



Interview with...

Mrs Evamaría Uribe

President of Gasnova in Colombia



WLPGA: Evamaría, please tell us a little about GASNOVA and its key activities?

Evamaría Uribe: GASNOVA, the Union of Colombian Propane Gas Companies, was created in August 2013, as a response to the need to meet the new challenges posed by the development of the LP Gas sector in Colombia over the last 5 years. Major business groups from Colombia and other Latin American countries invested over USD 350 million in the sector in order to formalize business practices in the market, renew the cylinder and filling facilities, and modernize the transport fleet, among other changes to administrative, operational and business systems, which are now a benchmark for the region. The Colombian LP Gas market stopped using the universally known cylinder and adopted individual companies registered commercial brands for the commercial and business use of cylinders, which meant substantial changes to the corporate operations of the industry.

The association was created with 3 main objectives:

- Working towards regulatory and governmental treatment that is equal in conditions associated with other energy sources, especially Natural Gas. Today, LP Gas does not compete under the same conditions as other hydrocarbons in the Colombian market, which motivates us to promote equal treatment in the sector, and to promote competitive diversification of the energy basket. Fortunately, we have obtained good reception from the central government on this issue.
- Supporting Colombian LP Gas companies in their dialogue with the authorities in order to combat illegality in the sector (illegal wholesale trading; smuggling; illegal filling of brand registered cylinders and subsequent handling of cylinders without minimum security measures by illegal traders; violation of standards regarding quality, weights and measures, etc.) GASNOVA is looking forward to support the legal trading and formalization of the LP Gas industry.
- Promoting the use of LP Gas in other sectors beyond traditional home use. Without neglecting the strategic enclave of residential consumption, great opportunities are opening up in Colombia for Autogas, as a fuel for vehicles, including river and maritime transport. Likewise there is a strong potential to support the generation of electricity based on LP Gas fuel, and to encourage its use as a general motor fuel, in industry as well as in agribusiness.

In January 2014, WLPGA brought the latest in the very successful Regional Summits series to Colombia – Exceptional Energy for the Andes – how do you feel this may have stimulated or helped bring knowledge to the market?

The Colombian Regional Summit was a great success. It provided a forum to demonstrate the Colombia's progress and hard work towards formalizing the business of the LP Gas sector, which serves as a reference for other cases around the world.

Likewise, the event allowed us to show to the relevant authorities that LP Gas has immense potential as an alternative exceptional energy that is environmentally sustainable and versatile, which contributes to its importance in the national energy basket, an issue that we have perceived be relatively unknown in the country so far. The Summit was an important step in our goal to illustrate to Colombians the multiple applications of LP

Gas and the growth prospects of the industry, which helps to change the traditional and narrow view that LP Gas is only for domestic use.

And what about the main opportunities for the market in Colombia at the moment?

Today, GASNOVA is accompanying the Ministry of Mines and Energy before the Congress of the Republic of Colombia in its approval of a law that opens the way for new uses of LP Gas, for example as fuel for engines, not only in vehicles but also as an alternative fuel for the generation of electricity, industry and agribusiness.

This demonstrates the growth in supply of LP Gas, which will be produced in Colombia starting in 2016, due to the need to exploit the underlying reserves in the Cusiana and Cupiagua fields in Colombia's eastern plains, which requires the need encourage its consumption, and to open greater opportunities for expansion of the sector.

What do you see as the key challenges in your market today?

We believe that it is crucial to work towards the equal and symmetrical treatment of all energy sources, from the point of view of governmental, regulatory and energy policies. Today, LP Gas does not have the same benefits as other fuels. For example, we have pointed out to the Authorities the series of indiscriminate subsidies that benefit the expansion of networks, connections and consumption of Natural Gas, which is coming to sites in remote and dispersed regions that have traditionally consumed Propane Gas, as result of the artificial lower cost supplies in these sites derived from the subsidies the Government is providing. Current energy policy substantially impairs the conditions for competition between these two fuels, at the expense of LP Gas.

The work that has been done by GASNOVA has been well received by the Central Government, given our focus on the need for Colombia to diversify the nation's energy supply, which will guarantee a balanced and sustainable development into the future. We are very optimistic and hope that in the short and medium term we will achieve fair and equal treatment in the regulatory policies and frameworks in order to allow LP Gas to compete on equal footing, and allow users to freely choose which energy source they would prefer to consume.

Source: WLPGA