

Industry Sales Review Report

April 2013



पेट्रोलियम योजना एवं विश्लेषण प्रकोष्ठ

पेट्रोलियम एवं प्राकृतिक गैस मंत्रालय

Petroleum Planning & Analysis Cell

Ministry of Petroleum & Natural Gas

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(Ministry of Petroleum & Natural Gas)

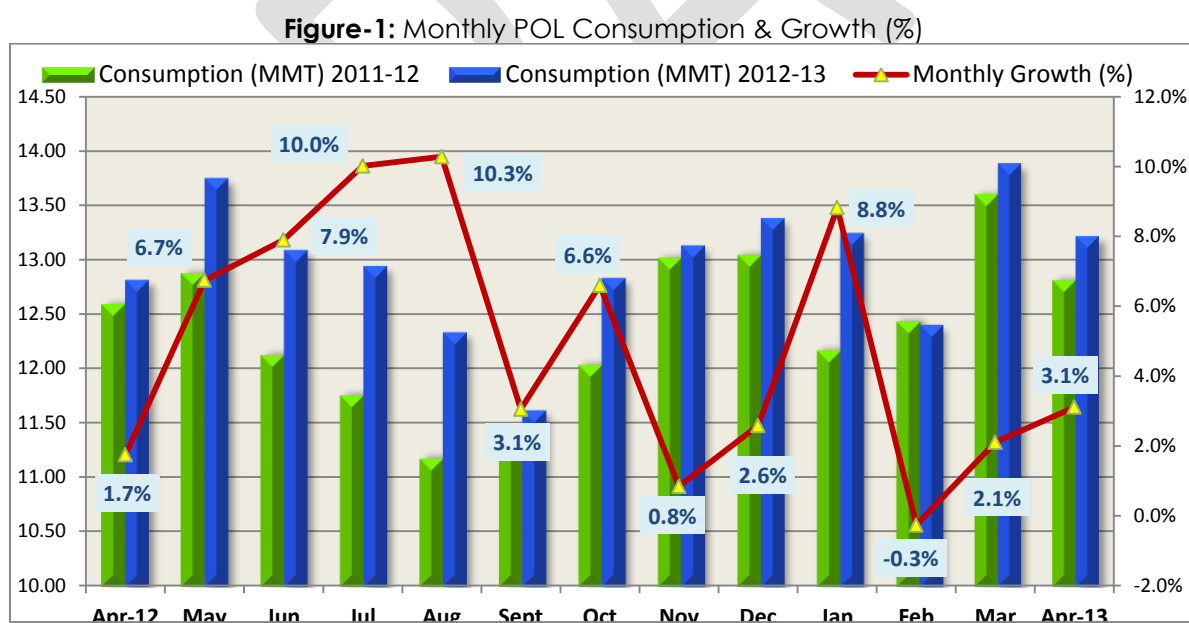
Data on product-wise monthly consumption of petroleum products for April, 2013 is uploaded on PPAC website. This Report analyses the trend of consumption of petroleum products in the country during the month of April, 2013.

2 CONSUMPTION:

2.1 All Products: The new financial year 2013-14, started with an overall consumption growth of 3.1 % in April, 2013. Except for FO+LSHS, Lubricants and SKO, all other products recorded positive growth.

Data on direct private imports received from DGCIS, which are added to the final sales reported by oil companies, are available up to February 2013 and private imports data for the balance two months, (i.e. March, 2013 & April, 2013) are projected based on April-February, 2013 figures.

Figure-1 below gives comparison of monthly POL consumption and Growth (%) during the last 26 months since April, 2011:



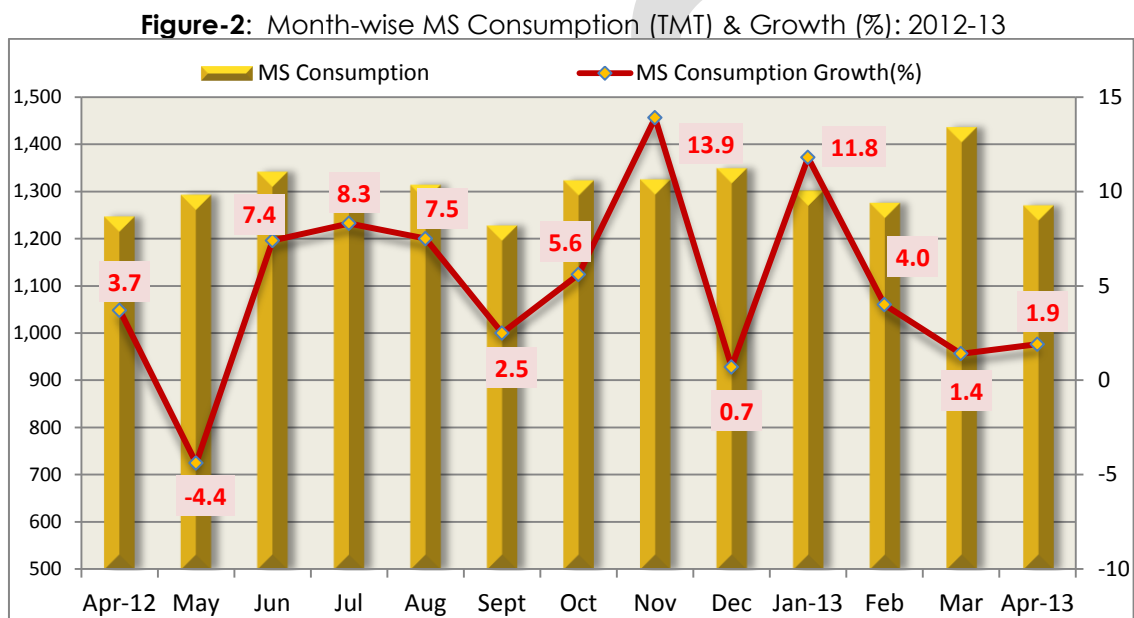
The high growth in July, 2012 and August, 2012, was mainly due to shift of the monsoon months. The monsoon position improved in the last leg of August, 2012. The high growth was mainly due to need for use of diesel pump sets for irrigation and also there was no respite from high power deficit during this period, which continued to add to high diesel consumption.

Detailed product-wise analysis of growth for April, 2013 is given in the following sections.

2.2 Petrol / Motor Spirit (MS): There has been a growth of 1.9 % in the consumption of MS during April, 2013. The overall MS consumption growth for the year 2012-13 was at 5.0 %, compared to the growth of 5.6 % during 2011-12.

Expectation of downward price revision during the end of the month, severely impacted upliftment by the dealers.

Figure-2 gives monthly MS consumption volume (TMT) and MS consumption growth (%):



Factors impacting consumption of MS are:

a) **Total Passenger Vehicles (PV) Sales** (comprising of Passenger Cars, Utility Vehicles and Vans) recorded negative growth for the fifth month in a row: Total PV domestic sales recorded negative growth of 8.2% in April, 2013, as sluggish economic growth continued to weigh on demand. Hence, MS consumption outlook in the near future remains moderate at best.

Segment	Growth (%)
Passenger Cars	-10.43 %
Utility Vehicles	3.99 %
Vans	-13.42 %
Total Passenger Vehicles (PVs)	-8.21 %

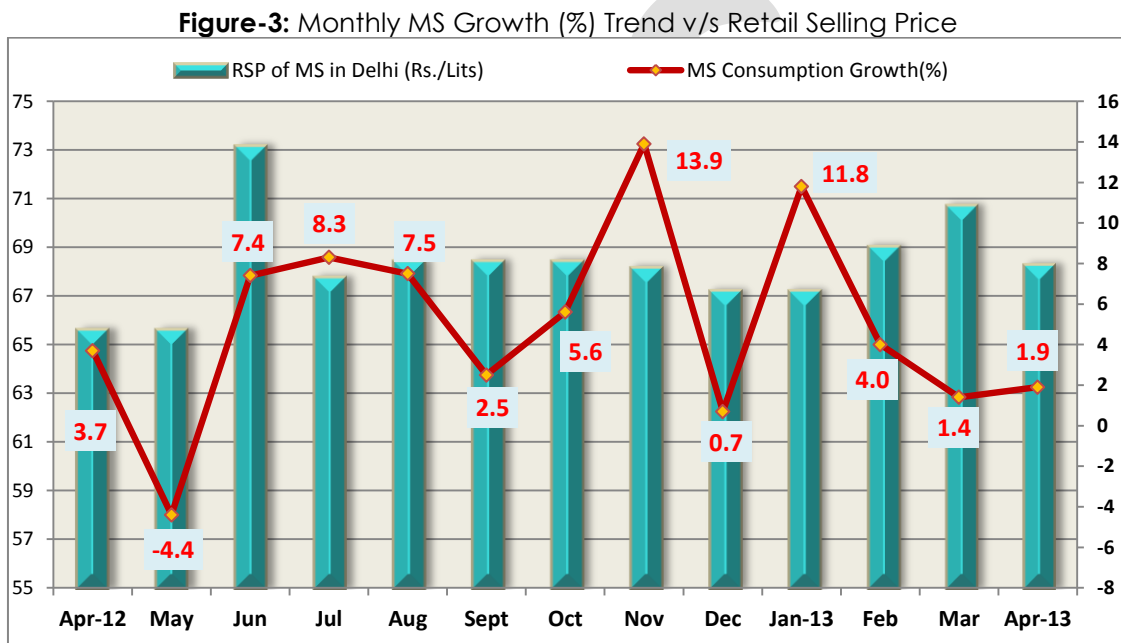
Source: SIAM

2-wheeler Sales: 1.16 million units of 2-wheelers were sold domestically, recording a marginal growth of 0.95 % in April, 2013.

Segment	Growth (%)
Scooter / Scootertee	14.72 %
Motor Cycles	-2.06 %
Mopeds	-7.20 %
Total Two wheelers	0.95 %

Source: SIAM

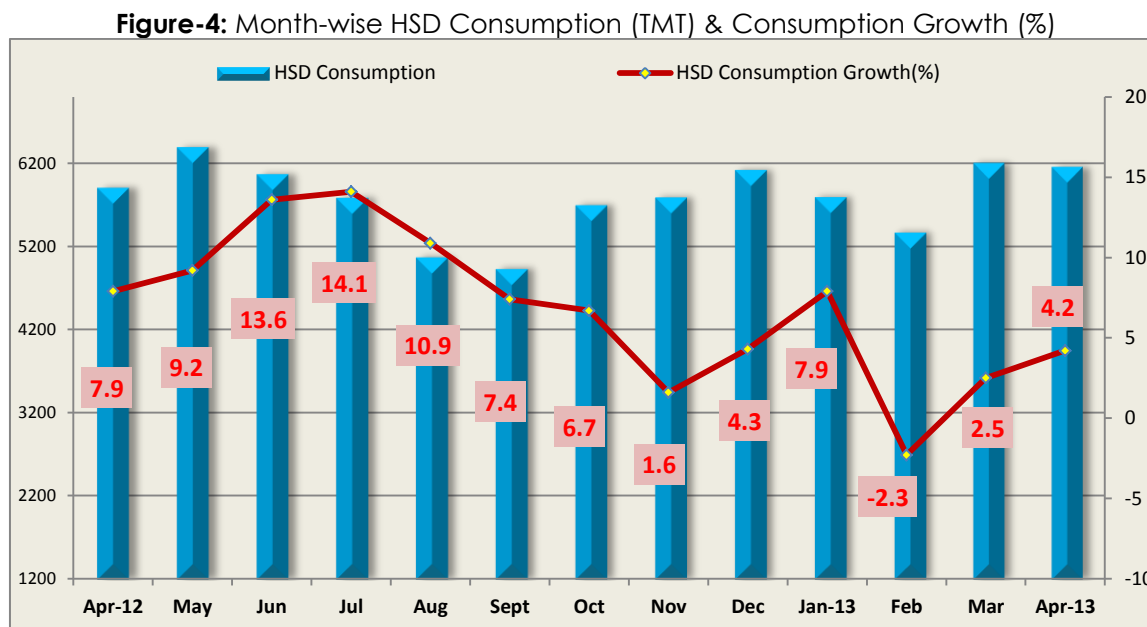
The moderating trend in MS growth can be seen in the **Figure-3** below, which gives last 13 months data for MS growth vis-a-vis retail selling price in Delhi:



The upward price revision in MS in February and March, 2013 coupled with negative sales trend in Passengers Vehicles & 2-wheelers moderated the MS consumption growth, which improved slightly in April, 2013, mainly due to downward price revision.

2.3 HSD: The growth in HSD consumption during April 2013 was 4.2 %. The overall HSD consumption growth for the year 2012-13 was at 6.8 %, compared to the growth of 7.8 % during 2011-12.

Figure-4, gives the monthly HSD consumption and Consumption Growth (%) since April, 2012.



Factors affecting diesel consumption are discussed below:

a) **Deregulation of Direct/ Bulk Diesel Sales:** Government announced in January, 2013 deregulation of diesel sales to direct/ bulk consumers buying the product directly from oil companies. The share of direct / bulk sales to total sales which was about 18% in 2011-12 has declined to around 10 % due to the price differential effective January 18, 2013.

The fall in the share of bulk HSD is mainly due to much lower upliftment by State Transport Undertakings (STUs) and industries like Civil Construction, Cement, Mining, Steel, etc., who has shifted in to Retail Outlets or alternate cheaper fuel oil.

b) **Port traffic growth remains negative:** There is no improvement in port traffic and traffic handled at major ports for the April, 2013 mainly due to slowing of exports and ban on mining. Of the 12 major ports in the country seven have recorded negative growth in port traffic led by Marmugao (-77.2%), Chidambaranar (-20.4%), Mumbai (-30.4%), Vishakhapatnam (-5.5%), and Kolkata (-5.3%).

Table-1 shows traffic handling data for major ports for April 2013:

Table-1 (FIGURES IN '000 TONNES)

TRAFFIC HANDLED AT MAJOR PORTS			
PORTS	APRIL		% GROWTH
	2013*	2012	
KOLKATA + HALDIA	2935	3100	-5.3%
PARADIP	5816	4075	42.7%
VISAKHAPATNAM	4683	4958	-5.5%

TRAFFIC HANDLED AT MAJOR PORTS			
PORTS	APRIL		% GROWTH
	2013*	2012	
ENNORE	1947	1371	42.0%
CHENNAI	4266	4297	-0.7%
V.O. CHIDAMBARANAR	1934	2430	-20.4%
COCHIN	1562	1406	11.1%
NEW MANGALORE	3282	2931	12.0%
MORMUGAO	908	3986	-77.2%
MUMBAI	3852	5533	-30.4%
JNPT	5191	5533	-6.2%
KANDLA	7125	6760	5.4%
TOTAL:	43501	46380	-6.2%

Source: IPA

- c) **Power situation:** After recording highest monthly all India power deficits of (-9.8%) in January 2013 during the Financial year 2012-13, the all India power deficit has slightly improved during April, 2013 at -8.4 %.

Western region (-1.5 %) and Eastern region (-1.9%) has shown huge improvement. The improved power position may have led to reduced consumption of HSD for power generation. Region-wise position for April 2013 is given in Table-2:

Table-2: Region-wise Power Deficits (%)

Region	April. 2012	April. 2013
North	-5.5	-8.3
West	-4.5	-1.5
South	-15.5	-17.4
East	-5.5	-1.9
North-East	-8.8	-8.8
All India	-8.2	-8.4

Source: CEA

The State-wise power supply position for the following in the month of April, 2013 is given in **Annexure-I:**

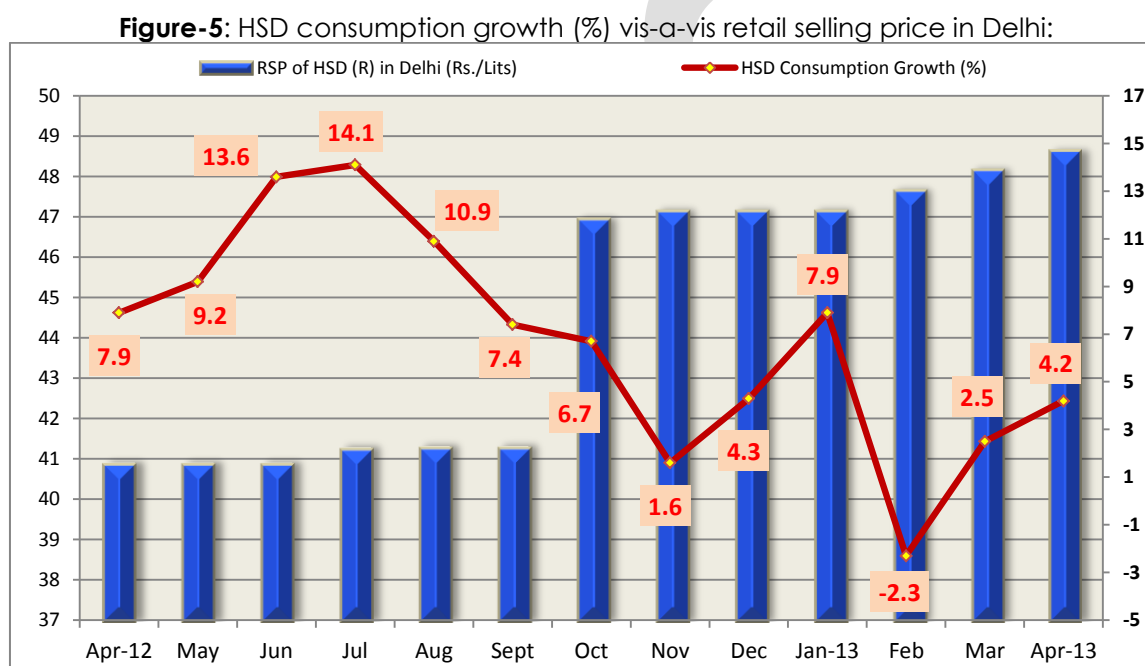
- ❖ **INDUSTRY :** Notified Power Cuts / Restrictions during April, 2013,
- ❖ **AGRICULTURAL SECTOR :** Power Supply during April, 2013 (Average hours of power supply)

- d) **Commercial Vehicles (CV) Sales:** The CV sales registered a marginal growth of 0.75 % in April, 2013.

M&HCVs	Passenger Carriers	7.15 %
	Goods carrier	-9.85%
	TOTAL	-6.66%
LCVs	Passenger Carriers	20.05%
	Goods Carrier	3.13%
	TOTAL	4.81%
TOTAL COMMERCIAL VEHICLES		0.75%

Source: SIAM

The trend of Diesel consumption growth in the last 13 months is given in Figure 5:



Even though there has been minor increase in HSD retail prices in the last 2 months, but with the major economic activities showing some signs of improvement, the diesel growth had registered positive upward growth during March & April, 2013.

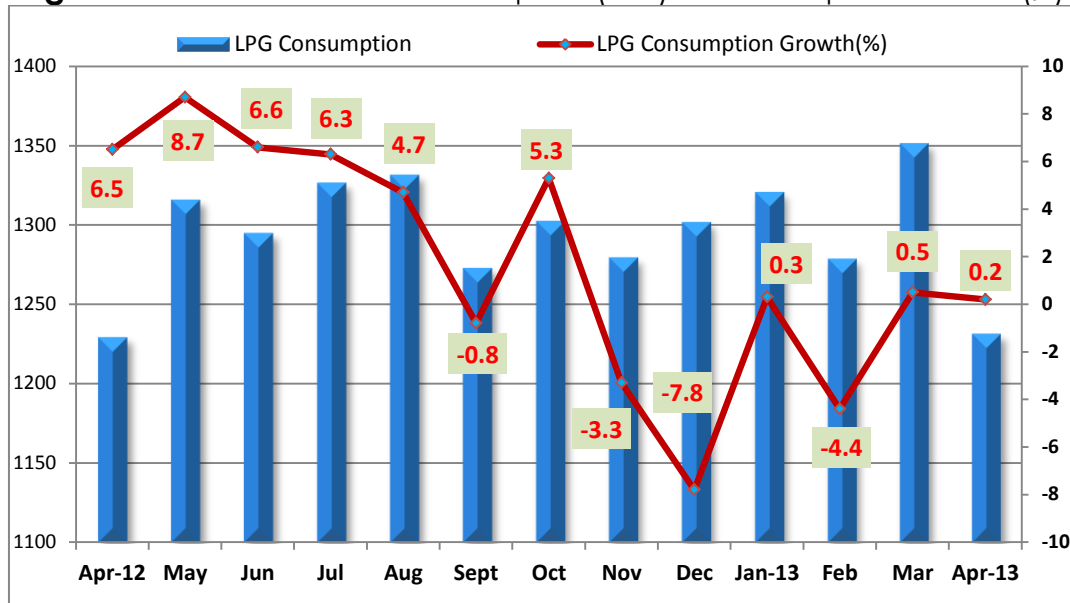
2.4 LPG: The growth in LPG Consumption during April 2013 was 0.2 %. The overall LPG consumption growth for the year 2012-13 was at 1.6 %, compared to the growth of 7.1 % during 2011-12.

There was a negative growth of 1.2 % during the month of April, 2013 in LPG-Packed Domestic sales.

Capping on LPG subsidized cylinders, increase in Auto LPG price, control on diversion of subsidized LPG for auto use and the exercise of OMCs to detect and block duplicate domestic connections had an overall dampening impact on the cumulative LPG sales during the last couple of months.

Auto LPG sales has recorded a growth of 1.3 % during April, 2013 mainly due to reduced gap in Auto LPG and MS prices.

Figure-6: Month-wise LPG Consumption (TMT) & Consumption Growth (%)



2.5 Naphtha: Naphtha recorded growth of 10.6 % this month. The overall Naphtha consumption growth for the year 2012-13 was at 9.5 %, compared to the growth of 5.1 % during 2011-12.

Both Petrochemicals and Power sectors have contributed to increased volume this month. In Southern region, increased consumption by PPN Power Tamil Nadu, LANCO and NTPC Kayakulam, Kerala have contributed to higher upliftments by power sector. Whereas in Northern Region IOCL Panipat and in Eastern Region Haldia Petrochemicals were the major contributors to Naphtha consumption growth from the Petrochemical sector during April, 2013.

2.6 Bitumen: Bitumen recorded growth of 19.5 % this month. The overall bitumen consumption growth for the year 2012-13 was at 0.7 %, compared to the growth of 2.3 % during 2011-12.

The performance of road sector is not inspiring in FY 2012-13, with a number of NHAI projects held up for want of clearances. On the constitution of Cabinet Committee on Investments (CCI), clearances are expected to be faster, which may result in higher growth in bitumen consumption in the coming months.

2.7 FO/LSHS: As reported in our previous report, in April, 2013 the Fertilizer sector has contributed to the negative growth in FO/LSHS sales. NFL Panipat & Bhatinda, major consumers in the fertilizer sector, have switched to gas and their upliftments for the past two months are nil.

Growth in FO+LSHS consumption is -25.9 % in April, 2013. There was a cumulative decline of 17.5 % in financial year 2012-13, compared to the decline of 13.7 % during 2011-12.

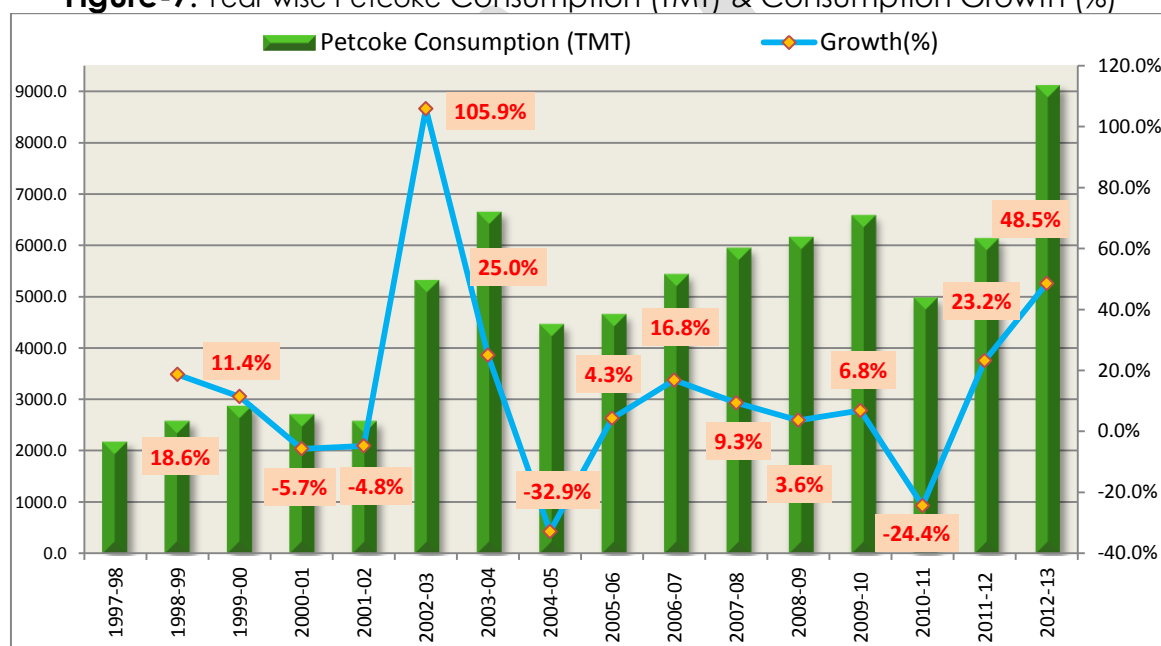
2.8 ATF: ATF recorded a marginal growth of 0.2 % this month. The financial year 2012-13 recorded a cumulative negative growth of -4.8 %, compared to the growth of 9.0 % during 2011-12.

There is a marginal growth in both the passenger and cargo transportation. The recent decision of the Government for unbundling of services may bring down basic air fare, leading to increased passenger traffic in the coming months.

2.9 Petcoke: Petcoke recorded a growth of 21.3 % during April, 2013. The overall Petcoke consumption growth for the year 2012-13 was at 48.5 %, compared to the growth of 23.2 % during 2011-12.

The high growth during the last couple of years has been due to the commissioning of Resid project at existing IOCL Gujarat Refinery and new refineries at Bina and Bhatinda. Lower growth during April, 2013 is due to reduced availability from refineries mainly due to shut down.

Figure-7: Year wise Petcoke Consumption (TMT) & Consumption Growth (%)



2.10 Natural Gas: As the increasing share of Natural Gas in the country's energy basket has an impact on the consumption of other petroleum products, from this month onwards, this report would also analyze the consumption of Natural Gas.

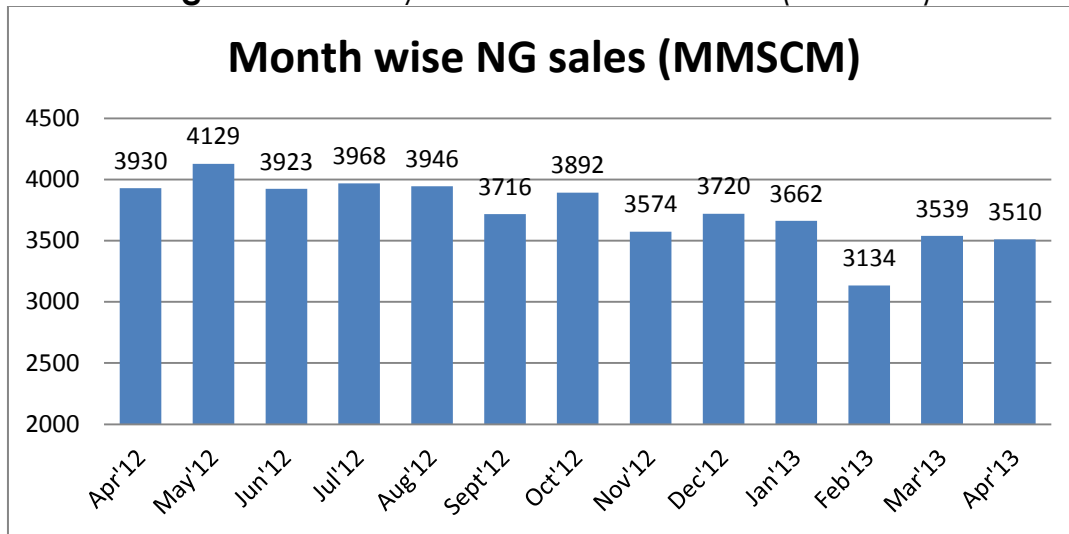
Natural Gas (NG) Industry in India is passing through a turbulent phase with domestic supply on a decline and the increasing demand-supply gap. Indian Oil & Gas players are trying to bridge this widening gap with imported LNG. However, India's NG demand is highly price sensitive posing a challenge to import LNG at affordable prices.

GAIL, RIL, GSPC and ONGC are the main players in the Indian gas industry besides smaller players like Shell, IOCL, BPCL, etc. Barring GSPC and some minor players whose data is not available, NG sales data is consolidated and analyzed

by PPAC region-wise (North, East, West, South) and sector-wise (Power, Fertilizer, City Gas, Internal Consumption, Others).

There has been a decline of about 11 % in the sales of Natural Gas in April, 2013 compared to the same period last year. The overall sale for the month was 3510 MMSCM as compared to 3930 MMSCM in April, 2012.

Figure-7: Monthly-wise Natural Gas sales (MMSCM)



Major factors affecting Natural Gas sales are:

1. **Power Sector:** There was a decline of about 33 % in natural gas sales in the power sector. This was primarily due to reduced off-take by power consumers in the northern region; whereas the western and southern regions were hugely impacted by the declining volumes of KG basin gas.
2. **Fertilizer Sector:** There was approx. 18 % growth in sales due to increased off-take by consumers in northern and southern India compared to the same period last year, when 3 major plants were under shutdown.
3. **City Gas Sector:** There was marginal decline in sales of about 1.5 %, which was due to reduced short-term / spot R-LNG supply in Gujarat.
4. **Internal Consumption:** There was an overall increase of approx. 25 % in internal consumption compared to the same period last year, when GAIL's Pata petrochemical plant was under shutdown. The increase is also due to increased off-take by IOCL.
5. **Others Sectors:** There was an overall decrease of about 16 % in sales in Other sectors due to decrease in domestic supply and higher price of LNG.

ANNEXURE – I

STATES	INDUSTRY : Notified Power Cuts / Restrictions during April 2013	AGRICULTURAL SECTOR : Power Supply during April 2013 (Average hours of power Supply)
Northern Region		
Chandigarh*	* Data not received from these States	N/A
Delhi*	* Data not received from these States	N/A
Haryana	200 MW cut on HT/LT industries from 18:00 to 21:00 hrs	Three Phase Supply: 11.49 hrs/day (average) and Rural feeders are segregated to 3-phase feeders.
Himachal Pradesh	No Notified Power Cut	HPSEBL has only 2% agriculture consumers and uninterrupted power is being supplied to agriculture sector
Jammu & Kashmir*	* Data not received from these States	* Data not received from these States
Punjab	600 MW cut on HT/LT industries from 19:00 to 22:00 hrs	Three Phase Supply : 4:94 hrs/day (average) and Single phase Supply : 22.96 hrs/day (average)
Rajasthan	NIL	Three Phase Supply : 5 hrs/day (average), Single Phase Supply : FRP feeders 24:00 hrs/day (average) and Non-FRP feeders 24:00 hrs/day (average)
Uttar Pradesh	No Notified Power Cut	9:29 hrs./day
Uttarakhand	140 MW cut on HT/LT industries for different hours on different days	19:05 hrs./day
Western Region		
Chhattisgarh	Nil	Three Phase Supply : 18 hrs/day
Gujarat	All industries are allowed to run their units on all days of week and if they want to avail staggered holiday, then they will have to stagger on notified day only and cannot avail as per their choice. All Industries are required to keep their recess timings staggered.	Only 8 hours power supply in staggered form in rotation of day and night is given to Agriculture. No supply during rest of 16 hrs. Jyotigram Yojana 24 hrs.
Madhya Pradesh	Nil	Three Phase Supply: 22:18 hrs/day and Single phase Supply: NIL
Maharashtra	Nil	Three Phase Supply : 8 hrs/day (Average) and Single phase Supply : 18 hrs/day (Average)
Goa	Nil	No restriction
Southern Region		
Andhra Pradesh	There was load shedding of up to 4178 MW for the month.	Three Phase Supply: 7 hrs/day.

Karnataka	There was load shedding up to 2800 MW during peak hours	Three Phase Supply : 4-5 hrs/day (average) and Single Phase Supply : 6-8 hrs/day (average)
Kerala	There was load shedding up to 500 MW during peak hours	No Restrictions
Tamil Nadu	There was load shedding upto 3901 MW. (a) 40% Power Cut in respect of HT and Commercial consumers, (b) 2 hour Load Shedding for Chennai (between 08-18 hrs), (c) 3 Hours Load shedding (between 06-18 hrs) for Urban and Rural Areas. (d) 10 % Peak hour restrictions to HT & Commercial consumers.	Three Phase Supply : 9 hrs/day and Single Phase Supply : 15 hrs/day
Puducherry	Nil	No Restrictions
Eastern Region		
Bihar	No Notified Cuts#	About 18 hrs
Jharkhand	No Notified Cuts#	About 20 hrs
Orissa	No Notified Cuts#	24 hrs
West Bengal	No Notified Cuts#	About 23 hrs
Note : # Although some states have reported "No Notified Power Cuts", load shedding/restrictions are imposed on industries on day to day basis depending upon availability of power vis-à-vis requirement.		

Source: CEA