The segment structure of the LPG market in Poland in 2016 did not undergo a substantial change in comparison with 2015. It should be noted, however, that the share of the segment of gas used as car fuel increased by 1.1%, reaching the level of 76%, and the share of bottled gas segment was at the level of 12.1%.

The sales of gas to fixed tanks (excluding the gas used as car fuel), for heating, amounted to 11.9% of the total sales in Poland. In the previous year, the share of the bottled gas segment was 1.3% higher than the share of gas in the fixed tanks segment, in the entire market. Such result is due to another year of dropping sales of bottled gas, with simultaneous increase of gas sales to tanks. The total sales of gas used as car fuel amounted to 1,790 thousand tonnes in 2016, which marks a 5.9% growth on a year-on-year basis.

The average annual sales of LPG per filling station in Poland amounted to 2,977 thousand in early 2016, which meant a net growth by 63 thousand tonnes. In comparison with 2015, the average annual sales of LPG per station increased by 6.5%, which was due to a reduction of the number of stations by 30, and sales increase by 100 thousand tonnes.

According to the automotive market analysts, nearly 110 thousand LPG car fuel installations were fitted in cars. The understimation of the number of installations results mainly from a vehicle registration system that was still far from perfect, dividing them according to the type of fuel used. Motor vehicles with LPG installations amounted to 14.5% of all motor vehicles, a year before it was 14.8%.

The share of vehicles running on petrol dropped from 56.4% to 55.5% year-on-year, which also was due to a slight reduction of the number of vehicles with LPG fuel installations, due to the hybrid nature of vehicles with dual fuel - petrol/LPG systems. The share of vehicles with diesel engines increased from 28.9% in 2015 to 29.9% in 2016.

Taking into account the CC (engine capacity), the structure of passenger cars depending on the type of fuel was as follows in 2016:
- below 1399 cm³ - LPG: 10.7%, petrol: 85.8%, diesel fuel: 3.4%
- 1400 to 1999 cm³ - LPG: 17.3%, petrol: 37.3%, diesel fuel: 45.4%

It is worth noting that 57 tractor units running on LPG were added in [2016] and the number of trucks that had the permissible payload of 1,500kg or more, tractor units included, exceeded 10,300.

The proportions of fuels used in different provinces did not change substantially. In the coming years, LPG will continue as an important alternative fuel in Poland.

According to early 2016 data, Poland had 7,765 electric vehicles and 5,351 vehicles provided with compressed natural gas (CNG) installations. The age structure of the car fleet in Poland did not change much, with 22.7% of all cars being 16-20 year old, 13.1% of the cars are more than 31 years old. Cars that are less than 5 years old, as well as 9-year old cars both account for 6.3% of all cars, while the car age range of 20-30 years accounts for 19.6% of the total number of cars. An opportunity for the LPG fuel market may come from the planned changes in legislation, which take into account the emission levels of cars in use, and particularly aim at eliminating the irregularities in case of vehicles running on diesel fuel.

Despite the technological progress made in the gas fuel segment, development opportunities exist, e.g. in the LPG/diesel applications. Liquid gas has not been properly considered in the assumptions for the low emission economy, or in the so-called package for clean transport. The opinions concerning the alleged preferential treatment of liquid gas by Polish government were not justified, having in mind the fiscal policy of other EU Member States.

Due to the importance of the segment of liquid gas used as fuel in Poland, as well as the alleged privileged position of that product in comparison with petrol, Fig. 5 shows the proportion of excise duty for LPG to excise duty for petrol in Italy, Holland, Poland, and Germany in 2016.

The portion of excise duty for LPG used as car fuel to the excise duty for petrol in Poland is nearly 7,3% higher than in Italy, where at the end of 2015 2,1 million vehicles were running on LPG. In Holland, the excise duty rate for LPG used as car fuel amounted to 24.5% of the excise duty for petrol, while in Germany only 15.5% of the excise duty for petrol for sulphur content below 10ppm.

Source: POGP

* Cit. Ministerstwo Energii, Krajowe ramy polityki rozwoju infrastruktury paliw alternatywnych. 2016.