

# LPG Market for BULGARIA 2009

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Sources:

Bulgarian Petrol & Gas Association

Toplivo Company Market Data

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## Presentation Content:

Overview of the Bulgarian LPG market (market trends)

Market Size

Segments of LPG sales

Main Players on the LPG market members of BPGA

Wholesale Market Shares

Main Supply Sources

## Overview of the Bulgarian LPG market:

The **Bulgarian LPG market** has grown strongly in recent years, although the pace of expansion in 2009 has slowed down, due to the 2008 stock market crash. The total consumption of LPG in 2009 has dropped with approximately 6% comparing to 2008.

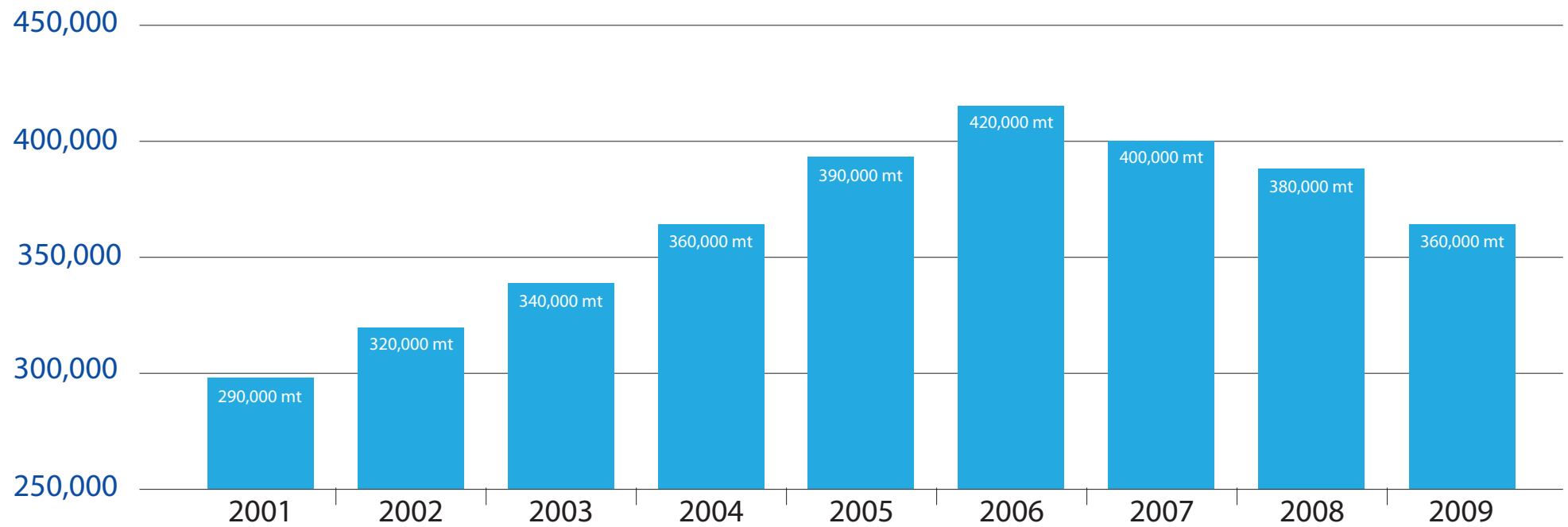
For the past 10 years (since 1999) the **auto gas** consumption has trippled, despite the fact that excise duty was introduced in 2003. The current duty at 0.19lv/litre, is none the less well below that on diesel and gasoline. As a result of that autogas retains strong price advantage at the pump, where an estimated 90% of taxis and minibuses and about 1/3 of private cars are able to run on autogas.

Less **profit margins** in the wholesale market, some of the reasons are:

- High VAT tax (20%) and high excise duty on petroleum products (Bulgaria is in the mid-high level of tax & duty amongst the EU countries)
- Wholesale price is really based on "Platts" or "Argus" quotations, prices are controlled by the monopole player on the market.
- Suppliers are more reluctant sell to Bulgaria, since other Eastern European Countries have higher demand and price rates.

## Market Size:

estimated 360 000 m ton/year (2009)



## Segments of LPG sales:



### 85% Autogas consumption

- PROFIT - Fluctuating profit margin (daily prices based on "Lukoil-Bulgaria")
- POINT OF SALES: Gas Stations
- QUALITY STANDARD 40/60 summer - 60/40 winter

### 10% Cylinder consumption

- PROFIT - Relatively higher profit margin (for retail sales) than autogas
- POINT OF SALES: Retail/Gas stations, Dealer depots, Delivery (main market shares: ToplivoGas & Vitogaz)
- QUALITY STANDARD 40/60 summer - 60/40 winter

### 5% Bulk consumption

- PROFIT - Good profit margin but can't compensate the small segment of sales
- POINT OF SALES: Mainly commercial (Hotels, Factories, Restaurants...), and some residents
- QUALITY STANDARD Propane 90% + or cylinder standard 40/60 summer - 60/40 winter

## Main Players on the LPG market

members of BPGA:

LUKOIL Bulgaria

PETROL

SHELL Bulgaria

OMV Bulgaria

TOPLIVO / SNG

EKO Bulgaria

ROMPETROL Bulgaria

VITOGAZ Bulgaria

BULMARKET

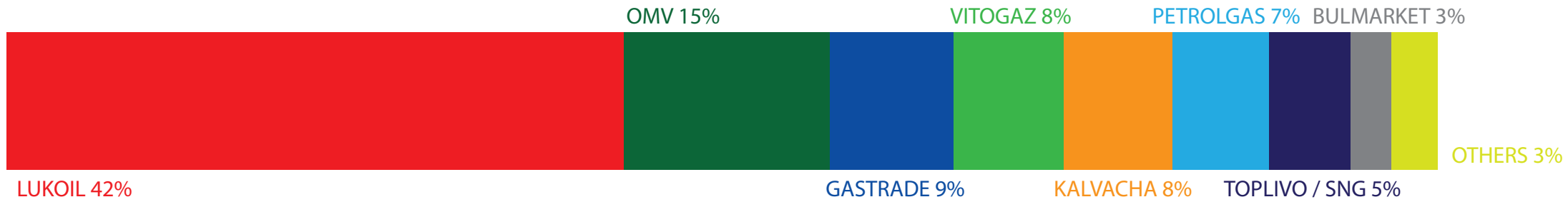
KALVACHA GAS

GASTRADE

\*BPGA - Bulgarian Petrol & Gas Association

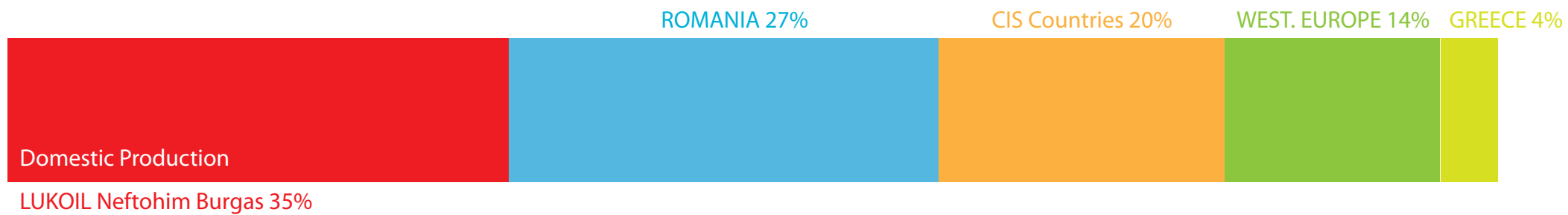
# Wholesale Market Shares:

(LPG production & import)



# Main Supply Sources:

(LPG production & import)



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