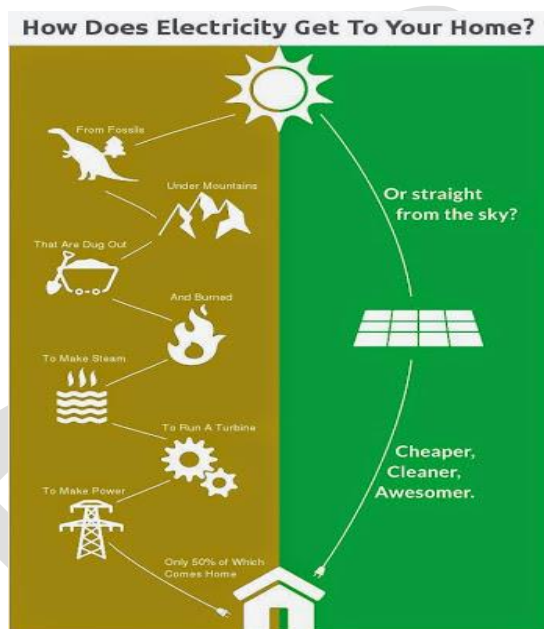


# INDUSTRY SALES REVIEW REPORT

June 2014



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

Data on product-wise monthly consumption of petroleum products for June, 2014 is uploaded on PPAC website. This report analyses the trend of consumption of petroleum products in the country during the month of June, 2014.

## 1.0 CONSUMPTION:

The growth (%) in consumption of petroleum products, category-wise, for the month of June, 2014 is given in Table-1.

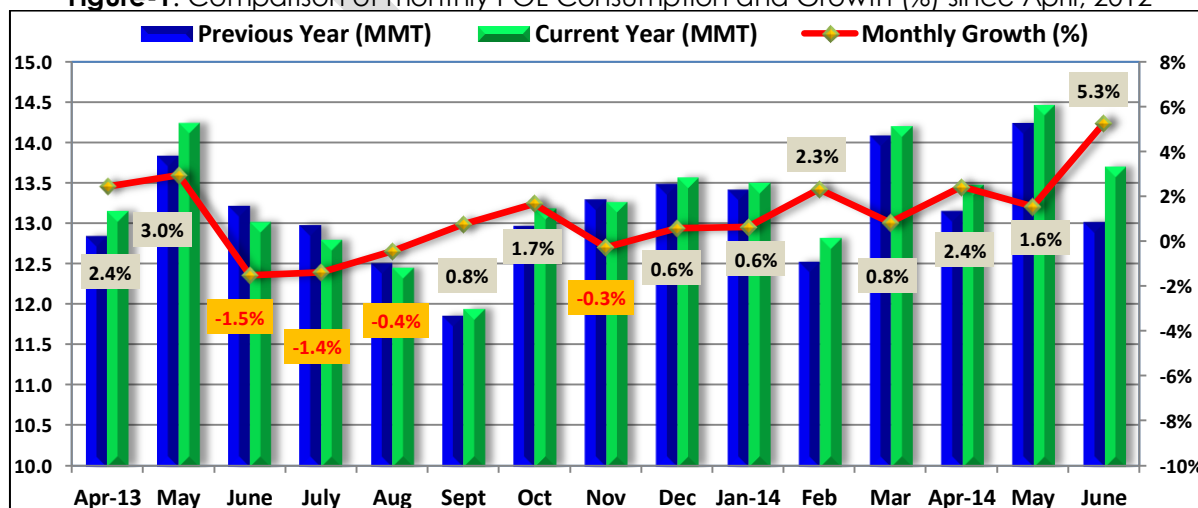
**Table-1:** Consumption (Quantity in TMT)

PRODUCT	% Share	June, 2013	June, 2014	Growth (%)	Products Included
<b>Sensitive Products</b>	59.0%	7751	8091	4.4%	SKO, LPG & HSD
<b>Major Decontrolled Products</b>	30.5%	3903	4187	7.3%	Naphtha, MS, Lubes, LDO, FO/LSHS, Bitumen & ATF
<b>Other Minor Decontrolled Products</b>	10.4%	1366	1429	4.6%	Petcoke & other minor products
<b>Grand Total</b>		<b>13020</b>	<b>13707</b>	<b>5.3%</b>	

**1.1 All Products:** The consumption of all petroleum products has registered a growth of 5.3 % in June, 2014 as compared to that in June, 2013. Except for Naphtha and LDO, all other products have recorded positive growth. This is the highest growth in petroleum products consumption since January, 2013.

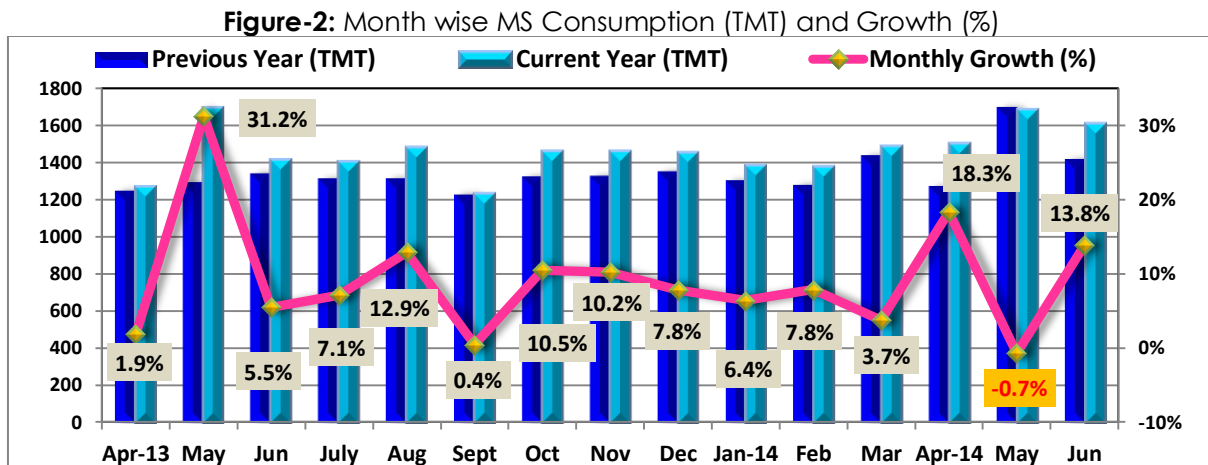
Data on direct private imports received from DGCIS, which are added to the final sales reported by oil companies for estimation of consumption figures, are available upto April, 2014 and private imports data for the balance two months, (i.e. May, 2014 & June, 2014) are projected based on April'13 to March'14 figures.

**Figure-1:** Comparison of monthly POL Consumption and Growth (%) since April, 2012



Detailed product-wise analysis of growth for June, 2014 is given in the following sections:

**1.2 Petrol / Motor Spirit (MS):** There has been a growth 13.8% growth in the consumption of MS during June, 2014 and a cumulative growth of 9.5% for April-June, 2014. Figure-2, gives month wise MS consumption volume (TMT) and month-on-month growth (%) since April, 2012.

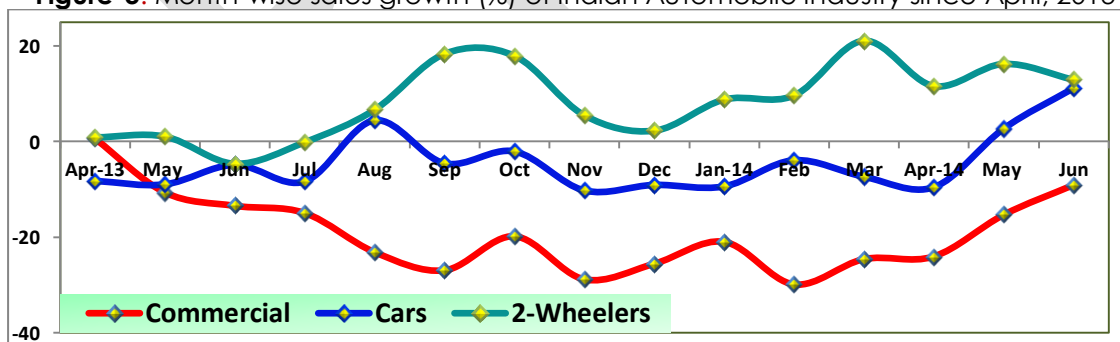


The month of June, 2014 registered a growth mainly due to low base during June 2013, increase in vehicular movements due to extended holiday season, more two wheeler movement on roads because of less rains and anticipated price hike by month end.

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

The 2-wheeler segment is showing consistent positive growth, whereas for the last two months passenger vehicles sales has also registered growth, but the commercial vehicles sales is showing negative growth for more than 15 months.

**Figure-3: Month-wise sales growth (%) of Indian Automobile Industry since April, 2013**



a) **Total Passenger Vehicles (PV) Sales:** Heavy discounts, extension of excise duty reduction for the next six months and riding on positive sentiment over the formation of a stable Government have perked up volumes of the car Industry for the second consecutive month. The overall passenger vehicles sales registered a growth of 11.23% during June, 2014.

Segment	June, 2013	June, 2014	Growth (%)
Passenger Cars	139,624	160,232	14.76%
Utility Vehicles	41,018	43,849	6.90%
Vans	16,084	14,747	-8.31%
<b>Total: Passenger Vehicles (PVs)</b>	<b>196,726</b>	<b>218,828</b>	<b>11.23%</b>

Source: SIAM

- b) **2-wheeler Sales:** With domestic sales of 1.26 million units in June, 2014, the 2-wheeler segment recorded a growth of 12.99%, mainly due to a continuous impressive growth of 25.15% in the Scooter/ Scooterette segment. As more than 60% of the petrol consumption is by 2-wheelers in the country, there is a good growth in MS consumption.

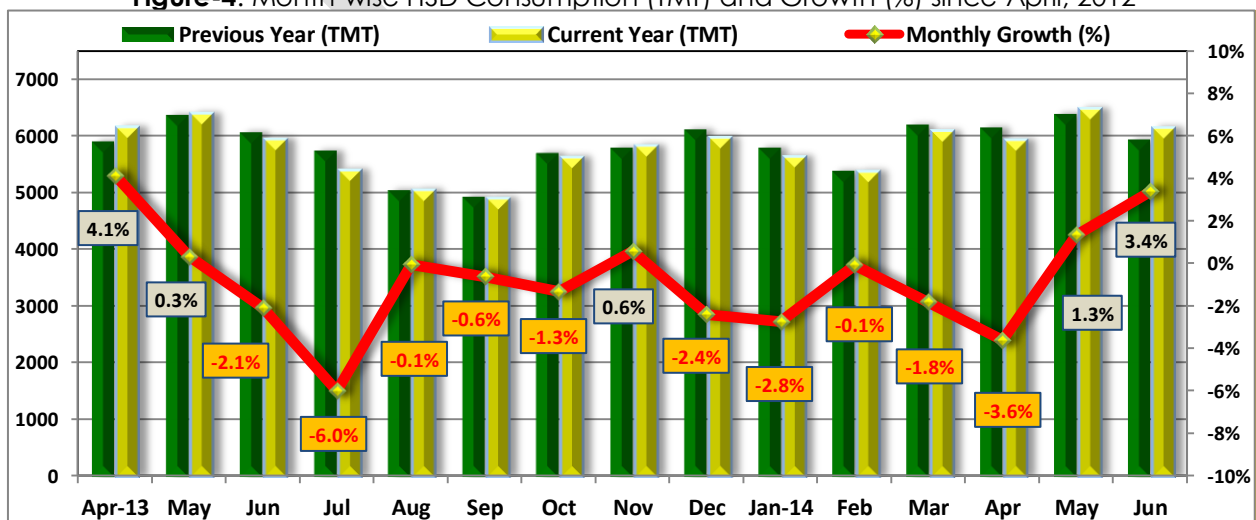
Segment	June, 2013	June, 2014	Growth (%)
Scooter / Scooterette	258,223	323,178	25.15%
Motor Cycles	799,254	876,196	9.63%
Mopeds	59,061	62,215	5.34%
<b>Total: Two wheelers</b>	<b>1,116,538</b>	<b>1,261,589</b>	<b>12.99%</b>

Source: SIAM

**1.3 High Speed Diesel (HSD):** The declining trend in HSD consumption since June, 2013 continued till April, 2014, with the exception of a marginal growth during November, 2013. HSD consumption for the second consecutive month recorded growth of 3.4% in the month of June, 2014 and a cumulative growth of 0.3% for April-June, 2014. This is the highest growth in HSD consumption since April, 2013.

The main reasons for higher growth have been the delayed monsoon leading to higher usage of DG pumping sets for irrigation, higher vehicular movement due to increased economic activities, power deficit, resumption of mining activities and improved port traffic

**Figure-4:** Month-wise HSD Consumption (TMT) and Growth (%) since April, 2012



**Factors affecting diesel consumption are discussed below:**

- a) **Port traffic:** There has been a growth of 3.3% in port traffic and cargos handled at major ports during June, 2014 and a cumulative growth of 4.29% for the period April-June'2014, due to improvement at all major ports except Kolkatta, Chennai and Cochin.

The Supreme Court of India in June, 2014 has lifted the 19 month old ban on mining in Goa, the top Iron ore producing state in the country. The resumption of the mining activities and increase cargo movement related activities in Goa during FY 2014-15 has improved the consumption of petroleum products.

**Table-2:** Traffic handled at major ports for June, 2014

TRAFFIC HANDLED AT MAJOR PORTS ('000 MT)				
PORTS	June 2013	June 2014	Gr (%): Jun	Gr (%): Apr-Jun
KOLKATA + HALDIA	3667	3368	-8.2%	-1.4%
PARADIP	5450	5590	2.6%	1.9%
VISAKHAPATNAM	4580	4941	7.9%	5.3%
ENNORE	2019	2414	19.6%	15.7%
CHENNAI	4392	4022	-8.4%	0.0%
V.O. CHIDAMBARANAR	2352	2383	1.3%	9.4%
COCHIN	1825	1792	-1.8%	4.4%
NEW MANGALORE	3015	3272	8.5%	0.2%
MORMUGAO	797	1169	46.7%	31.1%
MUMBAI	4547	4585	0.8%	9.7%
JNPT	5135	5605	9.2%	5.6%
KANDLA	7914	8048	1.7%	0.3%
<b>TOTAL:</b>	<b>45693</b>	<b>47189</b>	<b>3.3%</b>	<b>4.29%</b>

Source: IPA

- b) **Power situation improves:** The power deficit position for the month of June, 2014 is given in Table-3.

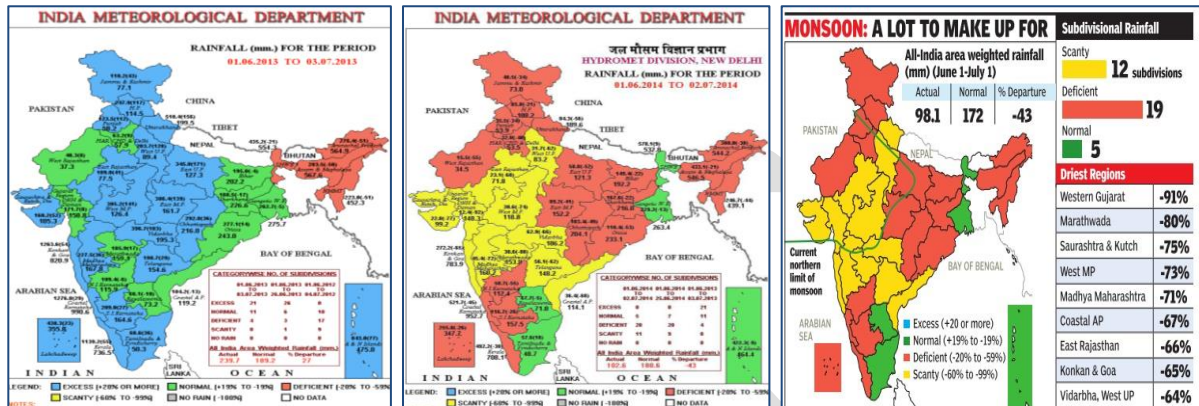
**Table-3:** Power deficit: Region-wise position for June, 2014 (% deficit)

States	June'2014				June'2013
	Requirement (MU)	Available (MU)	Deficit		Deficit (%)
			MU	(%)	
North	30,540	28,922	-1628	-5.3%	-5.0%
West	26,647	26,325	-322	-1.2%	-0.7%
South	23,521	22,255	-1266	-5.4%	-7.7%
East	9,880	9,770	-110	-1.1%	-1.3%
North East	1,177	1,075	-102	-8.7%	-6.4%
<b>Total</b>	<b>91,765</b>	<b>88,347</b>	<b>-3,418</b>	<b>-3.7%</b>	<b>-4.1%</b>

Source: Central Electricity Authority (CEA)

Further, the extreme heat condition and poor monsoon in the entire country in June, 2014, has increased in the consumption of Diesel for power generation by DG sets.

- c) The IMD maps reflect the rainfall impacted due to EL Nino effect during June, 2014 compared to the same period last year, recording a 43% shortfall in rainfall during the month:



- d) **Commercial Vehicles (CV) Sales:** The CV sales registered a decline of -9.03% during June, 2014 and cumulative negative growth of -16.13% for the period April-June, 2014.

During the last two to three years, the continued sluggishness in economic activity, struggling mining sector & grim Industrial output, had influenced the slowing down of sales of heavy diesel vehicles.

While on the one hand revenues of truck operators have been hit because smaller volumes of goods were being transported, the higher diesel prices have pushed up costs, resulting in the fleet utilization hit an all-time low of approx., some 60-65% whereas just around two to three years back the fleet's utilization was at 90% plus.

Positive signs of the turnaround in the commercial vehicle (CV) sector are visible since the last two months with improvement in both business enquiries and vehicle sales.

Segment	June, 2013	June, 2014	Growth (%)
M&HCVs	18,809	18,414	-2.10%
LCVs	37,385	32,705	-12.52%
<b>Total: Commercial Vehicles</b>	<b>56,194</b>	<b>51,119</b>	<b>-9.03%</b>

Source: SIAM

**1.4 LPG:** The LPG consumption for the tenth month in a row recorded a positive growth 11.4% during June 2014 and with a cumulative growth of 11.8% for the period April-June, 2014.

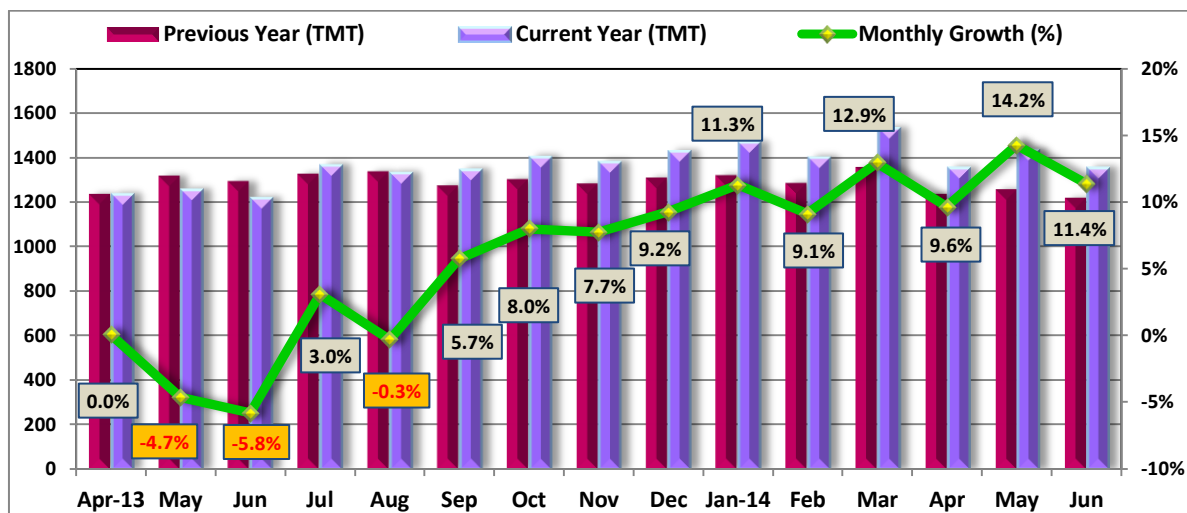
During June, 2014, 12.5 lakh new connections and 6.6 lakh DBCs have been released. Since March 2014, there is continuous high growth of LPG Packed-

Domestic. De-growth in LPG-Packed non-domestic from October 2013 is mainly due to increase in cap of subsidized domestic cylinders.

Growth in LPG Bulk from April 2014, third month in a row, is due to low base of last year and approx. 8 TMT has been lifted by OMPL (ONGC+MRPL) for their petrochemical plant since March 2014.

Auto LPG has shown degrowth due to higher LPG prices and possible diversion of domestic cylinders to Auto LPG use.

**Figure-5** Month-wise LPG consumption (TMT) and Growth (%) since April, 2012



**1.5 Naphtha:** Naphtha consumption registered a de-growth of -6.5% in June, 2014 and the cumulative growth of 1.5% for the period April-June, 2014 mainly due to lower direct imports during the month and shifting to natural gas by Zuari.

There has been an increase in the consumption in the Southern region power sector in NTPC, Kayamkulam. Some petrochemical units such as IOCL Panipat, Asian Peroxide and Haldia Petrochemicals have also recorded positive growth.

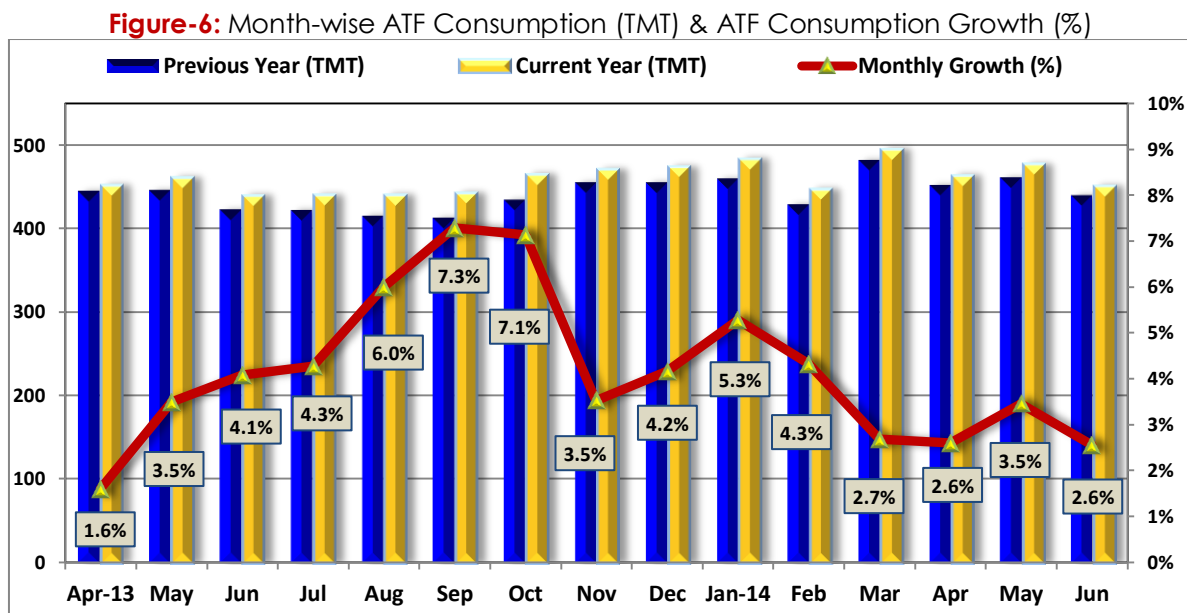
**1.6 Bitumen:** Bitumen consumption registered a high growth of 33.7% in June, 2014 and the cumulative growth of 6.6% for the period April-June, 2014.

The construction of new roads and highways had slowed down in the last two to three financial years, but with a number of new NHAI project clearances and the activities of new road building/ repairing/ re-carpeting of existing roads after the General Elections, has resulted in improvement in the bitumen consumption. Delayed monsoon has also provided extended good weather window for road works.

**1.7 FO/LSHS:** FO+LSHS consumption registered growth of 4.2% during June, 2014 and a cumulative decline in growth of -5.0% for the period April-June, 2014.

Some Fertilizer and Power sectors have contributed to the negative growth in FO/LSHS sales. GMR Vasavi in power sector of south India and NFL Panipat & Bhatinda and GNFC Bharuch, the major consumers in the fertilizer sector, have switched to natural gas and their upliftment for the past couple of months is Nil.

**1.8 ATF:** There has been a 2.5% growth in the consumption of ATF during June, 2014 and cumulative growth for April-June, 2014 is at 2.9%.



After almost two years, domestic air travel is showing signs of growth.

**1.9 PETCOKE:** Petcoke consumption registered a growth of 13.5% during June, 2014 and a cumulative growth of 11.17% during April-June, 2014.

The high growth during the last couple of years has been due to increased availability after the commissioning of Resid project at the existing IOCL Gujarat Refinery and new refineries at Bina and Bhatinda, and also due to increased imports because of large scale exports from USA.

**1.10 LDO:** LDO consumption recorded a de-growth of -26.0% in June, 2014 and a cumulative negative growth of -15.4%, during April-June, 2014.

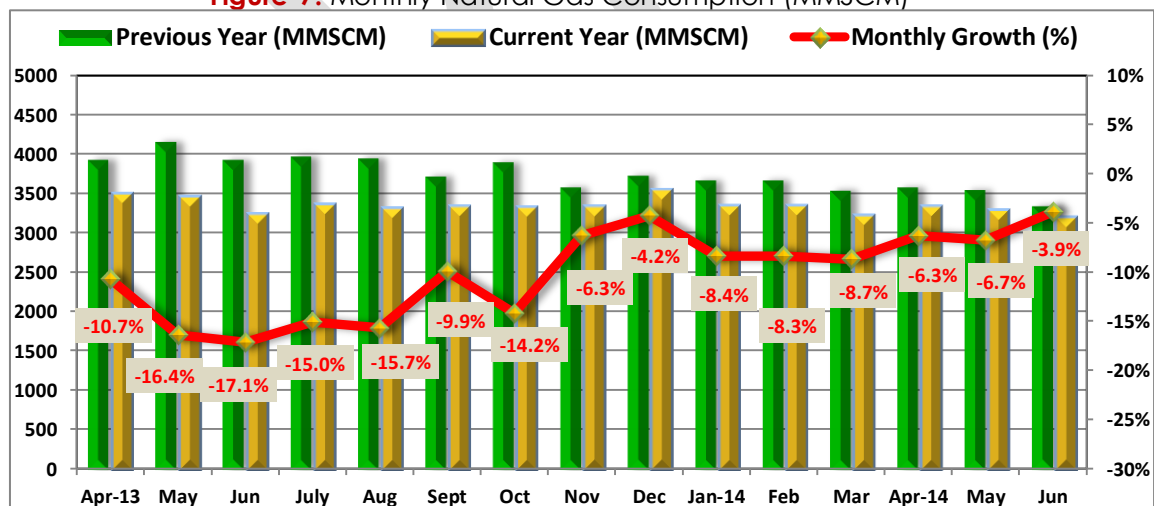
**1.11 Natural Gas:** There has been a decline of about -3.86 % in the consumption of Natural Gas in June, 2014. The overall consumption for the month was 3208.80 MMSCM as compared to 3337.59 MMSCM for same month last year. The cumulative consumption volume for April-June, 2014 was 9857.59 MMSCM against 10455.22 MMSCM for the same period last year, showing a decline of about -5.72%.

Natural gas sales have shown decline predominantly due to reduction in domestic gas production.



1. **Power Sector:** Even though the Power sector has shown a growth of 5.21% during June, 2014, the cumulative growth for the sector during April-June, 2014 dropped almost -14.11% as compared to last year. The growth during the month is primarily due to high off-take of gas from power producers in Northern & Western India, in the peak summer season in these regions.
2. **Fertilizer Sector:** Fertilizer sector registered a negative growth of -5.26% in June, 2014. There was a decline mainly due to shutdown in several fertilizer plants such as TATA Chemicals (UP) & NFL Bhatinda (PUN) in Northern Region and shutdown of NFL (MP) & reduced off take by Gujarat producers in Western Region which was to some extent compensated by Higher off take by NFCL in Southern Region. The fertilizer sector showed a cumulative de-growth of -0.20% in 2014-15 compared to last year.
3. **City Gas Sector:** There was growth of 15.58% in CGD sales of June, 2014 due to increase in off-take primarily in Northern (IGL, GGL and Green Gas) and Western region (Gujarat due to APM Allocation). On a cumulative basis during April-June, 2014, CGD sector showed a growth of 18.42%.
4. **Internal Consumption:** Internal consumption (IC) showed a positive growth of 9.81% in June, 2014 compared to the same month last year due to increased internal consumptions by RIL in the southern region and by IOC Panipat/Mathura in Northern Region. Cumulative internal consumption for 2014-15 also showed a positive growth of 6.16% compared to last year.

**Figure-7:** Monthly Natural Gas Consumption (MMSCM)



5. **Others Sectors:** There was overall decline of -26.86% in consumption in Other sectors which include steel, iron etc. manufacturers. The decline in sales is due to decrease in domestic supply and low LNG off-take by customers. The cumulative volume for the sector registered a negative growth of 19.58% in 2014-15 compared to last year.

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