

# Industry Sales Review

April 2018



पेट्रोलियम योजना एवं विश्लेषण प्रकोष्ठ  
पेट्रोलियम एवं प्राकृतिक गैस मंत्रालय  
**Petroleum Planning & Analysis Cell**  
Ministry of Petroleum & Natural Gas

This report analyses the trend of consumption of petroleum products in the country during the month of April, 2018. Data on product-wise monthly consumption of petroleum products for April, 2018 is uploaded on PPAC website ([www.ppac.gov.in](http://www.ppac.gov.in)). PPAC has also launched its mobile app "PPACE (PPAC-Easy)" that draws on the full range of information available on PPAC website and is available on the play-stores of Android and Apple iOS.

## 1.0 CONSUMPTION:

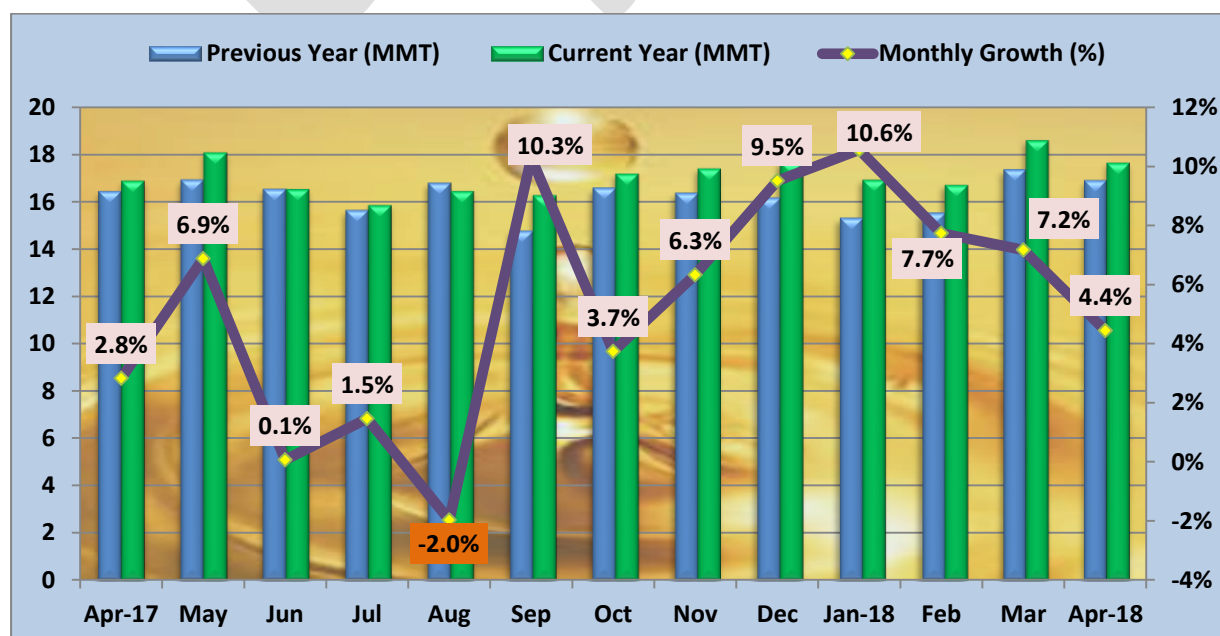
The growth (%) in consumption of petroleum products, category-wise, for the month of April, 2018 is given in Table-1.

**Table-1: Petroleum Products Consumption (Quantity in TMT)**

PRODUCT	Share (%)	April 2017	April 2018	Growth (%)	Products Included
<b>Sensitive products</b>	12.3%	1,988	2,178	9.5%	SKO & LPG
<b>Major decontrolled products</b>	72.2%	12,170	12,753	4.8%	HSD, MS, Naphtha, Lubes, LDO, FO/LSHS, Bitumen & ATF
<b>Other decontrolled products</b>	15.5%	2,757	2,737	-0.7%	Pet. Coke & other minor products
<b>Grand Total</b>	<b>100%</b>	<b>16,916</b>	<b>17,667</b>	<b>4.4%</b>	

**All Products:** India's fuel demand rose by 4.4% in April, 2018. Consumption of petroleum products totaled to 17.6 MMT during the month as compared to 16.9 MMT a year ago. While there was a drop in the consumption of Kerosene (-7.4%), lubes & greases (-0.1%) FO/LSHS (-8.6%), petcoke (-0.7%) and others (-0.7%) during the month, all other products recorded positive growth.

**Figure-1: Comparison of monthly POL consumption (MMT) and growth (%) since April, 2017**



Composite PMI in India increased to 51.9 in April, 2018 from 50.8 in March, 2018.

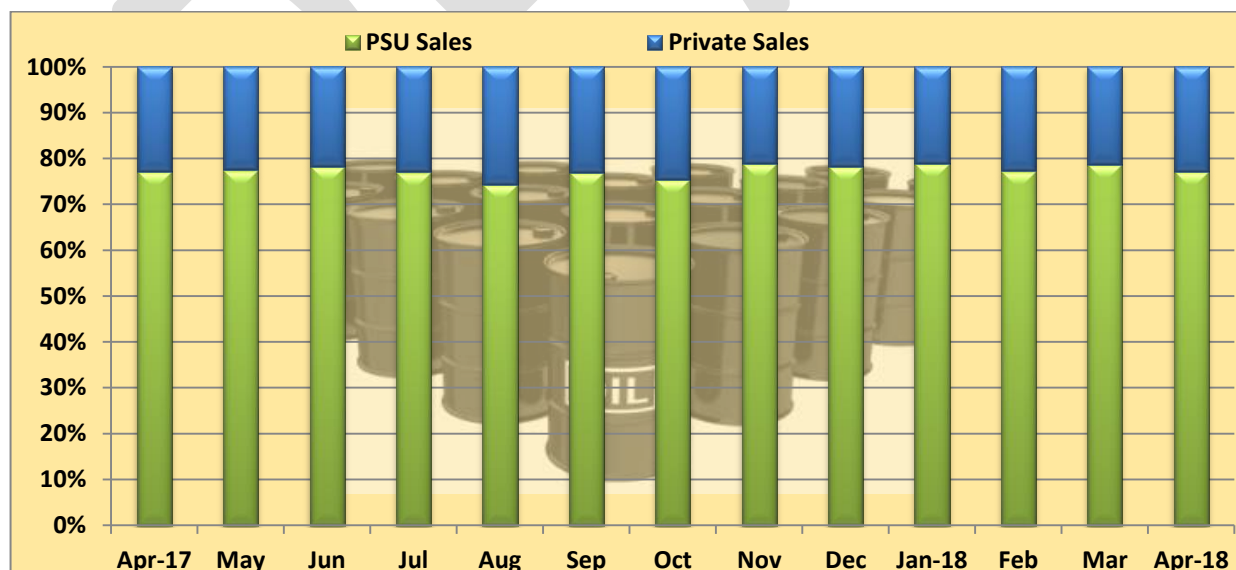
- The Nikkei Services PMI in India rose to 51.4 in April, 2018 from 50.3 a month earlier. Employment increased the most since March, 2011 and new orders grew at a faster pace. At the same time, outstanding business continued to increase.
- The Nikkei Manufacturing PMI in India increased to 51.6 in April, 2018 from 51.0 in the preceding month. Output and new orders rose at faster paces and sentiment hit its highest since the implementation of the Goods and Services Tax in July, 2017

Revival in rural demand and increased infrastructure spending is likely to drive India's growth in the current year, as per a report published by Deloitte in March, 2018. Infrastructure is a key driver of the overall development of the Indian economy. This sector focuses on major infrastructure sectors such as power, roads and bridges, dams and urban infrastructure. The Government of India is expected to invest heavily in the infrastructure sector, mainly for highways, renewable energy and urban transport and is taking every possible initiative to boost the infrastructure sector.

The changing infrastructure landscape in India and strong private consumption and services are expected to continue to support economic activity. Improved automobile sales, manufacturing and services, the mainstay of India's growth, are on a positive trajectory as well. India's economic growth is closely related to energy demand; therefore the consumption of oil and gas is projected to grow steadily. PPAC estimates that total petroleum products consumption during 2018-19 will touch 213.7 MMT.

Figure-2 gives a comparison of percentage of monthly sales volumes of all petroleum products by PSU and Private oil companies since April, 2017.

**Figure-2: Comparison of monthly POL Sales in PSU & Private Sector (%) since April, 2017**



PPAC analyzes the sales recorded by the Industry on the basis of the available data. Data on direct private imports received from DGCIS, which are added to the final sales reported by oil companies for estimation of consumption figures, are available up to February, 2018 and private imports data for the months of March, 2018 and April, 2018 are projected based on March 2017 to February 2018 actual data.

**Detailed product-wise analysis of growth for April, 2018 is given in the following sections:**

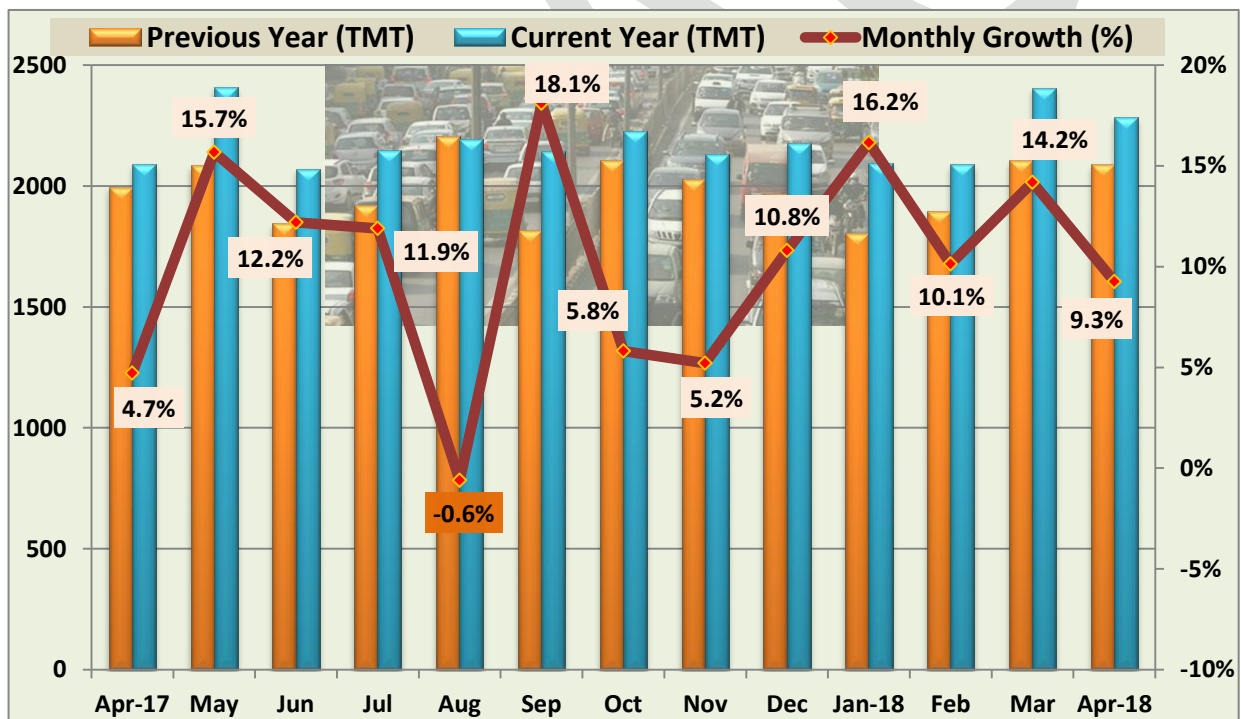
**1.2 Petrol / Motor Spirit (MS):** MS consumption during April, 2018 recorded a growth of 9.3% as compared to April, 2017. Since April, 2017, MS consumption has consistently recorded more than 2 million MT every month.

Major factors contributing to MS consumption during the month were:

- i. With rising income levels, improved road connectivity in rural areas and automobile industry growing at a fast pace, the demand for petrol driven automobiles (both 4-wheelers and 2-wheelers) has increased which is the main driver for MS sales. SIAM has reported that by the end of 2017-18, share of diesel in car sales has come down to 23% as against a high of 47% during 2012-13 and presently even the SUV segment is seeing high percentage of petrol driven vehicles.
- ii. Karnataka assembly elections resulting in increased vehicular activity.

Figure-3 gives month-wise MS consumption volume (TMT) and month-on-month growth (%) since April, 2017.

**Figure-3: Month wise MS consumption (TMT) and growth (%) since April, 2017**

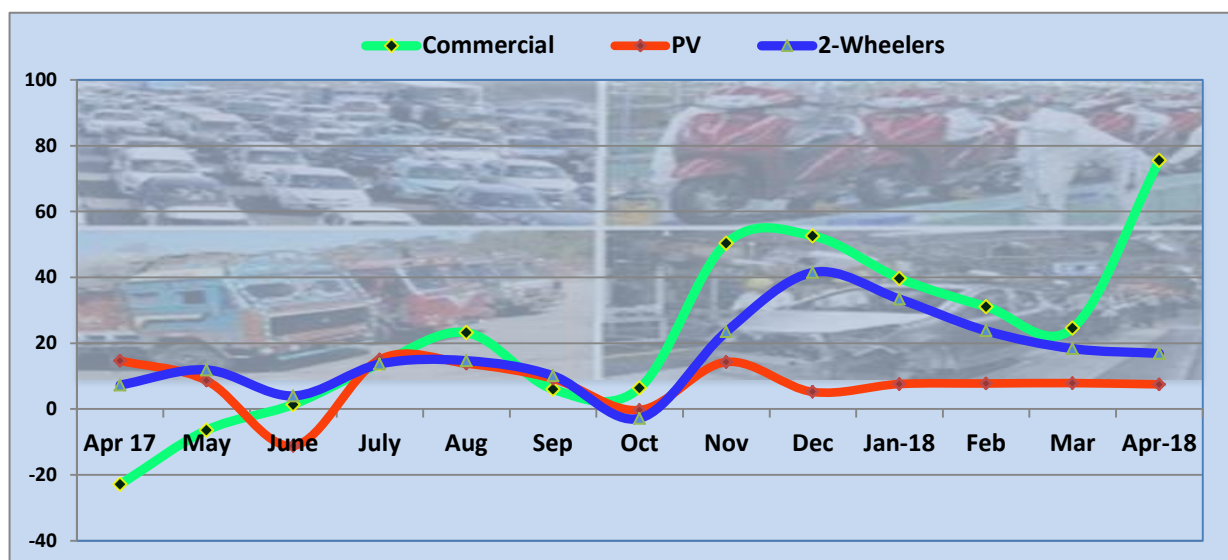


**Other factors impacting consumption of MS are:**

The automotive sector started on a high positive note in the month of April, 2018. The Indian automobile industry registered a good growth of 16.8% on the bottom line including all segments of passenger, commercial vehicles and two-wheeler segments.

Figure-4 gives a graphic representation of month-wise growth percentages of passenger vehicles, commercial vehicles and 2-wheelers since April, 2017.

**Figure-4: Month-wise sales growth (%) of Indian Automobile Industry since April, 2017**



- a) **Total passenger vehicles (PV) sales:** The Indian passenger vehicle industry's sales for the month of April, 2018 recorded a growth of 7.5% and stood at 298,504 units, as against 277,683 units in the same month last year.

Passenger cars segment recorded a growth of 4.9%, while utility vehicles which remain the new favorite of car buyers within the passenger vehicle space, posted a strong growth of 11.9% during the month of April, 2018. Van sales posted a growth of 19.0% during the month.

Segment	April		
	2017-18	2018-19	Growth (%)
Passenger Cars	190,854	200,183	4.9
Utility Vehicles	70,706	79,136	11.9
Vans	16,123	19,185	19.0
<b>Sub-Total</b>	<b>277,683</b>	<b>298,504</b>	<b>7.5</b>

Source: Society of Indian Automobile Manufacturers (SIAM)

- b) **2-wheeler sales:** The two-wheeler segment with 80 per cent market share is the leader of the Indian automobile market owing to a growing middle class and a young population. Moreover, the growing interest of the companies in exploring the rural markets further aided the growth of the sector. In April, 2018, the sales growth has been driven by strong growth in motorcycles in addition to the continued momentum across the range of scooters. During the month of April, 2018, 2-wheeler sales witnessed a growth of 16.9%.

Scooter sales recorded a growth of 12.6% by selling 661,007 units. Motorcycles recorded a growth of 19.4% in sales by selling 1,229,526 units while moped sales recorded a growth of 16.9% by selling 67,708 units.

The prediction of a near normal monsoon during 2018-19 along with low cost of ownership would boost 2-wheeler sales in the current year also leading to sustained growth in MS sales.

Segment	April		
	2017-17	2017-18	Growth (%)
Scooter/ Scooterette	586,886	661,007	12.6
Motor Cycles	1,029,963	1,229,526	19.4
Mopeds	57,938	67,708	16.9
<b>Sub-Total</b>	<b>1,674,787</b>	<b>1,958,241</b>	<b>16.9</b>

Source: Society of Indian Automobile Manufacturers (SIAM)

**1.3 High Speed Diesel (HSD):** HSD consumption during the month recorded a growth of 2.7% to reach 7.1 MMT in April, 2018 as compared to 6.9 MMT in April, 2017. Growth in diesel consumption during the month may be attributed mainly to the following factors:

- i. Improved economic and manufacturing activities, increased construction activities allied with infrastructure growth in the country, economic viability of public transport and carrier vehicles resulted in improving diesel sales.
- iii. Karnataka assembly elections resulting in increased vehicular activity.

**Figure-5: Month-wise HSD consumption (TMT) and growth (%) since April, 2017**

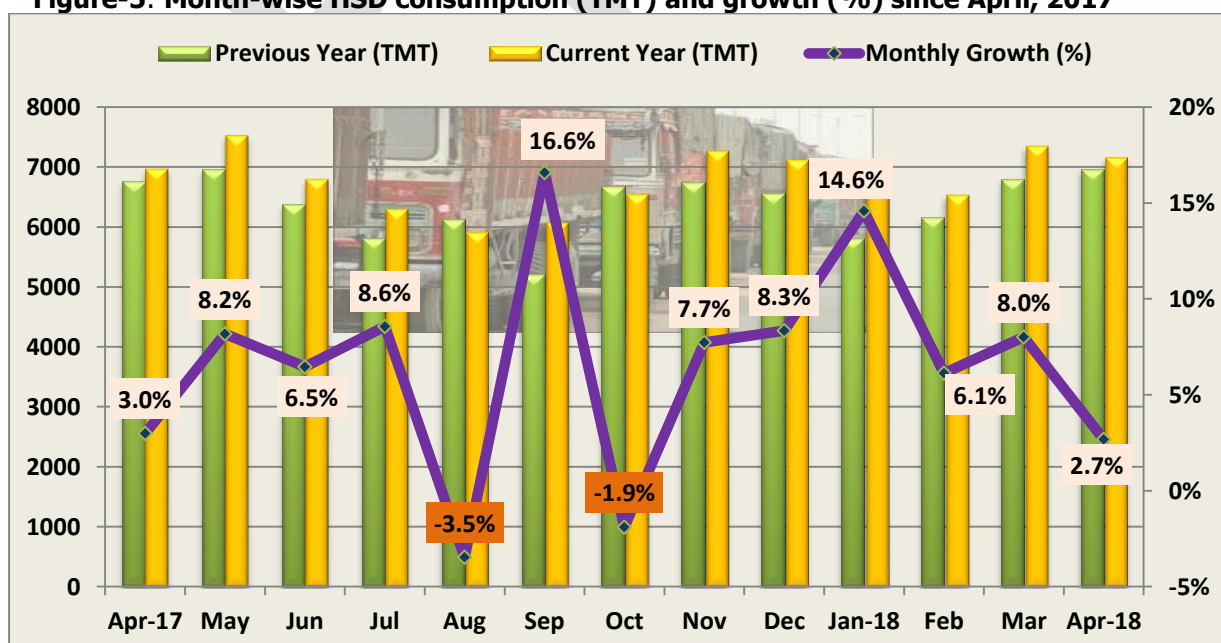
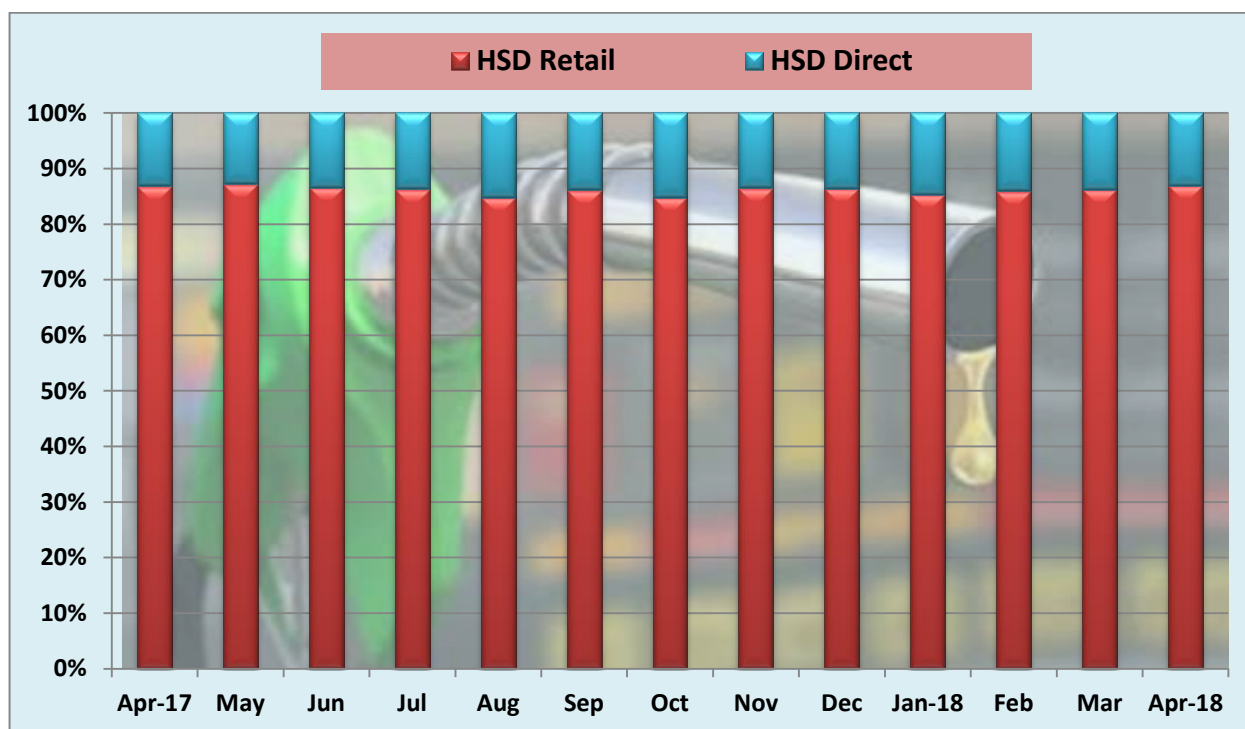


Figure-6 gives a comparison of month-wise percentage of HSD consumption by retail and direct consumer business share since April, 2017.

**Figure-6 : Month-wise HSD consumption by Retail & Direct business share (%) since April, 2017**



### Other factors affecting diesel consumption are discussed below:

- a) **Commercial vehicles (CV) sales:** The growth in commercial vehicle sales was facilitated by infrastructure growth, fresh tenders in car carriers and coal transportation. Further, increasing demand from the construction, logistics, e-commerce and FMCG sectors gave a boost to this market. Commercial vehicles were leading the automobile sales in the month of April, 2018 and witnessed a high growth of 76%. Overloading regulations and replacement buying pushed demand for higher tonnage trucks and tippers that boosted the growth in the M&HCV segment.

M&HCV recorded a growth of 169.3% in April, 2018 by selling 28,547 units as compared to 10,602 units in April, 2017. Heavy discounting in March 2017 to clear BS III stock, implementation of BS IV emission norms and GST implementation resulting in price increase in vehicles last year had resulted in very low sales of commercial vehicles in April, 2017.

**Light Commercial Vehicle (LCV):** The LCV segment performed strongly, witnessing a 43.9% growth driven by rising demand from e-commerce and logistics sectors. LCV sector contributed sales of 44,446 units as against a historical of 30,882 units during the month.

	April		
Segment	2017-17	2017-18	Growth (%)
M&HCV	10,602	28,547	169.3
LCV	30,882	44,446	43.9
<b>Total Commercial Vehicles</b>	<b>41,484</b>	<b>72,993</b>	<b>76.0</b>

Source: Society of Indian Automobile Manufacturers (SIAM)

- b) **Port traffic:** There was a growth of 1.8% in port traffic during the month of April, 2018 mainly due to increase in traffic at all ports except at Chidambarnar, Mormugao and Mumbai.

Growth was registered specifically in finished fertilizer (60.7%), thermal coal (24.4%) and containers (7.4%). A drop has been observed in POL products (-0.06%), other liquids (-1.1%), iron ore (-26.2%), raw fertilizer (-0.8%), coking coal (-7.4%) and other cargo (-2.0%). While iron ore mining activities have increased in Karnataka and Odisha, it has been severely restricted in Goa.

Table-2 below gives the port-wise performance during the month of April, 2018.

**Table-2: Traffic handled at major ports in April, 2018**

TRAFFIC HANDLED AT MAJOR PORTS (TMT)			
PORTS	April 2017	April 2018	Growth (%)
Kolkata + Haldia	4,306	4,847	12.6%
Paradip	7,335	8,151	11.1%
Visakhapatnam	4,921	5,131	4.3%
Kamarajar (Ennore)	3,936	2,931	12.1%
Chennai	3,196	4,233	7.5%
V.O. Chidambaranar	2,269	3,034	-5.1%
Cochin	2,402	2,402	5.9%
New Mangalore	3,198	3,563	11.4%
Mormugao	3,630	2,326	-35.9%
Mumbai	5,336	4,977	-6.7%
JNPT	5,755	5,894	2.4%
Kandla	9,322	9,323	0.0%
<b>TOTAL:</b>	<b>55,819</b>	<b>56,812</b>	<b>1.8%</b>

Source: Indian Ports Association (IPA)



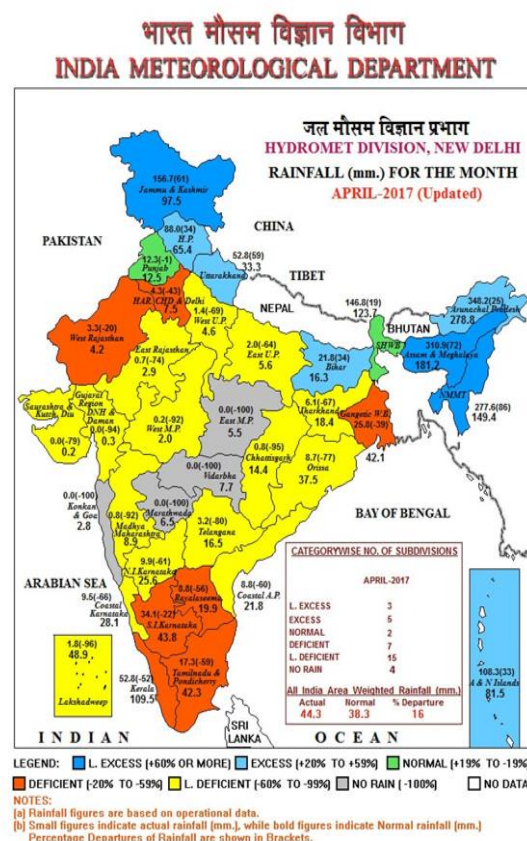
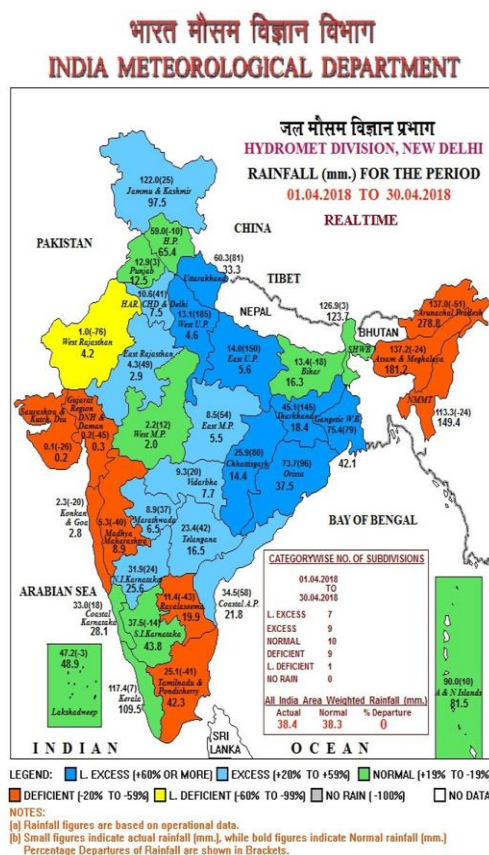
- c) **Power situation:** The power deficit position for the month of April, 2018 is given in Table-3. The power deficit position in April, 2018 remained at the same level as in April, 2017 at -0.5%. The deficit was mainly in the states of Jammu & Kashmir and Uttar Pradesh. The power deficit in April, 2018 may have had no impact on usage of diesel for back-up power generation.

**Table-3: Power deficit: Region-wise position for April, 2018 (% deficit)**

States	April 2018 <sup>(P)</sup>				April 2017
	Requirement (MU)	Available (MU)	Deficit		
			MU	(%)	
North	28,591	28,171	-420	-1.5%	-1.5%
West	33,371	33,369	1	0.0%	0.1%
South	29,515	29,469	-46	-0.2%	-0.1%
East	11,634	11,617	-17	-0.1%	-0.1%
North-East	1,187	1,135	-51	-4.3%	-4.5%
<b>Total</b>	<b>1,04,297</b>	<b>1,03,761</b>	<b>-536</b>	<b>-0.5%</b>	<b>-0.5%</b>

Source: Central Electricity Authority (CEA)

- d) **Seasonal rainfall scenario:** The rainfall in the country during April, 2018 was normal. As against a normal reading of 38.3 mm, 38.4 mm rain was recorded during April, 2018. 72% of the country received normal to excess rainfall during the month as can be seen from the following map. Normal rainfall may have led to decreased usage of diesel for agriculture related activities.

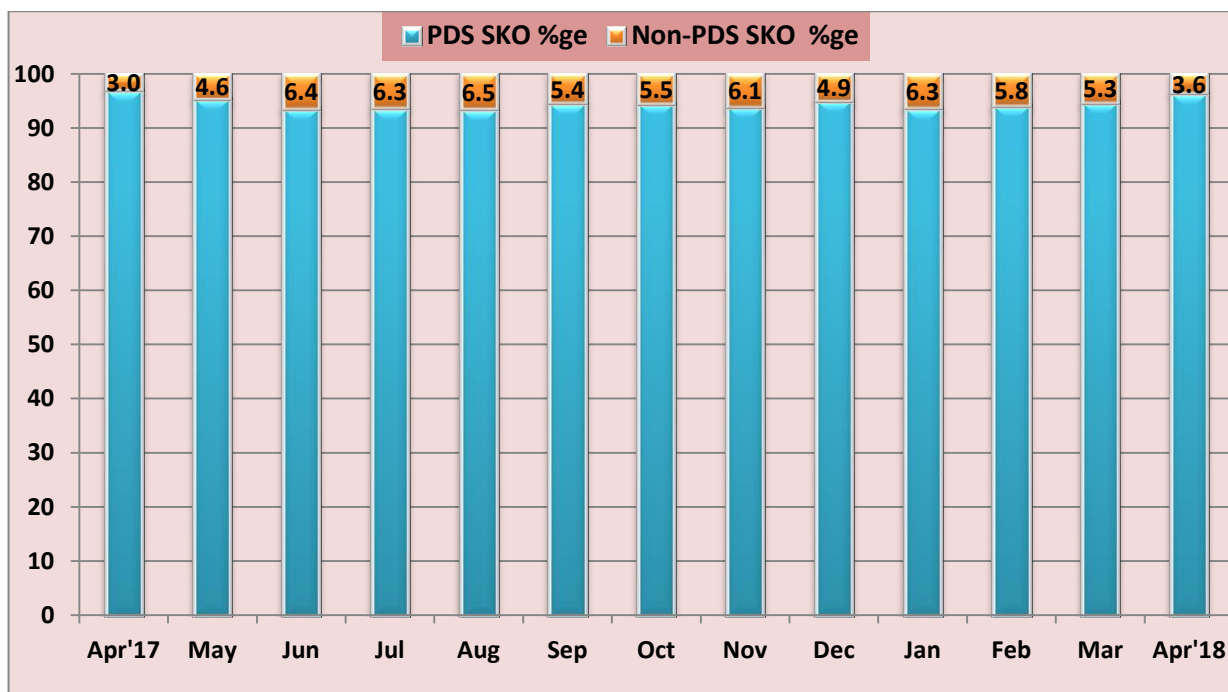


Source: India Meteorological Department (IMD)

**1.4 Kerosene:** Kerosene consumption recorded a drop of -7.4% during April, 2018 .This was mainly because of reduced allocation to states and also voluntary surrender of PDS SKO quota by a few states/UTs. The month of April, 2018 saw nil upliftment by Andhra Pradesh, Chandigarh, Delhi, Dadra & Nagar Haveli, Daman & Diu, Haryana, Puducherry, Punjab and Uttarakhand.

Figure-6 gives a comparison of kerosene sales in public distribution system vis-à-vis Non-PDS system since April, 2017.

**Figure-6: Month-wise PDS & Non PDS SKO consumption in share (%) since April, 2017**

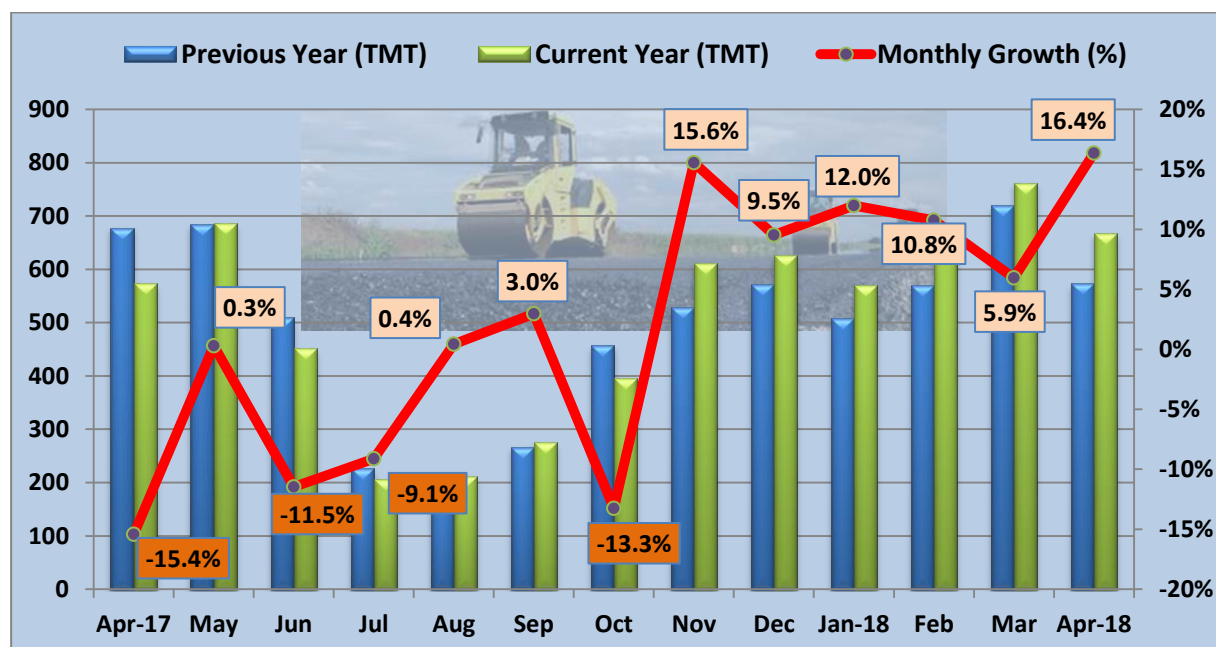


**1.5 Bitumen:** Bitumen consumption recorded a good growth of 16.4% during the month of April, 2018. Bitumen consumption in India has increased on the back of infrastructure spending and expanding road networks across the country which was helped by good weather during the month. As per IBEF, as against 8,231 KMs of road construction in 2016-17, 9,827 KMs was constructed during 2017-18. Apart from constructing new roads, the Government is also proposing to upgrade the existing 2-lane national highways to 4-lanes to facilitate smoother, safer and faster travel.

However, the Government is also making a transition from bitumen to cement and concrete for making national highways and other roads.

Figure-7 gives the month wise bitumen consumption and growth since April, 2017.

Figure-7: Month-wise Bitumen consumption (TMT) and growth (%) since April, 2017



**1.6 LPG: Total LPG consumption** continuously for the last fifty six months in a row recorded a positive growth. Growth of 12.9% was observed during April, 2018. Out of the five regions, Northern region had the highest share in consumption at 32.0% followed by Southern region at 27.8%, Western region at 21.8%, Eastern region at 15.8% and North Eastern region at 2.6% during the month of April, 2018. Eastern region had the highest growth of 20.1% in total LPG consumption during April, 2018.

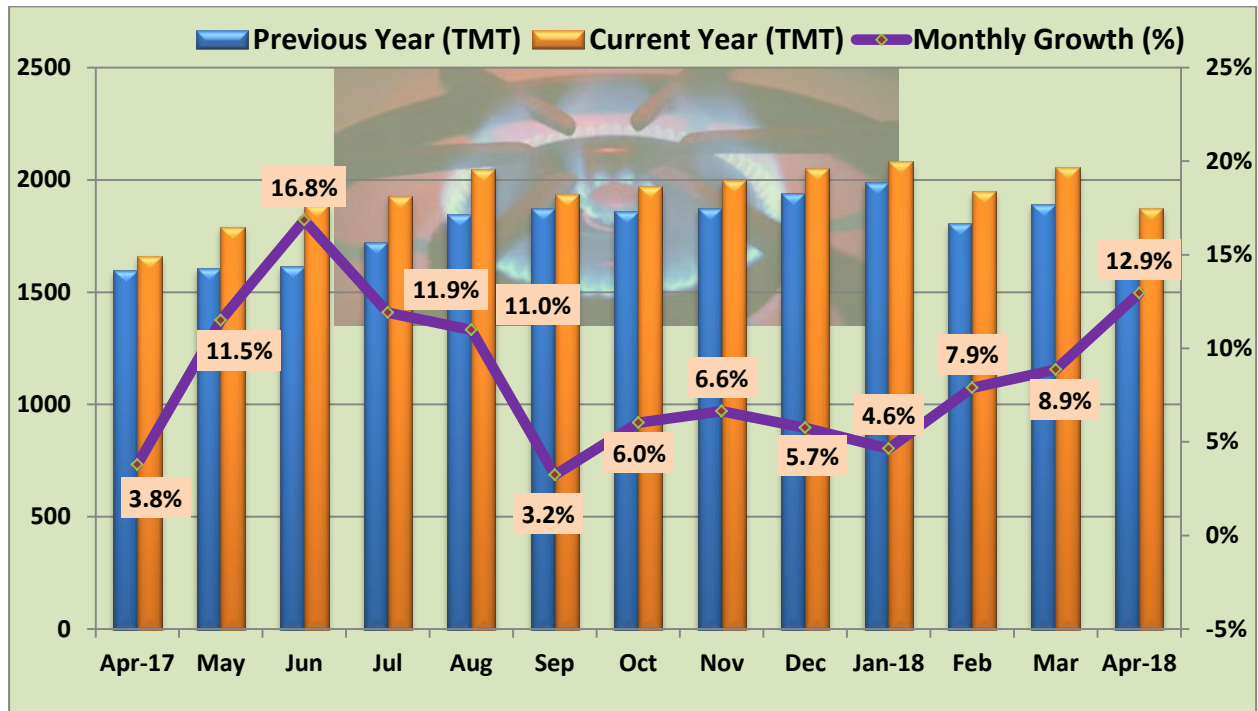
**LPG-Packed Domestic** consumption registered a growth of 12.1% during April, 2018. Last year during April, 2017, growth of 3.7% was observed. This year during April, 2018, 4.05 lakh DBCs and 26.05 lakh new connections were released out of which 19.10 lakh were released under PMUY. Total 375.13 lakh connections were released under PMUY till 30.04.2018 since its inception. During April, 2018, the five states with the highest LPG-Packed domestic sales share were Uttar Pradesh (14.6%), Maharashtra (11.0%), Tamil Nadu (8.0%), West Bengal (7.4%) and Karnataka (6.0%). During the month of April, 2018, percentage share of LPG-Packed Domestic was 87.9% of total LPG consumption whereas in April, 2017 it was 89.1%.

**LPG-Packed Non-Domestic** consumption for the last forty months in a row registered a positive growth. Growth of 25.8% was observed during April, 2018. Last year during April, 2017, growth of 8.7% was observed. Share of LPG Packed Non-Domestic in total LPG consumption has increased to 9.7% in April, 2018 from 8.7% in April, 2017. Region wise share of LPG Packed Non-Domestic consumption was highest in Southern region (39.8%) followed by Western region (29.5%) and Northern region (22.0%) during April, 2018.

**Bulk LPG** consumption registered a growth of 39.5% during April, 2018. Last year in the month of April, 2017, a drop of -30.2% was witnessed. Percentage share of bulk LPG consumption to total LPG consumption increased to 1.6% in April, 2018 as compared to 1.3% in April, 2017.

**Auto LPG consumption** registered a growth of 0.1% during April, 2018. The sales volume increase was about 0.02 TMT in April 2018 as compared to April, 2017. However, last year in the month of April, 2017 a growth of 8.8% was observed. During the month of April, 2018, percentage share of Auto LPG was 0.8% of total LPG consumption compared to 0.9% during April, 2017.

**Figure-7: Month-wise LPG consumption (TMT) and growth (%) since April, 2017**

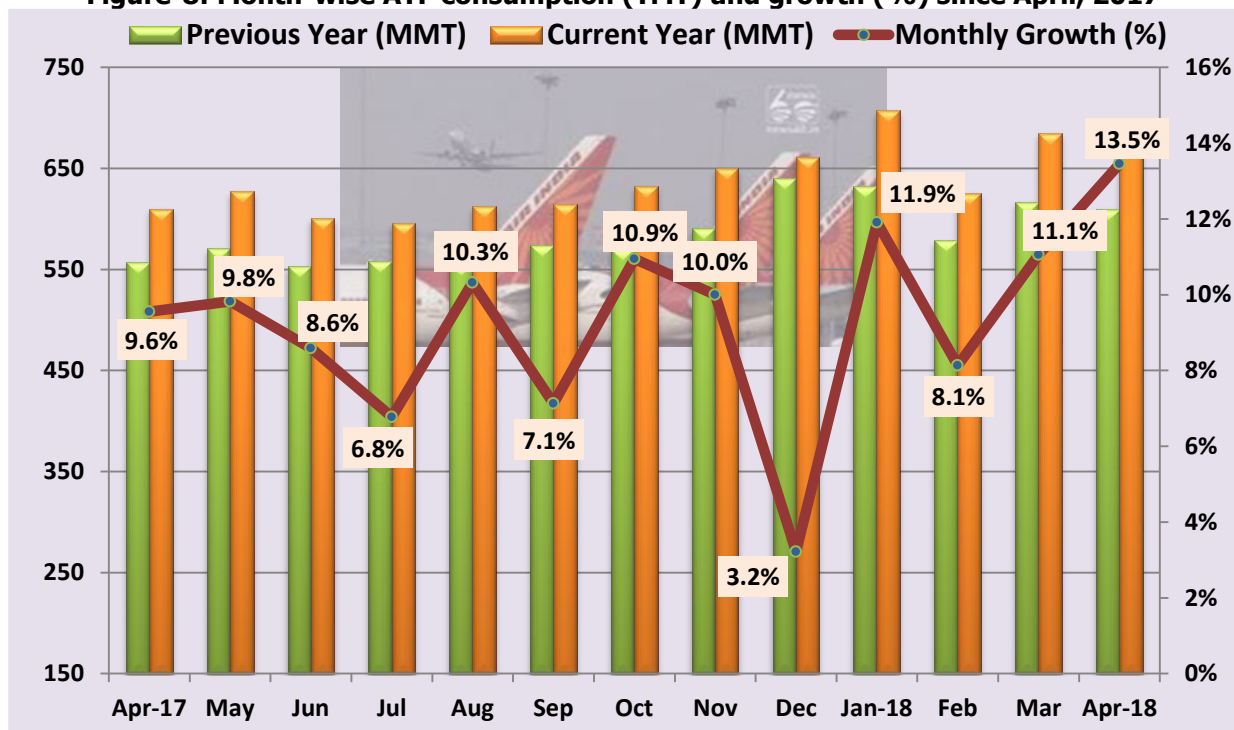


**1.7 Naptha:** Naptha consumption recorded a growth of 6.2% for the month of April, 2018. Steel and Petrochemical industries remain the main consumers of naphtha in addition to minor consumers like fertilizer and power plants. Fluctuation in demand by the petrochemical industry (particularly for polymers and plastics) largely drives the pattern of naphtha consumption.

**1.8 ATF:** ATF consumption recorded a growth of 13.5% during April, 2018 as compared to April, 2017.

The continued high growth in domestic passenger traffic has resulted in increasing demand for ATF with a CAGR of 7.7% in the last five years. Passengers carried by domestic airlines during April, 2018 stood at 115.13 lakhs as against 91.34 lakhs during April, 2017 thereby registering a growth of 26.0%. Due to major initiatives taken by the government for the aviation sector for improving infrastructure and connectivity, the consumption of ATF is expected to increase in line with the thrust applied.

**Figure-8: Month-wise ATF consumption (TMT) and growth (%) since April, 2017**



**1.9 FO/LSHS:** FO and LSHS consumption registered a drop of -8.6% during April, 2018 as compared to April, 2017 due to decreased consumption of FO in steel, fertilizer and general trade sectors. However a marginal growth was noted for power sector. The drop in consumption has been mainly due to ban of FO in Delhi, Uttar Pradesh, Rajasthan and Haryana.

**1.10 PETCOKE:** Petcoke consumption registered a drop of -0.7% in April, 2018 as compared to April, 2017. The consumption of petcoke by the cement industry is on the rise after the Supreme Court order of December, 2017 allowed its use as a feedstock.

**1.11 LDO:** LDO consumption recorded a growth of 44.1% for the month of April, 2018. LDO month wise demand fluctuates depending on its requirement at power plants for boiler restart as it trips and due to fluctuation in manufacturing activities. LDO is also extensively used in various types of furnaces and the ban of FO in Delhi, Uttar Pradesh, Rajasthan and Haryana has led to an increase in consumption.

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## Industry Sales Trend Analysis 2018-19 (Provisional)

('000 MT)

Product	April			April		
	2017-18	2018-19	Growth (%)	2017-18	2018-19	Growth (%)
<b>(A) Sensitive Products</b>						
SKO	331.2	306.6	-7.4	331.2	306.6	-7.4
LPG	1,657.1	1,871.6	12.9	1,657.1	1,871.6	12.9
<b>Sub Total</b>	<b>1,988.4</b>	<b>2,178.2</b>	<b>9.5</b>	<b>1,988.4</b>	<b>2,178.2</b>	<b>9.5</b>
<b>(B) Major Decontrolled Product</b>						
Naphtha	999.5	1,061.7	6.2	999.5	1,061.7	6.2
MS	2,090.0	2,283.6	9.3	2,090.0	2,283.6	9.3
HSD	6,970.4	7,156.3	2.7	6,970.4	7,156.3	2.7
Lubes+Greases	284.3	284.0	-0.1	284.3	284.0	-0.1
LDO	38.9	56.1	44.1	38.9	56.1	44.1
FO/LSHS	604.0	551.7	-8.6	604.0	551.7	-8.7
Bitumen	573.2	667.0	16.4	573.2	667.0	16.4
ATF	610.0	692.1	13.5	610.0	692.1	13.5
<b>Sub Total</b>	<b>12,170.3</b>	<b>12,752.5</b>	<b>4.8</b>	<b>12,170.3</b>	<b>12,752.5</b>	<b>4.8</b>
<b>Sub - Total (A) + (B)</b>	<b>14,158.7</b>	<b>14,930.7</b>	<b>5.5</b>	<b>14,158.7</b>	<b>14,930.7</b>	<b>5.5</b>
<b>(C) Minor Decontrolled Products</b>						
Petcoke	2,193.9	2,177.8	-0.7	2,193.9	2,177.8	-0.7
Others	562.9	558.8	-0.7	562.9	558.8	-0.7
<b>Sub Total</b>	<b>2,756.8</b>	<b>2,736.6</b>	<b>-0.7</b>	<b>2,756.8</b>	<b>2,736.6</b>	<b>-0.7</b>
<b>Total</b>	<b>16,915.5</b>	<b>17,667.3</b>	<b>4.4</b>	<b>16,915.5</b>	<b>17,667.3</b>	<b>4.4</b>