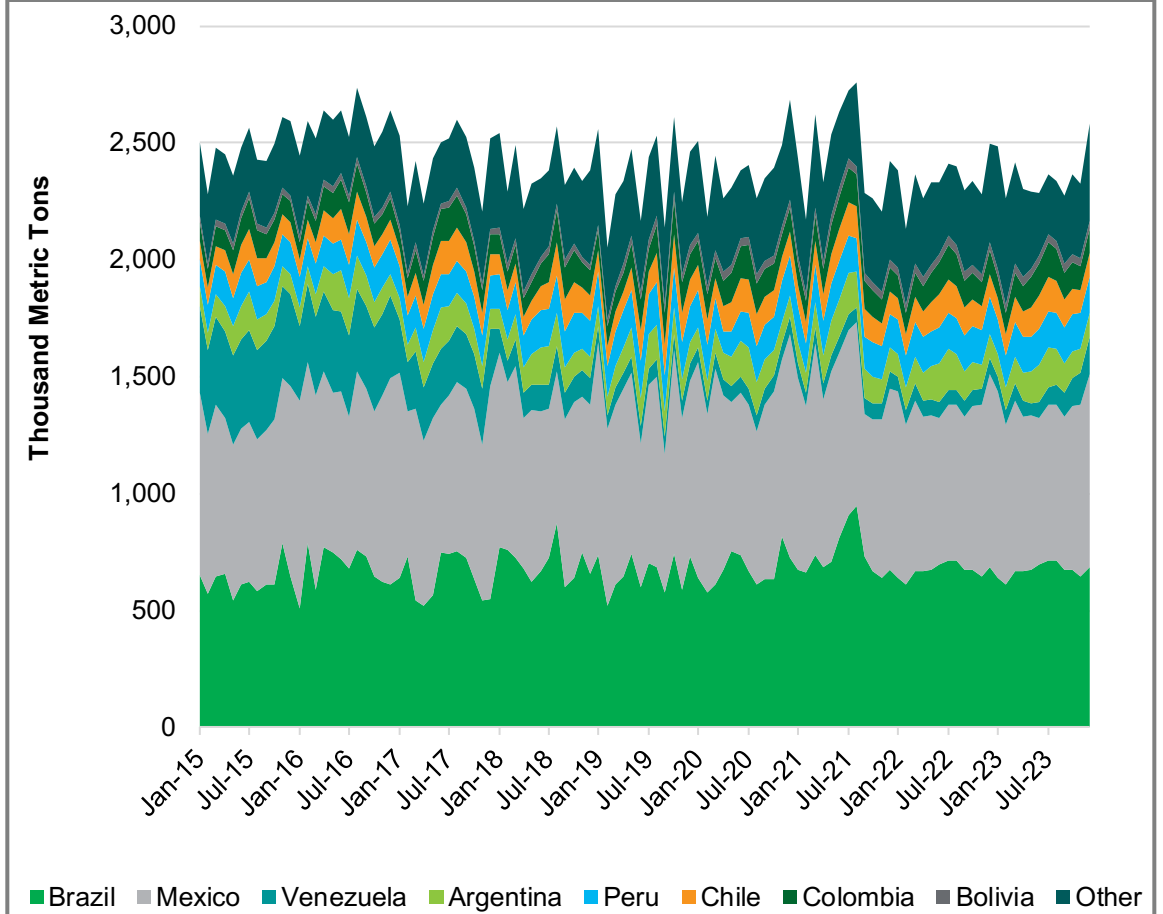
Latin America LPG Supply



Source: IHS Markit

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Latin America LPG Demand

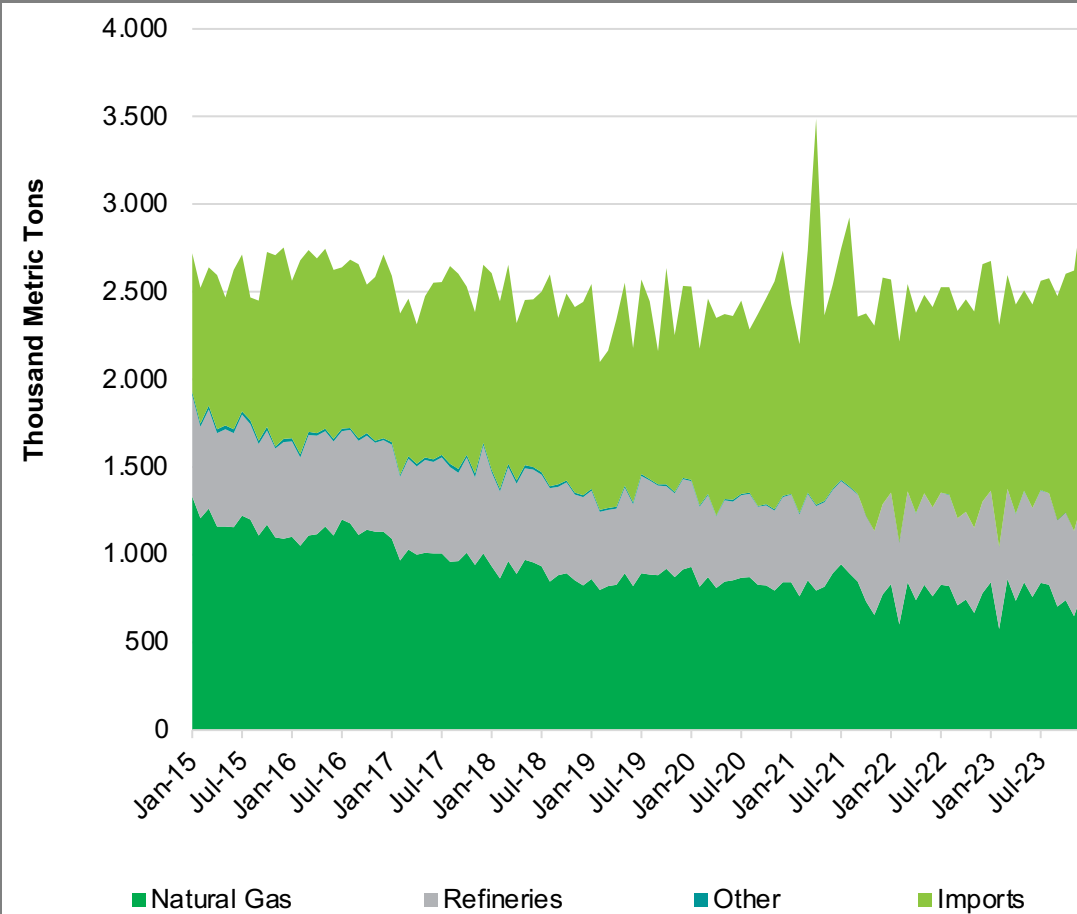


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# Latin America: LPG Market Overview

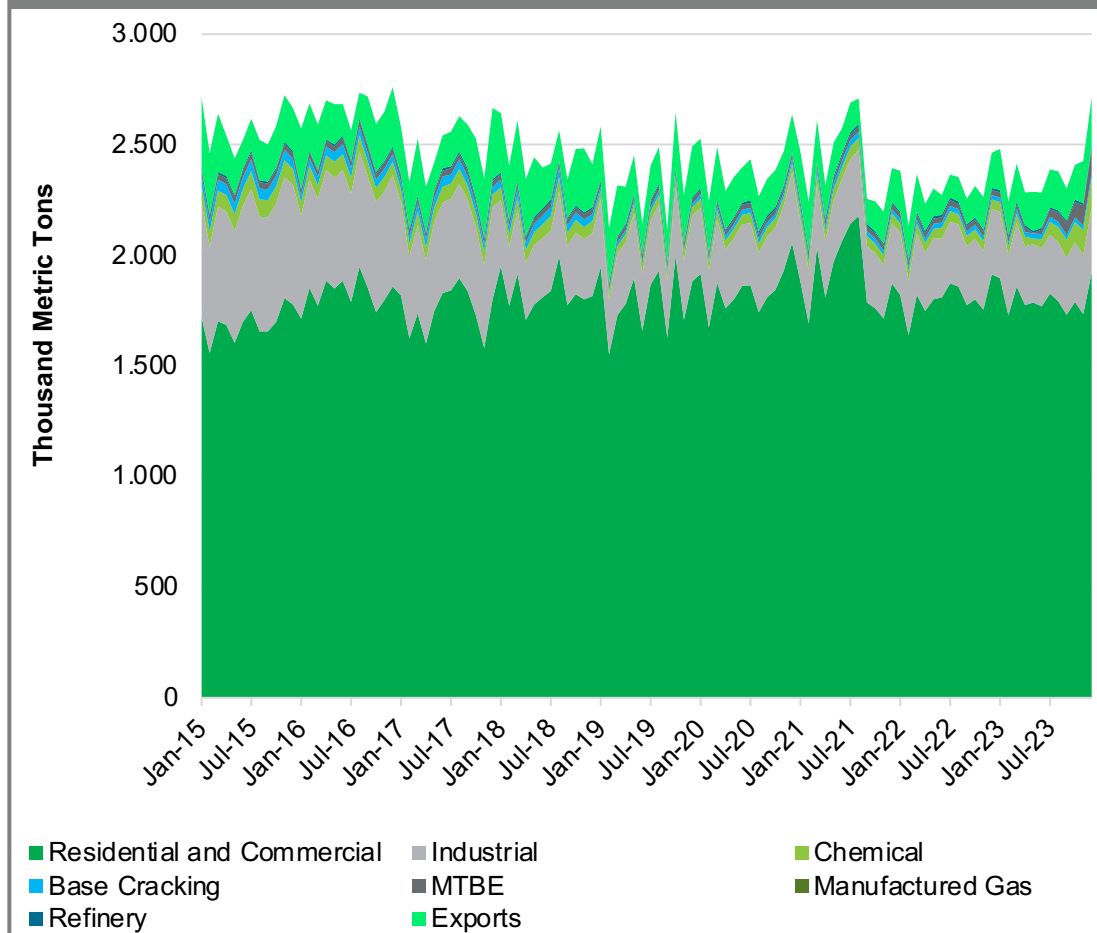
Latin America LPG Supply



Source: IHS Markit

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Latin America LPG Demand



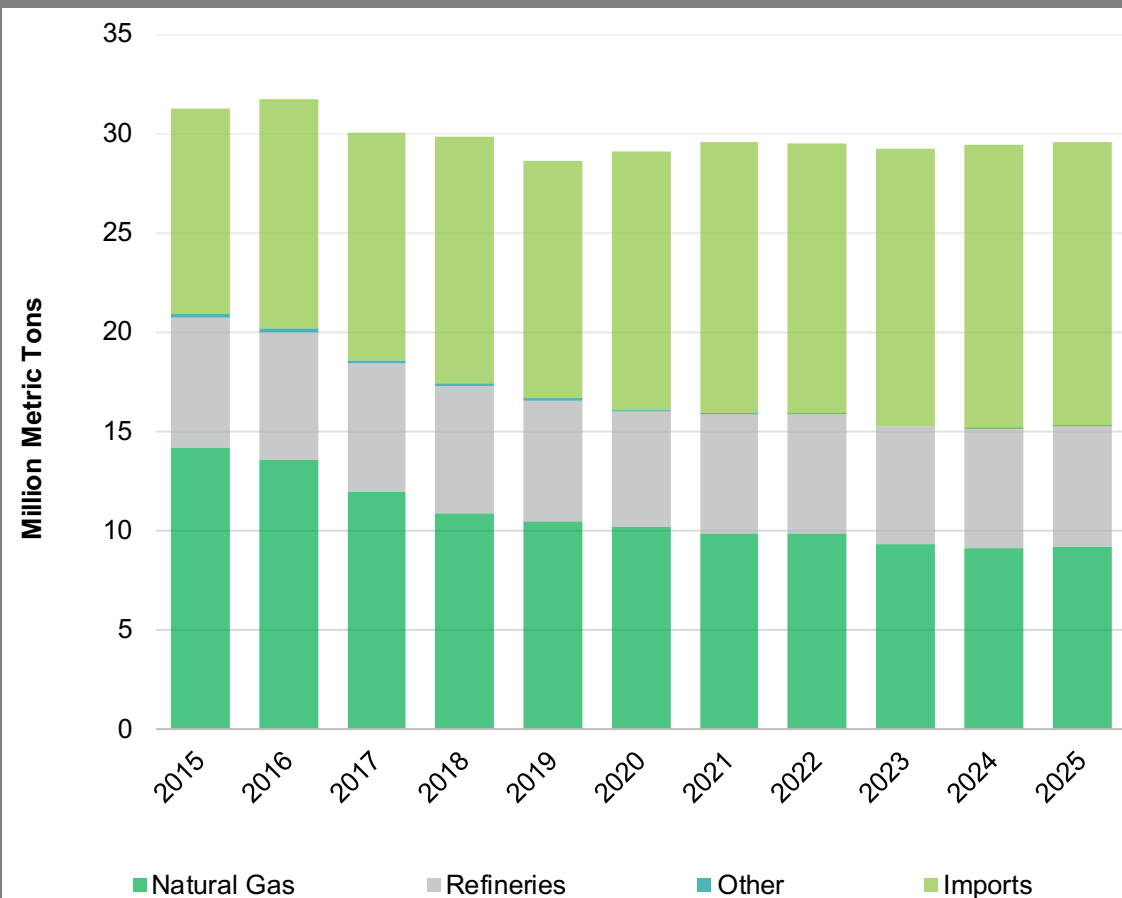
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# Latin America: LPG Market Overview

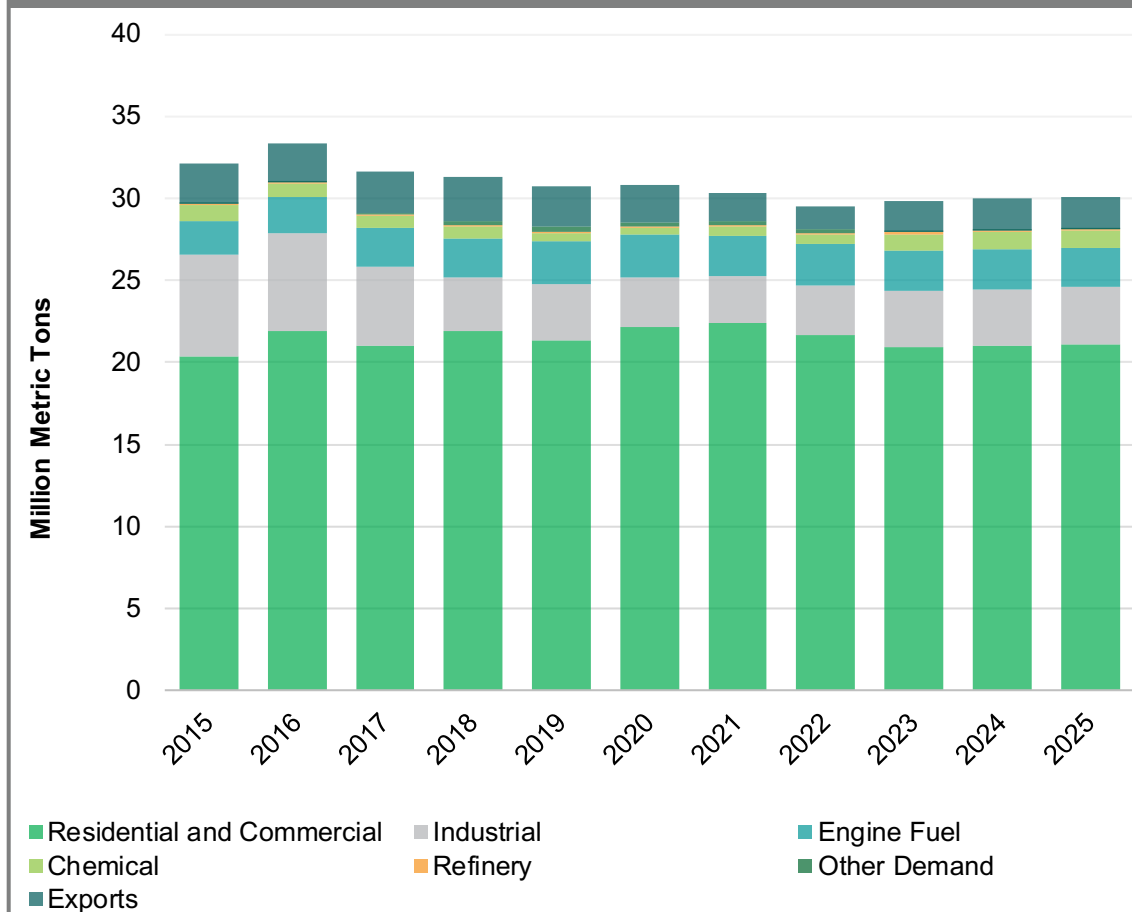
Latin America LPG Supply



Source: IHS Markit

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Latin America LPG Demand



Source: IHS Markit

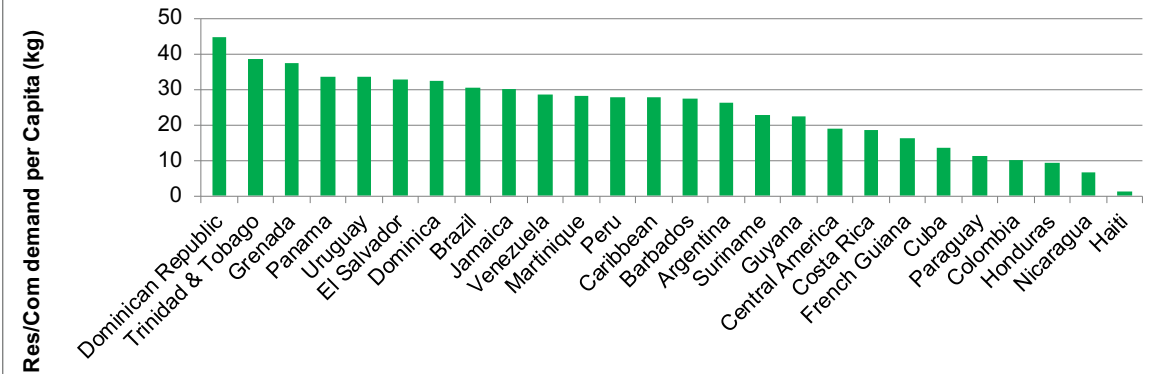
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## Latin America Residential/Commercial demand per capita



- Due to the high penetration of LPG in the residential/commercial sector, demand growth is limited by population and capacity to replace the use of more primitive heating alternatives such as firewood.
- In some geographic regions, LPG is protected from the penetration of natural gas due to geographic barriers or economies of scale. The biggest competition for LPG in the residential market is biomass.
- Ecuador and Chile have a high LPG residential/commercial consumption per capita of over 50 kg while Paraguay, Colombia, and Honduras have unusually low consumption of ~10 kg which could present potential growth opportunities.

Latin America Residential/Commercial Demand per capita

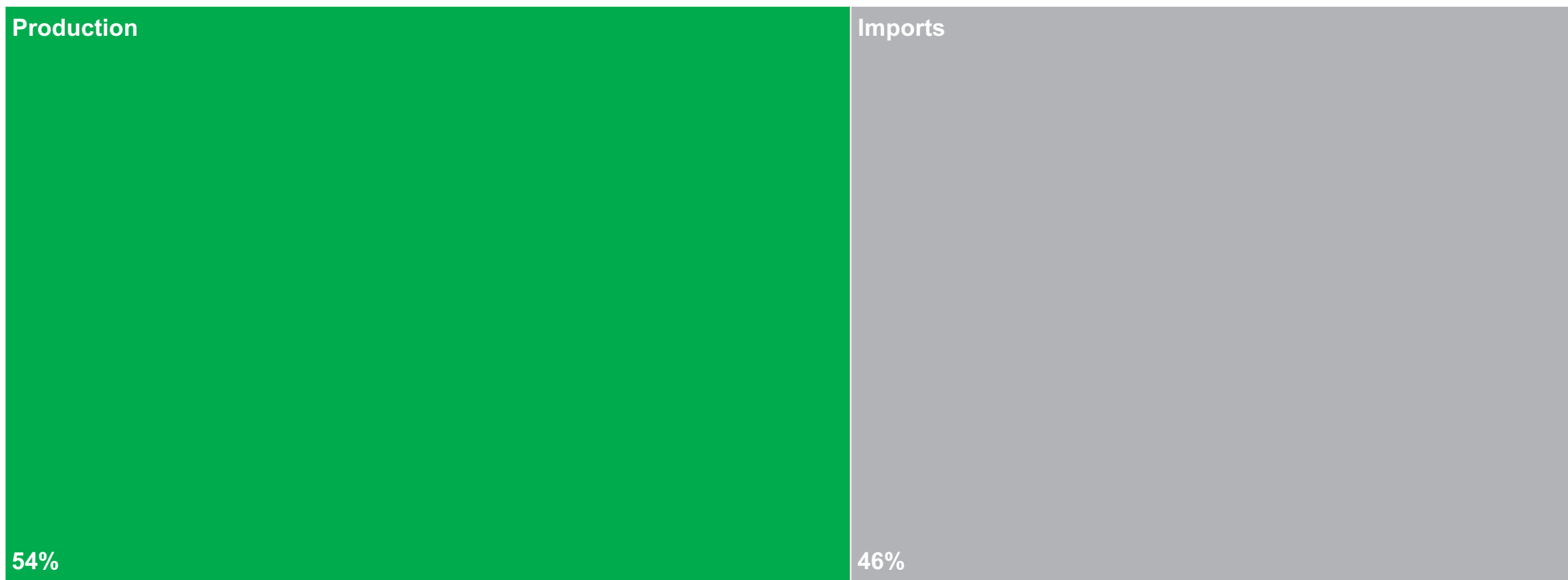


Source: IHS Markit

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## LPG Market Trade Overview: Imports are necessary to satisfy demand.

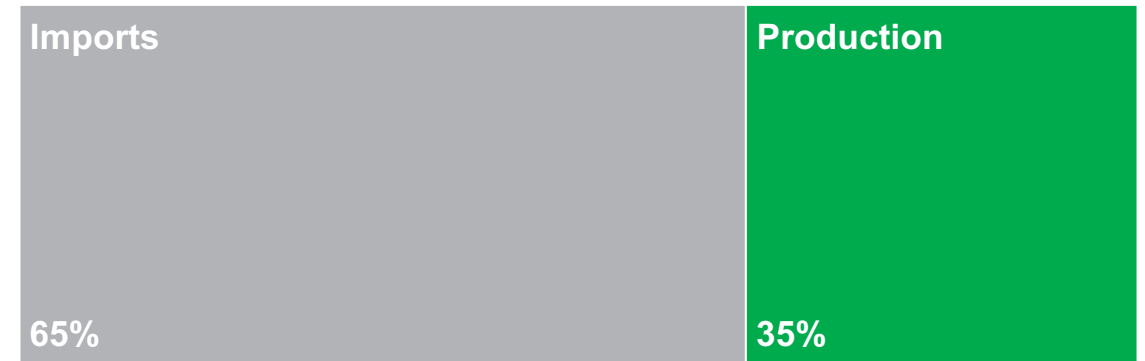


## LPG Market Trade Overview : Country Profiles

### BRAZIL



### MEXICO



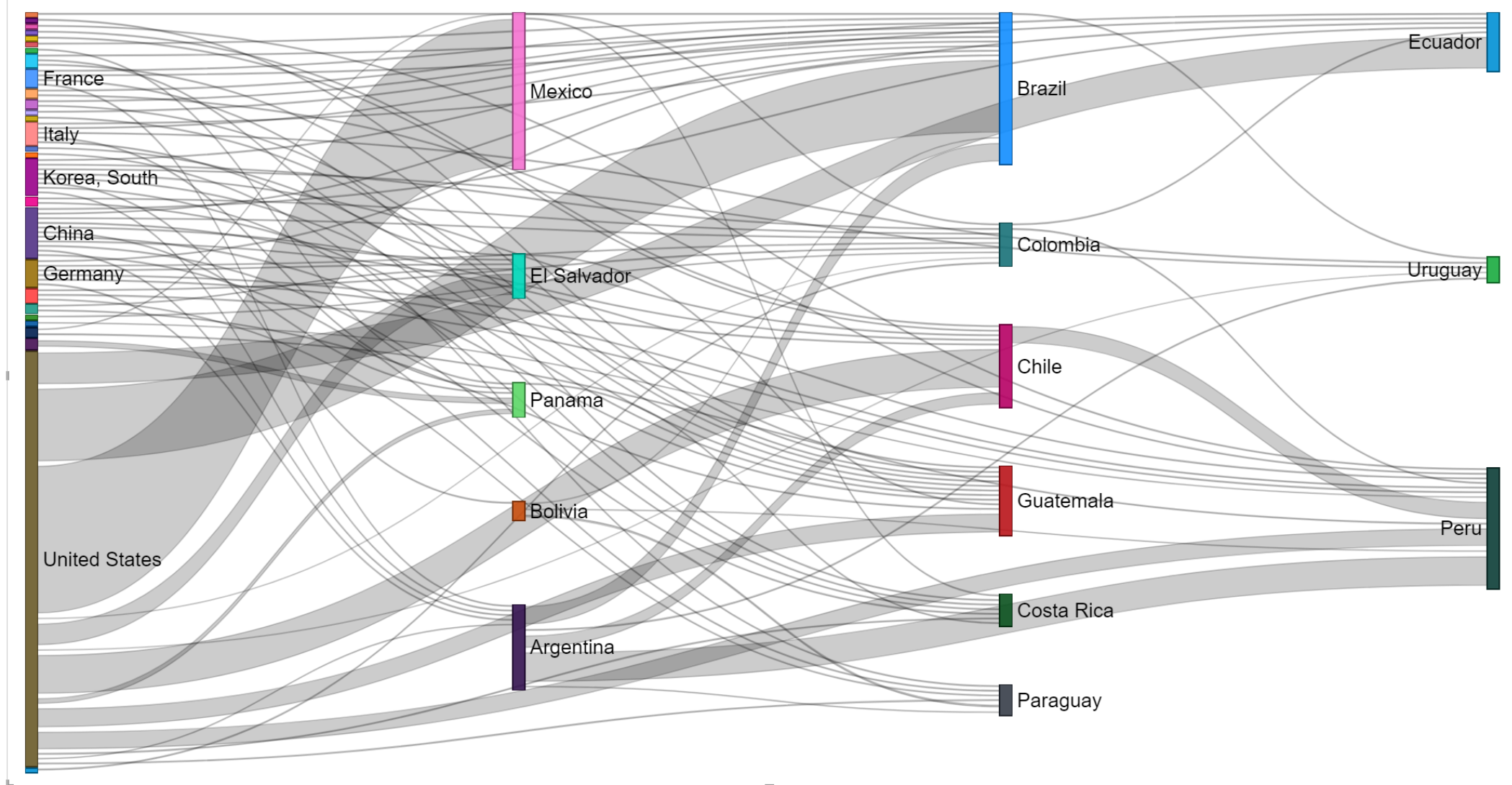
### CHILE



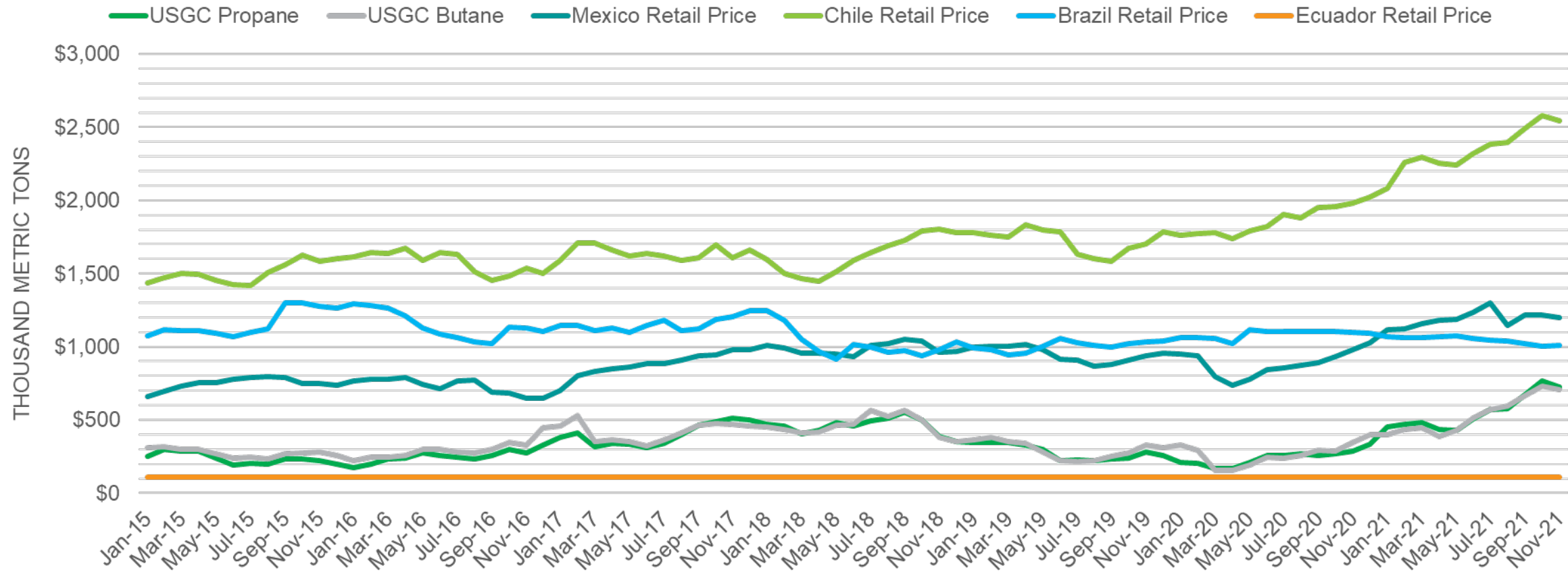
### ECUADOR



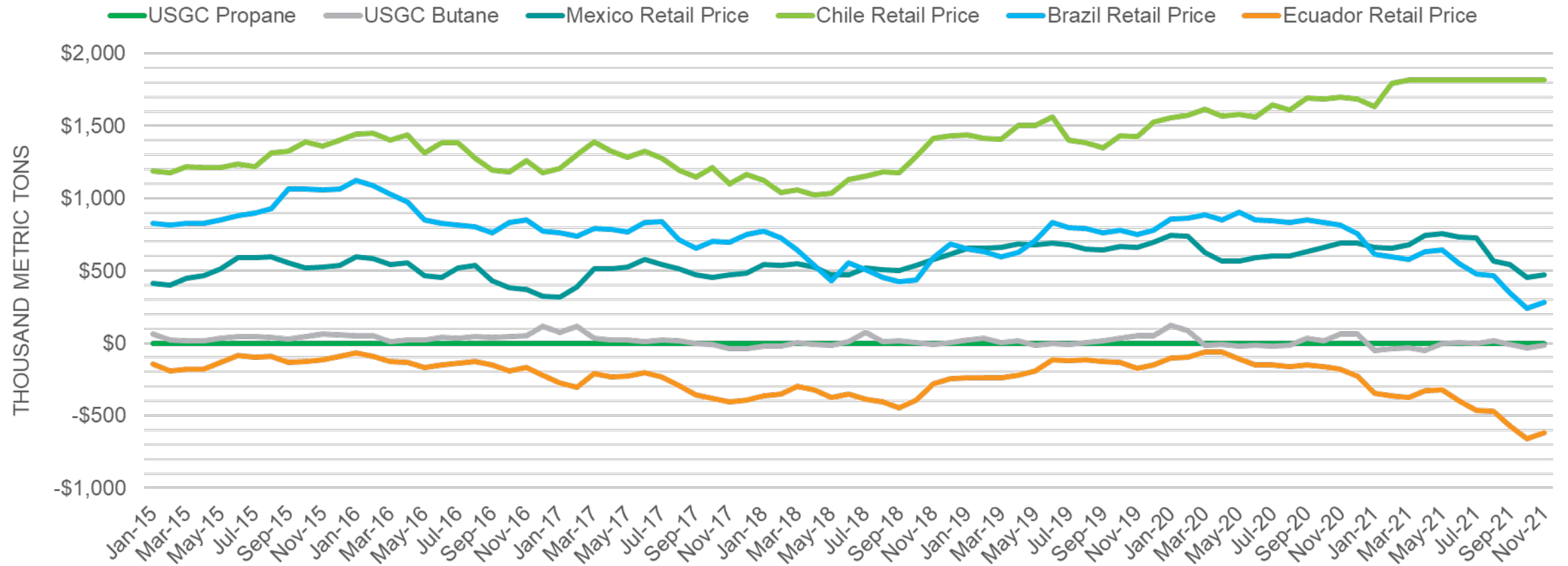
## Latin America is closely linked to the United States



# Latin America: LPG Pricing Overview



# Latin America: LPG Pricing Overview



# ¡GRACIAS!

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