

# Say no to anymore LPG !!



**Bio Energy Association of Sri Lanka**

## Executive Summary

Sri Lanka is in a severe energy crisis, perpetuated by the over dependence on imported fossil fuel based energy sources, oil coal and LPG.

The problems of the shortage and cost of LPG, the preferred cooking fuel, may be the most urgent to be resolved.

Fortunately for us in Sri Lanka, an alternative to Liquid Petroleum Gas (LPG), which can be converted to a paradigm shift of great national value exists, while ensuring a reasonable commercial return as well. The analysis of cost of cooking fuel for an average family using different fuel options, illustrates the financial benefit to the householder over 60% savings from use of LPG, in adopting this change without sacrificing their lifestyles.

The CBSL statistics reports that the cost of imports of LPG as US \$ 236 Million ( Rs 43.812 Billion ) in year 2020. It is proposed that a minimum of 50% of this can be used as the target for the change over during the coming 3 years.

### Supply of Stoves

The number of stoves of acceptable quality using either dried and processed fuelwood or wood charcoal are estimated as

- |   |           |
|---|-----------|
| 1. Domestic users weaning away from use of LPG -            | 1,500,000 |
| 2. Those taking up improved stoves from traditional cooking | 500,000   |
| 3. Restaurants and similar users                            | 500,000   |

**Target for the initial 3 years** **2,500,000**

**This is only 46% of the total potential resulting in a projected sales volumes based on projected price levels of different models of stoves**

### Discounted estimate of sales volume of stoves

Year 1	Rs. 5,000,000,000
Year 2	Rs. 10,000,000,000
Year 3	Rs. 10,750,000,000

## **A sustainable Supply chain for the Fuel wood and Wood Charcoal.**

The establishment of a reliable and sustainable supply chain for both wood charcoal and processed fuel wood is essential if the change over from LPG to indigenous fuels is to be promoted and sustained.

The estimated quantities of fuel that must enter the market annually based on the above estimated adoption of stoves are :

Wood charcoal	= 270,000,000 kg
Processed fuel wood for domestic needs	= 150,000,000 kg
Dried and less processed fuel wood for restaurants	= 500,000,000 kg

The monetary value of these supplies at consumer end are estimated as

1. Wood Charcoal	@ Rs 50.00 per kg	=	Rs 13,500,000,000
2. Processed wood chips	@ Rs 25.00 per kg	=	Rs. 3,750,000,000
3. Dried wood for restaurants	@ Rs 15.00 per kg	=	Rs 7,500,000,000
<b>Total value of Supply per annum</b>			<b>Rs. 24,750,000,000</b>

## **The Challenge**

The challenge to achieve the success of this most important national venture is to

- Create a manufacturing base for Stoves to reach 1,000,000 units per year
- Develop a supply chain for fuel wood and wood charcoal to match

## **The Invitation**

A minimum of 10 corporates are invited to engage in this exercise, to contribute to solve a national problem, as well as to develop a profitable and sustainable indigenous energy industry of value to themselves, and the large number of stake holders with long term and lasting positive impacts to the environment and economy.