

DEEPENING LPG MARKET

GOVERNMENT POLICES
AND
GOVERNMENT PARTICIPATION

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POLICIES

TAX INCENTIVES

- Companies investing in LPG Infrastructure should enjoy some TAX INCENTIVES



TARIFFS REDUCTION

- Raw materials for production of cylinders
 - Steel
 - Valves
- Regulators and hoses
- Cookers
- Trucks
- Pumps | Compressors | Filling Heads |
Other plant equipments



VAT AND DUTY WAIVER

- Around 2005/2006 import duty and VAT were waived from LPG totally by Federal Government.
- Ministry of Finance, FIRS and Customs need to recognise this waiver and make LPG non-VATable across board.



DEREGULATION

- Pricing model: LPG is deregulated. AGO is partially deregulated, while DPK, HKK and PMS are subsidised.

PARTICIPATION

CYLINDER SCHEME & OTHERS

- Easy access to cylinder acquisition is the fastest growth move.
- LPG use in vehicles (e.g. Taxis | BRT Buses | Other Government vehicles).
- LPG use in homes for cooling | Cooking | Heating.
- LPG for Power Generation.



DPR / SON

○ DPR

- Licensing of plants to be simplified and faster
- Regulation to be reviewed to include provision for filling in filling station outlets
- Regulation to be made for other filling forms (e.g. with trucks for bulk filling)

○ SON

- Expand activities to include valves and other accessories
- Stop travelling to home country of manufacturers
- Step up local monitoring of distribution of sub-standard imports

DPR

SON

Awareness Programme:
Federal Ministry of Environment
Federal Ministry of Petroleum

Awareness Programme [1]:

- Federal Ministry of Environment and Federal Ministry of Petroleum should be at the vanguard of the promotion of LPG use as they both have direct responsibility for the growth and effect of the growth.

Awareness Programme [2]:

- Federal Ministry of Environment should
 - Have a programme to promote LPG use especially as a campaign. against desertification and tree felling. Cylinder distribution to the rural areas can achieve this.
 - Strong legislations against tree felling for firewood.
 - Encourage dual fuel vehicles. (Petrol/LPG)
 - Encourage power generation, heating and cooling using LPG in homes.