



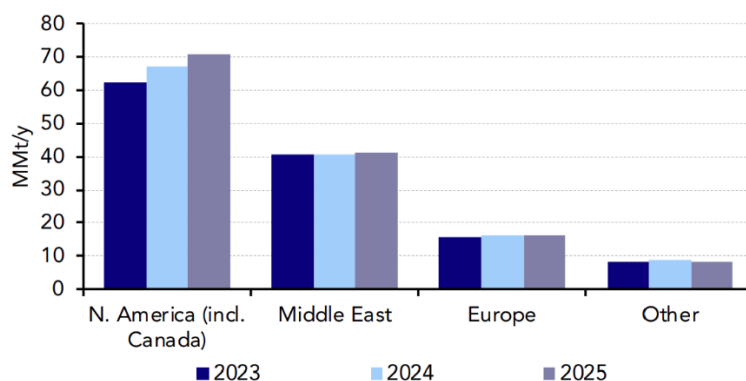
LPG Market Outlook

Growth in 2025 Driven by Northeast Asia and the US

The global LPG import and export forecasts have been extended to include 2025 this month. North American LPG exports are forecast to see the most growth from now until 2025, driven largely by US export growth, both on a percentage and tonnage basis (see US section following). Exports from the Middle East have risen by 11% y-o-y in 1H 2023 and are forecast to reach 41 MMt in 2023. LPG exports are expected to see a slight decline to 40.5 MMt in 2024 on the assumption that OPEC+ maintains production quotas.

Given the current global macroeconomic environment, there is little at present that would indicate a rise in oil demand that would, in turn, convince OPEC+ to increase output in the near term. However, LPG exports from the Middle East are forecast to increase by about 900,000 t from 2024 to 41.4 in 2025 on the assumption of higher oil and gas production from the region by that time.

LPG Export Forecast by Region



On the import side of the forecasts, Southeast Asia is forecast to see the most growth on a percentage basis between 2023 and 2025 at 14%, to roughly 17 MMt by 2025. Declining domestic supplies in Southeast Asia are expected to increase import requirements. Moreover, India and Northeast Asia are forecast to see 11% and 10% growth over the same period, respectively.

Northeast Asia will see the highest growth on a tonnage basis at 5 MMt from 52 MMt in 2023 to 57 MMt in 2025 driven by the expansion of the petrochemical sector in China. However, growth from China will be offset by flat to declining imports for Japan and South Korea.

Chinese imports hit a record in May on rising PDH demand, causing an upward revision to the overall forecast total of 31.3 MMt in 2023 compared to 29.1 MMt, previously forecast. The rise in imports in May was largely driven by higher operating rates at PDH units. Operating rates rose from a low of 57% in March to 80% in June. Operating rates are anticipated to remain around 80% and imports are forecast to average 2.7 MMt/m in 2H 2023 compared with 2.5 MMt/m in 1H 2023.