



# The World LP Gas Association

By James Rockall

“Natural gas in a bottle” is a description often given to liquefied petroleum gas – the sibling rival that in reality is not a rival at all. LP gas – a mixture of propane and butane – shares many positive attributes with its big brother, being clean, modern energy. Where LP gas differs is that its unique physical characteristics allow it to be liquefied and bottled at relatively low pressures, providing it with the key value of portability. Portability allows LP gas to be used in areas where natural gas has little access – mountainous regions or small island nations. It also makes LP gas an ideal fuel for



James Rockall, Managing Director of the WLPGA.

## WORLD LP GAS ASSOCIATION



Founded 1987 in Dublin

Headquartered: Paris

Member companies: 175

Country representation: >90

### 2007/2008 leadership:

President: Mr Lon Greenberg, Chairman & CEO, UGI Corp, USA

First Vice President: Mr Sarthak Behuria, Chairman, Indian Oil Corporation, India

Vice President and Treasurer: Mr Loïc Driebeek, CEO, SHV Gas, The Netherlands

Vice President: Mr Ramon de Luis Serrano, Executive Director LPG, Repsol YPF, Spain

Vice President: Mr Alan Beale, Managing Director, Elgas, Australia

Managing Director: James Rockall

Website: [www.worldlpgas.com](http://www.worldlpgas.com)

Forum website: [www.lpgasforum2008.com](http://www.lpgasforum2008.com)

mobile requirements e.g. automotive and leisure. This article describes the role of the World LP Gas Association (WLPGA) and focuses on a key WLPGA activity – namely our annual Forum, with a look back at a successful event held last year in Cape Town as well as a preview of the forthcoming Forum to be held in Seoul in September.

### ● Role and objectives

The role of the WLPGA is to promote the use of LP gas to foster a cleaner, healthier and more prosperous world. As the unique body that represents this industry worldwide, we have a key responsibility to assist our members in the following areas:

- Enhancing the awareness of LP gas as a clean, all-purpose and efficient source of energy;
- Identifying and supporting LP gas market development opportunities;
- Promoting good business and safety practices in the industry;
- Representing the industry in policy formulation; and
- Facilitating information exchange and communication.

With our organisation comprising 175 members operating in more than 90 countries across the globe, the WPGA can genuinely claim to be representative of the industry. Our staff in Paris manages a range of programmes, often leading working groups of members to achieve the Association's objectives. A key objective is that of facilitating information exchange and communication and for this our annual Forum is an essential activity.

### ● LP Gas – Fuelling Life: The 20th World LP Gas Forum

Cape Town in South Africa was the venue for the 20th World LP Gas Forum, which was held October 24-26, 2007. More than 500 delegates from 54 countries came together to learn, share experience and network under the theme of "LP Gas – Fuelling Life". For the first time, an additional day was devoted to LP Gas for African Development. Sessions were delivered on topics such as African supply and demand of LP gas, how LP gas can improve women's lives and the role it can play in reducing indoor air pollution and associated ill-health. Speakers also highlighted a number of case studies on the successful use of LP gas in Africa.

### ● LP Gas for African Development Day

The LP Gas for African Development Day opened with a call for the LP gas industry to partner with African governments to ensure a secure, reliable and affordable supply of LP gas. The call came from the Honourable Buyelwa Sonjica, Minister of Minerals and Energy in South Africa, who delivered the keynote address.

Only 37.8% of Africans have access to electricity, hence Africa is known as "the dark continent". The Minister reminded delegates that access to a reliable source of energy is fundamental to the socio-economic development of the continent: "Energy poverty and poverty are inextricably linked." She recognised that issues such as supply and infrastructure need to be addressed before LP gas can achieve its potential in Africa. However,

she was also optimistic that governments and the LP gas industry can work together to overcome these obstacles.

The opening session of the day focused on how LP gas could fuel development in Africa. Chaired by Philip Dobie, Director, UNDP/UNEP Poverty-Environment Facility, United Nations Development Programme (UNDP), the panel covered the following:

- Boubacar Barry, Totalgaz, outlined current and future supply and demand for LP gas in Africa.
- Brenda Doroski, Partnership for Clean Indoor Air, explained how a switch to LP gas could help combat indoor air pollution. More than 1.6 million people die each year from respiratory disease – a move to LP gas could dramatically cut this figure.
- Wendy Annecke, Gender and Energy Research and Training, delivered a paper on the contribution LP gas can make to improving the lives of women in Africa. According to Ms Annecke,



Muzi Mkhize, Deputy Director General, Ministry of Minerals and Energy, South Africa, addresses the 20th World LP Gas Forum.



Panelists on the roundtable held during the LP Gas for African Development Day included (FROM LEFT TO RIGHT): Erwin Friederich, Shell Gas (LPG); Mourad Belguedj, World Bank; Elizabeth Marabwa, DME; and Kimball Chen, ETG.



one of the main benefits of LP gas is that it frees women from the responsibility of collecting firewood. In this way, women would have more time to spend on childcare and education, paid work, or even leisure.

- Dr Philip Lloyd from the University of Cape Town gave a presentation on how LP gas is a safe, efficient fuel for Africa. In particular, he highlighted how it is a much safer alternative to paraffin, which regularly causes fires in townships across South Africa.

The second session on “Putting ideas to work – lessons from Africa” was chaired by Erwin Friederich, Vice President, Shell Gas (LPG). The panel delivered a series of case studies on what works and some lessons learned on a variety of LP gas-related projects:

- Rachid Idrissi, Afriquiagaz explained how micro-finance helped bring clean, modern LP gas to small businesses in Morocco. The initiative enabled agri-tourism schemes and artisan craftspeople to purchase LP gas and equipment which made a positive difference to their businesses.
- Kwame Asubonteng, UNDP, delivered an interesting presentation on public-private partnerships and how they have worked in Africa.
- Erik Charras, VidaGas, shared his experience of setting up an LP gas distribution company in Mozambique. He established VidaGas in order to ensure a clean, reliable energy source to provide light and refrigeration for health clinics across the countryside.

- Anthony Leon, BP, gave an insightful presentation on successful African distribution strategies.

In the afternoon, Kimball Chen, Chairman of ETG, USA, chaired a roundtable on “Unleashing the power of LP gas” Panellists included Elizabeth Marabwa, Petroleum Policy Director, Department of Minerals and Energy (DME) SA, Mourad Belguedj, The World Bank, Erwin Friederich, VP Shell Gas (LPG), UK, Hugo de Meyer, Totalgaz, South Africa and Philip Dobie, UNDP.

They addressed issues such as:

- The importance of governmental energy policy and regulatory framework, as well as overall security. These are all significant factors considered by any company considering an investment in a new country.
- Developing a product which meets the demand and habits of the local population. For example, Totalgaz created a multipurpose tool which can be used for cooking, lighting and heating.
- Putting the infrastructure in place to ensure reliable supply and economies of scale. Without this infrastructure, suppliers do not have access to the marketplace, which in turn means there is no real competition. As a result, the price remains prohibitively high for many.
- Barriers to the availability of LP gas in South Africa, which are also opportunities for the industry. These include, price and infrastructure, security of supply, as well as the establishment of supportive industry for the manufacture of gas cylinders and appliances in South Africa. All panellists were agreed on the necessity for stakeholders to work together and share a common vision.

Scholastica Kimaryo, the Resident Representative of UNDP activities in South Africa wrapped up proceedings by announcing the establishment of a new LP gas investment facility in South Africa. The initiative aims to:

- Focus on market development;
- Remove obstacles to market investment; and
- Encourage investment for local development.

The facility should reduce risk to investors and provide seed capital to encourage local entrepreneurship.

Minister Sonjica summed up the mood by the end of the day when she said: “The time to invest in Africa is now....It is within our grasp to promote and fuel economic empowerment.” She thanked the WLPGA for bringing the World Forum to South Africa and for dedicating a day to discussing issues central to African development.



In his keynote address to the Forum, Tokyo Sexwale declared LP gas to be the ideal fuel for many in Africa today.

### ● Outstanding keynote addresses

During the Forum, outstanding keynote addresses were delivered by Ms Buyelwa Sonjica, Minister of Minerals and Energy, South Africa, who spoke on the importance of energy in African development and Mr P. Raghavendran, President, Refinery Business, Reliance Industries Limited, India who shared his market perspective from another developing country, India. Mr Tokyo Sexwale, Chairman, Mvelaphanda Group Limited, South Africa and one of the forerunners in the upcoming South African Presidential race painted a very positive picture of Africa in the 21st century. According to him, LP gas is the “convenient truth” and the ideal fuel for many in Africa today.

### ● Informative, stimulating presentations

Over the course of the three days, 35 presentations and two roundtable discussions covered a wide range of topics. In addition to the sessions on LP Gas for African Development, leading experts also spoke on:

- The global and regional outlook for LP gas;
- New prospects and growth opportunities;
- New product development and innovation;
- Good practices for sustainable growth; and
- Fuelling clean cities.

### ● Networking a priority

One of the principle benefits for many who attend the World LP Gas Forum is the networking opportunities and the WLPGA was particularly happy with

some of the meetings that were hosted between the local stakeholders as side events during the Forum.

As always, the social events were well attended by delegates eager to make the most of their visit to the “Jewel of Africa”. The WLPGA members’ dinner was held in the Castle of Good Hope, while the Arabella Sheraton Hotel set the scene for the welcome reception. Guests were treated to the finest South African food, wine, music and dancing in the Moyo at Spier for the Gala Dinner.

### ● Next Forum: Seoul, South Korea

The WLPGA was delighted with the success of the 20th World Forum. The LP Gas for African Development day helped pave the way for the further development of the LP Gas industry which will improve the quality of life for many in Africa. The Forum delivered an outstanding quality of speakers and presentations which delegates have now come to expect from the World LP Gas Forum.

Our 21st Forum will take the industry to Seoul, Korea. “Clean Energy for a Low Carbon World” is the theme of the 2008 Forum which will be jointly organised with the Korea LPG Association. Within the broad context of LP gas as fuel that can contribute to reducing climate change, experts from across the world will cover issues such as: global supply and demand; regional developments; market segment analysis; and good practices. In addition, following the enormous success of our first Global Technology Conference (GTC) at our 19th Forum in Chicago in 2006, we shall organise a second GTC in conjunction with the 21st Forum in Seoul, showcasing new developments and innovation in the LP gas business from across the world.

We expect these three days to deliver one of the most complete events ever organised for the LP gas industry. This conference and exhibition represents enormous value and is an unrivalled opportunity which you simply cannot afford to miss.

*James Rockall is the Managing Director of the World LP Gas Association ([www.lpgas.com](http://www.lpgas.com)).*