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Autogas update 2012

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Illuminating the markets

Autogas: an overview

Nick Black, senior editor, Argus Media
December 2012, WLPGA Asia Autogas Summit

A bad day for a competitor fuel



If you look on the world wide web for autogas...



But when you look for LPG...



Illuminating the markets

What is autogas

- LPG, derived from gas processing or oil refining.
- Hard to categorise: alternative fuel but fossil fuel-derived.
- Propane content of autogas varies from 30-99%.
- A clean-burning transport fuel.
- High energy content.
- In use since 1940s.
- Growth developed as a result of oil shocks in '70s.
- Well-developed infrastructure.
- Success depends on government support

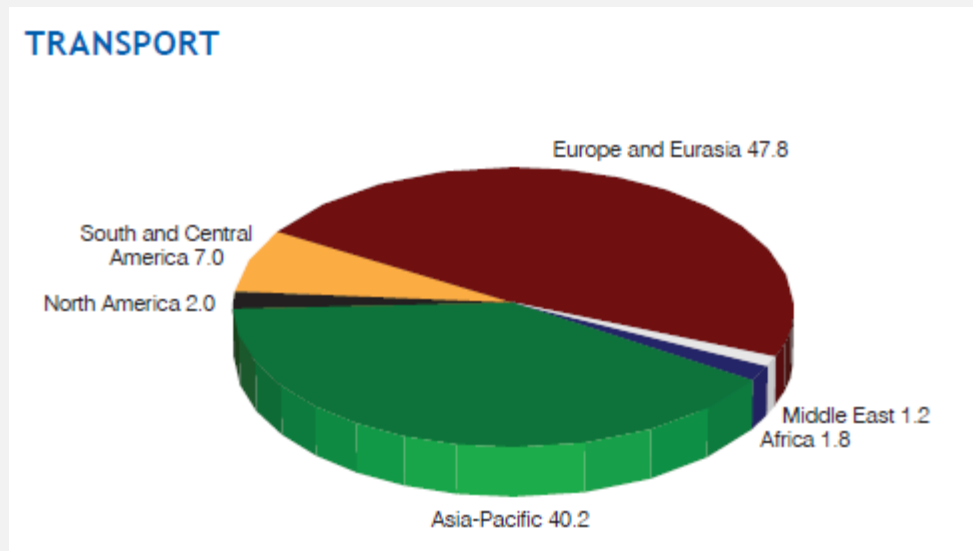
What is autogas

- Autogas has a relatively low “conventional” carbon footprint.
- Even lower footprint taking into account Black Carbon (BC).
- Reduces CO2 emissions by around 20pc compared with gasoline.
- Emissions compare favourably with Diesel, esp BC.
- Octane rating of between 90 and 110.
- Driving range just below gasoline.
- One litre of autogas powers car for 8km
- One litres of gasoline powers car for 10km

Autogas 'official' statistics (2011)

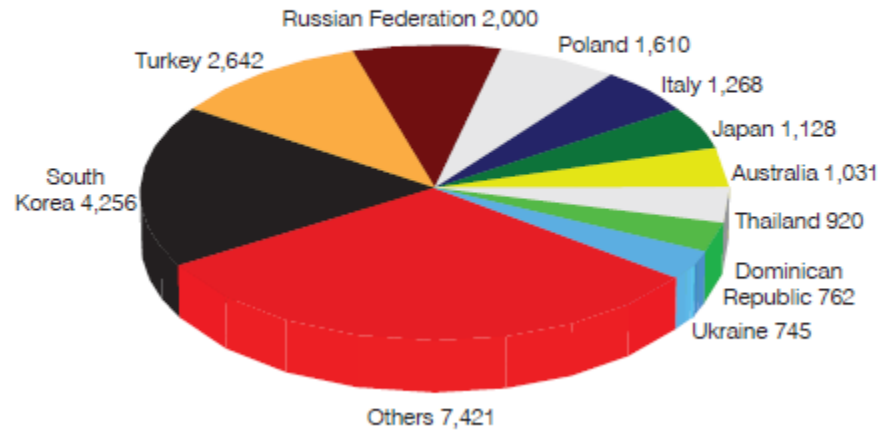
- Global LPG demand 259mn t/yr.
- Autogas demand 23.7mn t/yr, up 3pc from 2010.
- Autogas has around 9% share of global LPG market.
- Over 19.7mn vehicles.
- 65,754 retail sites.
- Market growth still steady.
- Some surprises: Greece, Germany
- US hopes but little progress

Autogas statistics



Autogas statistics

AUTOGAS CONSUMPTION 2011 TOP 10 ('000t)



Key trends Asia (Argus Autogas Survey 2011)



Argus LPG World —Autogas survey

Key Asia-Pacific autogas markets, 2010			
Country	Consumption '000t	Fleet size '000	Retail outlets
Australia	1,147	655	3,200
China*	1,094	141	310
India	350†	1,321	1,078
Japan	1,202	250†	1,900
New Zealand	24	10	546
Pakistan	423	196	40
Philippines	242	30	208
South Korea	4,260†	2,429†	1,611
Taiwan	73	17	26
Thailand	920†	473	561

**includes Hong Kong †figures for 2011*

Key trends Asia (Argus Autogas Survey 2012)



Argus LPG World —*Autogas survey*

- India explores 2 wheeler market
- South Korea: the butane problem
- Japan stresses fuel diversification
- Australia needs government ally
- Pakistan CNG shortage
- Bangladesh CNG shortage
- The markets that still do not want to know
 - China (excl H Kong)
 - Indonesia
 - Malaysia
 - Vietnam
 - Sri Lanka



Key trends America



Argus LPG World —*Autogas survey*

US

“We’ve been promoting autogas to fleets for four years now, and 2011 was by far our best year, and it’s looking like there will be exponential growth in 2012.”

Stuart Weidie, founder of Autogas for America and president of Alliance AutoGas.

Key trends America

US

- 2,000 vehicle conversions per annum in 2009
- 3,000 vehicle conversions pa in 2011
- But tax credits go
- Demand still slips
- CNG formidable competitor



What is going on in the EU

- **Energy efficiency legislation**
 - Savings scheme
 - 1.5pc/yr of sales by volume
 - Might hit autogas
- **When the presidency changes...**
- **Energy tax proposals**
 - Exemption phase-out
 - Flat minimum rate of €500/t
 - Could push up retail prices by:
 - 32pc Poland
 - 62pc Italy
 - 75pc Netherlands
 - 75pc France
- **Council of ministers meeting June: crucial**



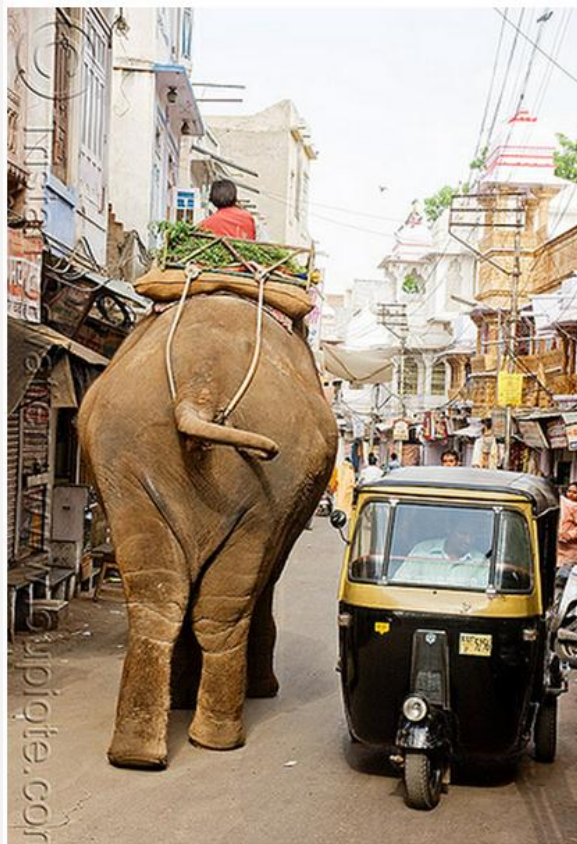
Some questions

- Are we modern enough?
- Are we cheap enough?
- Are we well-known?
- Are we supported by car industry?
- Have we run out of steam?

Some questions

- Does every new retail site include autogas?
- Does each government know who we are?
- Do we advertise?
- Do cities know about autogas as a public fleet fuel?
- Do we offer special financial incentives?
- Are our consumers loyal?

Which one is autogas?



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