WLGA

Energy Anywhere

MAKING MARKETS WORK FOR LPG

Freedom of Enterprise, Price and Competition as Engines of Growth

James Rockall, CEO & Managing Director ·
World LPG Association

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The World LPG Association

VISION

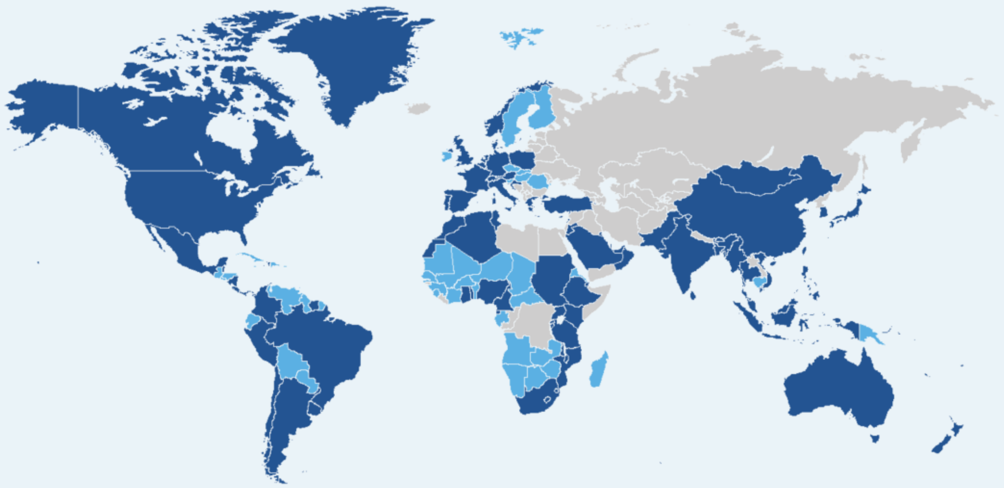
As the authoritative global voice for LPG, WLGA promotes the use of LPG worldwide to foster a safer, cleaner, healthier and more prosperous world.

125
+

Countries

A global membership of producers, distributors, equipment manufacturers and national associations, spanning six continents.

WHERE WE OPERATE



Members active across the Americas, Europe, the Middle East, Africa, Asia and Oceania

Our Mission Is Defined by Four Goals

Advocacy (ADV)

To advocate LPG as part of the solution to future energy challenges.

Safety & Business Improvement (SBI)

To support efficient and responsible business.

Sustainable Growth & Innovation (SGI)

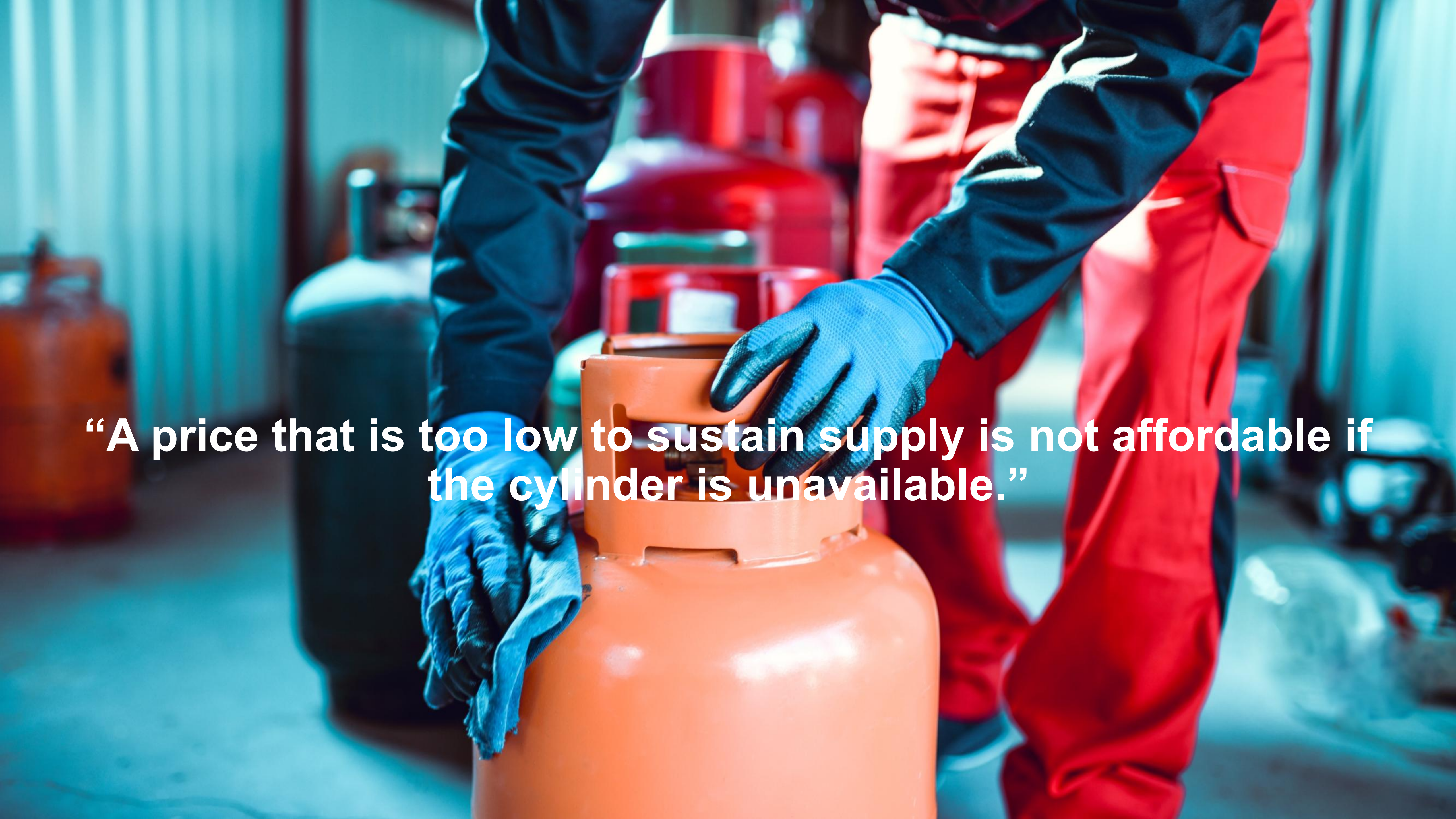
To encourage innovation and support business growth.

Communications & Awareness (COM)

Focus on external and internal communications and LPG Week.

ROADMAP: TWENTY MINUTES, ELEVEN IDEAS

1. The real policy question — 0:00
2. Why LPG markets need investment — 1:15
3. What a functioning price does — 2:45
4. Freedom of enterprise → service — 4:30
5. Competition is designed, not assumed — 6:00
6. Case study: India — 8:00
7. The hidden bill of a suppressed price — 11:00
8. International evidence — 13:00
9. Latin America: the Brazil lesson — 15:00
10. The Colombian opportunity — 17:00
11. Closing: regulate for outcomes — 19:00



“A price that is too low to sustain supply is not affordable if the cylinder is unavailable.”

Every Cylinder Is the End of a Long Investment Chain

Source · **Import & shipping** · **Storage** · **Transport** · **Filling & retail** · **Household**

Each link is a separate, private investment decision, in molecules, vessels, terminals, cylinders, trucks and retail networks. A policy that discourages one link weakens the whole chain.

Price Performs Four Jobs at Once

Availability

Signals scarcity, tells the market where and when more supply is needed.

Efficiency

Rewards the lowest-cost, best-run suppliers; penalises waste.

Investment

Attracts capital into import terminals, storage, cylinders and distribution.

Competition

Gives every supplier a reason to compete for customers on service and price.

A Price Signal Alone Is Not Enough

A price signal must translate into action:

Signal → Investment → More suppliers → Better service → Consumer choice

Entrepreneurs must be free to import, build storage, fill cylinders, establish retail networks and compete for customers.

Without freedom of enterprise, a price signal has nowhere to go.

FREE MARKETS STILL NEED RULES

Safety

Enforceable cylinder and handling standards.

Access

Open, non-discriminatory access to essential infrastructure.

Information

Transparent pricing and published benchmarks.

Competition

Anti-cartel enforcement and predictable licensing.

Targeted support

Subsidies aimed at vulnerable households, not universal price caps.

INDIA: SEPARATING PRICE SUPPORT FROM PRICE CONTROL

2013–2015 — DBTL:

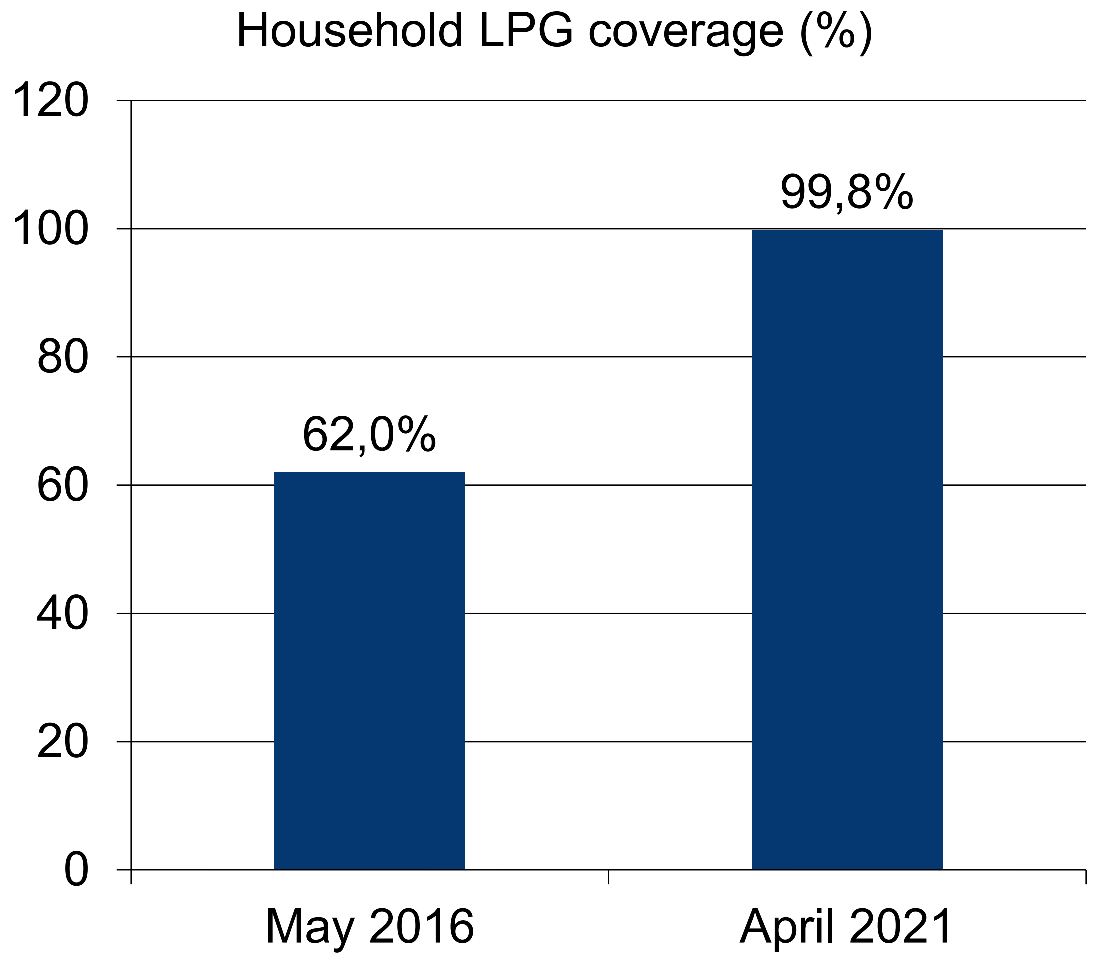
Blanket price subsidy replaced with biometric-linked direct cash transfers; the retail price stayed market-linked.

Over 40 million “ghost” connections removed:

More than 40 million duplicate, fake or inactive LPG connections were blocked or deactivated.

2016–2019 — Ujjwala:

80 million free connections for poor households, target met early (Sept 2019), paired with the market-priced model above.



Someone Always Pays the Gap

Fiscal subsidy

The state absorbs the difference between cost and price.

Delayed reimbursement

Suppliers wait on payment, and cut back on investment.

Shortages & rationing

Supply fails to keep pace with subsidised demand.

Lower investment

Capital moves to markets with a viable return.

Diversion & smuggling

Cheap cylinders leak to ineligible users or across borders.

Poorer service

Less competition, less incentive to serve customers well.

CONTROLS OFTEN SHIFT THE PROBLEM RATHER THAN SOLVE IT

154 economies

are tracked in the World Bank's Global Fuel Subsidies & Price Controls database (2025). Universal LPG subsidies are disproportionately captured by better-off households and are especially vulnerable to diversion, black markets and cross-border smuggling, documented in Algeria, Angola, Bolivia, Egypt and Yemen, among others.

Egypt's 2014 reform:

gasoline +78%, diesel +64%, kerosene +64% in a single adjustment. The subsidy bill, $21bn (about 6% of GDP) in 2013, fell nearly 3 points of GDP in FY2014/15 alone; a 2016 IMF-supported programme pushed further reductions through 2019.

ACCESS POLICY AND PRICE POLICY ARE NOT THE SAME THING

Brazil:

THEN

Pre-1996:
Government-regulated LPG prices helped build near-universal household use across Brazil.

1996–2001:
Prices liberalised (1996); subsidies removed (2001), correcting distortions but straining poorer households and pushing some back toward biomass.

NOW

Targeted support:
the new “Gas do Povo” programme aims support at low-income households rather than the whole market.

Colombia: If it isn’t broken, don’t fix it

Upstream, partially regulated

Ecopetrol supplies 40% of domestic LPG at Mont Belvieu benchmark. Imported LPG at market price.

Downstream, competitive

Licensed distributors, transporters and retailers compete for customers under CREG/Superservicios oversight.

Targeted support & resilience

Support directed at vulnerable households; investment in import capacity and storage to protect supply.

Colombia doesn't need to choose between laissez-faire and universal price control.


“Protect people, not
price distortions.”

Join Us in Istanbul

Liquid Gas Week 2026

12th-16th October 2026 · Istanbul, Türkiye

The premier global gathering of the Liquid Gas industry in 2026, under the theme Resilience in a Changing World.

A strong international programme covering energy resilience and security, supply and demand, safety, applications, marine and infrastructure, plus dedicated Autogas, Trading and Gas Technology days.

More than 120 exhibiting companies and a major global exhibition floor.

We hope to see you there!


In these uncertain times, our industry can make a real difference. We need to act now — together, we can grow to new heights.

Thank You!

JAMES ROCKALL, CEO & MANAGING DIRECTOR · WORLD LPG ASSOCIATION · WWW.WORLDLIQUIDGAS.ORG