

PRESS RELEASE

THE ROLE OF NGC IN THE LPG SUPPLY CHAIN

[Friday, September 20, 2019] – The supply chain for LPG (“Butane”) involves importation from external suppliers, storage, distribution, and retail sales. National Gas Company (Belize) Limited (NGC) will be involved in the importation, bulk storage, and wholesale of LPG. **LPG Sales by NGC will be limited to bulk sales through the Big Creek Terminal and the two regional depots in Orange Walk and Belmopan. For clarity, NGC will not be involved in the distribution and retail sales of LPG.**

NGC will issue a tender for supply to the terminal in Big Creek. The facilities at Big Creek will be able to receive bulk supplies by ship and store 1.5 million gallons of LPG. There are many traders in the region interested in supplying the terminal including the three current importers in Belize; **Gas Tomza Limited, Belize Western Energy Limited (Tropigas), and Southern Choice Butane Limited (Zeta Gas Belize) who have their own ships and will be encouraged to bid for the bulk supply to the terminal.**

The ability provided by the project for Belize to receive direct shipments from the US Gulf Coast will **improve logistical efficiencies and associated costs** of the delivery of LPG to Belize and at the same time **enhance Belize’s energy security and regulatory oversight** of the LPG industry by having large quantities on hand and established facilities for inspection and testing.

The distribution and retail sector supply chain in Belize will not be interrupted and will be able to continue functioning as is. The main difference is that the LPG will be brought into the country by ship as opposed to a daily flow of international trucks crossing the Benque/Melchor border. **The investments made in the retail distribution infrastructure by the current players**

will still be relevant and continue to play a significant role in the efficient distribution of LPG to end consumers.

The **regulated wholesale price and the quality** of LPG (certified ratios of propane and butane in the blend by the Belize Bureau of Standards) **from NGC will be the same for all buyers.** This will **encourage further development and competition** in the distribution and retail sectors in the LPG industry. The consumption of LPG is expected to continue to grow and with the introduction of the terminal **an increase in jobs and other industry-related opportunities is anticipated.**

Through the National Liquefied Petroleum Gas Project, **the supply of LPG to consumers in Belize will be more secure and regulation of prices and quality will be significantly enhanced.** The Public Private **Partnership (PPP) model is a proven economic development mechanism** employed by governments to leverage private sector's technical and financial strengths and resources to provide needed public infrastructure.

For further information on the project please visit our website at www.nationalgas.bz or email us at info@nationalgas.bz.

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