



Petroleum Planning & Analysis Cell

Ministry of Petroleum & Natural Gas, Government of India

Industry consumption Report

January 2021



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Highlights

The month of January 2021 saw the much anticipated roll out of COVID 19 vaccination programme resulting in a surge in both consumer and business confidence. GST collection for the month of January 2021 was close to Rs 1.20 lakh crore indicating a healthy economic activity during the month. The budget released in the month February 2021 has paved the way for steady economic growth for the coming months.

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

1. The consumption of petroleum products in January 2021 with a volume of 18.0 MMT recovered to 96.1% of the volume of 18.7 MMT in January 2020. Petroleum products consumption during the period April to January 2021 recovered 88.1% of the consumption during the same period previous year. The products which registered a growth in the month of January 2021 were LPG 2.4%, Petrol (MS) 6.3%, Light Diesel Oil (LDO) 48.1% and products categorised under "Others" category 6.1%. The products which registered de-growth were Diesel (HSD) -2.2%, Naphtha -10.4%, Aviation Turbine Fuel (ATF) -41.9%, Bitumen -3.4%, Furnace Oil & Low Sulphur Heavy Stock (FO/LSHS) -11.3%, Lubes & Greases -16.7% and Pet coke -13.5%. Kerosene (SKO) recorded a de-growth of -11.0% during the current month as compared to January 2020.
2. MS (Petrol) consumption during the month of January 2021 recorded a volume of 2.6 MMT with a growth of 6.3% over the volume of 2.5 MMT in the month of January 2020. MS consumption for the period of April - January 2021 recovered to 89.9% of the volume during the same period previous year. Increased mobility by personal vehicles and high consumption in rural markets have been the main propellers of MS consumption during the month of January 2021.
3. HSD (Diesel) consumption during the month of January 2021 with a volume of 6.8 MMT recovered to 97.8% of the volume of 7.0 MMT in January 2020. HSD consumption for the period of April - January 2021 recovered to 84.5% of the volume during the same period previous year. Rainfall during the month was 17% above the normal. A growth of 4.0% was recorded in port traffic during January 2021 as compared to January 2020.
4. LPG consumption registered a growth of 2.4% during the month of January 2021 as compared to January 2020 mainly on account of increased domestic consumption with PMUY refills. LPG consumption for the period of April - January 2021 registered a growth of 5.2% as compared to the same period in the previous year.
5. ATF consumption during January 2021 remained almost same as it was in the month of December 2020. However as compared to January 2020, a de-growth of -41.9% was recorded in the month of January 2021.
6. Bitumen consumption during January 2021 recovered to 96.6% of the volume in January 2020. The consumption for the period of April - January 2021 registered a growth of 3.7% as compared to the same period in the previous year.

7. Kerosene (SKO) consumption registered a de-growth of -11.0% in January 2021 as compared to January 2020 mainly due to few States & all Union Territories (except UTs of Jammu & Kashmir and Ladakh) going Kerosene free. The state of Rajasthan has been declared PDS SKO free from January 2021 and the state of Uttarakhand saw nil upliftment of PDS SKO during the month.

This report analyses the trend of consumption of petroleum products in the country during the month of January 2021. Data on product-wise monthly consumption of petroleum products for December 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 January 2021 is given in Table-1.

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

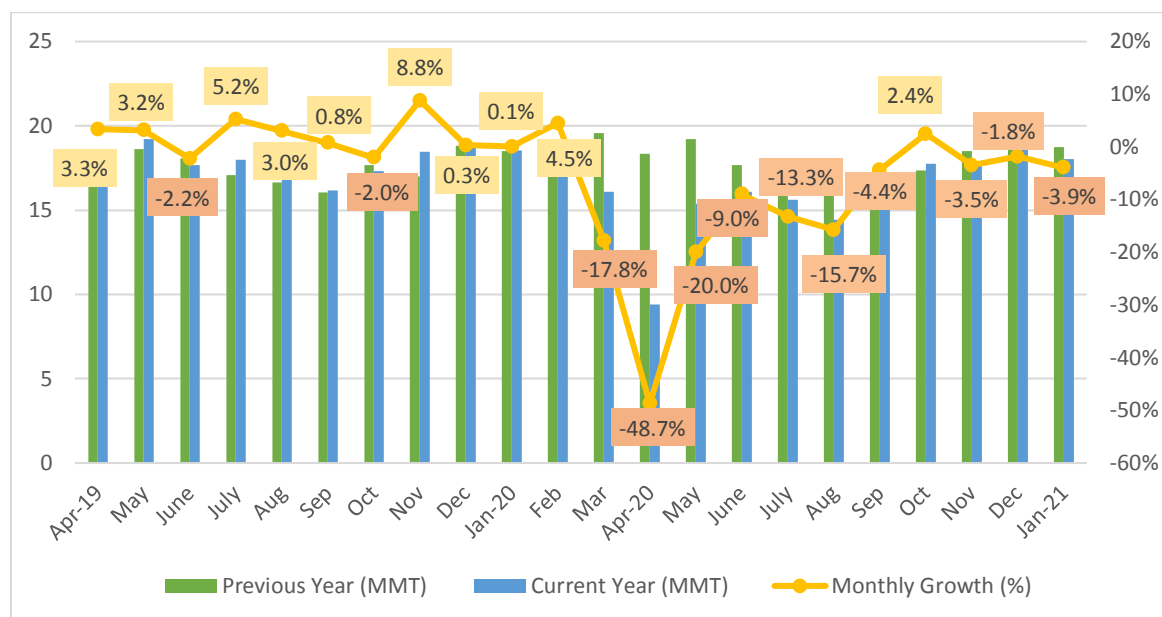
Product Type	Share %	December-2019	December-2020	Growth (%)	Products included
Sensitive Products	14.6	2599	2638	1.5	SKO & LPG
Major Decontrolled Products	70.6	13307	12724	-4.4	HSD, MS, Naphtha, Lubes, LDO, FO/LSHS, Bitumen & ATF
Minor Decontrolled Products	14.7	2840	2648	-6.8	Petcoke & other minor products
Total	100	18746	18010	-3.9	

All Products:

Overall consumption of all petroleum products in January 2021 with a volume of 18.0 MMT recovered to 96.1% of the volume of 18.7 MMT in January 2020. Petroleum products consumption during the period April to January 2021 recovered 88.1% of the consumption during the same period previous year. The products which registered a growth in the month of January 2021 were LPG 2.4%, Petrol (MS) 6.3%, Light Diesel Oil (LDO) 48.1% and products categorised under "Others" category 6.1%, 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 January 2021 are projected based on July 2019 to June 2020 actual data.

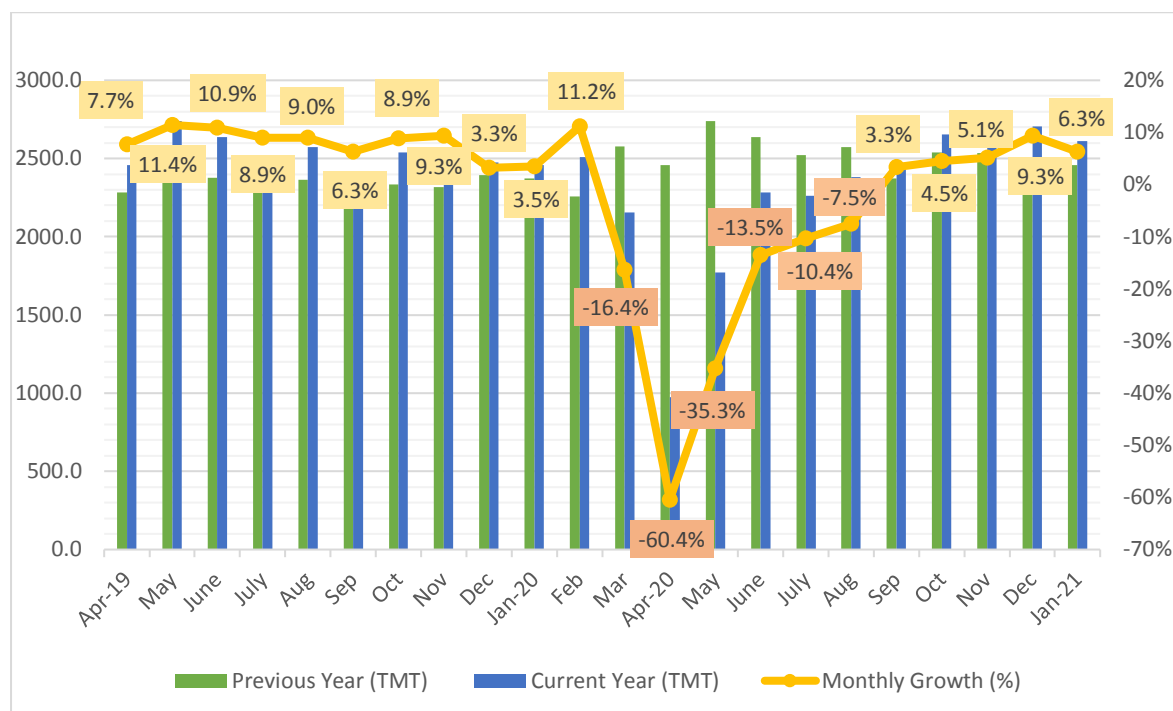
Petrol/Motor Spirit (MS):

MS (Petrol) consumption during the month of January 2021 recorded a growth of 6.3% with a volume of 2.6 MMT as compared to 2.5 MMT in January 2020. Although in the month of January 2021, the growth in petrol consumption was subdued than in the month of December 2020 due to increase in mobility by public transport. On cumulative basis MS consumption recorded a volume of 22.8 MMT for the period April - January 2021 as compared to 25.3 MMT in the same period previous year and thus recovered 89.9% of its historical volume. Major factors contributing to MS consumption during the month are as follows:

- Increased economic activity by reopening of schools, cinema halls, theatres etc.
- Preference for travel by personal vehicle over public transport.
- Higher agriculture output driving economic prosperity rural markets.

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 January 2021 with a sale of 2.8 Lac vehicles has clocked a growth of 11.1% over its historical sale of 2.5 Lac vehicles during the month of January 2020. The growth can be attributed to positive demand riding on preference for personal mobility.

Passenger car and vans recorded a de-growth of -1.2% and -5.9% respectively while utility vehicles registered a growth of 37.3% during the current month as compared to the same period previous year.

Table-2: Passenger vehicle sales in the month of January 2021

Vehicle Segment	January		
	2019-20	2020-21	Growth %age
Passenger Cars	155,046	153,244	-1.2
Utility Vehicles	81,231	111,494	37.3
Vans	12,563	11,816	-5.9
Total PV	248,840	276,554	11.1

Two Wheeler Sales:

The two-wheeler sales during the month of January 2021 with a sale of 14.3 Lac vehicles has clocked a growth of 6.6% over its historical sale of 13.4 Lac vehicles during the month of January 2020. Two wheeler segment continues to clock positive growth for the sixth consecutive month on the back drop of robust agriculture output and preference for personal mobility.

Scooters, motor cycle and moped sales registered a growth of 9.1%, 5.1% and 12.3% respectively during the current month as compared to the same period previous year.

Table-3: Two Wheelers vehicle sales in the month of January 2021

Vehicle Segment	January		
	2019-20	2020-21	Growth %ge
Scooters/Scooterette	416,567	454,315	9.1
Motor Cycles	871,886	916,365	5.1
Mopeds	52,525	59,007	12.3
Electric Two Wheelers	27	241	792.6
Total 2 Wheelers	1,341,005	1,429,928	6.6

High Speed Diesel (HSD):

HSD (Diesel) consumption during the month of January 2021 with a volume of 6.8 MMT recovered to 97.8% of the volume of 7.0 MMT in January 2020. With opening of economy, the HSD sales have been gradually improving. HSD consumption for the period of April - January 2021 recovered to 84.5% of the volume during the same period previous year.

Factors affecting diesel consumption during the current month:

- Agriculture continues to be the major drivers of growth in diesel consumption.
- Sectoral analysis of direct consumer segment indicated a growth of 14.4% in the consumption of diesel during the month in manufacturing activities compared to its level in January 2020.

Manufacturing PMI for the month of January 2021 stood at 57.7 as compared to 56.4 in December 2020 indicating a strong improvement in both consumer and business sentiments. Services PMI for the month of January 2021 stood at 52.8 as compared to 52.3 in January 2020 indicating a moderate growth in service sector. The rollout of COVID 19 vaccines has provided a major boost in positive sentiment across sectors.

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

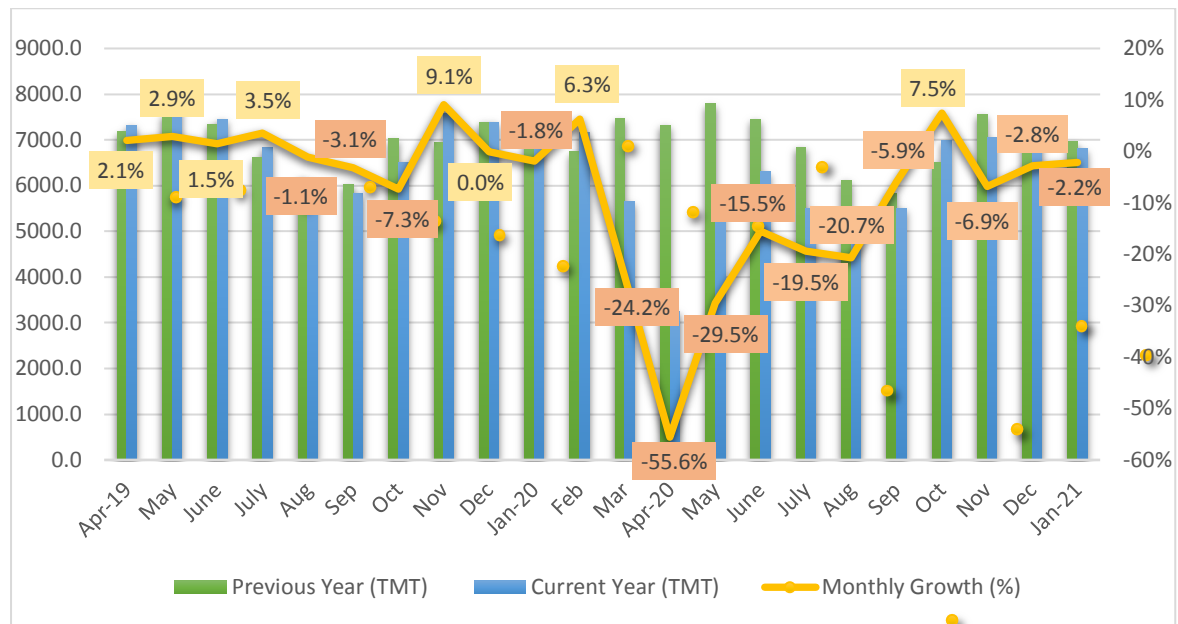
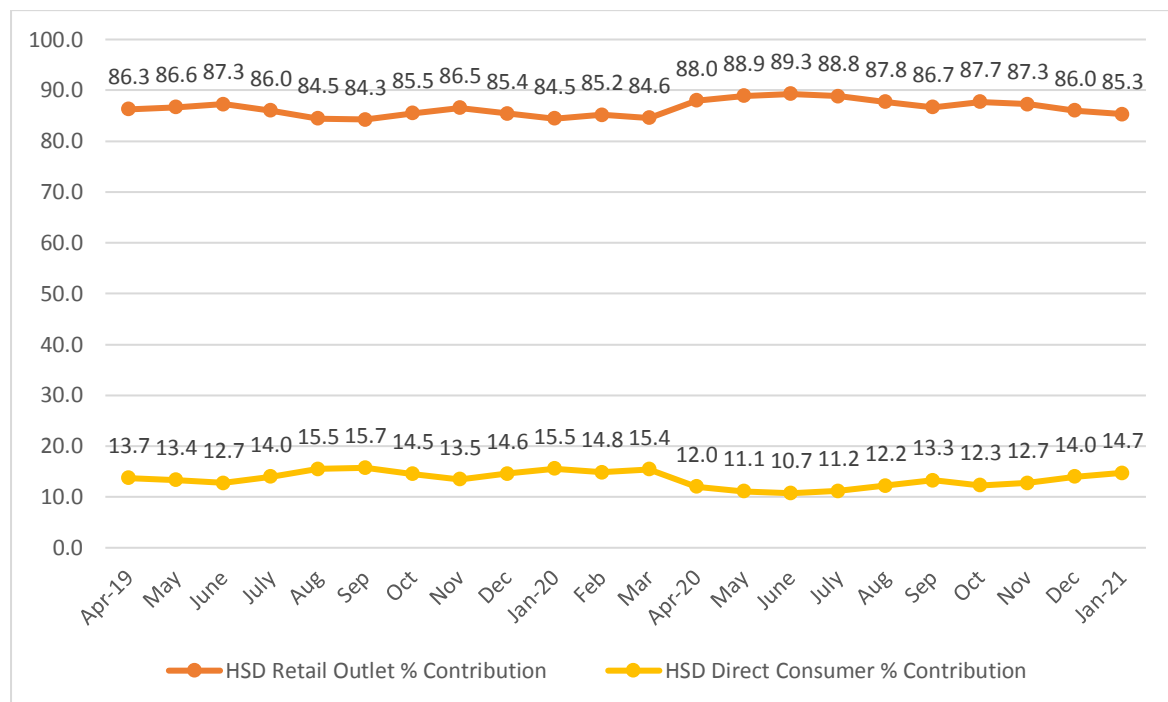


Figure-4 gives a comparison of month-wise percentage of HSD consumption through retail outlets and direct consumer business since April 2019.

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 in the month of January 2021 has been mostly in the positive territory indicating recovery in manufacturing sector.

Tractor Sale:

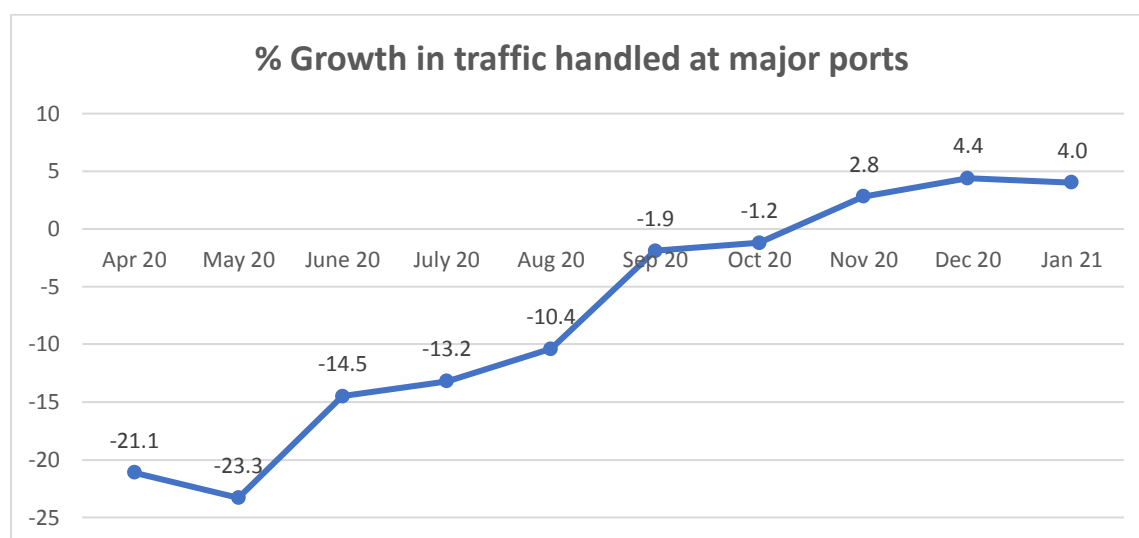
Tractor sales as reported by major individual companies continues to show a double digit growth on account of good monsoon and thriving rural economy.

Port Traffic:

The traffic handled at major ports in India recorded a growth of 4.0% and together handled 64.4 MMT of cargo during January 2021 as against 61.9 MMT handled during the corresponding period of the previous year. There has been a growth in traffic handled at major ports for third consecutive month indicating a sustained expansion of economic activities.

Figure-5 gives a trend in % growth of traffic handled at major ports since April 2020.

Figure-5: Growth percentage of traffic handled at major ports since April 2020.



Growth was observed in cargo handled during the month of January 2021 in the port of Kolkata & Haldia 0.5%, Paradip 14.3%, Chennai 6.9%, Cochin 8.8%, Mormugao (Goa) 62.2%, JNPT 9.9% and Deendayal (Kandla) 12.2%.

During the period April – January 2021, growth was registered in iron ore 26.5%, fertilizer finished 5.8% and fertilizer raw 13.1% while de-growth was observed in Petroleum Oil & lubricants (POL) -14.7%, other liquids -5.5%, thermal & steam coal -16.7%, coking & others coal -7.9%, containers -7.2% and miscellaneous cargo -2.1%. Commodity-wise, the percentage share of POL was maximum i.e. 31.0%, followed by container 21.1%, thermal & steam coal 11.5%, other miscellaneous cargo 10.7%, iron ore & pellets 10.5%, coking & other coal 8.0%, other liquids 4.3%, fertilizer finished 1.7% and raw fertilizer 1.2%.

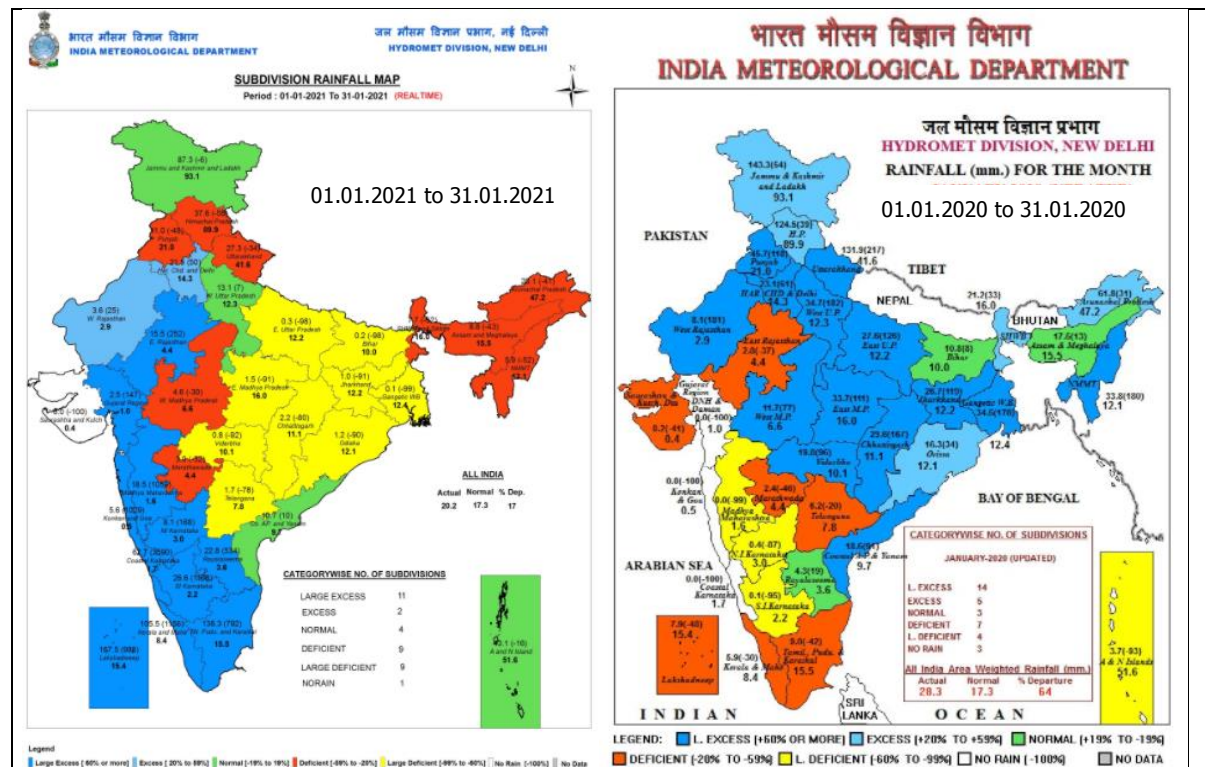
Table-4: Traffic handled at major ports in January 2021

Ports	January 2020	January 2021	Growth (%)
Kolkata & Haldia	6,207	6,235	0.5
Paradip	9,770	11,167	14.3
Visakhapatnam	7,200	6,142	-14.7
Kamarajar (Ennore)	3,130	2,472	-21.0
Chennai	3,969	4,244	6.9
V.O. Chidambaranar	3,030	2,811	-7.2
Cochin	3,015	3,281	8.8
New Mangalore	3,314	3,123	-5.8
Mormugao	1,640	2,660	62.2
Mumbai	5,149	5,030	-2.3
JNPT	5,912	6,496	9.9
Deendayal	9,552	10,720	12.2
Total:	61,888	64,381	4.0

Source: ipa.nic.in

Seasonal rainfall scenario:

The rainfall in the country during January 2021 was almost 17% above normal precipitation. A rainfall of 20.2 mm was recorded in the month of January 2021 as against a normal reading of 17.3 mm. Out of total 36 sub divisions, 17 divisions received from normal to large excess rainfall whereas 19 divisions received deficient to no rainfall.



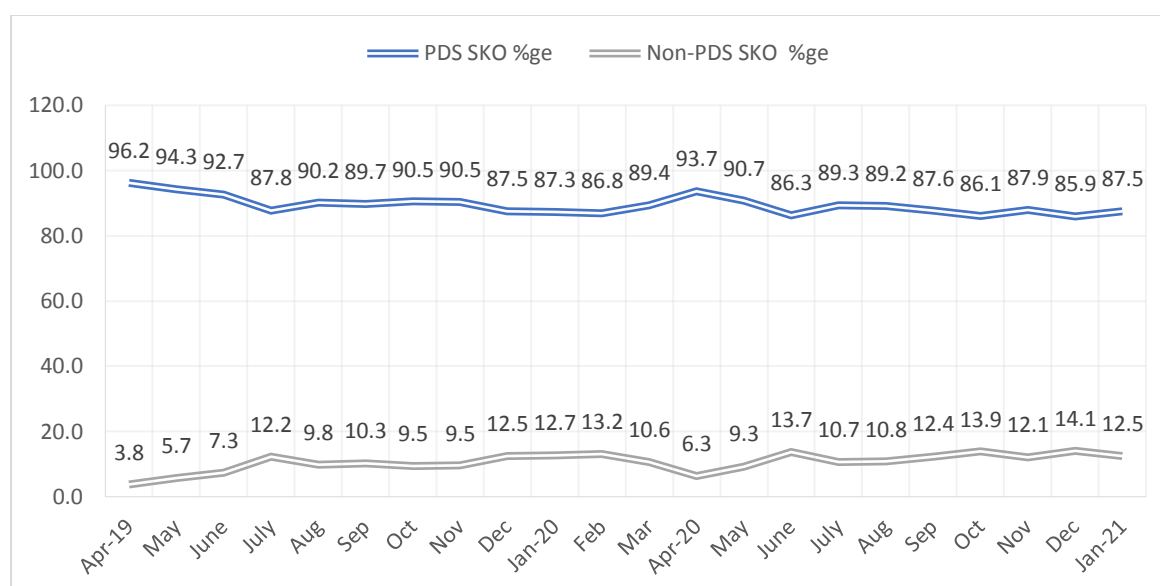
Source: India Meteorological Department (IMD)

Kerosene:

Kerosene consumption registered a de-growth of -11.0% during the month of January 2021 as compared to January 2020. Consumption for the period of April - January 2021 has shown a de-growth of -27.0% as compared to corresponding period of the previous year. With Rajasthan also joining the bandwagon of states who have gone kerosene free, there are now total 12 number of states/UTs who have voluntarily surrendered kerosene. All UTs except the UT of J&K and Ladakh and the states of Andhra Pradesh, Delhi, Haryana, Punjab, Uttar Pradesh and Rajasthan have been declared kerosene free. States like Gujarat, Bihar and Maharashtra have also voluntarily surrendered a certain quantity of PDS SKO allocation. The state of Uttarakhand had 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

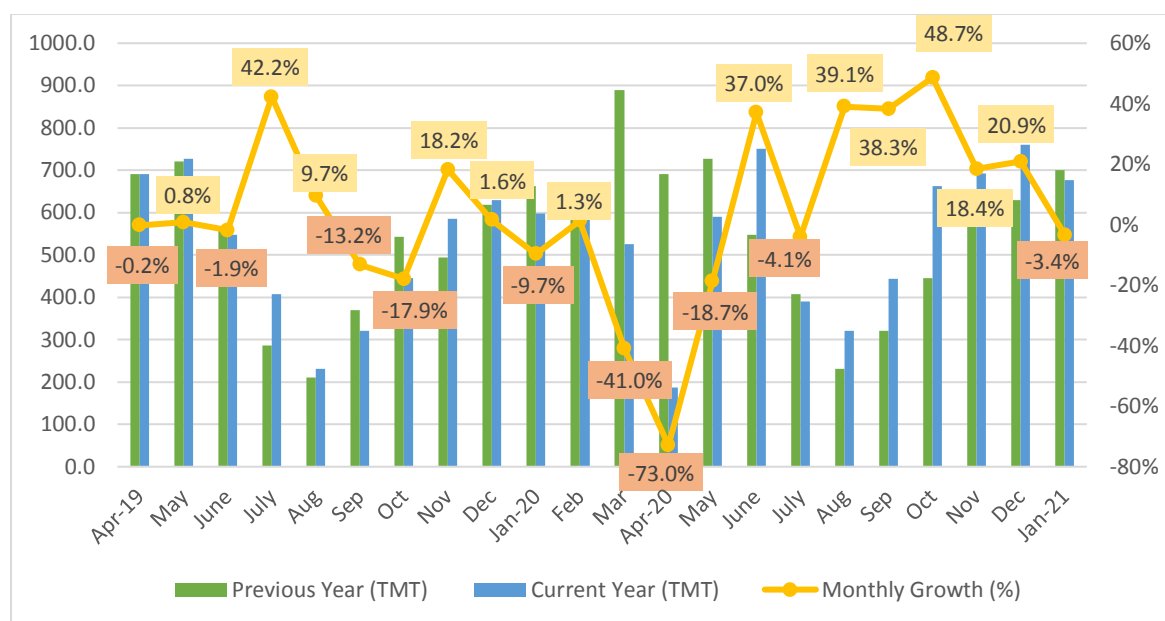


Bitumen:

Bitumen consumption during January 2021 recovered to 96.6% of volume in January 2020. The consumption was moderately affected by rainfalls in the southern states. Although the consumption for the period of April - January 2021 registered a growth of 3.7% as compared to the same period in the previous 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 2.4% during January 2021 and a cumulative growth of 5.2% during the period April - January 2021. The growth in LPG consumption is a normal trend due to release of 8.0 crore LPG connections under PMUY during 2019-20. Last year during January 2020, a growth of 5.5% was observed and the cumulative growth during April - January 2020 was 7.3%. During January 2021, out of the five regions, Northern region had the highest share in total PSU LPG sales of 32.4% followed by Southern region at 27.6%, Western region at 21.8%, Eastern region at 15.6% and North Eastern region at 2.5%.

PSU LPG Packed Domestic category recorded a growth of 3.6% during January 2021 and a cumulative growth of 10.4% during April - January 2021. Last year during January 2020, a growth of 5.5% was observed and the cumulative growth during April - January 2020 was 7.3%. During April - January 2021, around 74.6 lakh new connections and 56.7 lakh DBCs were released. A total of 8.01 crore BPL households have been covered under PMUY till 31.01.2021 since inception of the scheme. During January 2021, the region-wise share of LPG Packed Domestic consumption was highest in Northern region (33.8%) followed by Southern region (26.1%), Western region (20.9%), Eastern region (16.5%) and North-Eastern region (2.7%). During January 2021, the five states with the highest LPG-Packed domestic sales share were Uttar Pradesh (14.3%), Maharashtra (10.9%), Tamil Nadu (7.9%) West Bengal (7.1%), and Karnataka (6.2%). During January 2021, percentage share of LPG-Packed Domestic was 88.7% of total PSU LPG sales whereas it was 87.4% in January 2020.

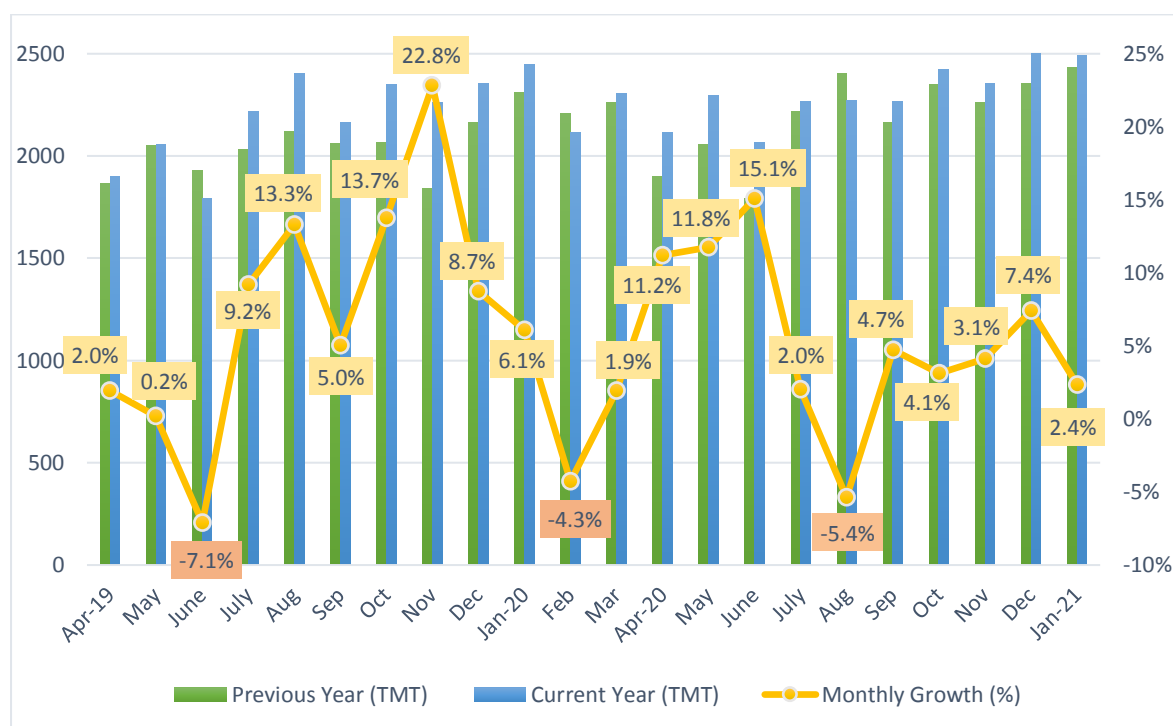
PSU LPG Packed Non-Domestic category recorded a de-growth of -15.1% in January 2021 and a cumulative de-growth of -33.7% during April - January 2021. Last year during January 2020, a growth of 17.7% was observed and the cumulative growth during April - January 2020 was 16.1%. Share of LPG Packed Non-Domestic in total PSU LPG Sales has decreased to 9.2% in January 2021 from 11.0% in January 2020. Region-wise share of LPG Packed Non-Domestic consumption was highest in Southern region (37.5%) followed by Western region (29.6%), Northern region (25.3%), Eastern region (6.5%) and North-Eastern region (1.1%) during January 2021.

PSU Bulk LPG category registered a growth of 73.0% during January 2021 and a cumulative growth of 21.1% during April - January 2021. Last year in the month of January 2020, there was a de-growth of -21.4% while for the period April - January 2020, a de-growth of -11.3% was witnessed. Percentage share of Bulk LPG in total PSU LPG sales was 1.6% during January 2021 whereas it was 1.0% in January 2020.

PSU Auto LPG category registered a de-growth of -13.1% in January 2021 and a cumulative de-growth of -36.7% during April - January 2021. The sales volume decrease was about 2.0 TMT in January 2021 as compared to January 2020. Last year in the month of January 2020 a de-growth of -1.2% was observed while there was a cumulative de-growth of -1.8% during April - January 2020. During January 2021, the percentage share of Auto LPG was 0.5% of total PSU LPG sales whereas it was 0.6% in January 2020.

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 during the month of January 2021 with a volume of 1.3 MMT recovered to 89.6% of the volume of 1.4 MMT in January 2020. Consumption during the period April - January 2021 almost recovered to 100% volume as in the same period last year. Petrochemical industries remain the main consumers of naphtha. The de-growth in Naphtha consumption during the month of January 2021 has been due to a fall in consumption of Naphtha by petrochemical, fertilizer and other miscellaneous sectors. Out of the total naphtha consumption of 1271.1 TMT during the month, petrochemical sector had consumed 993.8 TMT, although with a de-growth of -10.8% over the historical volume in the month of January 2020.

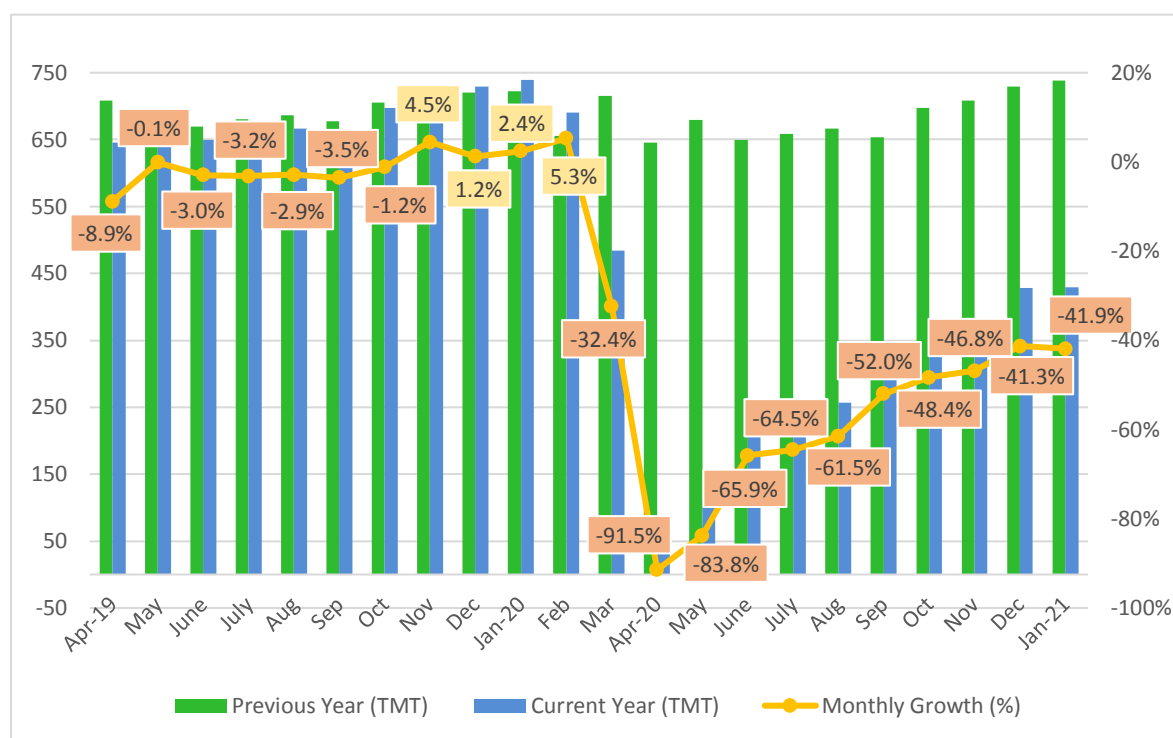
ATF:

ATF consumption for the month of January 2021 has remained almost static with a meagre growth of 0.3% as compared to December 2020. However, January 2021 recorded de-growth of -41.9% as compared to January 2020. International air traffic remains restricted with the continuing ban on international flights. Domestic flights continue to operate with marginal increase over previous month hence keeping up the month on month increase in air travel.

Passengers carried by domestic airlines during the month of January 2021 stood at 77.3 lakhs as against 127.8 lakhs during January 2020. The total domestic passengers carried for the period of April - January 2021 stood at 378.3 lakhs against 1215.0 lakhs during April – January 2020.

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 January 2021 reached 88.7% of volume in January 2020. Consumption of FO/LSHS is largely driven by manufacturing and other miscellaneous sector in addition to shipping, power, road transport, mining and others. FO/LSHS consumption saw a fall in manufacturing and other miscellaneous sectors while shipping registered a growth in the month of January 2021. Manufacturing consumed 204.7 TMT, miscellaneous 181.8 TMT and shipping 65.8 TMT out of the total consumption of 536.3 TMT of FO/LSHS in the month of January 2021.

Petcoke:

Petcoke consumption during the month of January 2021 reached 86.5% of volume in January 2020. 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. Manufacturing consumed 499.8 TMT and miscellaneous consumed 921.5 TMT out of total 1611.8 TMT of Petcoke consumption in the month of January 2021.

LDO:

LDO consumption recorded a growth of 48.1% during January 2021 as compared to January 2020. Consumption for the period of April - January 2021 has recorded a growth of 24.1% as compared to the same period previous year. LDO is extensively used in various types of furnaces. Consumption in power generation 26.1 TMT and manufacturing 28.8 TMT were the major sectors contributing to the total consumption of 84.9 TMT LDO during the month.

Natural Gas:

Consumption of Natural Gas with a volume of 4.9 BCM during the month of January 2021 reached 91.5% of volume of 5.3 BCM in the month of January 2020. Also consumption during the period of April - January 2021 reached 94.2% of the volume in April - January 2020.

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 for the period April - December 2020 were fertilizer (32%), power (20%), City Gas Distribution (CGD) (15%), refinery (15%), petrochemicals (5%) and others (12%).

Industry Consumption Trend Analysis 2020-21 (Provisional)						
('000 MT)						
Product	January			April-January		
	2019-20	2020-21	Growth (%)	2019-20	2020-21	Growth (%)
(A) Sensitive Products						
LPG	2435.1	2492.3	2.4	21930.5	23073.8	5.2
SKO	164.0	146.0	-11.0	2060.3	1503.4	-27.0
Sub Total	2599	2638	1.5	23991	24577	2.4
(B) Major Decontrolled Product						
HSD	6956.4	6804.2	-2.2	69780.2	58939.5	-15.5
MS	2456.2	2610.1	6.3	25308.8	22755.1	-10.1
Naphtha	1419.3	1271.1	-10.4	11736.3	11734.7	0.0
ATF	738.5	429.3	-41.9	6826.8	2785.0	-59.2
Bitumen	699.9	676.2	-3.4	5283.3	5478.1	3.7
FO/LSHS	604.6	536.3	-11.3	5242.2	4934.9	-5.9
Lubes+Greases	374.4	311.9	-16.7	3236.1	2850.1	-11.9
LDO	57.3	84.9	48.1	524.9	651.2	24.1
Sub Total	13307	12724	-4.4	127939	110128	-13.9
Sub – Total (A + B)	15906	15362	-3.4	151930	134706	-11.3
(C) Other Minor Decontrolled Products						
Pet.Coke	1863.7	1611.8	-13.5	18524.9	15065.5	-18.7
Others*	976.4	1036.2	6.1	9636.7	8877.1	-7.9
Sub Total	2840	2648	-6.8	28162	23943	-15.0
Total	18746	18010	-3.9	180091	158648	-11.9

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