

## Overview of the Latin America LPG Market

The Latin America LPG market is a significant and growing sector that plays a vital role in the region's energy landscape.

Even with considerable domestic production of LPG, Latin American countries have historically depended on imports — a trend that continues today.

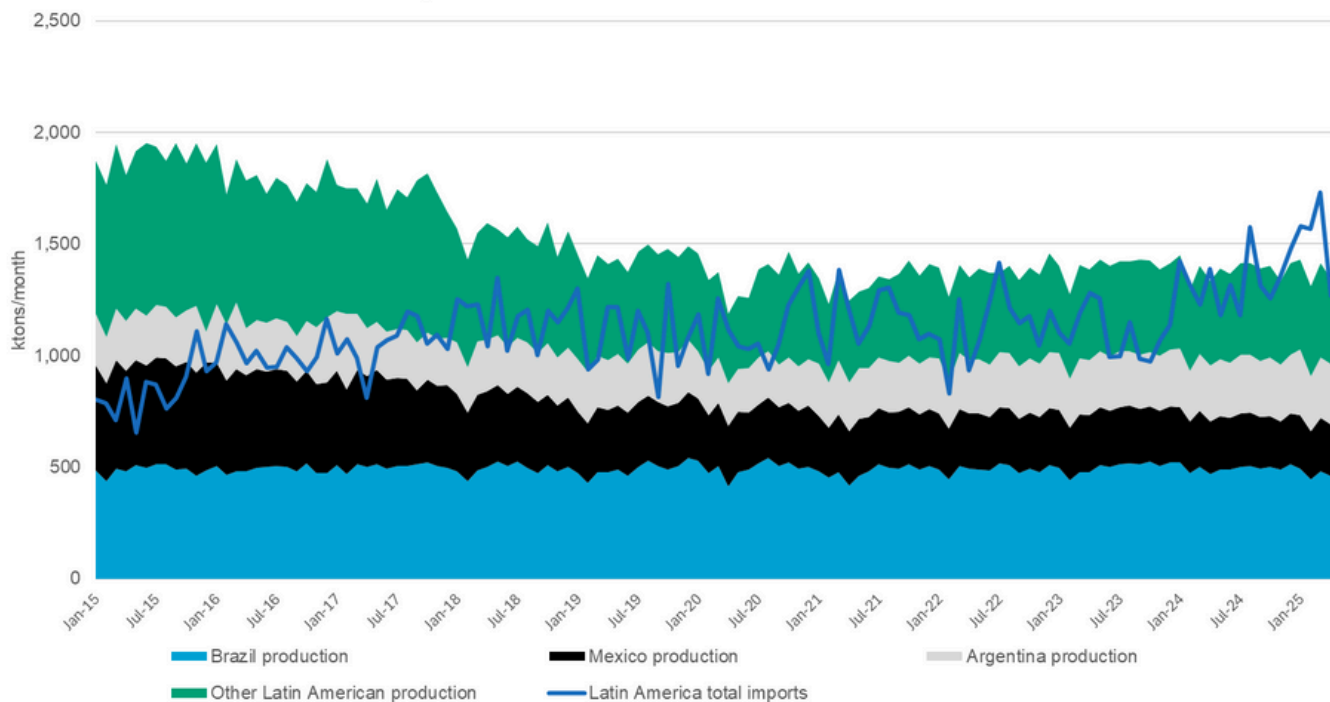
Over the past 10 years, LPG imports have generally increased while regional production has declined.

Brazil is the largest producer, followed by Mexico, Argentina, Peru, and Venezuela. In January 2015, Latin America produced 1,872 kilotons (kt) of LPG and imported 802 kt. By January 2025, production had fallen to 1,431 kt, while imports rose to 1,580 kt.

### Residential Demand in Latin America

The residential sector accounts for the majority of LPG demand in Latin America. Consumption has steadily increased over the past decade, with a notable jump in the last two years.

**Latin American LPG Production and Imports**



Source: OPIS, A Dow Jones Company

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Infrastructure is the main driver. Natural gas pipelines often do not reach rural or remote urban areas, making LPG — which can be transported in cylinders and canisters — an accessible and portable solution for millions of households.

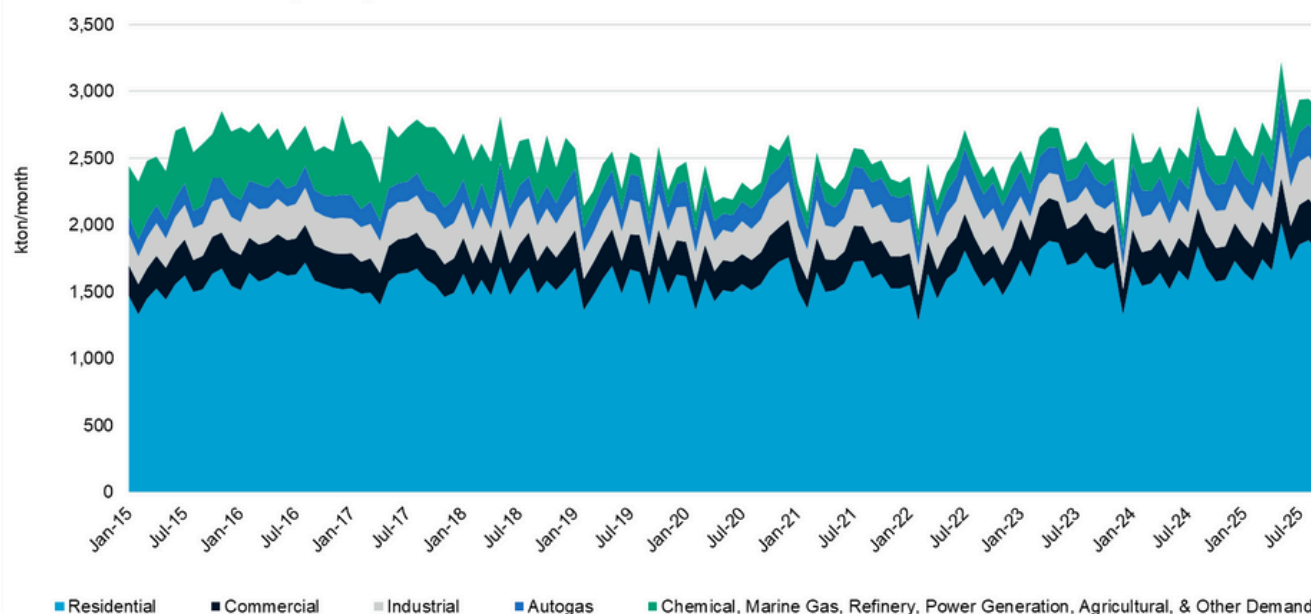
Price and public policy are also important factors. In many countries, residential LPG is subsidized, making it more affordable for low- and middle-income populations. Meanwhile, commercial and industrial demand for LPG has also expanded in recent years.

### Propane and Butane Market Trends

Propane accounts for the largest share of both LPG production and imports in Latin America, with propane imports far outpacing butane imports from 2015 to 2025.

Regional propane and butane imports have shown an upward trend during this period, particularly since 2020, reflecting the region's growing reliance on external markets to meet demand. Production of both gases has remained relatively stable over the decade, falling short of consumption growth and driving increased imports.

Latin America LPG Consumption by Sector



Source: OPIS, A Dow Jones Company

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### Propane and Butane FOB Market Trends

The United States supplies much of Latin America's LPG imports, making Mont Belvieu prices increasingly influential in the region. OPIS assesses benchmark Mont Belvieu LPG prices as well as FOB U.S. Gulf Coast premiums for spot cargoes. These premiums represent the cost for spot loading slots, which are added to the commodity price.

In the past six months, USGC FOB premiums for full-propane cargoes averaged +5.08 cts/gal for the prompt month-ahead loading period — consistent with the range mostly observed since OPIS began assessing them in 2019. However, premiums can spike when demand is strong and shipping costs are low. In 2024, they averaged +15.34 cts/gal, and in the first three months of 2025 they averaged +10.04 cts/gal. Premiums have since declined sharply as freight rates increased and new U.S. NGL export capacity came online.

### Mont Belvieu Market Overview

Mont Belvieu LPG is nearing the end of its shoulder season, as domestic markets prepare for winter heating demand for propane and gasoline blending demand for butane.

Propane prices have been range-bound, with gas and oil production more than sufficient to meet both domestic and export needs. Storage builds have also kept pace, reaching the 100 million bbl threshold by late September — 2.5% above last year and more than 11.5% above the five-year average, according to Energy Information Administration data.

Spot propane prices for Mont Belvieu non-TET, representing product from Enterprise Products Partners caverns, ranged from 66.125–70.375 cts/gal in September. TET (Energy Transfer) propane averaged 69.25–72.5625 cts/gal.

Meanwhile, non-TET normal butane climbed from the low 80s cts/gal in August into the low 90s in September, driven by export demand competing with the seasonal increase in gasoline blending — which typically accelerates in October.

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