



**ICIS China Propane and Butane Market Research and Outlook** provides detailed information on China's butane and propane industry. This includes a supply and demand analysis and forecast for the next three years, an assessment of the competition from natural gas and the impact of government policy changes on imports.

The report aims to assist international traders, producers and Chinese importers in formulating their business strategies and investment plans.

## Overview

China's net imports of propane and butane amounted to 2.49m tonnes in the first half of 2014, 2.5 times the imports in the same period in 2013, as most Chinese importers were bullish about the market outlook. However, the importers started suffering steep losses from July as the domestic liquefied petroleum gas (LPG) prices plunged as a result of the government's new value-added tax (VAT) policy on petroleum products.

China continues to import propane and butane amid increasing demand from deep processing plants, although LPG demand has been falling as a result of rising competition from natural gas since 2010.

China's propane imports are expected to increase in the coming three years, with at least six propane dehydrogenation (PDH) units to come on stream.

China's demand for butane is also expected to rise significantly as many deep processing units using butane as feedstock will be put into operation in 2014-2015. These units include butane dehydrogenation (BDH) units, propylene oxide (PO) units and maleic anhydride (MA) units.

**The ICIS China Propane & Butane Market Research and Outlook** will present subscribers with an analysis of propane and butane demand from deep processing plants, competition from natural gas, demand for domestic LPG from deep processing plants and the impact of the government policies on propane and butane imports.



Supply/Demand  
data



Industry  
analysis



Government  
policy



Data  
survey



Investment  
research

## Hot issues covered in the report:

- How much propane and butane will China import in 2014-2017?
- Was the surge in propane and butane imports in early 2014 boosted by actual demand?
- Will China's demand boost the business of international trading firms in the next three years?
- What is the demand outlook of LPG for burning purposes and as a chemical feedstock in China?
- In which regions are potential consumers largely located?
- What impact does consumption tax, VAT and environmental protection policies have on supply and demand?
- What are the risks foreign companies face when entering the China market?

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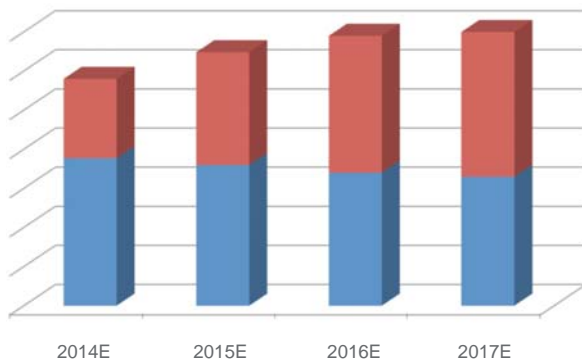
- Import procedures for propane and butane
- Analysis of policies affecting future propane & butane supply and demand

With over 30 years in the industry, ICIS is recognised internationally as a leading source of market information. Our insights on the Chinese market provided by our local-based experts in the region, combined with the expertise of our global analytical team, ensure that global market players receive unrivalled and independent insights into China's opaque propane and butane markets.

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## Snapshots

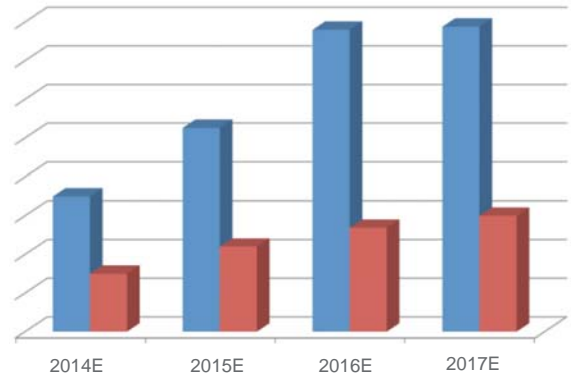
Forecast on China's LPG Demand (2014-2017) (Sample)



Source: ICIS C1 Energy

■ Demand from chemical sector  
■ Demand for burning purpose

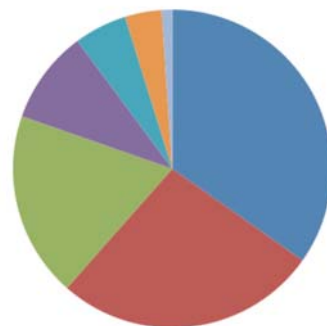
Forecast of China's Propane, Butane Net Imports (2014-2017) (Sample)



Source: ICIS C1 Energy

■ Propane ■ Butane

China's LPG Supply by Specification



■ Etherified C4 ■ Raffinate C4  
■ Other burning LPG ■ Butane  
■ Ultraclean LPG ■ Others  
■ Propane

Source: ICIS C1 Energy

China's Alkane Deep Processing Units under Construction

Region	Owner	Type of unit	Capacity ('000 tonnes/yr)	Time of planned start-up	Province/City
Shandong	Jiahao New Energy	BDH	100	September 2014	Dongying
Shandong	Yantai Wanhua Group	PO	240	2015	Yantai
Shandong	Qifa Petroleum & Chemical	MA	40	August 2014	Dongying

Chinese LPG Producers' Commercial Output by Specification

Producer		Output (tonne/day)							
Region	Company	Raffinate C4	Etherified C4	Propane	Butane	N-butane	Iso-butane	Ultra clean	Other burning gases
East China	Gaoqiao Petchem		250	125					1,000

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