

# INDUSTRY SALES REVIEW REPORT

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

## 1.0 CONSUMPTION:

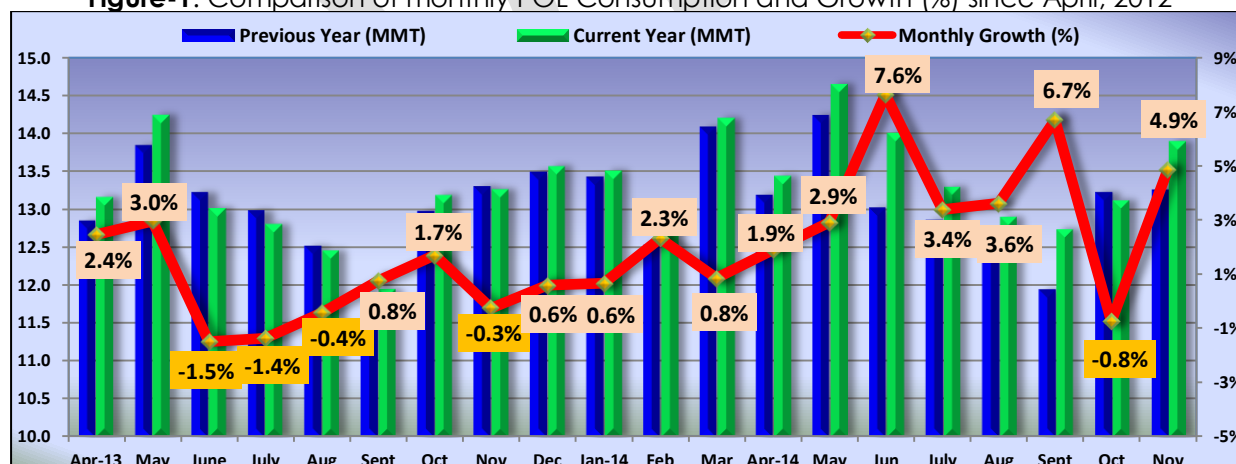
The growth (%) in consumption of petroleum products, category-wise, for the month of November, 2014 is given in Table-1.

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

PRODUCT	% Share	Nov' 2013	Nov' 2014	Growth (%)	Products Included
<b>Sensitive Products</b>	58.9%	7801	8181	4.9%	SKO, LPG & HSD
<b>Major Decontrolled Products</b>	27.8%	4010	3858	-3.8%	Naphtha, MS, Lubes, LDO, FO/LSHS, Bitumen & ATF
<b>Other Minor Decontrolled Products</b>	13.3%	1442	1857	28.7%	Petcoke & other minor products
<b>Grand Total</b>		<b>13253</b>	<b>13896</b>	<b>4.9%</b>	

**All Products:** The consumption of all petroleum products has registered a growth of 4.9% in November, 2014 as compared to that in November, 2013. Except for Naphtha, LDO, Bitumen & ATF, all other products have recorded positive growth and a cumulative growth of 3.7% during April-November, 2014.

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



The global crude prices slumped to a five year low, mainly due to the softening of global demand mainly in China as well as other geopolitical factors. The international market is still looking for equilibrium.

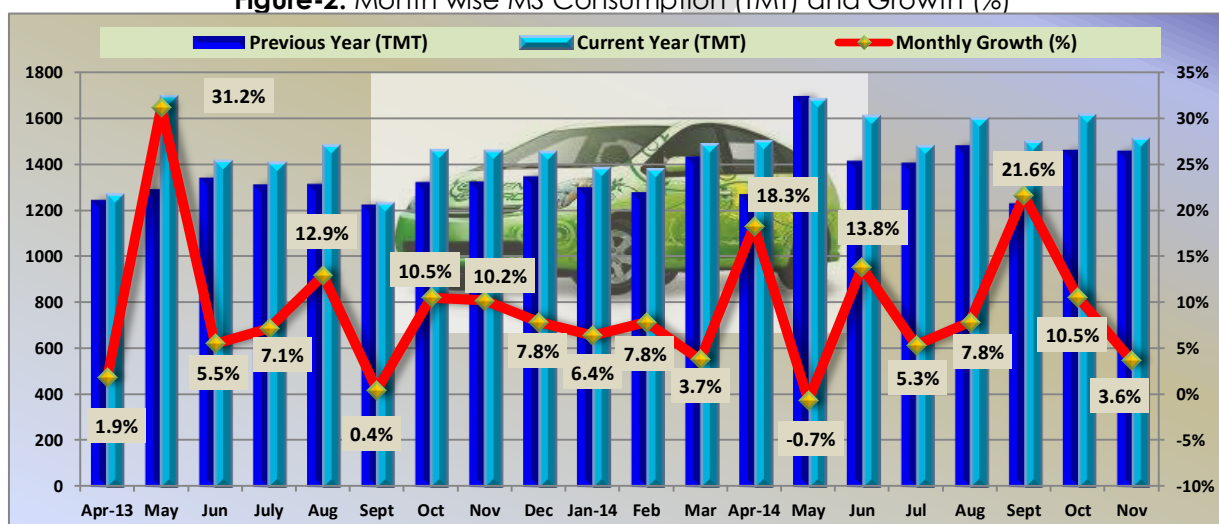
Data on direct private imports received from DGCIS, which are added to the final sales reported by oil companies for estimation of consumption figures, are available up to September, 2014 and private imports data for the balance two months, (i.e. October, 2014 & November, 2014) are projected based on April to September, 2014 figures.

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

**1.2 Petrol / Motor Spirit (MS):** There has been a 3.6% growth in the consumption of MS during November, 2014 and a cumulative growth of 9.5% for the period April-November, 2014.

The anticipated downward revision in MS price during the entire month of November, 2014 resulted in the dealers maintaining low inventory at retail outlets. The MS prices were reduced on 15<sup>th</sup> November, 2014 by Rs.1.28 per litre and were further reduced on 1<sup>st</sup> December, 2014 by Rs. 0.93 per litre.

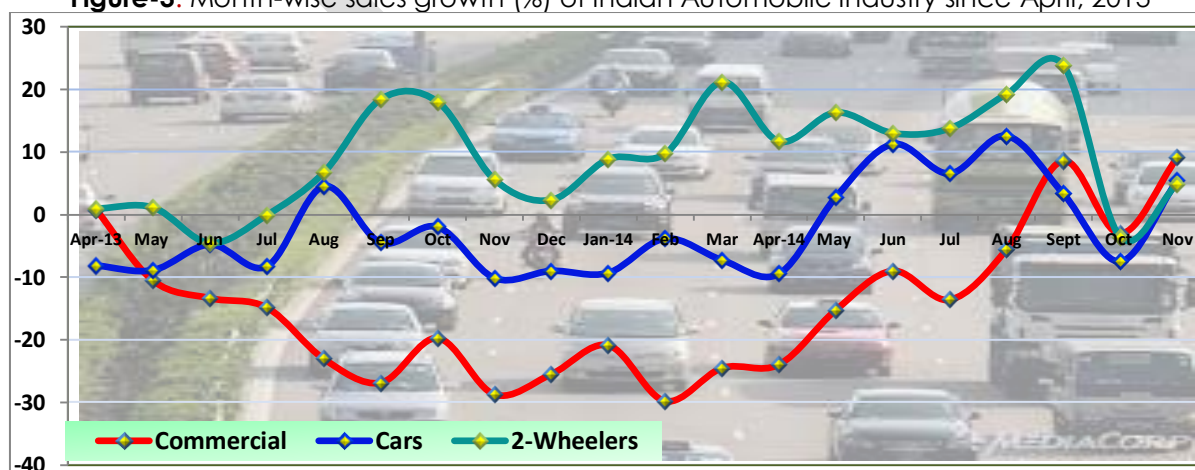
**Figure-2: Month wise MS Consumption (TMT) and Growth (%)**



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

During April-November, 2014, new registration of 16.85 lakh passenger vehicles and 109.32 lakh 2-Wheelers across the country have substantially contributed to the growth in consumption of MS.

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



- a) **Total Passenger Vehicles (PV) Sales:** After witnessing a minor pick-up in sales from May to September this year, after a prolonged slump which lasted over two years, the passenger vehicles sales was seen lagging during October, 2014.

However, the heavy discounts and extension of excise duty reduction till December, 2014 helped to the push the sentiment of buyers ahead of the year end. The recent cuts in the fuel prices have translated into a minor positive push in sales.

The overall passenger vehicles sales registered a growth of 5.42% during November, 2014 and a cumulative growth of 2.68% for April-November, 2014.

Segment	Nov, 2013	Nov, 2014	Growth (%)
<b>Passenger Cars</b>	142,849	156,445	9.52%
<b>Utility Vehicles</b>	44,244	41,218	-6.84%
<b>Vans</b>	14,428	14,775	2.41%
<b>Total: Passenger Vehicles (PVs)</b>	<b>201,521</b>	<b>212,438</b>	<b>5.42%</b>

Source: SIAM

- b) **2-wheeler Sales:** With domestic sales of 1.30 million units during November, 2014, the 2-wheeler segment recorded a growth of 4.89% and a cumulative growth of 11.84% for April-November, 2014.

The Scooter/ Scooterette segment, recorded an impressive growth of 26.49% in November, 2014. In our country, more than 60% of the petrol consumption is by 2-wheelers segment.

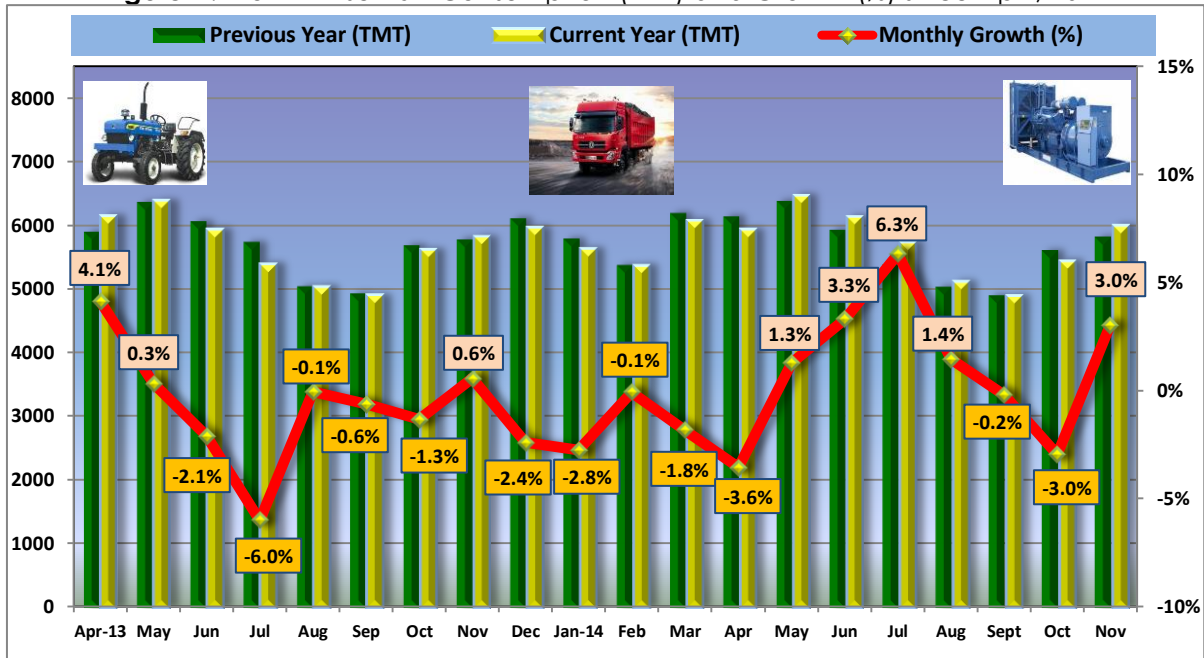
Segment	Nov, 2013	Nov, 2014	Growth (%)
<b>Scooter / Scooterette</b>	305,586	386,547	26.49%
<b>Motor Cycles</b>	880,078	853,254	-3.05%
<b>Mopeds</b>	55,131	61,630	11.79%

Source: SIAM

**1.3 High Speed Diesel (HSD):** After a positive trend for four months since May, 2014, HSD consumption had recorded a marginal de-growth of -0.2% in the month of September, 2014. The downward trend of HSD consumption continued with a negative growth of -3.0% during October, 2014.

However, there has been a 3.0% growth in the consumption of HSD during November, 2014 and a cumulative growth of 1.0% during the period April-November, 2014.

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



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

a) **Commercial Vehicles (CV) Sales:** CV sales which are believed to be the barometer of the overall economy, for the first time in 16 months during September, 2014, registered a positive growth.

CV Sales registered an impressive growth of 9.05% during November, 2014 also and cumulative negative growth of -7.27% during the period April-November, 2014. The medium & heavy commercial vehicles sales recorded an impressive 40.14% positive growth during November, 2014 mainly attributed to the rising demand for logistics & transportation services.

Segment	Nov, 2013	Nov, 2014	Growth (%)
M&HCVs	11,523	16,148	40.14%
LCVs	32,207	31,538	-2.08%
Total: Commercial Vehicles	43,730	47,686	9.05%

Source: SIAM

b) **Port traffic:** There has been an impressive growth of 10.37% in port traffic and cargos handled at major ports during November, 2014 and a cumulative growth of 5.33% during the period April-November, 2014, due to improvement at all major ports except new Mangalore. There has been a growth of 20.6% and 10.5% in Fertilizers and Coal traffic respectively handled at major ports during April-November, 2014, while there was a negative growth of 29.2% in Iron Ore traffic.

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

TRAFFIC HANDLED AT MAJOR PORTS (TMT)				
PORTS	November 2013	November 2014	Gr (%): Nov' 2014	Gr (%): Apr-Nov'14
KOLKATA + HALDIA	3345	3855	15.25%	2.6%
PARADIP	5700	5904	3.58%	6.5%
VISAKHAPATNAM	4364	4675	7.13%	3.6%
ENNORE	2358	2726	15.61%	16.0%
CHENNAI	3696	4294	16.18%	4.3%
V.O. CHIDAMBARANAR	2213	2537	14.64%	10.3%
COCHIN	1689	1744	3.26%	1.8%
NEW MANGALORE	3473	2947	-15.15%	-5.2%
MORMUGAO	1044	1384	32.57%	22.2%
MUMBAI	5246	5369	2.34%	6.3%
JNPT	4799	5221	8.79%	5.7%
KANDLA	6057	7889	30.25%	5.1%
<b>TOTAL:</b>	<b>43984</b>	<b>48545</b>	<b>10.37%</b>	<b>5.33%</b>

Source: IPA

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

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

States	November, 2014				November, 2013
	Requirement (MU)	Available (MU)	Deficit		Deficit (%)
			MU	(%)	
North	24,823	23,128	-1,695	-6.8%	-6.5%
West	28,477	28,308	-169	-0.6%	-1.1%
South	21,603	20,808	-785	-3.6%	-5.9%
East	9,315	9,150	-165	-1.8%	-1.5%
North East	1,188	1,073	-115	-9.7%	-4.6%
<b>Total</b>	<b>85,406</b>	<b>82,477</b>	<b>-2,929</b>	<b>-3.4%</b>	<b>-4.1%</b>

Source: Central Electricity Authority (CEA)

Further, the scanty monsoon and delayed onset of winters in most part of the country during November, 2014, has increased the consumption of Diesel for power generation by DG sets and agricultural purposes.

**1.4 LPG:** The LPG consumption for the fifteenth month in a row recorded a positive high growth of 14.5% during November, 2014 and a cumulative growth of 11.1% during the period April-November, 2014, against growth of 7.7% in November 2013 and cumulative growth of 1.7% during April-November 2013.

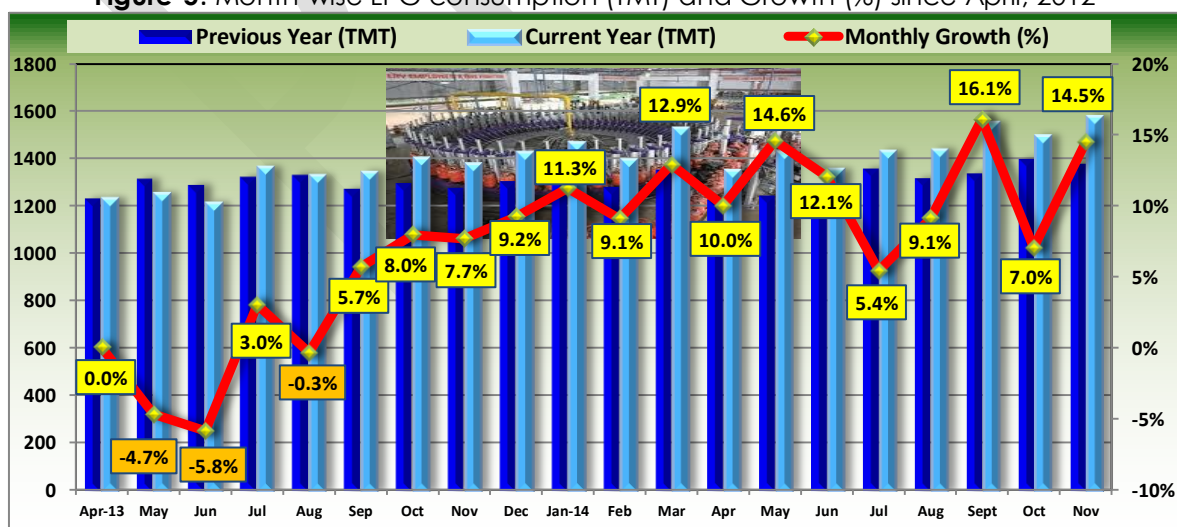


- **LPG-Packed Domestic** sales registered a positive growth for the ninth month in a row. April-November, 2014 growth was 25.8% against degrowth of -2.5% in April-November, 2013. This is mainly due to release of 94.27 lakh new connections and 58.44 lakh DBCs during April-November 2014 and increase in the capping of subsidized cylinders since February 2014.

High growth in November, 2014 can also be attributed to consumers picking up their quota of subsidized cylinders before nationwide launch of DBTL w.e.f. January, 2015.

- **LPG-Packed Domestic (Non-Subsidized)** registered degrowth for the eight month in a row during November 2014 mainly due to increase in capping of subsidized cylinders.
- **LPG-packed non-domestic** registered degrowth for the fourteenth month in a row. A degrowth of -15.0% is observed during November 2014 and -11.8% during April-November 2014.
- **Bulk LPG** recorded a positive growth for the seventh month in a row. Bulk LPG registered a growth of 15% in November 2014 and 52.9% during April-November 2014 as compared to degrowth of -2.5% during April-November 2013, mainly due to low base and upliftment by ONGC for their petrochemical unit.
- **Auto LPG** - The declining trend in consumption is continuing since September 2013 i.e. for the fifteenth month in a row. Auto LPG registered a de-growth of -23.9% during April-November 2014 as compared to degrowth of -1.1% during the same period last year, mainly due to reduced gap in the price of MS and Auto LPG.

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



**1.5 Naphtha:** Naphtha consumption registered a huge decline in growth of -23.5% in November, 2014 and a cumulative marginal de-growth of -4.0% for the period April-November, 2014.

There has been a decrease in the consumption in the Southern region fertilizer sector in MCFL (Mangalore), MFL, SPIC (Tuticorin) due to discontinuation of subsidy to naphtha based plants w.e.f. October, 2014 & some petrochemical units such as Asian Peroxide, APCL, GAIL etc.

**1.6 Bitumen:** After growth for three consecutive months till August, 2013, Bitumen consumption has registered a decline of -2.7% in November, 2014 and a cumulative growth of 4.4% for the period April-November, 2014.

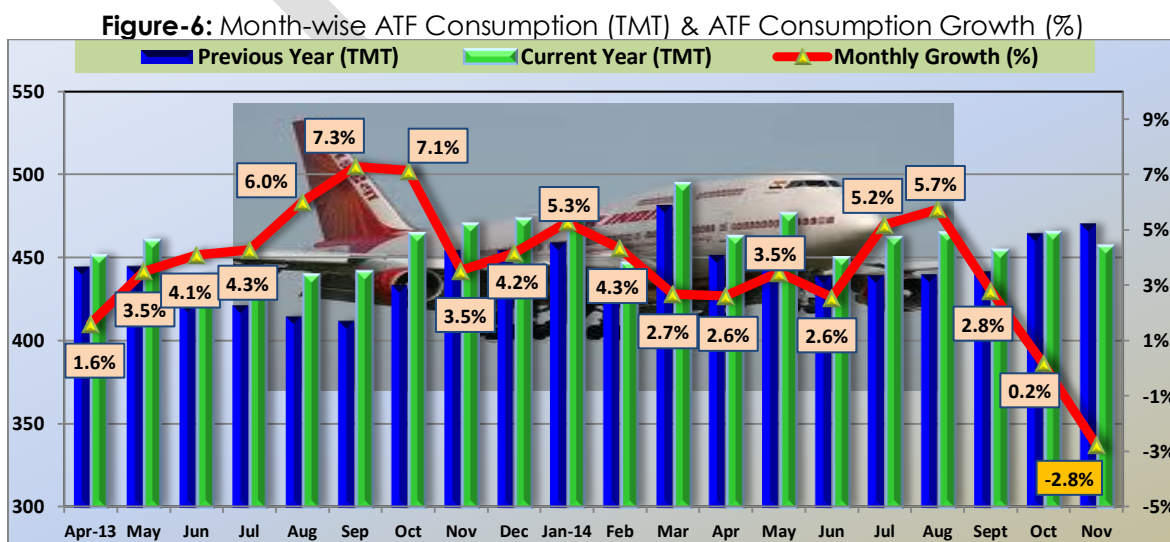
**1.7 FO/LSHS:** FO+LSHS consumption registered a growth of 2.3% during November, 2014 and a cumulative de-growth of -5.3% for the period April-November, 2014.

However, there has been an increase in consumption in the Southern region power sector in Kozhikode DPP, Sampalpatt KTPS, Polavantha and VTPS Ibrahimpatnam.

**1.8 ATF:** There has been a decline in growth of -2.8% in the consumption of ATF during November, 2014 and a cumulative growth of 2.4% for April-November, 2014, even though more passengers were carried during the current year as compared to November, 2013.

In order to boost air traffic, most of the airlines had announced slashing of air fares during the last 6 months & other ongoing discount offers. According to the aviation regulator Directorate General of Civil Aviation (DGCA), the number of passengers carried by domestic airlines during January-November, 2014 were 6.1 crores as against 5.6 crores during the corresponding period of the previous year thereby registering a growth of 9.1%.

The passengers carried by domestic airlines during November, 2014 was 58.7 lakh as against 51.4 lakh during the corresponding period of the previous year thereby registering a growth of 14.3%.





**1.9 PETCOKE:** Petcoke consumption has registered a high growth of 53.7% during November, 2014 and a cumulative growth of 22.0% during April-November, 2014.

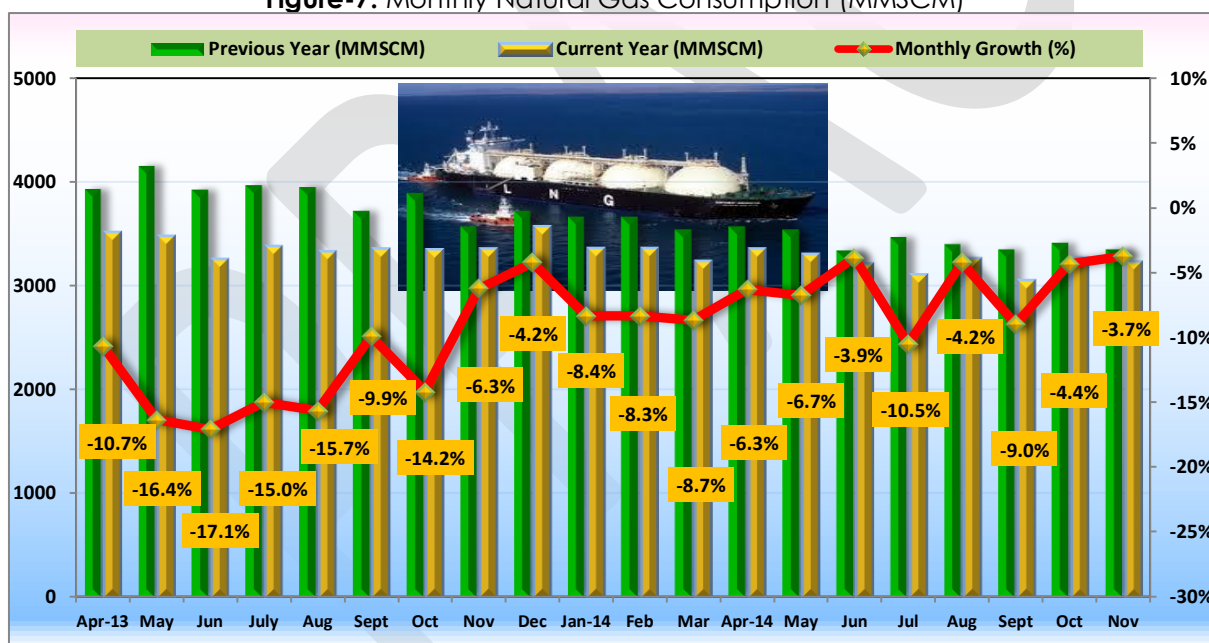
**1.10 LDO:** LDO consumption recorded a decline in growth of -9.7% in November, 2014 and a cumulative negative growth of -12.3%, during April-November, 2014.

**1.11 Natural Gas:** Natural Gas consumption saw an overall decline of about -3.75% in the month of November, 2014 as compared to November, 2013. The total consumption (excluding sales of GSPC) for November, 2014 has been 3,224 MMSCM as compared to 3,349 MMSCM for the same month last year.

The cumulative gas consumption for April-November, 2014 was around 25,744 MMSCM against 27,472 MMSCM in April-November, 2013, registering a decline of -6.29%.

Natural Gas consumption has shown decline predominantly due to reduction in domestic gas production.

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



(Excluding sales of GSPC)

**Major factors affecting Natural Gas sales are highlighted below:**

- Power Sector:** Power sector showed a decline of -3.52% in consumption of NG, from 747 MMSCM in November, 2013 to 721 MMSCM in November, 2014 due to reduced supply to power producers in Andhra Pradesh and Tamil Nadu. Though this decrease has been somewhat offset by increased consumption in the Western region, the net effect remains negative. There was decline of -8.10% on a cumulative basis from April to November in this year as compared to last year.

2. **Fertilizer Sector:** Fertilizer sector saw a decline growth of -3.47% in November, 2014 primarily because of negligible supply to NCFL, Kakinada and FACT, Kochi in Southern region. Natural Gas consumption in fertilizer sector for November, 2014 was 1,218 MMSCM as compared to 1,262 MMSCM in November, 2013.
3. **City Gas Sector:** There was an overall growth of 11.5% in CGD consumption in November, 2014 due to increase in off-take by CGD companies in Gujarat & Maharashtra in Western region and in UP & Delhi in Northern region.

The cumulative Natural Gas consumption during April-November, 2014 showed a positive growth of 16.04% as compared to last year and the cumulative consumption of NG during April-November, 2014 was 2,835 MMSCM as compared to 2,443 MMSCM sold in the same period last year.

4. **Internal Consumption:** Internal consumption showed an overall growth of 15.97% primarily due to high consumption by IOC refineries in the north. The total consumption of gas for internal consumption purpose during November, 2014 was 375 MMSCM as compared to 324 MMSCM in November, 2013.

The cumulative consumption during April-November, 2014 was 2975 MMSCM against 2729 MMSCM during April-November, 2013.

5. **Others Sector:** This low priority sector has been taking a major blow since priority was given to City Gas Distribution Sector as suppliers have diverted gas from this sector to city gas and other higher priority sectors.

There was overall decline of -22.30% in consumption in 'Others' sectors which include steel & other small industries.

Only in the Northern region, there was a growth in consumption during November, 2014 as compared to November, 2013, due to higher demand of gas by GAIL's customers located in industrial clusters of Rajasthan, Haryana and Uttarakhand.

Other three regions, especially Gujarat and Maharashtra have shown substantial decline. The cumulative consumption of NG during the period April-November, 2014 registered a decline of -27.15% from 4,800 MMSCM to 3,497 MMSCM in the same period last year.

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