

LPG Market Set for 6.5% CAGR Growth, Projected to Hit \$243.4 Billion by 2030

Liquefied Petroleum Gas Market to Reach \$243.4 Billion by 2030, Driven by Residential and Industrial Demand

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Liquefied Petroleum Gas Industry Overview

According to a new report by Allied Market Research, the global [liquefied petroleum gas \(LPG\) market](#) was valued at \$130.1 billion in 2020 and is projected to reach \$243.4 billion by 2030, growing at a CAGR of 6.5% from 2021 to 2030.

Liquefied petroleum gas is produced by compressing and cooling propane and butane gases derived from oil wells. Recognized as a clean, non-corrosive, and versatile energy source, LPG plays a vital role across cooking, heating, power generation, and transportation sectors. Its eco-friendly and energy-efficient nature makes it an increasingly popular choice in both developed and developing markets.

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The liquefied petroleum gas market is projected to reach \$243.4 billion by 2030, driven by rising residential and industrial applications.”

Allied Market Research

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Market Drivers

The growth of end-use industries such as oil & gas, food & beverages, manufacturing, construction, and transportation is significantly boosting demand for LPG.

Key growth factors include:



- Clean-burning fuel that reduces emissions compared to gasoline.
- Low maintenance and instant heat production, making it ideal for residential and industrial use.
- Government initiatives encouraging [cleaner fuel](#) adoption to meet environmental goals.

However, challenges such as hazardous risks, higher ignition temperatures, higher costs compared to CNG, and expensive refinery installations are likely to hinder market growth.

Source Segment Insights

By source, the non-associated gas segment dominated the market with 52.4% share in 2020 and is expected to maintain its lead through 2030. This dominance is linked to the increasing extraction of LPG from natural gas wells and rising global demand across domestic and industrial applications.

Regional Market Trends

The LPG market is analyzed across North America, Europe, Asia-Pacific, and LAMEA.

Europe is projected to register the fastest CAGR of 7.5%, driven by stringent carbon emission regulations and the EU's climate neutrality target by 2050.

LAMEA dominated the global market in 2020, accounting for 35.9% revenue share, largely due to strong demand in the Middle East and Africa.

Asia-Pacific continues to show strong growth, fueled by rising energy needs in countries like China and India.

Government policies promoting the use of clean fuels and expanding LPG distribution networks are expected to drive adoption across all regions.

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Key Findings

The LPG market is set to grow from \$130.1 billion in 2020 to \$243.4 billion by 2030.

Non-associated gas was the largest source in 2020, holding 52.4% market share.

The residential sector remains the largest consumer, while the industrial segment is the fastest-growing.

Europe is expected to post the highest CAGR of 7.5%, while LAMEA held the dominant share in 2020.

Application Segment Analysis

The residential sector accounted for the largest share in 2020 and is projected to continue leading during the forecast period.

Residential applications include:

Cooking

Water and space heating

Power generation

LPG's cost-effectiveness, energy efficiency, and environmental benefits make it a preferred fuel for households worldwide.

Meanwhile, the industrial segment is expected to grow at the fastest rate, registering a CAGR of 8.4% between 2021 and 2030, as manufacturing, construction, and processing industries increase adoption.

Competitive Landscape

The [global liquefied petroleum gas market](#) is highly competitive, with key players expanding their production and refining capacities to meet growing demand.

Major companies profiled include:

Saudi Arabian Oil Co.

Chevron Corporation

China Gas Holdings Ltd.

Bharat Petroleum Corporation Limited (BPCL)

Repsol

Kleenheat

Total SE

Reliance Industries Limited

ExxonMobil Corporation

FLAGA GmbH

Other notable players include Royal Dutch Shell Plc, PETRONAS, PetroChina Company Limited, and Qatargas Operating Company Limited. Strategic partnerships, refinery upgrades, and clean energy initiatives remain the core focus areas for these market leaders.

COVID-19 Impact

The COVID-19 pandemic posed challenges for the LPG industry in 2020:

- Decline in demand from transportation and power generation sectors.
- Supply chain disruptions due to global lockdowns.
- Reduced consumer spending and lower industrial operations.

However, the residential sector witnessed stable demand as households relied heavily on LPG for cooking and heating during lockdowns. Post-pandemic recovery, supported by economic stimulus packages and renewed industrial activity, is expected to accelerate market growth.

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Conclusion

The liquefied petroleum gas market is on a robust growth trajectory, fueled by its versatility, clean-burning properties, and strong demand across residential and industrial applications. While challenges such as cost and infrastructure limitations exist, government initiatives for sustainable energy and the global shift toward eco-friendly fuels are expected to open new avenues for LPG adoption. By 2030, LPG will remain a critical component of the world's energy mix, supporting both household needs and industrial advancements.

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Pawan Kumar, the CEO of Allied Market Research, is leading the organization toward providing high-quality data and insights. We are in professional corporate relations with various companies and this helps us in digging out market data that helps us generate accurate research data tables and confirms utmost accuracy in our market forecasting. Each and every data presented in the reports published by us is extracted through primary interviews with top officials from leading companies of domain concerned. Our secondary data procurement methodology includes deep online and offline research and discussion with knowledgeable professionals and analysts in the industry.

David Correa

Allied Market Research

+ +1 800-792-5285

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