



Petroleum Planning & Analysis Cell

Ministry of Petroleum & Natural Gas, Government of India



Oct 2020

Industry Consumption Report



Contents

Highlights.....	3
Consumption	4
All Products:.....	4
Petrol/Motor Spirit (MS):.....	5
Other Factors impacting consumption of MS:	6
High Speed Diesel (HSD):	7
Other Factors impacting consumption of HSD:	9
Kerosene:	11
Bitumen:	11
LPG:.....	12
Naphtha:.....	13
ATF:.....	13
Furnace oil & Low sulphur heavy stock (FO/LSHS):	14
Petcoke:	14
LDO:	14
Natural Gas:	15

Highlights

The month of October ushered in the “unlock 5.0” guidelines with allowing of indoor gatherings and cinema halls with 50% capacity and also outdoor gatherings following social distancing, masks and other COVID 19 protocols. Hence the month of October 2020 saw boosting of economic activities across the country with no major restrictions but precautions remain. Local restrictions like weekend lockdowns were restricted to a few states.

The summary of product-wise POL consumption pattern during the month of October 2020 is as follows.

1. The consumption of petroleum products in October 2020 recorded a growth of 2.5% with a volume of 17.8 MMT as compared to 17.3 MMT in the month of October 2019. Petroleum products consumption during the period April to October 2020 recovered 84.1% of the consumption during the same period previous year. The products which registered a growth in the month of October 2020 were LPG 3.2%, Diesel (HSD) 7.4%, Petrol (MS) 4.5%, Naphtha 15.2%, Bitumen 48.7%, Furnace Oil & Low Sulphur Heavy Stock (FO/LSHS) 12.3% and Light Diesel Oil (LDO) 42.1%. The products which registered de-growth were Aviation Turbine Fuel (ATF) -49.2%, Lubes & Greases -3.2%, Pet coke -16.3% and products categorised under “Others” category -5.2%. Kerosene (SKO) recorded a de-growth of -18.5% during the current month as compared to October 2019.
2. MS (Petrol) consumption during the month of October 2020 recorded a volume of 2.7 MMT with a growth of 4.5% over the volume of 2.5 MMT in the month of October 2019. MS consumption for the period of April - October 2020 recovered to 82.8% of the volume during the same period previous year. Preference for personal mobility and gradual pick up of economic activities in view of festive demand contributed to MS sales growth in October 2020.
3. HSD (Diesel) consumption during the month of October 2020 recorded a growth of 7.4% with a volume of 7.0 MMT as compared to 6.5 MMT in the month of October 2019. HSD consumption for the period of April - October 2020 recovered to 79.2% of the volume during the same period previous year. Recovery in manufacturing sector due to ongoing festive season and pent up demand in the market boosted diesel demand. Power deficit reduced to -0.1% in October 2020 as compared to -0.5% in October 2019. Rainfall during the month was 3% above the normal. A de-growth of -1.2% was recorded in port traffic during October 2020 as compared to October 2019.
4. LPG consumption registered a growth of 3.2% during the month of October 2020 as compared to October 2019 mainly due to refill to Ujjwala customers and early onset of cold climate in the northern states. LPG consumption for the period of April - October 2020 registered a growth of 5.5% as compared to the same period in the previous year.
5. ATF consumption during October 2020 registered a growth of 13.1% as compared to September 2020 indicating increased mobility and air traffic on month to month basis. However as compared to same month last year, a de-growth of -49.2% was recorded in the month of October 2020.

6. Bitumen consumption during October 2020 recorded a growth of 48.7% as compared to October 2019, with road projects gaining momentum and a low historical due to excess rainfall last year.
7. Kerosene (SKO) consumption registered a de-growth of -18.5% in October 2020 as compared to October 2019 mainly due to few States & all Union Territories (except UTs of Jammu & Kashmir and Ladakh) going Kerosene free. Also the states of Odisha, Uttar Pradesh & Uttarakhand saw nil upliftment of PDS SKO during the month of October 2020.

This report analyses the trend of consumption of petroleum products in the country during the month of October 2020. Data on product-wise monthly consumption of petroleum products for September 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 October 2020 is given in Table-1.

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

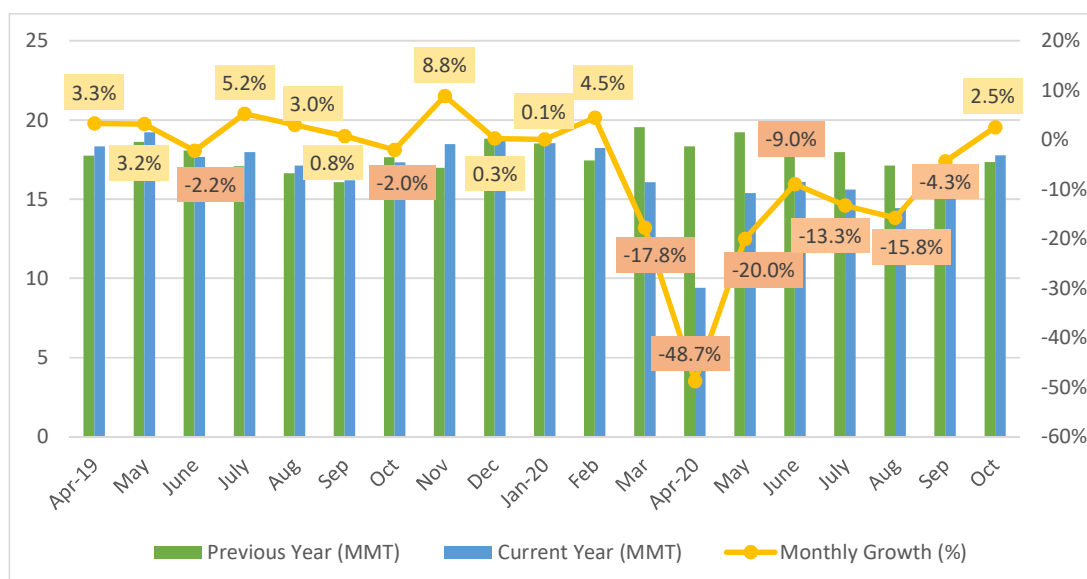
Product Type	Share %	October-2019	October-2020	Growth (%)	Products included
Sensitive Products	14.4	2518	2561	1.7	SKO & LPG
Major Decontrolled Products	72.5	12168	12881	5.9	HSD, MS, Naphtha, Lubes, LDO, FO/LSHS, Bitumen & ATF
Minor Decontrolled Products	13.1	2657	2335	-12.1	Petcoke & other minor products
Total	100	17344	17777	2.5	

All Products:

Overall consumption of all petroleum products during the month of October 2020 recorded a growth of 2.5% with a volume of 17.8 MMT as compared to 17.3 MMT in the month of October 2019. The consumption for the period April - October 2020 has recovered ground to reach 84.1% of consumption during the same period last year. The month of October 2020 saw growth in consumption of LPG 3.2%, Diesel (HSD) 7.4%, Petrol (MS) 4.5%, Naphtha 15.2%, Bitumen 48.7%, Furnace Oil & Low Sulphur Heavy Stock (FO/LSHS) 12.3% and Light Diesel Oil (LDO) 42.1% as compared to October 2019, while all other products recorded de-growth as compared to same period last year.

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 June 2020. Private imports data for July 2020 to October 2020 are projected based on July 2019 to June 2020 actual data.

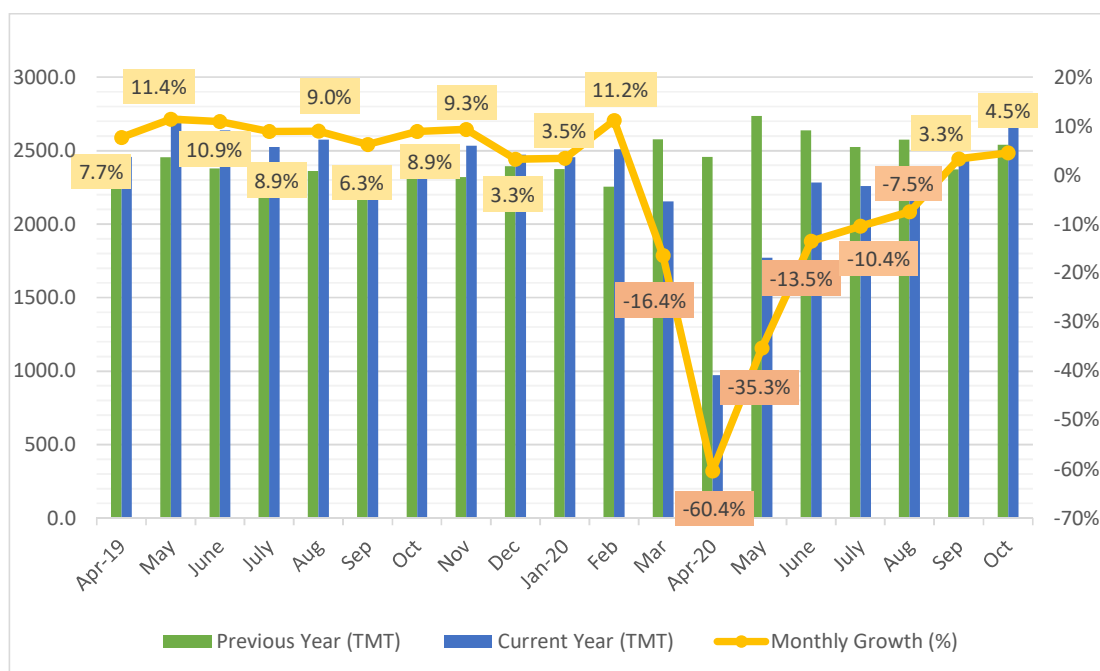
Petrol/Motor Spirit (MS):

MS (Petrol) consumption during the month of October 2020 recorded a growth of 4.5% with a volume of 2.7 MMT as compared to 2.5 MMT in October 2019. As compared to September 20, MS sales increased by 8.3% in October 20. On cumulative basis MS consumption recorded a volume of 14.8 MMT for the period April – October 2020 as compared to 17.8 MMT in the same period previous year and thus recovered 72.8% of its historical volume, especially due to following reasons:

- Increased preference for personal mobility in view of COVID-19.
- Increased movement of vehicles owing to festive season and further opening up of economic activities with precautions against COVID-19.

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 October 2020 with a sale of 3.1 Lac vehicles has clocked a growth of 14.2% over its historical sale of 2.7 Lac vehicles during the month of October 2019. The growth can be attributed to pent-up demand, festive season offers and improved customer sentiment.

Passenger car, Utility vehicles and van sales recorded growth of 9.7%, 20.4% and 29.2% respectively during the current month as compared to the same period previous year.

Table-2: Passenger vehicle sales in the month of October 2020

Vehicle Segment	October		
	2019-20	2020-21	Growth %age
Passenger Cars	166,568	182,692	9.7
Utility Vehicles	94,637	113,990	20.4
Vans	10,532	13,612	29.2
Total PV	271,737	310,294	14.2

Two Wheeler Sales:

The two-wheeler sales during the month of October 2020 with a sale of 20.5 Lac vehicles has clocked a growth of 16.9% over its historical sale of 17.6 Lac vehicles during the month of October 2019. This growth can be attributed to ongoing festive season, improved agricultural output and need for mobility in semi urban and rural markets.

Scooters, motor cycle and moped sales registered a growth of 1.8%, 23.8% and 33.4% respectively during the current month as compared to the same period previous year.

Table-3: Two Wheelers vehicle sales in the month of October 2020

Vehicle Segment	October		
	2019-20	2020-21	Growth %ge
Scooters/Scooterette	580,120	590,507	1.8
Motor Cycles	1,116,886	1,382,749	23.8
Mopeds	60,174	80,268	33.4
Electric Two Wheelers	-	290	-
Total 2 Wheelers	1,757,180	2,053,814	16.9

High Speed Diesel (HSD):

HSD (Diesel) consumption during the month of October 2020 recorded a growth of 7.4% with a volume of 7.0 MMT as compared to 6.5 MMT in the month of October 2019. HSD consumption for the period of April - October 2020 recovered to 79.2% of the volume during the same period previous year.

The IHS Markit India Manufacturing PMI (Purchasing Manager's Index) increased to 58.9 in October 2020 from 56.8 in September 2020 indicating a positive business confidence. Also the services PMI increased to 54.1 in October 2020 from 49.8 in September 2020 indicating expansion and an upbeat business sentiment.

Factors affecting diesel consumption during the current month:

- Agriculture based economy remains the driver of HSD consumption with adequate rainfall and growing demand.
- The increased demand of diesel, which is the main fuel for trucks/trains/buses and industries, indicates revived economic activities with increased demand fuelled by the ongoing festive season.
- The pent up demand for the goods in the markets and improved operations of industries moving towards pre-covid levels resulted in throughput increment.
- Unlock 5.0 and opening of highways across states helped in reviving economy and thus consolidating diesel sales.

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

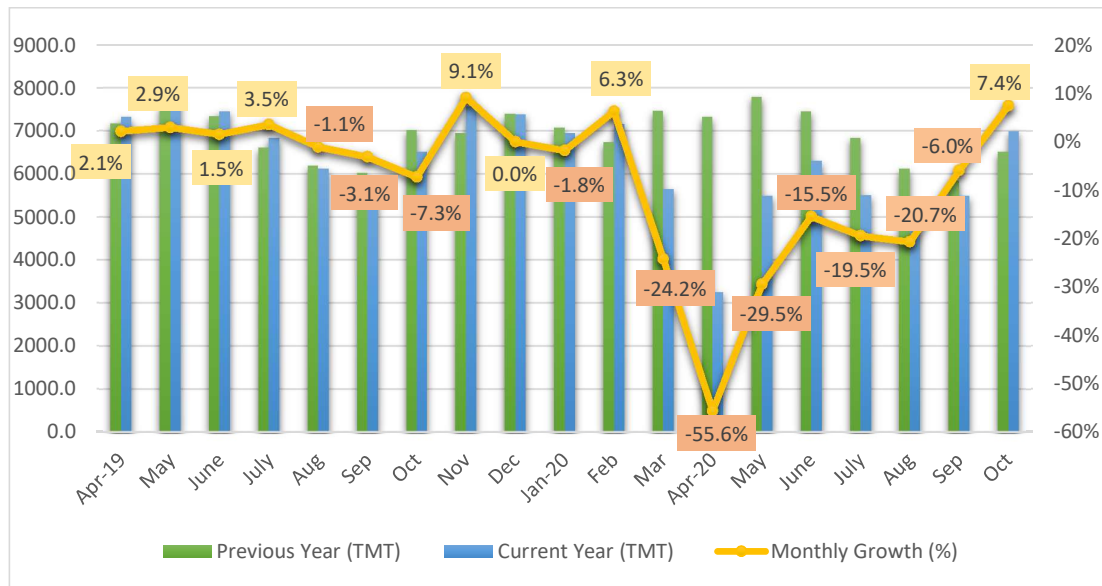
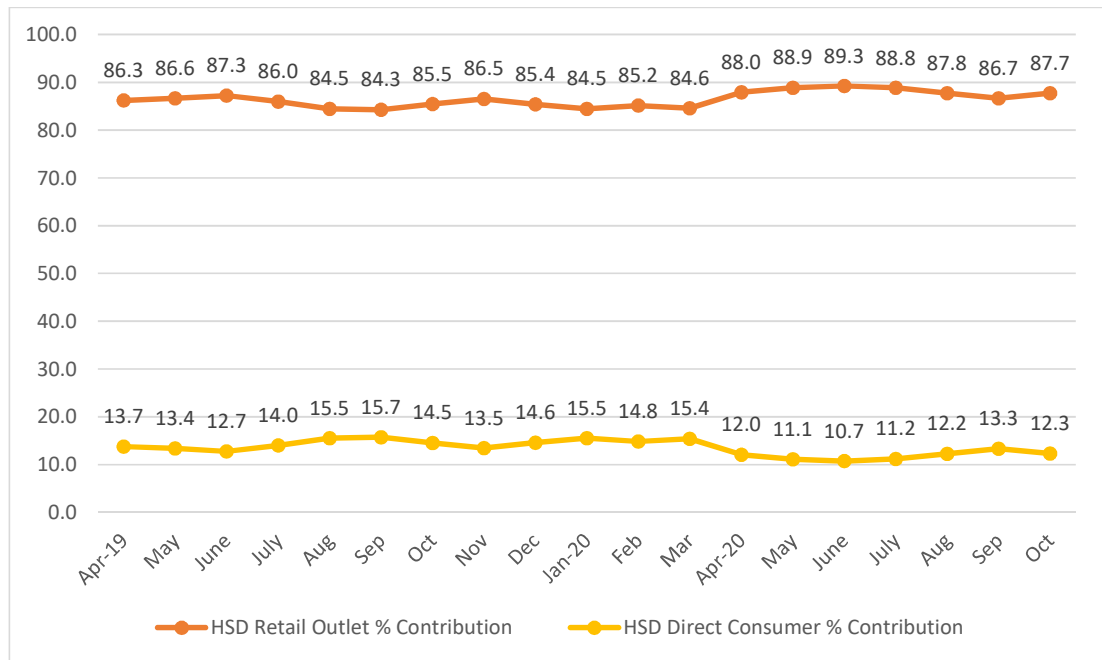


Figure-4 gives a comparison of month-wise percentage of HSD consumption through retail outlets and direct consumer business since April 2019.

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 is recovering at a slower pace and have continued to be in single digit negative territory during the month of October 2020. Major automobile companies have reported a sales ranging from 12% growth to -12% de-growth.

Tractor Sale:

Tractor sales as reported by major individual companies have shown nominal growth ranging from 1% to 2%. There has been a growth due to improved agricultural output.

Port Traffic:

The traffic handled at major ports in India recorded a de-growth of -1.2% and together handled 56.3 MMT of cargo during October 2020 as against 57.0 MMT handled during the corresponding period of the previous year. Growth was observed in cargo handled during the month of October 2020 in the port of Kolkata & Haldia 16.7%, Paradip 10.9%, Chennai 4.1%, New Mangalore 7.9%, Mormugao (Goa) 46.3% and JNPT 5.3%.

During the period April - October 2020, growth was registered in iron ore 33.2%, fertilizer finished 9.4% and fertilizer raw 19.2% while de-growth was observed in Petroleum Oil & lubricants (POL) -19.5%, other liquids -13.2%, thermal & steam coal -19.5%, coking & others coal -21.4%, containers -14.7% and miscellaneous cargo -5.3%. Commodity-wise, the percentage share of POL was maximum i.e. 31.3%, followed by container 20.9%, thermal & steam coal 11.6%, iron ore & pellets 10.8%, other miscellaneous cargo 10.8%, coking & other coal 7.4%, other liquids 4.3%, fertilizer finished 1.8% and raw fertilizer 1.2%.

Table-4: Traffic handled at major ports in October 2020

Ports	October 2019	October 2020	Growth (%)
Kolkata & Haldia	4,807	5,610	16.7
Paradip	8,915	9,884	10.9
Visakhapatnam	6,435	6,040	-6.1
Kamarajar (Ennore)	2,282	1,754	-23.1
Chennai	3,848	4,005	4.1
V.O. Chidambaranar	3,011	2,414	-19.8
Cochin	2,820	2,542	-9.9
New Mangalore	2,723	2,939	7.9
Mormugao	1,110	1,624	46.3
Mumbai	5,532	4,173	-24.6
JNPT	5,439	5,729	5.3
Deendayal	10,046	9,554	-4.9
Total:	56,968	56,268	-1.2

Source: ipa.nic.in

Power situation:

The position of power supply for the month of October 2020 is given in Table-3. As per the data reported, power deficit position has reduced to -0.1% in the month of October 2020 as compared to -0.5% in the month of October 2019. The deficit was mainly in the state of Uttar Pradesh and Assam. Also the requirement of power in October 2020 at 109,630 MU has recorded a growth of 11.8% over requirement of power at 98,092 MU in the month of October 2019. Increase in power supply may have affected diesel consumption negatively.

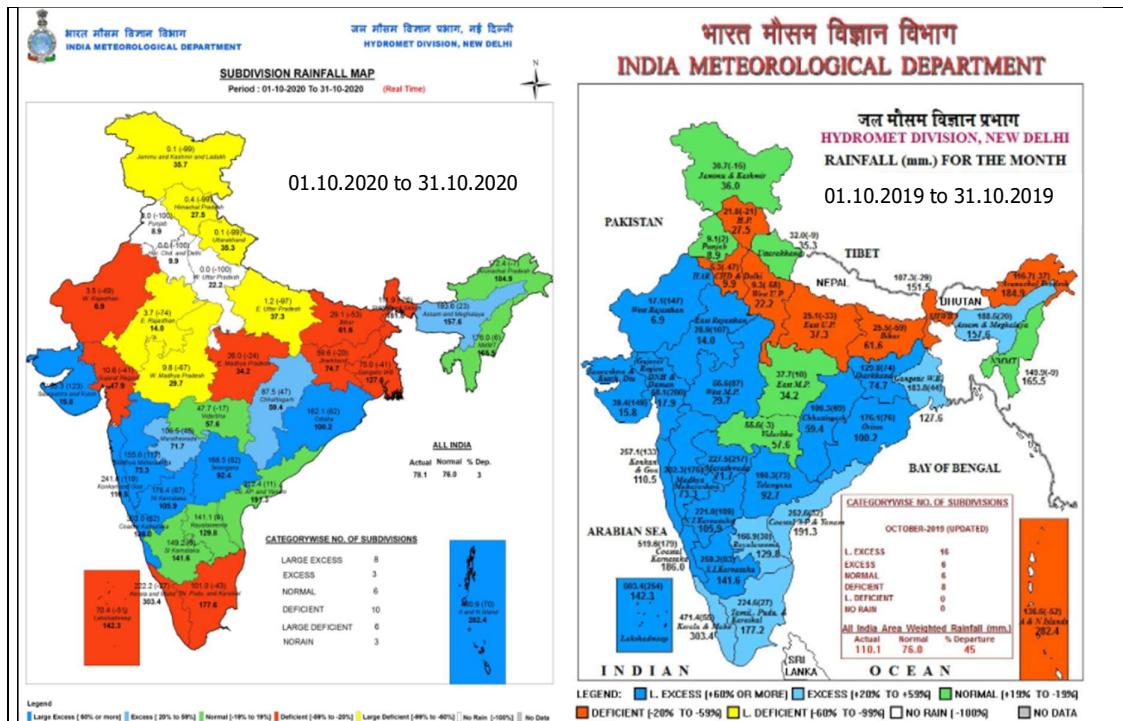
Table-5: Power supplied and deficit: Region-wise position for October 2020

Region	October 2020		
	Requirement	Supplied (MU)	Deficit %
North	33,950	33,876	-0.2%
West	35,061	35,061	0.0%
South	25,908	25,908	0.0%
East	13,082	13,082	0.0%
North-East	1,628	1602	-1.6%
Total	109,630	109,530	-0.1%

Source: Central Electricity Authority (CEA)

Seasonal rainfall scenario:

The rainfall in the country during October 2020 was almost 3% above normal precipitation. A rainfall of 78.1 mm was recorded in the month of October 2020 as against a normal reading of 76.0 mm. Out of total 36 sub divisions, 17 divisions received from normal to large excess rainfall whereas 19 divisions received deficient to no rainfall.



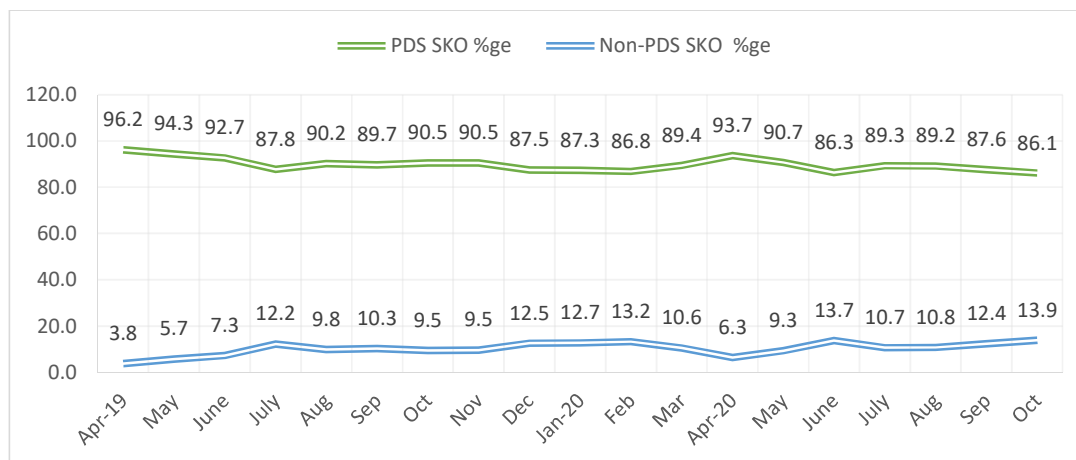
Source: India Meteorological Department (IMD)

Kerosene:

Kerosene consumption registered a de-growth of -18.5% during the month of October 2020 as compared to October 2019. Consumption for the period of April - October 2020 has shown a de-growth of -31.4% as compared to corresponding period of the previous year. All UTs except the UT of J&K and Ladakh have been declared kerosene free. The states of Andhra Pradesh, Delhi, Haryana and Punjab have been declared kerosene free. States like Gujarat, Bihar, Uttar Pradesh and Maharashtra have also voluntarily surrendered a certain quantity of PDS SKO allocation. Also the states of Odisha, Uttar Pradesh & Uttarakhand saw nil upliftment of PDS SKO during the month.

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

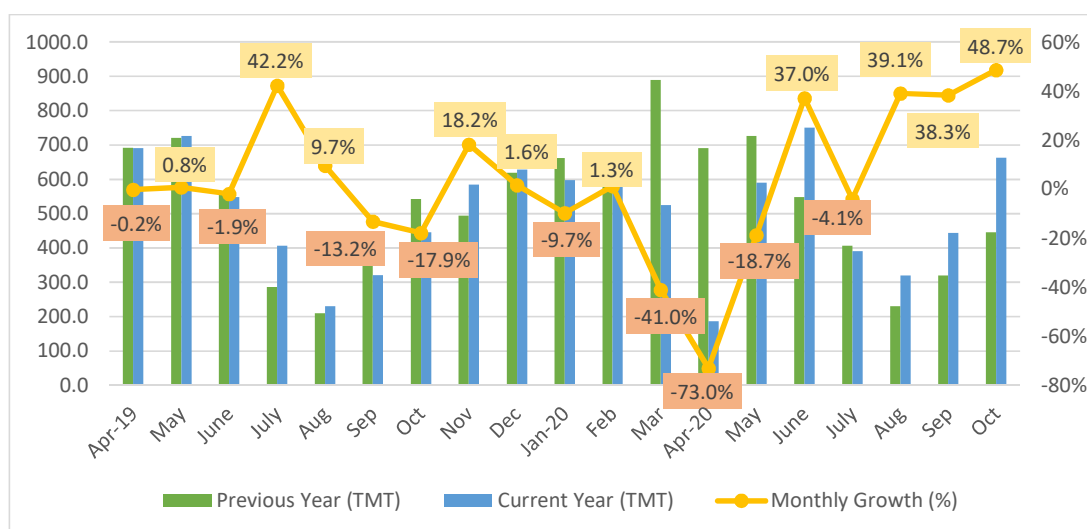


Bitumen:

Bitumen consumption in October 2020 registered a growth of 48.7% as compared to October 2019, with road projects gaining momentum and a low historical due to excess rainfall last year.

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 3.2% during October 2020 and a cumulative growth of 5.5% during the period April - October 2020. Last year during October 2019, a growth of 13.8% was observed and the cumulative growth during April - October 2019 was 5.4 %. During October 2020, out of the five regions, Northern region had the highest share in total PSU LPG sales of 30.9% followed by Southern region at 28.2%, Western region at 21.7%, Eastern region at 16.6% and North Eastern region at 2.6%.

PSU LPG Packed Domestic category recorded a growth of 5.5% during October 2020 and a cumulative growth of 12.2% during April - October 2020. Last year during October 2019, a growth of 14.1% was observed and the cumulative growth during April - October 2019 was 5.5%. During April - October 2020, around 53.6 lakh new connections and 38.4 lakh DBCs were released. A total of 8.01 crore BPL households have been covered under PMUY till 31.10.2020 since inception of the scheme. During October 2020, the region-wise share of LPG Packed Domestic consumption was highest in Northern region (31.9%) followed by Southern region (26.9%), Western region (21.0%), Eastern region (17.5%) and North-Eastern region (2.8%). During October 2020, the five states with the highest LPG-Packed domestic sales share were Uttar Pradesh (14.2%), Maharashtra (11.0%), Tamil Nadu (7.9%) West Bengal (7.4%), and Karnataka (6.4%). During October 2020, percentage share of LPG-Packed Domestic was 89.9% of total PSU LPG sales whereas it was 87.9% in October 2019.

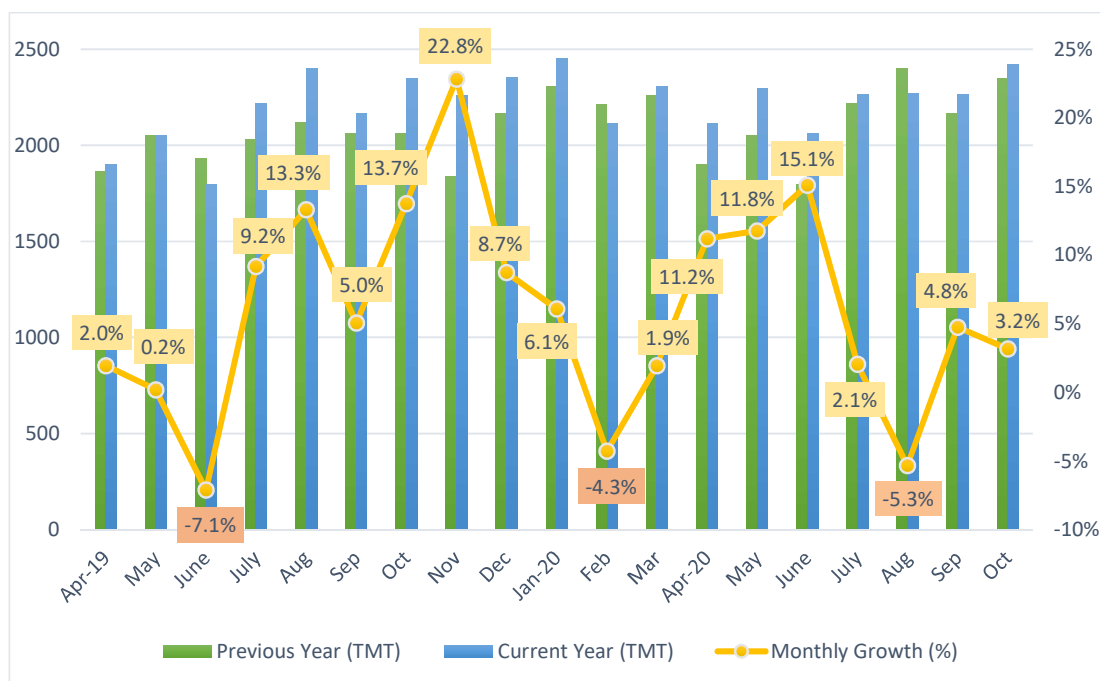
PSU LPG Packed Non-Domestic category recorded de-growth of -18.0% in October 2020 and a cumulative de-growth of -43.5% during April - October 2020. Last year during October 2019, a growth of 21.3% was observed and the cumulative growth during April - October 2019 was 12.1%. Share of LPG Packed Non-Domestic in total PSU LPG Sales has decreased to 8.2% in October 2020 from 10.3% in October 2019. Region-wise share of LPG Packed Non-Domestic consumption was highest in Southern region (37.6%) followed by Western region (28.3%), Northern region (25.8%), Eastern region (7.2%) and North-Eastern region (1.1%) during October 2020.

PSU Bulk LPG category registered a growth of 34.1% during October 2020 and a cumulative growth of 7.7% during April - October 2020. Last year in the month of October 2019, there was a growth of 0.8% while for the period April - October 2019, de-growth of -14.1% was witnessed. Percentage share of Bulk LPG in total PSU LPG sales was 1.5% during October 2020 whereas it was 1.1% in October 2019.

PSU Auto LPG category registered de-growth of -19.0% in October 2020 and a cumulative de-growth of -45.6% during April - October 2020. The sales volume decrease was about 2.9 TMT in October 2020 as compared to October 2019. Last year in the month of October 2019 a growth of 4.6% was observed while there was a cumulative de-growth of -4.3% during April - October 2019. During October 2020, the percentage share of Auto LPG was 0.5% of total PSU LPG sales whereas it was 0.7% in October 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 growth of 15.2% in October 2020 as compared to October 2019. The period April - October 2020 saw a meagre growth of 1.0% 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 growth in Naphtha consumption during the month of October 2020 has been due to a major rise in consumption of Naphtha by other miscellaneous sectors and a minor rise in petrochemical sector. Out of the total naphtha consumption of 1299.3 TMT during the month, petrochemical sector had consumed 996.4 TMT.

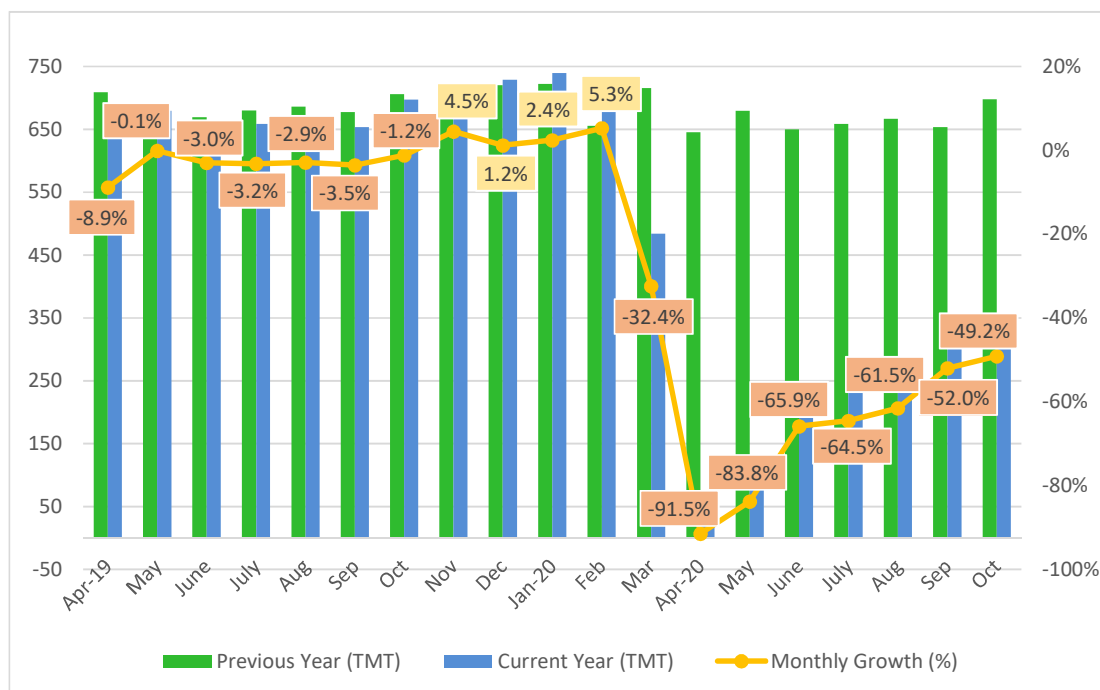
ATF:

ATF consumption for the month of October 2020 has registered a growth of 13.1% as compared to September 2020 indicating increased mobility and air traffic on month to month basis. However, October 2020 recorded de-growth of -49.2% as compared to October 2019. The status of air travel remained unchanged during the month with both business and leisure travel being carried out cautiously under various precautionary measures 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 October 2020 stood at 52.7 lakhs as against 123.2 lakhs during October 2019. The total domestic passengers carried for the period of April - October 2020 stood at 164.2 lakhs against 827.5 lakhs during April - October 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 during the month of October 2020 registered a growth of 12.3% as compared to October 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 saw a major dip in Power generation and Fertilizer while growth was observed in aluminium, shipping and other miscellaneous sectors during the month of October 2020. Shipping consumed 68.2 TMT and Iron & Steel 66.2 TMT out of the total consumption of 531.5 TMT of FO/LSHS in the month of October 2020.

Petcoke:

Petcoke consumption during the month of October 2020 reached 83.7% of volume in October 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. The fall in demand in cement sector to 160.5 TMT in October 2020 as compared to 494.0 TMT in October 2019 has been the major reason for fall in Petcoke consumption during the month.

LDO:

LDO consumption recorded a growth of 42.1% during October 2020 as compared to October 2019. Consumption for the period of April - October 2020 has recorded a growth of 11.1% as compared to the same period previous year. LDO is extensively used in various types of furnaces. Consumption in power generation 18.2 TMT, civil engineering 13.1 TMT and Iron & Steel 7.6 TMT were the major sectors contributing to the total consumption of 68.6 TMT LDO during the month.

Natural Gas:

Consumption of Natural Gas with a volume of 5.6 BCM during the month of October 2020 registered a growth of 3.7% on volume of 5.4 BCM in the month of October 2019. There has been a growth in consumption as the economic activities regaining momentum owing to buoyant demand of festive season. Also consumption during the period of April - October 2020 reached 93.3% of the volume in April - October 2019.

Natural Gas is used as a feedstock in several industries like fertilizers, plastics and other commercially important organic chemicals and also used as a fuel for electricity generation, heating purpose in industrial and commercial units. Natural gas is also used for cooking in domestic households and as a transportation fuel for vehicles. Approximate sector wise consumption of Natural gas during the month of September 2020 were fertilizer (32%), power (20%), City Gas Distribution (CGD) (19%), refinery (15%), petrochemicals (4%) and others (11%).

Industry Consumption Trend Analysis 2020-21 (Provisional)						
('000 MT)						
Product	October			April-October		
	2019-20	2020-21	Growth (%)	2019-20	2020-21	Growth (%)
(A) Sensitive Products						
LPG	2348.1	2422.5	3.2	14880.7	15700.3	5.5
SKO	170.2	138.8	-18.5	1555.4	1067.5	-31.4
Sub Total	2518	2561	1.7	16436	16768	2.0
(B) Major Decontrolled Product						
HSD	6510.2	6994.2	7.4	47871.0	37892.8	-20.8
MS	2539.3	2654.1	4.5	17844.6	14772.3	-17.2
Naphtha	1127.7	1299.3	15.2	7796.5	7875.9	1.0
ATF	697.5	354.6	-49.2	4650.5	1545.2	-66.8
Bitumen	445.7	662.5	48.7	3369.0	3345.2	-0.7
FO/LSHS	473.4	531.5	12.3	3549.1	3322.5	-6.4
Lubes+Greases	326.2	315.9	-3.2	2220.1	1888.3	-14.9
LDO	48.3	68.6	42.1	371.0	412.1	11.1
Sub Total	12168	12881	5.9	87672	71054	-19.0
Sub – Total (A + B)	14687	15442	5.1	104108	87822	-15.6
(C) Other Minor Decontrolled Products						
Pet.Coke	1664.5	1393.8	-16.3	12986.6	10457.4	-19.5
Others*	992.4	941.1	-5.2	6792.8	5890.9	-13.3
Sub Total	2657	2335	-12.1	19779	16348	-17.3
Total	17344	17776.9	2.5	123887	104170.4	-15.9

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