

Myanmar

Integrated Liquefied Petroleum Gas Project (Phase I - part 2) (Phase II)



LPG extraction plant

Outline of Loan Agreement

Loan Amount / Disbursed Amount	15,060 million yen / 15,060 million yen
Loan Agreement	August 1982 / January 1983
Terms & Conditions	Interest rate 2.25%p.a. Repayment period 30 years (Grace period 10 years)
Final Disbursement Date	July 1987 / January 1988

Project Outline

This project constituted part of the Liquefied Petroleum Gas (LPG) Development Project being undertaken in Myanmar and involved the construction of an LPG extraction plant and shipping facilities, targeting increased exports of LPG.

Results and Evaluation

The project covered the establishment of an LPG extraction plant (capacity 30,000 tons/year) using gas produced at the oil field located some 6km north of Yangon, and the construction of LPG terminals and pipelines for shipping a total of 53,000 tons/year LPG, including the output from two refineries.

The LPG extraction plant went into operation in early 1987, however, to date, actual LPG production has been roughly 6,000 tons/year and has fluctuated at around 20% of the target volume. This is attributed to lower gas deposits than predicted, with gas supplies to the plant at around 60% of planned levels, and to low content ratios of active ingredients, which are less than half of planned levels.

Meanwhile, production volumes of LPG at the two refineries have also fallen short of projected levels due to shortages of crude oil for processing, and overall pipeline transport volumes are between 8~12 thousand tons annually, fluctuating at around 20% of the targeted level (expansions to refinery facilities resulted in transport volume increasing to almost 15,000 tons/year in 2000). Moreover, in terms of supply destination, increases in domestic demand mean that produced LPG is supplied to the domestic market instead of for export as planned.

Although this was the first LPG project to be implemented in Myanmar, technology transfers made to date have enabled the facilities to be operated and maintained in good condition.