

Industry consumption Report

JULY 2020



Petroleum Planning & Analysis Cell
Ministry of Petroleum & Natural Gas, Government of India





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Highlights

The month of July 2020 saw “unlock 2.0” guidelines with more relaxations in place for all economic activities. Opening of cinema halls, gymnasiums, swimming pools, large congregations were kept on hold during the month. The month of July also saw certain local restrictions being imposed by state government and district authorities to contain the growth of COVID-19.

The summary of product-wise impact on consumption in the month of July 2020 is as follows.

1. The consumption of petroleum products in July 2020 saw a de-growth of -11.7% as compared to consumption of July 2019, as the volume dropped to 15.7 MMT in July 2020 from 17.7 MMT in July 2019. Petroleum products consumption during the period April to July 2020 recorded a de-growth of -22.5% as compared to consumption in the same period previous year. The products which registered a growth in the month of July 2020 were LPG 2.3%, Lubes & Greases 22.5%, Light Diesel Oil (LDO) 14.1% and Pet coke 9.2%, while the products which registered de-growth were Diesel (HSD) -19.3%, Petrol (MS) -10.3%, Naphtha -12.4%, Aviation Turbine Fuel (ATF) -64.6%, Bitumen -4.4%, Furnace Oil & Low Sulphur Heavy Stock (FO/LSHS) -12.5% and products categorised under “Others” category -2.7%. Kerosene (SKO) recorded a de-growth of -18.7% during the current month as compared to July 2019.
2. MS (Petrol) registered a de-growth of -10.3% in the month of July 2020 with a consumption of 2.3 MMT as compared to 2.5 MMT in the month of July 2019. MS consumption for the period of April – July 2020 has shown a de-growth of -29.6% as compared to the same period previous year. Unlock 2.0 during the month of July 2020 saw increased usage of private vehicles on account of non-availability of means of public transport. But work from home and local restrictions like weekend lockdown held back the movement of MS demand towards normalisation.
3. HSD (Diesel) recorded a de-growth of -19.3% with a consumption of 5.5 MMT in the month of July 2020 as compared to 6.8 MMT in the month of July 2019. HSD consumption for the period of April – July 2020 has shown a de-growth of -30.0% as compared to the same period previous year. Unlock 2.0 continued to support economic activities, though local restrictions and subdued demand of products and services held back the movement of HSD towards normalisation. A drop in power demand in July 2020 by -2.2% was observed as compared to July 2019 while power deficit reduced to -0.1% in July 2020 from -0.5% in July 2019. Rainfall during the month was 10% below the normal distribution. A de-growth of -13.2% was recorded in port traffic during July 2020 as compared to July 2019.
4. LPG consumption recorded a growth of 2.3% in July 2020 as compared to July 2019 mainly due to continuation of refill supplies to PMUY connections in view of extension of government scheme for free refill of cylinders for poor households till September 2020.
5. ATF registered a de-growth of -64.6% in the month of July 2020 as compared to July 2019 owing to restricted domestic flights operations coupled with travel restrictions. International air travel remained suspended except for certain flights engaged in bringing back Indian citizens stranded abroad.

6. Bitumen consumption during July 2020 recorded a de-growth of -4.4% as compared to July 2019, mainly due to intermittent rain halting the road construction and repair activities.
7. Kerosene (SKO) consumption registered a de-growth of -18.7% in July 2020 as compared to July 2019 mainly due to few States & all Union Territories except UT of Jammu & Kashmir and Ladakh going Kerosene free. Nil upliftment of kerosene was observed in the state of Utrtrakhand during the month of July 2020.

This report analyses the trend of consumption of petroleum products in the country during the month of July 2020. Data on product-wise monthly consumption of petroleum products for July 2020 is uploaded on the PPAC website (www.ppac.gov.in) and on the mobile app “PPACE (PPAC-Easy)”.

Consumption

The growth (%) in consumption of petroleum products, category-wise, for the month of July 2020 is given in Table-1.

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

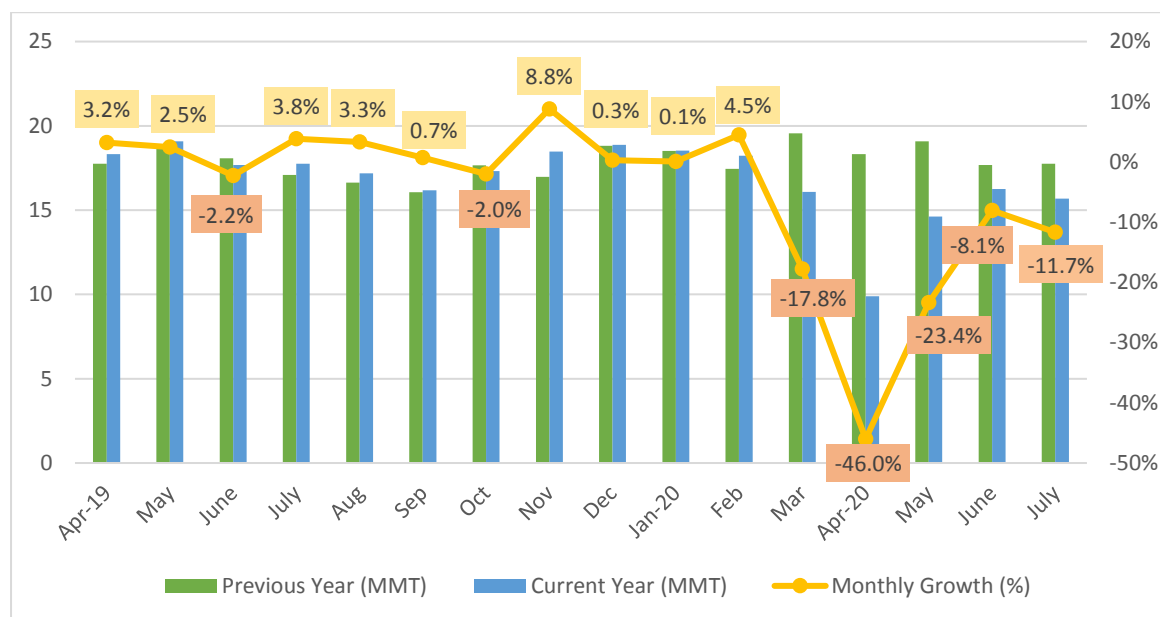
Product Type	Share %	July-2019	July-2020	Growth (%)	Products included
Sensitive Products	15.5	2414	2428	0.6	SKO & LPG
Major Decontrolled Products	67.8	12820	10624	-17.1	HSD, MS, Naphtha, Lubes, LDO, FO/LSHS, Bitumen & ATF
Minor Decontrolled Products	16.7	2515	2625	4.4	Petcoke & other minor products
Total	100	17749	15676	-11.7	

All Products:

Overall consumption of all petroleum products during the month of July 2020 at 15.7 MMT reached 88% level of July 2019 volume of 17.7 MMT. Also the consumption for the period April-July 2020 has recovered ground to reach 77.5% of consumption during the same period last year. There has been a moderation in recovery during the month owing to local restrictions in order to contain the pandemic. The month of July 2020 saw growth in consumption of LPG 2.3%, Lubes & Greases 22.5%, Light Diesel Oil (LDO) 14.1% and Pet coke 9.2%, while all other products recorded degrowth.

Figure-1 gives a comparison of monthly POL consumption (MMT) and growth (%) since April 2019.

Figure-1: Comparison of monthly POL consumption (MMT) and growth (%) since April 2019



PPAC analyzes the sales recorded by the Industry and domestic sales by SEZ units based on available data. Data on direct private imports is received from DGCIS, which is added to the final sales reported by oil companies and domestic sales by SEZ units, for estimation of consumption figures, are available up to March 2020. Private imports data for April 2020 to July 2020 are projected based on April 2019 to March 2020 actual data.

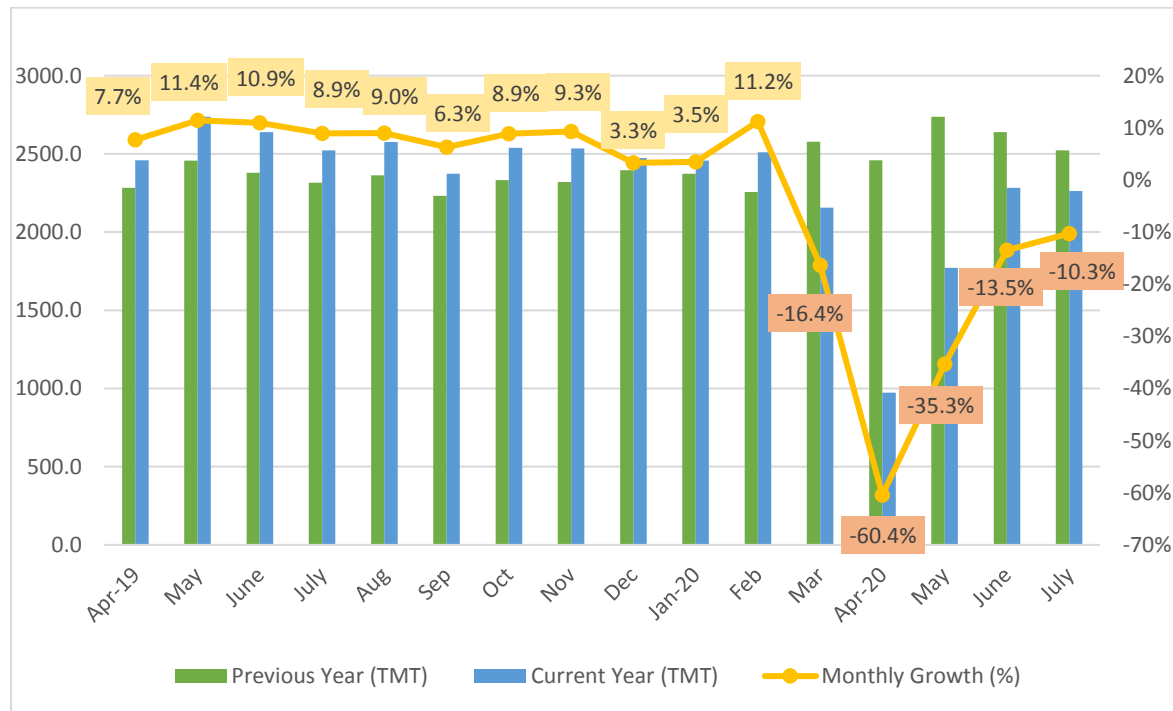
Petrol/Motor Spirit (MS):

MS (Petrol) registered a de-growth of -10.3% with a volume of 2.3 MMT in the month of July 2020 as against a volume of 2.5 MMT in the month of July 2019. The new norms of work from home, avoiding social gathering and muted weekend outings have moderated the path to recovery for MS to pre-covid levels.

- Weekend outings to malls, restaurants etc is low resulting in a sharp fall in weekend movement of vehicles. Weekend lock downs imposed by local states and district authorities have further curtailed any movements.
- States heavily dependent on tourism and hospitality sector are yet to see revival in the sectors inspite of lifting of all restrictions.
- Rural markets have been the main propeller of consumption while the urban markets have been lagging behind.
- Work from home and alternate days working in offices has resulted in less movement of vehicles on the road.
- Schools & Colleges in addition to recreational activities like cinema halls, swimming pools, gyms, entertainment parks and any other large congregations remained closed hence affecting the movement of vehicles.

Figure-2 gives month-wise MS consumption volume (TMT) and month-on-month growth (%) since April 2019.

Figure-2: Month wise MS consumption (TMT) and growth (%) since April 2019



Other Factors impacting consumption of MS:

Passenger Vehicle Sales:

The passenger vehicle sales during the month of July 2020 with a sale of 1,82,779 vehicles reached 96.1% of its historical sale of 1,90,115 during the month of July 2019.

Passenger car and van sales recorded a de-growth of -12.0% and -18.8% respectively during the current month. While the utility vehicle sales registered a growth of 13.9% during the current month as compared to the same period previous year.

Two Wheeler Sales:

The two-wheeler sales during the month of July 2020 with a sale of 12,81,354 vehicles reached 84.8% of its historical sale of 15,11,717 during the month of July 2019.

Scooter and motorcycle sales recorded a de-growth of -36.5% and -4.9% respectively during the current month. While the moped sales registered a growth of 14.1% during the current month as compared to the same period previous year.

High Speed Diesel (HSD):

HSD (Diesel) has registered a de-growth of -19.3% with a volume of 5.5 MMT during the month of July 2020 as against 6.8 MMT in the month of July 2019. As the economic activity continued to gain momentum with unlock 2.0, certain restrictions at state and district level coupled with lower demand for products and services moderated the speed of recovery for HSD consumption to pre-covid levels. Most of the industries across states have started operating on 70 to 80% capacity depending on the demand. Rural based economy and essentials are the key driving force in the consumption of HSD.

Factors affecting diesel consumption during the current month:

- Unlock 2.0 has carried forward the economic recovery but in moderated pace. Most of the industries across states are operating at 70 to 80% capacity due to a subdued demand.
- Weekend lockdowns and other restrictions imposed by state and district administrations to curtail the spread of COVID-19 has affected the consumption of HSD.
- Rural demand on account of agriculture related activities continues to drive consumption growth.
- Flood like situation in Bihar and certain north eastern states has also affected consumption.

Figure-3 gives month-wise HSD consumption volume (TMT) and month-on-month growth (%) since April 2019.

Figure-3: Month-wise HSD consumption (TMT) and growth (%) since April 2019

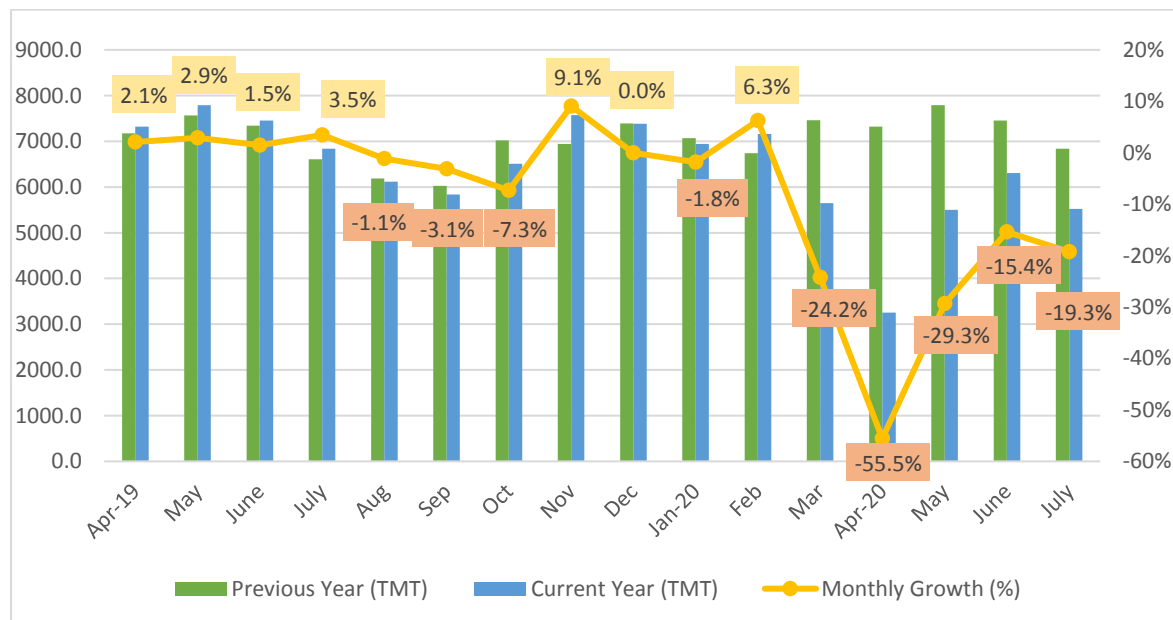
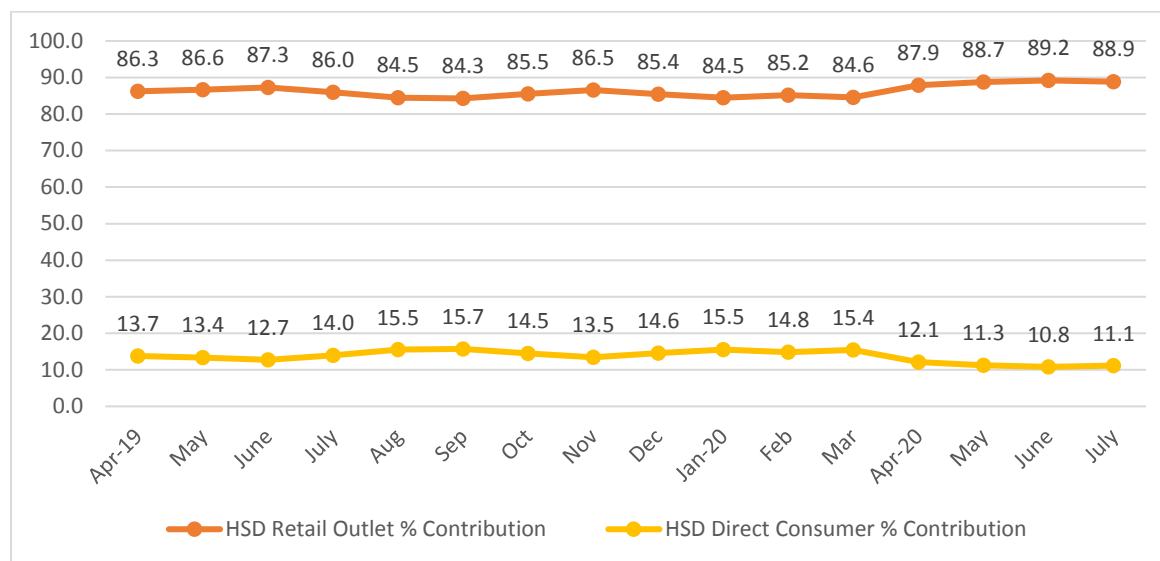


Figure-4 gives a comparison of month-wise percentage of HSD consumption through retail outlets and direct consumer business since April 2019.

Figure-4: Share of Retail and Direct business (%) in Diesel consumption month-wise since April 2019



Other Factors impacting consumption of HSD:

Commercial Vehicle Sale:

Commercial vehicle sales as reported by individual companies are showing a slow pace to recovery. Major automobile companies have reported a fall in sale of M&HCV by about -70% and of LCV by about -30%.

Port Traffic:

The traffic handled at major ports in India recorded a de-growth of -13.2% and together handled 51.5 MMT of cargo during July 2020 as against 59.3 MMT handled during the corresponding period of the previous year. All the major ports recorded a dip in cargo handled during the month of July 2020 except the port of Mormugao (Goa) 14.8% due to growth in Iron ore traffic and VO Chidambaranar (Tuticorin) 4.7% due to growth in finished fertilizer & coking coal traffic.

During the period April-July 2020, growth was registered in iron ore 24.3% and fertilizer raw 24.6% while de-growth was observed in Petroleum Oil & lubricants (POL) -17.7%, other liquids -19.4%, fertilizer finished -0.9%, thermal & steam coal -29.9%, coking & others coal -32.3% and containers -25.7% and miscellaneous cargo -9.8%. Commodity-wise, the percentage share of POL was maximum i.e. 32.9%, followed by container 19.6%, thermal & steam coal 12.0%, iron ore & pellets 11.2%, other miscellaneous cargo 10.5%, coking & other coal 7.0%, other liquids 4.1%, fertilizer finished 1.6% and raw fertilizer 1.1%.

Table-2: Traffic handled at major ports in July 2020

Ports	July 2019	July 2020	Growth (%)
Kolkata & Haldia	5604	4329	-22.8%
Paradip	9886	8903	-9.9%
Visakhapatnam	6418	5580	-13.1%
Kamarajar (Ennore)	2345	1831	-21.9%
Chennai	4314	3805	-11.8%
V.O. Chidambaranar	2873	3009	4.7%
Cochin	3040	2128	-30.0%
New Mangalore	3178	2261	-28.9%
Mormugao	1135	1303	14.8%
Mumbai	4844	4397	-9.2%
JNPT	5804	4847	-16.5%
Deendayal	9870	9063	-8.2%
Total:	59311	51456	-13.2%

Source: ipa.nic.in

Power situation:

The position of power supply for the month of July 2020 is given in Table-3. As per the data reported, power deficit position has improved to -0.1% in July 2020 from -0.5% in the month of July 2019. The deficit was mainly in the state Uttar Pradesh. Also the requirement of power in July 2020 at 112,411 MU has reached at 97.8% of requirement in the month of July 2019 at 114,941 MU.

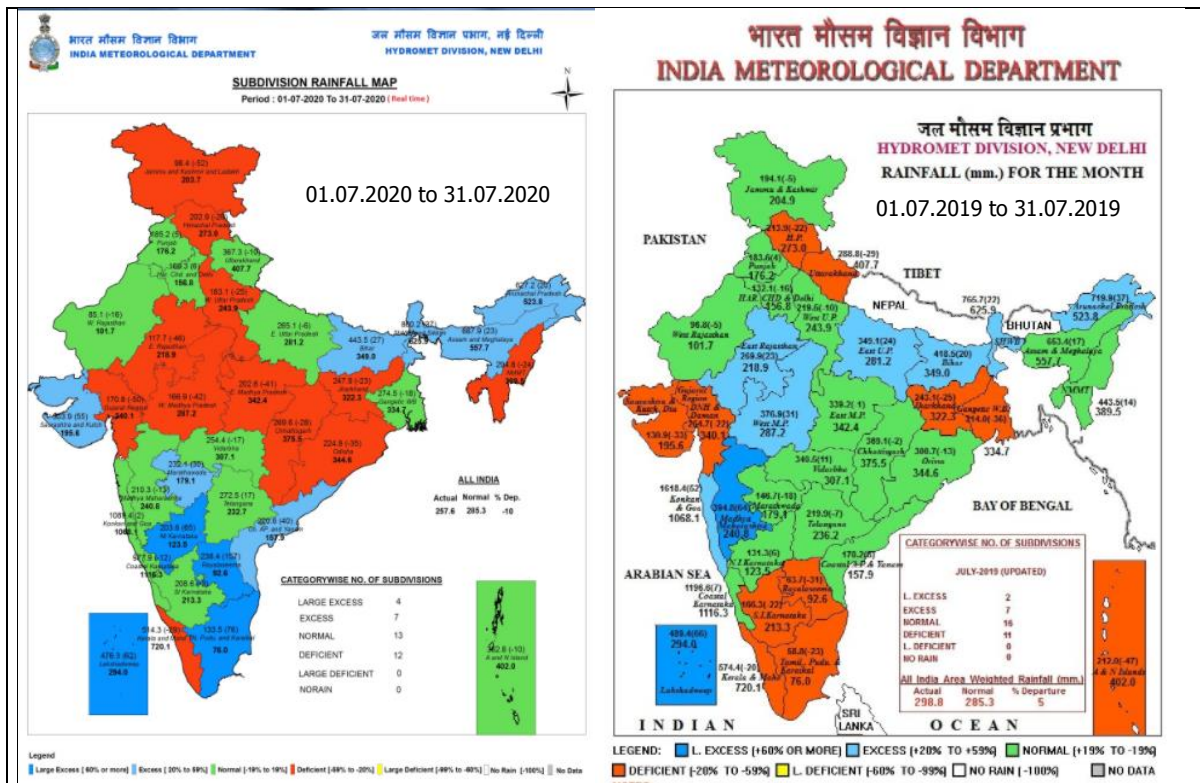
Table-3: Power supplied and deficit: Region-wise position for July 2020

Region	July-19			July-20		
	Requirement	Supplied (MU)	Deficit %	Requirement	Supplied (MU)	Deficit %
North	40,461	39,934	-1.3%	41,042	40,927	-0.3%
West	31,538	31,537	0.0%	30,880	30,880	0.0%
South	28,213	28,205	0.0%	25,562	25,558	0.0%
East	13,189	13,189	0.0%	13,365	13,365	0.0%
North-East	1,540	1,482	-3.9%	1,561	1515	-3.0%
Total	114,941	114,347	-0.5%	112,411	112,244	-0.1%

Source: Central Electricity Authority (CEA)

Seasonal rainfall scenario:

The rainfall in the country during July 2020 was almost 10% below normal precipitation. A rainfall of 285.3 mm was recorded in the month of July 2020 as against a normal reading of 257.6 mm. Out of total 36 sub divisions, 24 divisions received from normal to large excess rainfall whereas 12 divisions received deficient to large deficient rainfall.



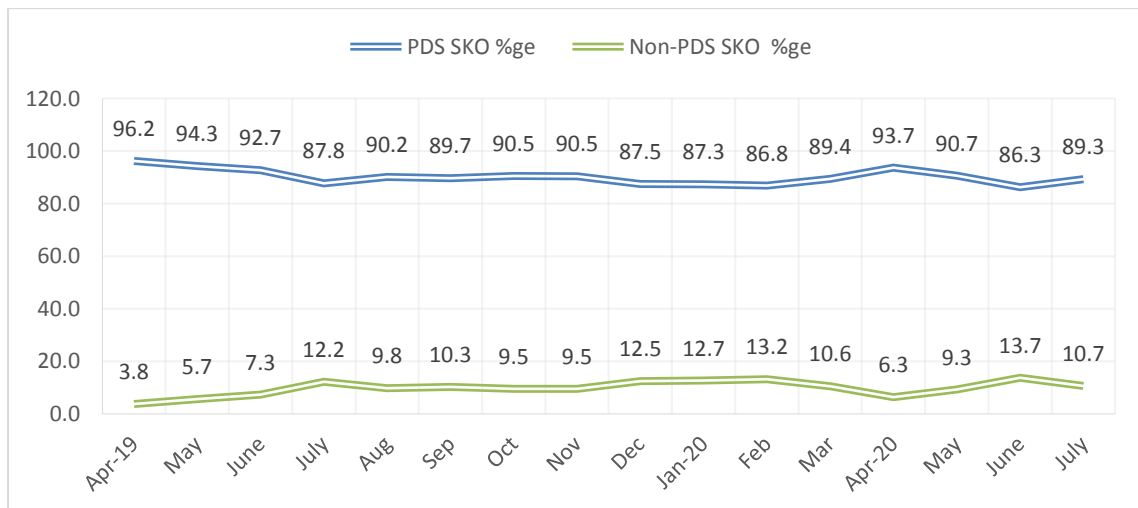
Source: India Meteorological Department (IMD)

Kerosene:

Kerosene consumption registered a de-growth of -18.7% during the month of July 2020 as compared to July 2019. Consumption for the period of April-July 2020 has shown a de-growth of -35.5% as compared to corresponding period of the previous year. All UTs except the UT of J&K and Ladakh have been declared kerosene free. While the states Andhra Pradesh, Delhi, Haryana and Punjab have been declared kerosene free; the month of July 2020 saw nil upliftment by the state of Uttarakhand. States like Gujarat, Bihar, Uttar Pradesh and Maharashtra have also voluntarily surrendered a certain quantity of PDS SKO allocation.

Figure-5 gives a comparison of SKO sales in PDS system vis-à-vis Non-PDS system since April 2019.

Figure-5: Month-wise PDS & Non PDS SKO consumption in share (%) since April 2019

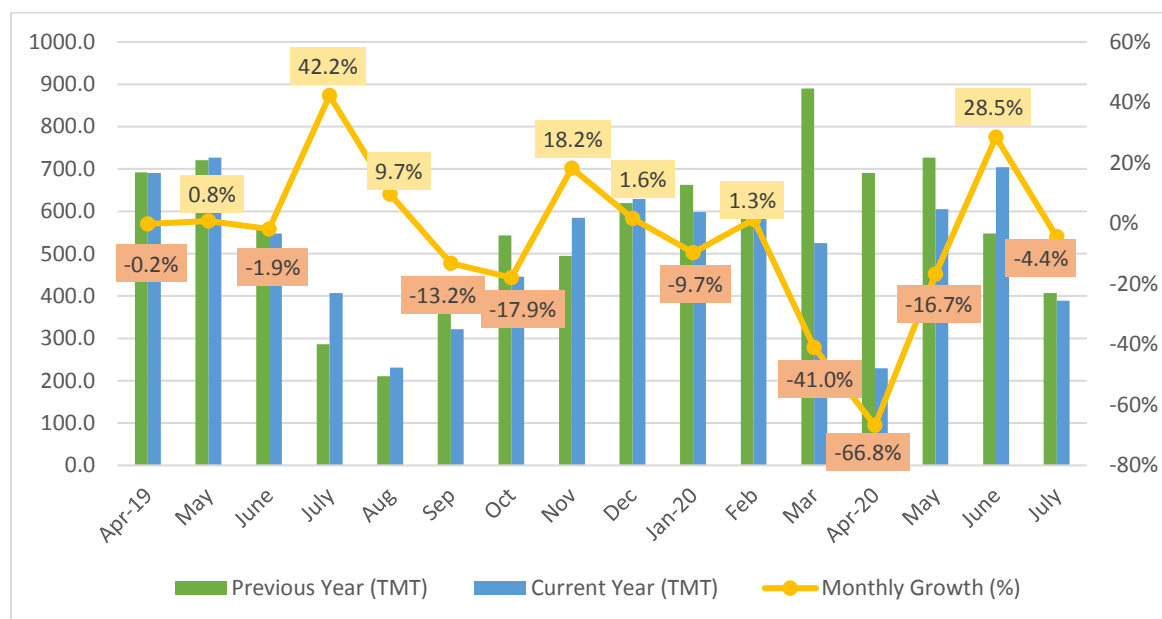


Bitumen:

Bitumen consumption in July 2020 registered a de-growth of -4.4% as compared to July 2019. Road construction activities during the month was halted by intermittent rains adversely affecting bitumen consumption.

Figure-6 gives the month wise bitumen consumption and growth since April 2019.

Figure-6: Month-wise Bitumen consumption (TMT) and growth (%) since April 2019



LPG:

Total LPG consumption recorded a growth of 2.3% during July 2020 and a cumulative growth of 10.3% during the period April 2020-July 2020. Last year during July 2019, a growth of 9.2% was observed and the cumulative growth during April 2019-July 2019 was 1.1%. During July 2020, out of the five regions, Northern region had the highest share in total PSU LPG sales of 30.3% followed by Southern region at 27.5%, Western region at 21.2%, Eastern region at 18.3% and North Eastern region at 2.7%.

PSU LPG Packed Domestic category recorded a growth of 8.2% during July 2020 and a cumulative growth of 19.0% during April 2020-July 2020. Last year during July 2019, a growth of 8.2% was observed and the cumulative growth during April 2019-July 2019 was 1.1%. During April 2020-July 2020, around 28.25 lakh new connections and 20.0 lakh DBCs were released. A total of 8.01 crore BPL households have been covered under PMUY till 31.7.2020 since inception of the scheme. During July 2020, the region-wise share of LPG Packed Domestic consumption was highest in Northern region (30.8%) followed by Southern region (26.7%), Western region (20.8%), Eastern region (18.9%) and North-Eastern region (2.9%). During July 2020, five states with the highest LPG-Packed domestic sales share were Uttar Pradesh (15.0%), Maharashtra (10.7%), Tamil Nadu (7.7%), West Bengal (7.3%) and Bihar (7.3%). During July 2020, percentage share of LPG-Packed Domestic was 93.1% of total PSU LPG sales whereas it was 88.5% in July 2019.

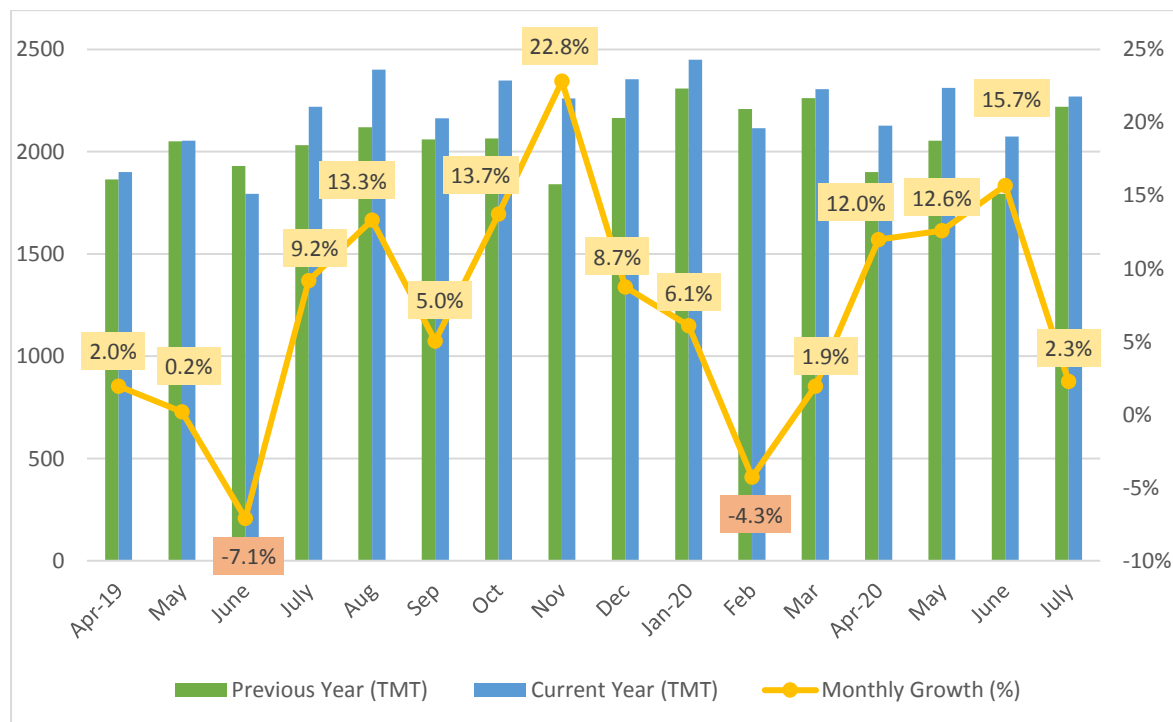
PSU LPG Packed Non-Domestic category recorded a de-growth of -43.4% in July 2020 and a cumulative de-growth of -55.4% during April 2020-July 2020. Last year during July 2019, a growth of 16.8% was observed and the cumulative growth during April 2019-July 2019 was 6.7%. Share of LPG Packed Non-Domestic in total PSU LPG Sales has decreased to 5.3% in July 2020 from 9.7% in July 2019. Region-wise share of LPG Packed Non-Domestic consumption was highest in Southern region (37.2%) followed by Northern region (27.3%), Western region (26.6%), Eastern region (7.9%) and North-Eastern region (1.0%) during July 2020.

PSU Bulk LPG category registered a growth of 13.0% during July 2020 and a cumulative de-growth of -10.3% during April 2020-July 2020. Last year in the month of July 2019, there was a de-growth of -4.3% while for the period April 2019-July 2019, a de-growth of -26.1% was witnessed. Percentage share of Bulk LPG in total PSU LPG sales was 1.2% during July 2020 whereas it was 1.1% in July 2019.

PSU Auto LPG category registered a de-growth of -47.2% in July 2020 and a cumulative de-growth of -60.9% during April 2020-July 2020. The sales volume decrease was about 7.1 TMT in July 2020 as compared to July 2019. Last year in the month of July 2019 a de-growth of -4.7% was observed while there was a cumulative de-growth of -7.5% during April 2019-July 2019. During July 2020, the percentage share of Auto LPG was 0.4% of total PSU LPG sales whereas it was 0.7% in July 2019.

Figure-7 gives the month-wise LPG consumption and growth since April 2019.

Figure-7: Month-wise LPG consumption (TMT) and growth (%) since April 2019



Naphtha:

Naphtha consumption recorded a de-growth of -12.4% in July 2020 as compared to July 2019. The period April-July 2020 saw a growth of 4.5% as compared to same period last year. Petrochemical industries remain the main consumers of naphtha in addition to minor consumers like fertilizer and power. The de-growth in Naphtha consumption during the month of July 2020 has been due to a fall in consumption in both petrochemical and fertilizer sector. Out of the total naphtha consumption of 1283.9 TMT during the month, petrochemical sector consumed 1012.4 TMT.

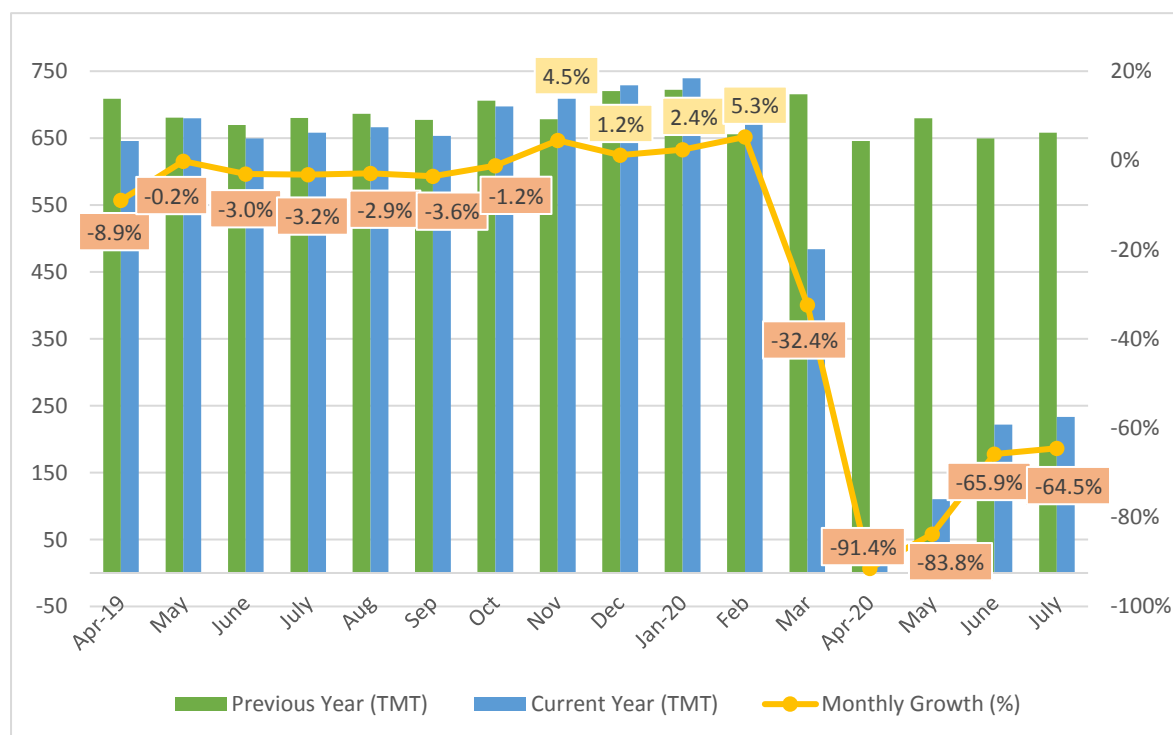
ATF:

ATF consumption for the month of July 2020 has registered a de-growth of -64.5% as compared to July 2019. The recovery in domestic flights have moderated as the travellers are mostly undertaking unavoidable trips. Also various measures by local state governments with respect to air travel are in place to contain the spread of COVID-19. International air travel remained banned except for certain flights engaged in special services.

Passengers carried by domestic airlines during the month of July 2020 stood at 21.1 lakh as against 119.1 lakh during July 2019. The total domestic passengers carried for the period of April-July 2020 stands at 43.7 lakh against a historical of 471.1 Lakh during April-July 2019.

Figure-8 gives the month-wise ATF consumption and growth since April 2019.

Figure-8: Month-wise ATF consumption (TMT) and growth (%) since April 2019



Furnace oil & Low sulphur heavy stock (FO/LSHS):

FO/LSHS consumption registered a de-growth of -12.5% during July 2020 as compared to July 2019. Consumption of FO/LSHS is largely driven by General trade sector in addition to shipping, power, fertilizer, petrochemical, iron & steel and others. FO/LSHS consumption has seen a fall in all the sectors during the month except consumption under the category of “others”. Shipping consumed 74.8 TMT and Iron & Steel 65.4 TMT out of the total consumption of 497.6 TMT of FO/LSHS in the month of July 2020.

Petcoke:

Petcoke consumption registered a growth of 9.2% in July 2020 as compared to July 2019. Directorate General of Foreign Trade (DGFT) under Ministry of Commerce and Industry has banned import of petcoke for use as fuel but has allowed its import only for use as feedstock in some select industries such as cement, lime kiln, calcium carbide and gasification industries. Consumption of Petcoke by cement industries increased significantly in July 20 as compared to previous months in the current financial year indicating opening of building & construction sector. The cement sector consumed 386.5 TMT out of the total consumption of 1632.8 TMT in the month of July 2020.

LDO:

LDO consumption recorded a growth of 14.1% during July 2020 as compared to July 2019. Consumption for the period of April-July 2020 has recorded a growth of 9.5% as compared to the same period previous year. LDO is extensively used in various types of furnaces. Consumption in power generation 21.0 TMT and civil engineering 9.6 TMT are the major sectors contributing to the total consumption of 58.8 TMT LDO during the month.

Industry Consumption Trend Analysis 2020-21 (Provisional)						
('000 MT)						
Product	July			April-July		
	2019-20	2020-21	Growth (%)	2019-20	2020-21	Growth (%)
(A) Sensitive Products						
LPG	2219.2	2269.7	2.3	7967.0	8785.3	10.3
SKO	195.0	158.5	-18.7	977.5	630.0	-35.5
Sub Total	2414.2	2428.2	0.6	8944.5	9415.3	5.3
(B) Major Decontrolled Product						
HSD	6841.3	5524.1	-19.3	29404.1	20588.8	-30.0
MS	2522.9	2263.2	-10.3	10358.1	7288.9	-29.6
Naphtha	1465.2	1283.9	-12.4	4196.3	4387.0	4.5
ATF	658.1	233.3	-64.5	2632.5	620.7	-76.4
Bitumen	407.1	389.0	-4.4	2372.0	1927.4	-18.7
FO/LSHS	568.5	497.6	-12.5	2057.5	1817.8	-11.7
Lubes+Greases	305.1	373.6	22.5	1214.4	1140.7	-6.1
LDO	51.5	58.8	14.1	199.4	218.3	9.5
Sub Total	12819.7	10623.5	-17.1	52435.0	37989.5	-27.5
Sub – Total (A + B)	15233.9	13051.8	-14.3	61379.5	47404.9	-22.8
(C) Other Minor Decontrolled Products						
Pet.Coke	1494.8	1632.8	9.2	7362.5	5735.0	-22.1
Others*	1019.8	991.9	-2.7	4083.5	3299.8	-19.2
Sub Total	2514.6	2624.7	4.4	11446.0	9034.8	-21.1
Total	17748.5	15676.5	-11.7	72825.5	56439.7	-22.5

*Others include sulphur, propylene, propane, reformat, butane, MTO (Mineral Turpentine oil) etc