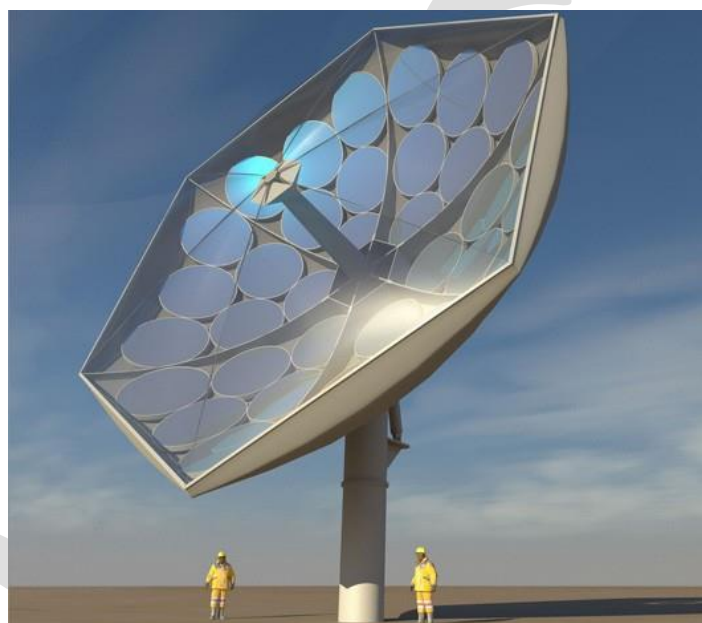


# INDUSTRY SALES REVIEW REPORT

May 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 May, 2014 is uploaded on PPAC website. This report analyses the trend of consumption of petroleum products in the country during the month of May, 2014.

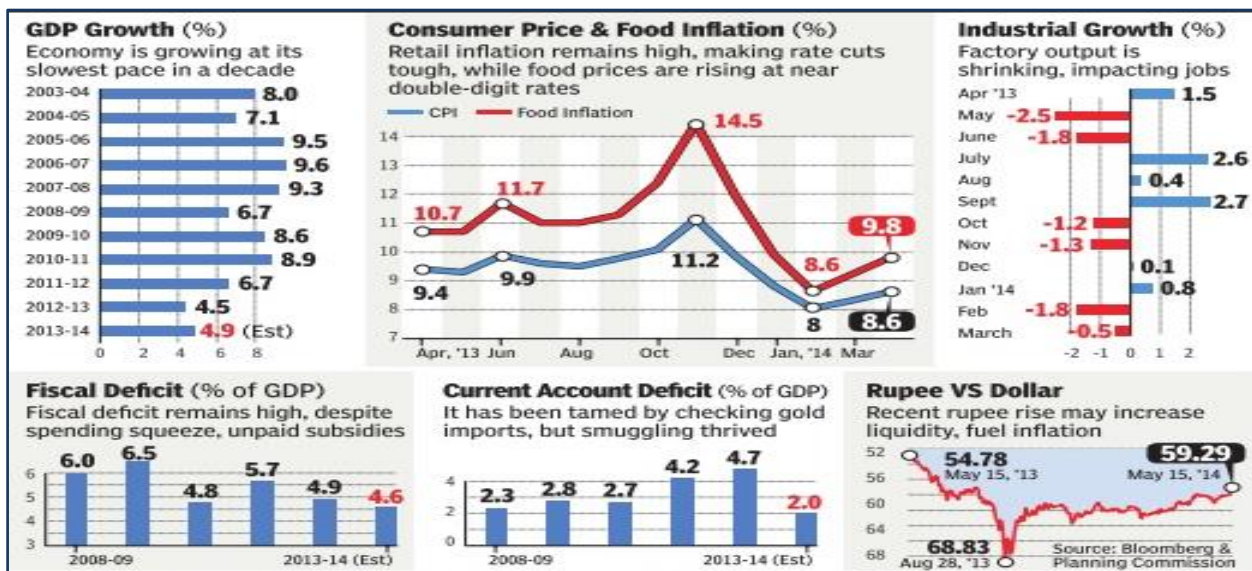
## 1.0 CONSUMPTION:

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

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

PRODUCT	% Share	May, 2013	May, 2014	Growth (%)	Products Included
<b>Sensitive Products</b>	58.8%	8258	8502	3.0%	SKO, LPG & HSD
<b>Major Decontrolled Products</b>	30.9%	4496	4469	-0.6%	Naphtha, MS, Lubes, LDO, FO/LSHS, Bitumen & ATF
<b>Other Minor Decontrolled Products</b>	10.3%	1490	1483	-0.5%	Petcoke & other minor products
<b>Grand Total</b>		<b>14244</b>	<b>14454</b>	<b>1.5%</b>	

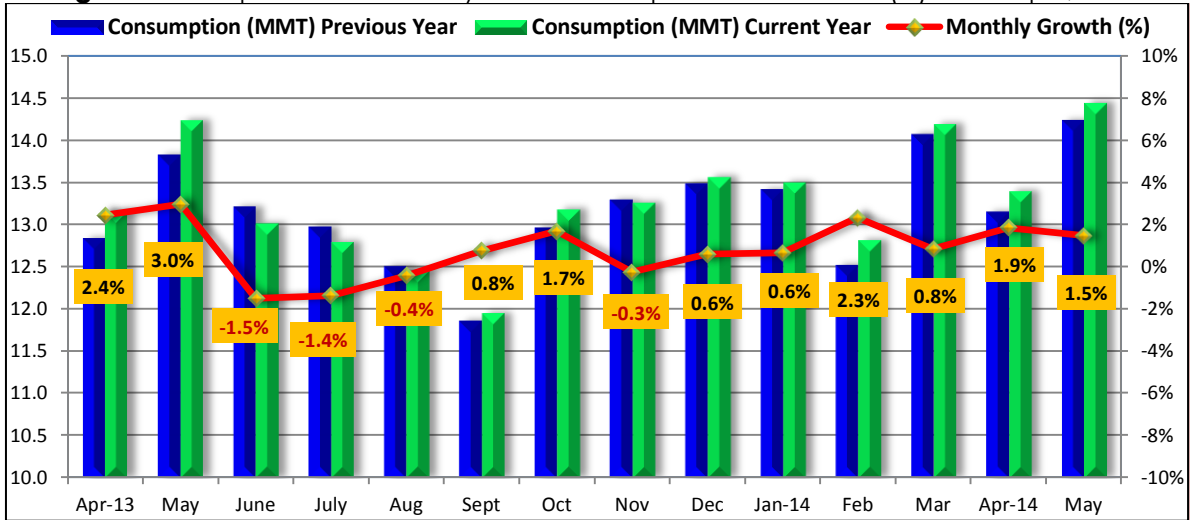
The consumption of petroleum products is the reflection of the economic health of the country and the some of the parameters were as follows:



**1.1 All Products:** The consumption of all petroleum products has registered a growth of 1.5 % in May, 2014 as compared to that in May, 2013. Except for LPG, HSD, Naphtha and ATF, all other products have recorded negative growth.

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 March, 2014 and private imports data for the balance two months, (i.e. April, 2014 & May, 2014) are projected based on April'13 to March'14 figures.

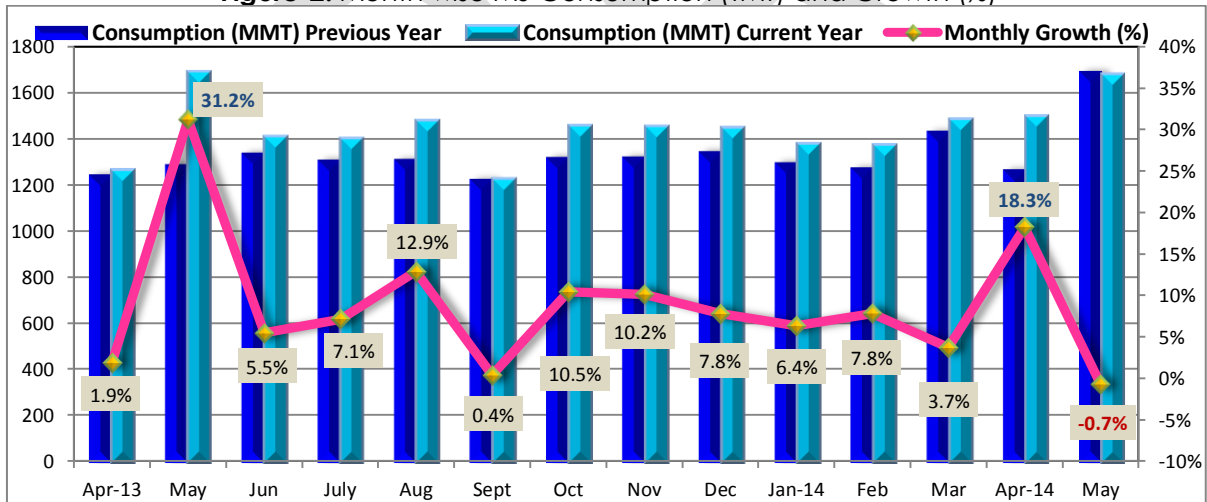
**Figure-1:** Comparison of monthly POL Consumption and Growth (%) since April, 2012



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

**1.2 Petrol / Motor Spirit (MS):** There has been a marginal negative growth -0.7% growth in the consumption of MS during May, 2014 and a cumulative growth of 7.4% for April-May, 2014. Figure-2, gives month wise MS consumption volume (TMT) and month-on-month growth (%) since April, 2012.

**Figure-2:** Month wise MS Consumption (TMT) and Growth (%)



The month of May, 2014 registered a marginal negative growth that may be attributed mainly to the unusual high historical base of May, 2013 and impact of severe heat wave conditions across the country on the vehicle movements especially in the second half of the month.

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

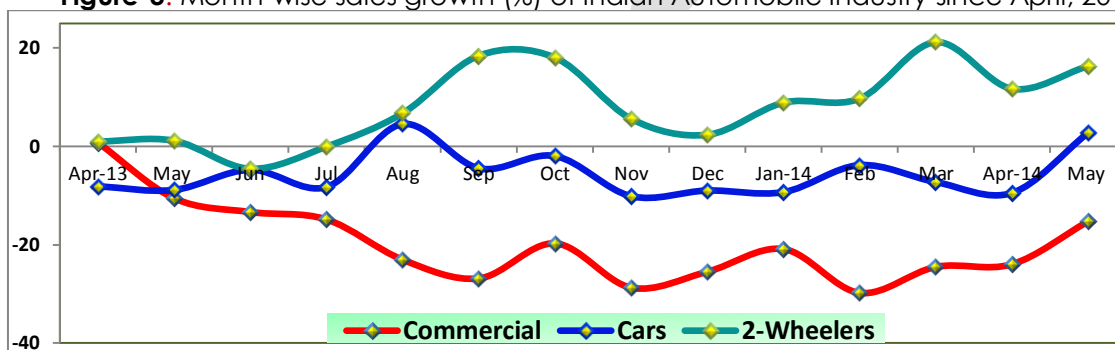
- a) **Total Passenger Vehicles (PV) Sales:** Discounts and the general elections have perked up volumes for the car Industry for the first time in last two years. The overall passenger vehicles sales registered a growth of 2.76% during May, 2014.

Segment	May, 2013	May, 2014	Growth (%)
Passenger Cars	144,132	148,577	3.08
Utility Vehicles	42,335	44,267	4.56
Vans	15,891	15,109	- 4.92
<b>Total: Passenger Vehicles (PVs)</b>	<b>202,358</b>	<b>207,953</b>	<b>2.76</b>

Source: SIAM

Other than the 2-wheeler segment which is showing consistent positive growth, the growth in passenger and commercial vehicles sales are having negative growth for more than 15 months

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



- b) **2-wheeler Sales:** With domestic sales of 1.40 million units in May, 2014, the 2-wheeler segment recorded a growth of 16.30%, mainly due to a continuous impressive growth of 34.48% in the Scooter/ Scooterette segment. More than 60% of the petrol consumption is by 2-wheelers in the country

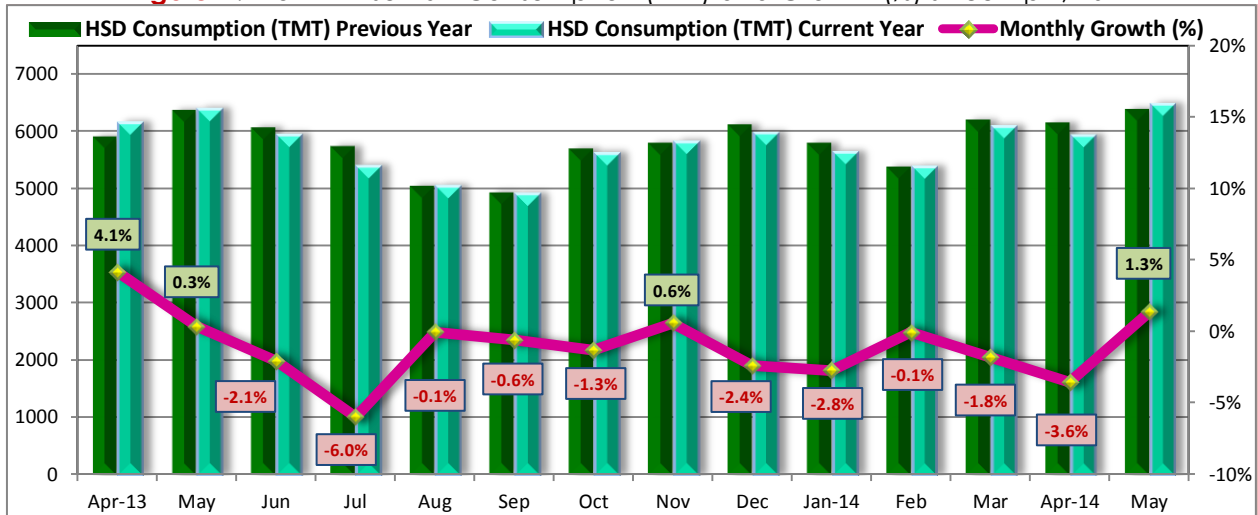
Segment	May, 2013	May, 2014	Growth (%)
Scooter / Scooterette	265,862	357,564	34.48
Motor Cycles	881,288	984,469	11.71
Mopeds	58,993	60,797	3.06
<b>Total: Two wheelers</b>	<b>1,206,173</b>	<b>1,402,830</b>	<b>16.30</b>

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. However, HSD consumption recorded a growth of 1.3% in the month of May, 2014 and a cumulative de-growth of -1.1% for April-May, 2014.

A combination of factors such as (a) slowing down of sale of commercial diesel vehicles (MPVs, Medium & Heavy vehicles and Light commercial vehicles), (b) improved power situation, (c) shift of Industrial consumers to alternate fuels due to price differential (dual pricing) and increasing fuel prices, and (d) shift of 4-Wheeler/ SUV consumer preference from diesel to petrol driven vehicles, continue to dampen diesel consumption.

**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 1.1% in port traffic and cargos handled at major ports during May, 2014 and a cumulative growth of 4.80% for the period April-May, 2014, due to improvement at all major ports except Kolkata, Paradip and Chidambaranar.

The Supreme Court of India in May, 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 will enable to improve the consumption of petroleum products and increase cargo movement related activities in Goa during FY 2014-15.

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

TRAFFIC HANDLED AT MAJOR PORTS ('000 MT)			
PORTS	May 2013	May 2014	Growth (%)
KOLKATA + HALDIA	3424	3215	-6.1%
PARADIP	5735	5311	-7.4%
VISAKHAPATNAM	5303	5380	1.5%
ENNORE	2233	2438	9.2%
CHENNAI	4175	4418	5.8%
V.O. CHIDAMBARANAR	2493	2395	-3.9%
COCHIN	1887	1937	2.6%
NEW MANGALORE	3371	3444	2.2%
MORMUGAO	967	1215	25.6%
MUMBAI	4881	4931	1.0%
JNPT	5267	5444	3.4%
KANDLA	8246	8369	1.5%
<b>TOTAL:</b>	<b>47982</b>	<b>48497</b>	<b>1.1%</b>

Source: IPA



- b) **Power situation improves:** The power deficit position for the month of May, 2014 is given in Table-3. There is a significant improvement in the power deficit during the month as compared to May, 2013.

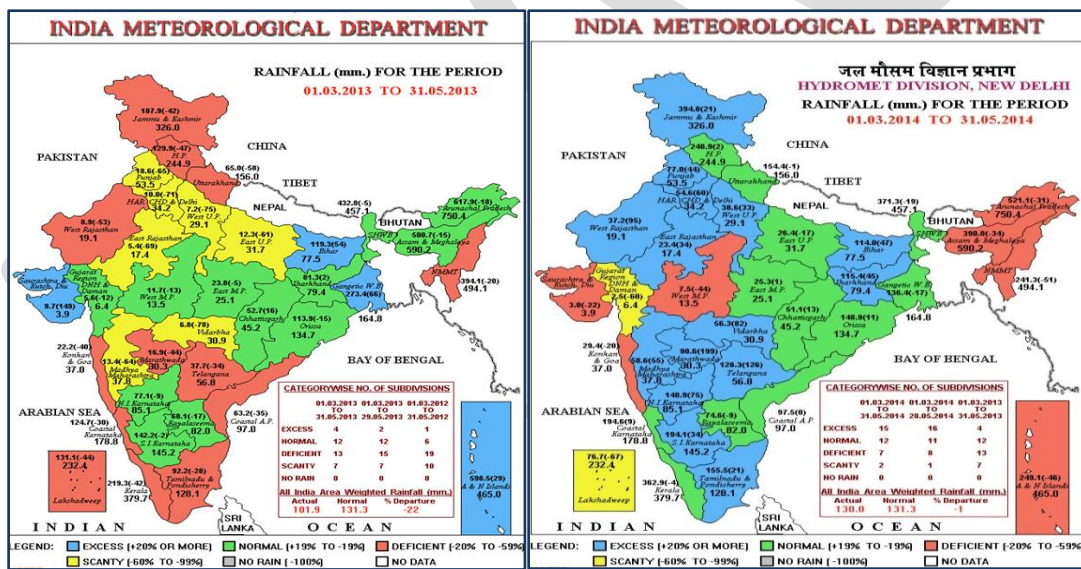
**Table-3:** Power deficit: Region-wise position for May, 2014 (% deficit)

States	May'2014				May'2013
	Requirement (MU)	Available (MU)	Deficit MU	Deficit (%)	Deficit (%)
North	28069	26421	-1648	-5.9%	-5.9%
West	27989	27644	-345	-1.2%	-0.9%
South	24007	22720	-1287	-5.4%	-12.4%
East	9903	9788	-115	-1.2%	-1.4%
North East	1064	970	-94	-8.8%	-8.4%
<b>Total</b>	<b>91032</b>	<b>87543</b>	<b>-3489</b>	<b>-3.8%</b>	<b>-5.7%</b>

Source: Central Electricity Authority (CEA)

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

- c) The IMD maps reflect the rainfall during March to May, 2014 compared to the same period last year:



- d) **Commercial Vehicles (CV) Sales:** The de-growth in the Commercial Vehicle sales continued with CV sales registering a decline of -15.28% during May, 2014 and cumulative negative growth of -19.69% for the period April-May, 2014.

Segment	May, 2013	May, 2014	Growth (%)
M&HCVs	18,519	16,572	-10.51
LCVs	36,939	30,414	-17.66
<b>Total: Commercial Vehicles</b>	<b>55,458</b>	<b>46,986</b>	<b>-15.28</b>

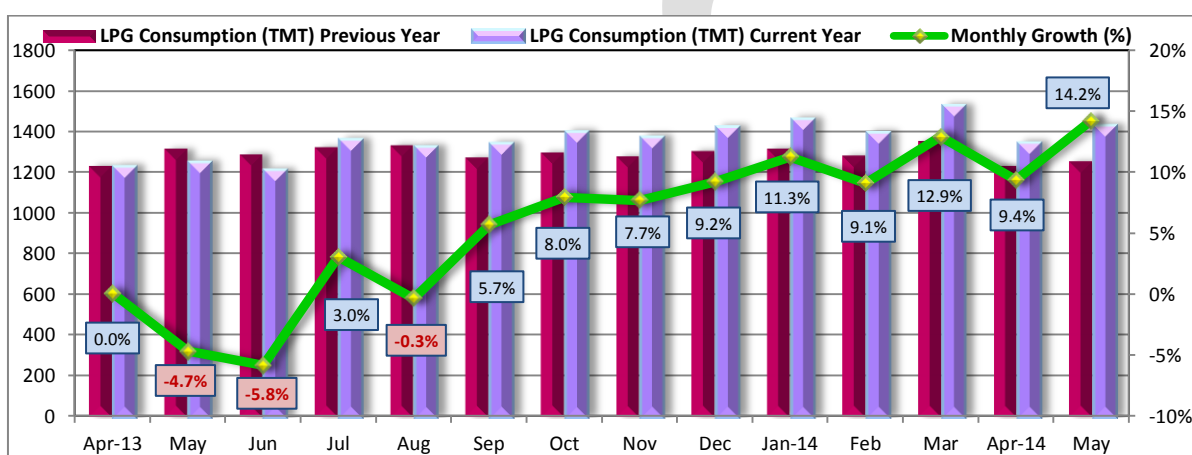
Source: SIAM

**1.4 LPG:** The LPG consumption for the ninth month in a row recorded a positive growth 14.2% during May 2014 and a cumulative growth of 11.8% for the period April-May, 2014.

Since September, 2013 there has been a steady growth in LPG consumption due to release of new connections and DBCs and also due to low base of previous year. During May, 2014, 12.7 lakhs new connections and 8.2 lakh DBCs have been released,

Decline in bulk LPG sales has been observed since May, 2010, which may be mainly due to shift of customers to PNG and parallel marketers, and also due to slowdown in industrial activity.

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



**1.5 Naphtha:** Naphtha consumption registered a growth of 14.3% in May, 2014 and the cumulative growth of 3.6% for the period April-May, 2014.

There has been an increase in the consumption in the Southern region power sector in PPN power & BSES. Some petrochemical units such as IOCL Panipat, Asian Peroxide and Haldia Petrochemicals have also recorded positive growth during May, 2014.

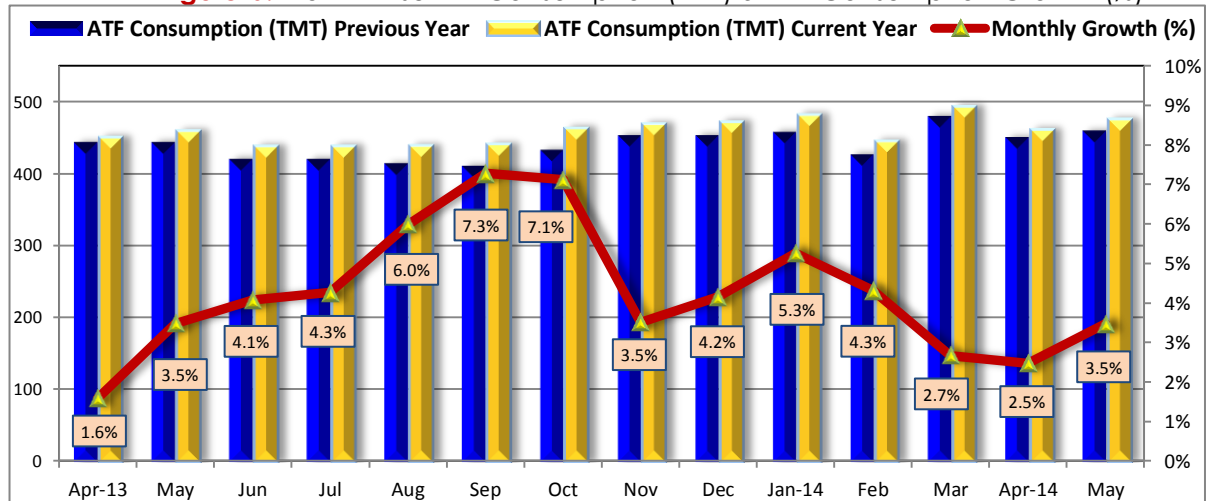
**1.6 Bitumen:** Bitumen consumption registered a decline in growth of -5.3% in May, 2014 and the cumulative de-growth of -2.3% for the period April-May, 2014 mainly due to reduced road works during the general elections.

**1.7 FO/LSHS:** The declining trend in de-growth of FO+LSHS consumption of the last financial year continued with -5.1% de-growth during May, 2014 and a cumulative decline in growth of -6.3% for the period April-May, 2014.

The Fertilizer and Power sectors have contributed to the negative growth in FO/LSHS sales. 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 3.5% growth in the consumption of ATF during May, 2014 and cumulative growth for April-May, 2014 is at 3.0%.

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



Domestic air travel is showing signs of growth. In order to boost air traffic in the coming months, most of the airlines have announced slashing of air fares for travel upto June, 2014.

**1.9 PETCOKE:** Petcoke consumption registered a decline in growth of -1.8% during May, 2014 and a cumulative growth of 10.7% during May-March, 2015 mainly due to reduced imports.

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 large scale exports from USA.

**1.10 LDO:** LDO consumption recorded a de-growth of -15.1% in May, 2014 and a cumulative negative growth of -8.4%, during April-May, 2014.

**1.11 Natural Gas:** There has been a decline of -6.75 % in the consumption of Natural Gas in May, 2014. The overall sale for the month was 3302 MMSCM as compared to 3541 MMSCM for same month last year. The cumulative sales volume for April-May, 2014 was 6649 MMSCM against 7112 MMSCM for the same period last year, showing a decline of -6.52%.

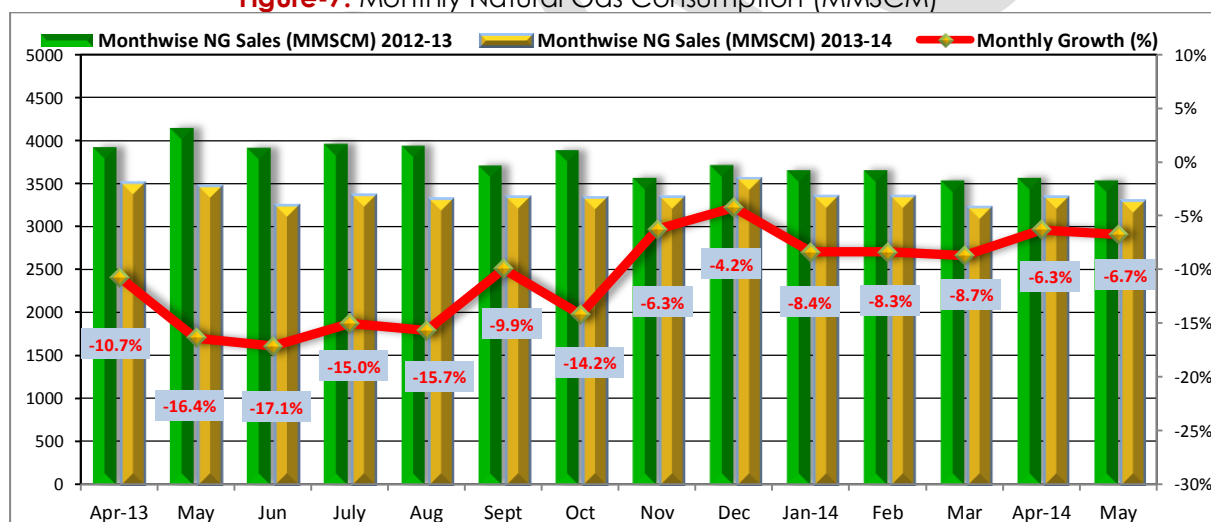
Natural gas consumption declined mainly due to reduced domestic gas availability.

- Power Sector:** Power sector showed a decline of 14.27% in May, 2014 primarily due to low intake of gas from power producers in anticipation of gas price rise. Power producers utilized coal based capacities rather than the gas based ones, since power from gas at revised prices would not be feasible for them. For the same reason, cumulative volume for the sector dropped almost 21% as compared to last year.



2. **Fertilizer Sector:** Fertilizer sector registered a negative growth of -2.81% in May, 2014. There was a decline in North region's consumption for May, 2014 as compared to last year mainly due to shutdown in several fertilizer plants in the region (Indo-Gulf, IFFCO, CFCL). This was however largely compensated by growth in Western region due to high off-take by fertilizer plants in Goa and M.P. The fertilizer sector showed a cumulative growth of 2.51% in 2014-15 compared to last year primarily due to increased supply to Zuari Fertilizers in Goa.
3. **City Gas Sector:** There was growth of 21.19% in CGD consumption of May, 2014 due to increase in off-take primarily in Northern (IGL and Green Gas) and Western (Gujarat) regions. On a cumulative basis during the year, CGD consumption growth is 19.84% due to increased sales in Maharashtra, UP and Delhi.
4. **Internal Consumption:** Internal consumption (IC) showed a growth of 8.17% in May, 2014 compared to the same month last year due to increased internal consumptions by RIL in the Southern region. Cumulative internal consumption for 2014-15 also showed a positive growth of 5.03% as compared to last year.

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



5. **Others Sectors:** There was overall decline of -21.11% in consumption in other sectors which include steel, iron etc. manufacturers. The decline in consumption is mainly due to decrease in domestic supply and low LNG off-take by customers. The cumulative volume for the sector registered a negative growth of 16.30% in 2014-15 as compared to last year.

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