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

December 2020

Industry consumption Report

Contents

Highlights

The month of December 2020 saw an uptick in economic activities with a record GST collection of Rs 1.15 lakh crore. The expected roll out of COVID 19 vaccination programme across the country has resulted in a surge in consumer confidence. Also the budget for 2021-22 is expected to implement measures to further spur economic growth across sectors. Hence December 2020 has been a month of positive sentiments looking forward to high growth in 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 December 2020 with a volume of 18.6 MMT recovered to 98.2% of the volume of 18.9 MMT in December 2019. Petroleum products consumption during the period April to December 2020 recovered 87.2% of the consumption during the same period previous year. The products which registered a growth in the month of December 2020 were LPG 7.4%, Petrol (MS) 9.3%, Bitumen 20.9%, Lubes & Greases 8.5%, Light Diesel Oil (LDO) 87.4% and products categorised under "Others" category 8.4%. The products which registered de-growth were Diesel (HSD) -2.8%, Naphtha -2.7%, Aviation Turbine Fuel (ATF) -41.3%, Furnace Oil & Low Sulphur Heavy Stock (FO/LSHS) -10.9% and Pet coke -20.3%. Kerosene (SKO) recorded a de-growth of -11.4% during the current month as compared to December 2019.

2. MS (Petrol) consumption during the month of December 2020 recorded a volume of 2.7 MMT with a growth of 9.3% over the volume of 2.5 MMT in the month of December 2019. MS consumption for the period of April - December 2020 recovered to 88.1% of the volume during the same period previous year. Revival of tourism, impact of thriving agriculture sector, marriage season and continued preference for personal mobility have been the main reasons for MS consumption during the month of December 2020.

3. HSD (Diesel) consumption during the month of December 2020 with a volume of 7.2 MMT recovered to 97.2% of the volume of 7.4 MMT in December 2019. HSD consumption for the period of April - December 2020 recovered to 83.0% of the volume during the same period previous year. Power deficit decreased to -0.4% in December 2020 as compared to -0.5% in December 2019. Rainfall during the month was 2% below the normal. A growth of 4.4% was recorded in port traffic during December 2020 as compared to December 2019.

4. LPG consumption registered a growth of 7.4% during the month of December 2020 as compared to December 2019 mainly due to increase in domestic LPG consumption on account of PMUY refills. LPG consumption for the period of April - December 2020 registered a growth of 5.6% as compared to the same period in the previous year.

5. ATF consumption during December 2020 registered a growth of 13.6% as compared to November 2020 indicating a continuous improvement on month on month basis. However as compared to same month last year, a de-growth of -41.3% was recorded in the month of December 2020.

6. Bitumen consumption during December 2020 recorded a growth of 20.9% as compared to December 2019, on account of various ongoing road projects like Bharatmala Pariyojna, state highways and other interior roads.

7. Kerosene (SKO) consumption registered a de-growth of -11.4% in December 2020 as compared to December 2019 mainly due to few States & all Union Territories (except UTs of Jammu & Kashmir and Ladakh) going Kerosene free. Also the states of Rajasthan, Uttar Pradesh & Odisha saw nil upliftment of PDS SKO during the month of December 2020.

   This report analyses the trend of consumption of petroleum products in the country during the month of December 2020. 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 December 2020 is given in Table-1.

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

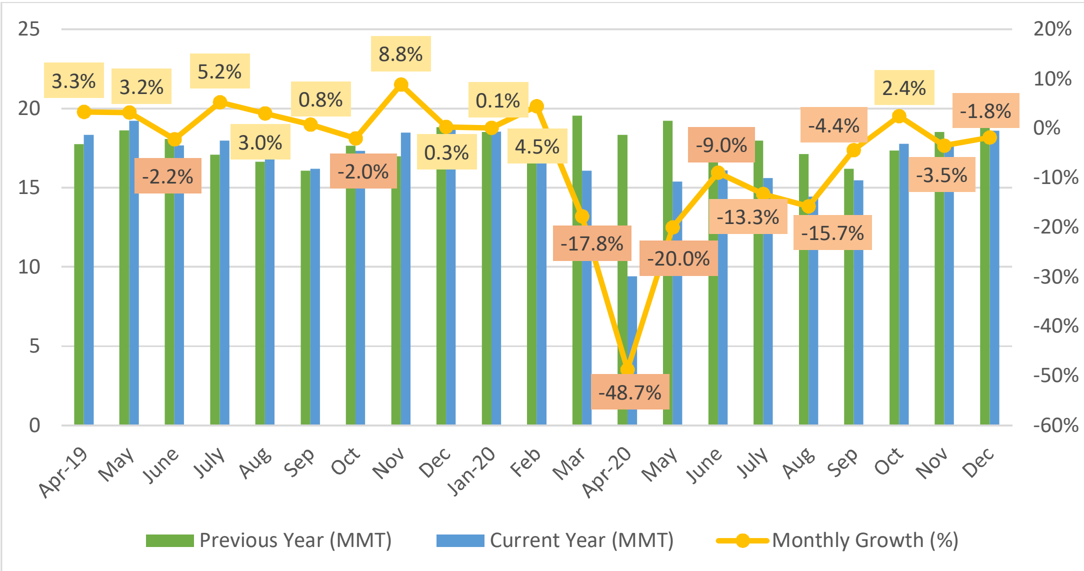
Product Type	Share %	December-2019	December-2020	Growth (%)	Products included
Sensitive Products	14.3	2507	2664	6.3	SKO & LPG
Major Decontrolled Products	71.5	13472	13292	-1.3	HSD, MS, Naphtha, Lubes, LDO, FO/LSHS, Bitumen & ATF
Minor Decontrolled Products	14.2	2967	2641	-11.0	Petcoke & other minor products
Total	100	18946	18597	-1.8	

All Products:

Overall consumption of all petroleum products in December 2020 with a volume of 18.6 MMT recovered to 98.2% of the volume of 18.9 MMT in December 2019. Petroleum products consumption during the period April to December 2020 recovered 87.2% of the consumption during the same period previous year. The products which registered a growth in the month of December 2020 were LPG 7.4%, Petrol (MS) 9.3%, Bitumen 20.9%, Lubes & Greases 8.5%, Light Diesel Oil (LDO) 87.4% and products categorised under "Others" category 8.4%, 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 December 2020 are projected based on July 2019 to June 2020 actual data.

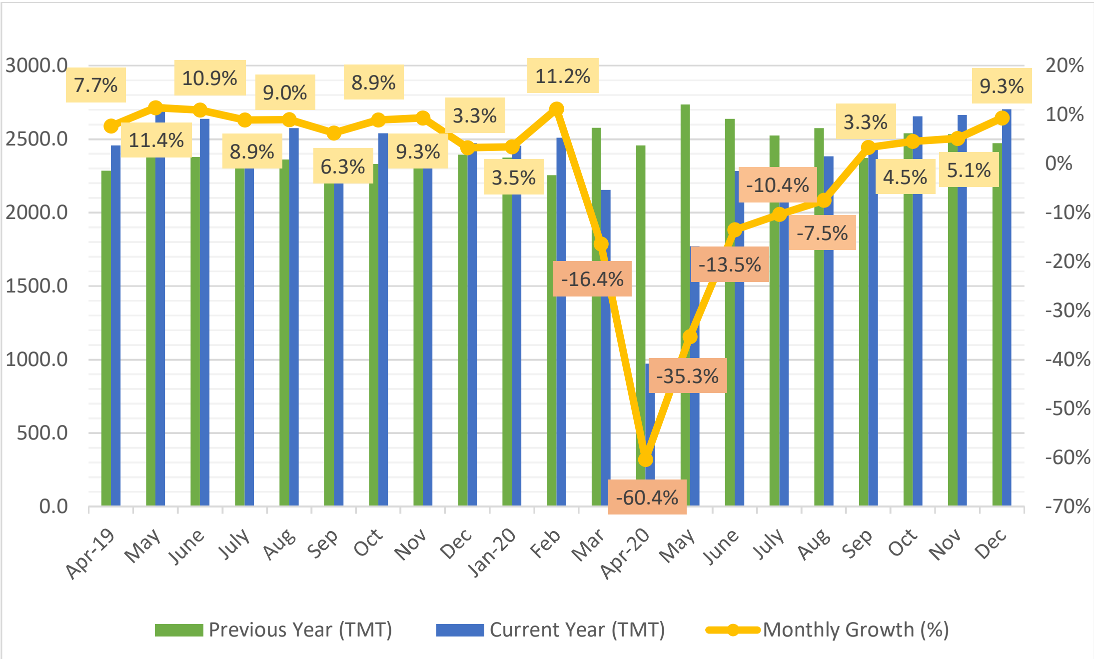
Petrol/Motor Spirit (MS):

MS (Petrol) consumption during the month of December 2020 recorded a growth of 9.3% with a volume of 2.7 MMT as compared to 2.5 MMT in December 2019. On cumulative basis MS consumption recorded a volume of 20.1 MMT for the period April - December 2020 as compared to 22.9 MMT in the same period previous year and thus recovered 88.1% of its historical volume, especially due to following reasons:

- Increase in leisure travel and revival of tourism owing to winter vacations.
- Further increase in personal mobility over public transport.
- Robust agricultural season creating demand in rural and small towns.
- Marriage season though muted have contributed to the growth.

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 December 2020 with a sale of 2.5 Lac vehicles has clocked a growth of 13.6% over its historical sale of 2.2 Lac vehicles during the month of December 2019. The growth can be attributed to robust agriculture output, new product launches, expected price rise in coming months and positive outlook towards economy.

Passenger car recorded a growth of 8.4% while the Utility vehicles and van sales recorded growth of 19.8% and 41.1% respectively during the current month as compared to the same period previous year.

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

Vehicle Segment	**December**		
	2019-20	2020-21	Growth %age
Passenger Cars	135,531	146,864	8.4
Utility Vehicles	79,153	94,787	19.8
Vans	8,044	11,347	41.1
Total PV	222,728	252,998	13.6

Two Wheeler Sales:

The two-wheeler sales during the month of December 2020 with a sale of 11.3 Lac vehicles has clocked a growth of 7.4% over its historical sale of 10.5 Lac vehicles during the month of December 2019. Growth in rural markets, favorable interest rates and preference for personal mobility has contributed to consecutive fifth month of growth in the 2/3 wheeler segment.

Scooters, motor cycle and moped sales registered a growth of 5.6%, 6.7% and 31.2% respectively during the current month as compared to the same period previous year.

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

Vehicle Segment	December		
	2019-20	**2020-21**	**Growth %ge**
Scooters/Scooterette	306,550	323,696	5.6
Motor Cycles	697,819	744,237	6.7
Mopeds	45,669	59,923	31.2
Electric Two Wheelers	-	61	-
Total 2 Wheelers	**1,050,038**	**1,127,917**	**7.4**

High Speed Diesel (HSD):

HSD (Diesel) consumption during the month of December 2020 with a volume of 7.2 MMT recovered to 97.2% of the volume of 7.4 MMT in December 2019. HSD sales has been inching towards normalization as the economy tries to regain its pre covid momentum. HSD consumption for the period of April - December 2020 recovered to 83.0% of the volume during the same period previous year.

Factors affecting diesel consumption during the current month:

- Economic activities gaining steam on expectations of consumer friendly budget and roll out of COVID-19 vaccination in the coming months.
- Rural and semi urban market continues to lead consumption on account of a robust agriculture season.
- Farmer's agitation continues to create disruptions in states of Punjab and movement of goods to nearby states.
- Cyclone Burevi affected consumption adversely in the states of Tamil Nadu and Kerala during the month.
- Consumption of diesel sold directly to customers showed a growth of 13.3% during the month in manufacturing activities compared to its level in December 2019.

IHS Markit India Manufacturing Purchasing Managers Index stood at 56.4 in December 2020 compared to 56.3 in November 2020, indicating a steady consumer demand and a robust manufacturing sector. HIS Markit India Services Purchasing Managers Index stood slid to 52.3 in December 2020 from 53.7 in November 2020, indicating a slower pace of growth.

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

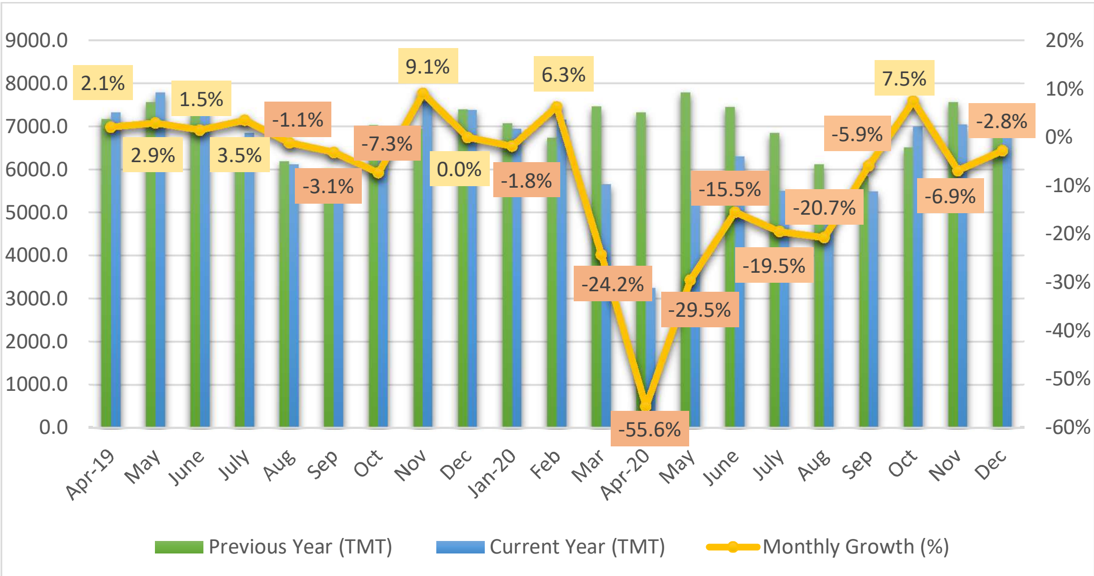
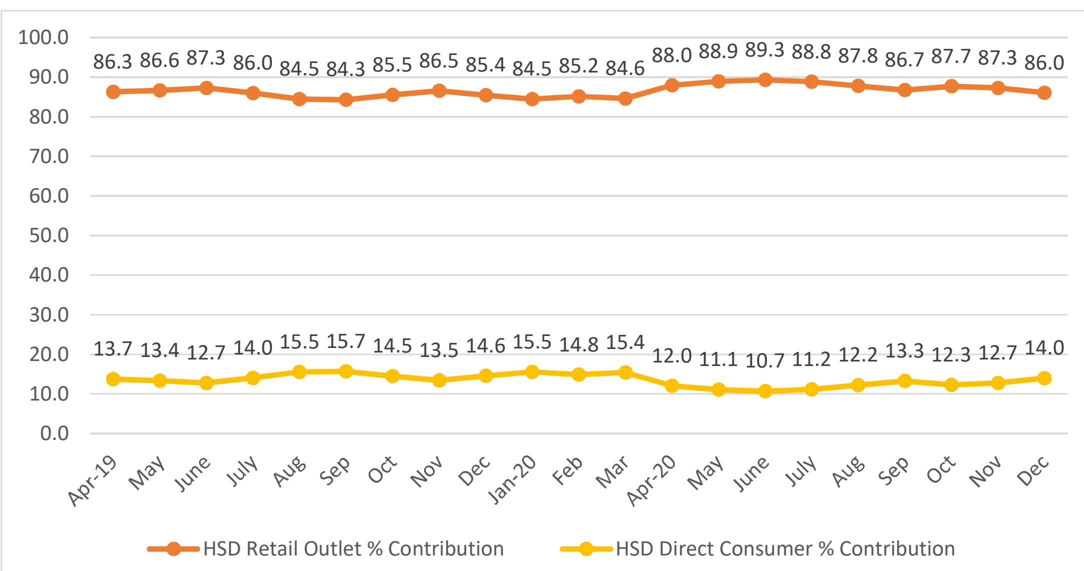


Figure-4 gives a comparison of month-wise percentage of HSD consumption through retail outlets and direct consumer business since April 2019.

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 December 2020 is catching up to its historical sales in the month of December 2019.

Tractor Sale:

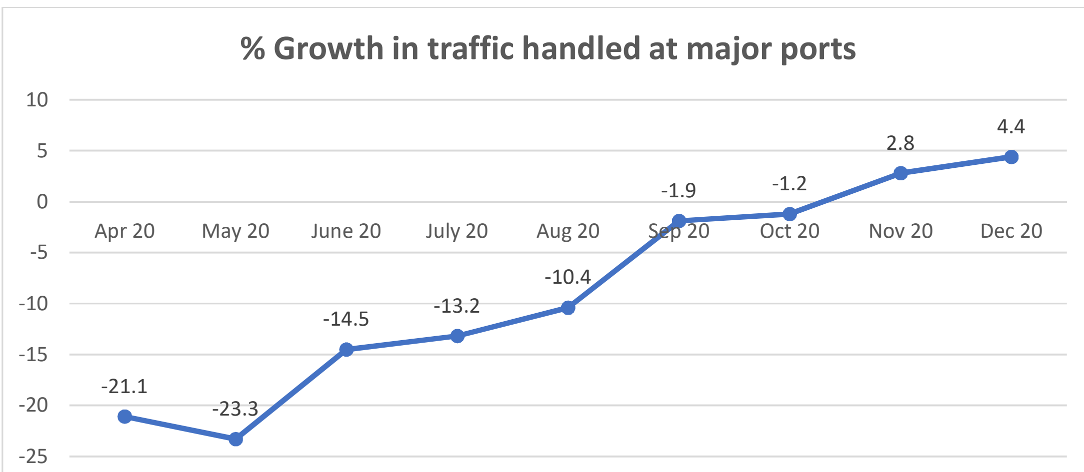
Tractor sales as reported by major individual companies continues to show a double digit growth indicating a robust agriculture economy which continues to thrive despite of COVID-19 pandemic.

Port Traffic:

The traffic handled at major ports in India recorded a growth of 4.4% and together handled 63.5 MMT of cargo during December 2020 as against 60.8 MMT handled during the corresponding period of the previous year. There has been a positive growth in traffic handled at major ports for second 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 December 2020 in the port of Kolkata & Haldia 9.0%, Visakhapatnam 3.6%, Chennai 27.1%, Cochin 10.5%, New Mangalore 1.1%, Mormugao (Goa) 66.6%, JNPT 10.1% and Deendayal (Kandla) 3.0%.

During the period April - December 2020, growth was registered in iron ore 28.6%, fertilizer finished 5.2% and fertilizer raw 13.0% while de-growth was observed in Petroleum Oil & lubricants (POL) -16.7%, other liquids -7.2%, thermal & steam coal -16.4%, coking & others coal -12.1%, containers -8.8% and miscellaneous cargo -2.7%. Commodity-wise, the percentage share of POL was maximum i.e. 31.0%, followed by container 21.0%, thermal & steam coal 11.5%, other miscellaneous cargo 10.9%, iron ore & pellets 10.6%, coking & other coal 7.7%, other liquids 4.3%, fertilizer finished 1.7% and raw fertilizer 1.2%.

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

Ports	December 2019	December 2020	Growth (%)
Kolkata & Haldia	5,580	6,082	9.0
Paradip	10,364	10,197	-1.6
Visakhapatnam	6,481	6,714	3.6
Kamarajar (Ennore)	2,862	2,727	-4.7
Chennai	3,695	4,698	27.1
V.O. Chidambaranar	2,826	2,413	-14.6
Cochin	2,893	3,198	10.5
New Mangalore	3,422	3,460	1.1
Mormugao	1,393	2,321	66.6
Mumbai	5,279	4,755	-9.9
JNPT	5,790	6,372	10.1
Deendayal	10,205	10,514	3.0
Total:	**60,790**	**63,451**	**4.4**

Source: ipa.nic.in

Power situation:

The position of power supply for the month of December 2020 is given in Table-3. As per the data reported, power deficit position has decreased to -0.4% in the month of December 2020 as compared to -0.5% in the month of December 2019. The deficit was mainly in the UT of J&K and Ladakh. Also the requirement of power in December 2020 at 106,560 MU has recorded a growth of 5.7% over requirement of power at 100,809 MU in the month of December 2019.

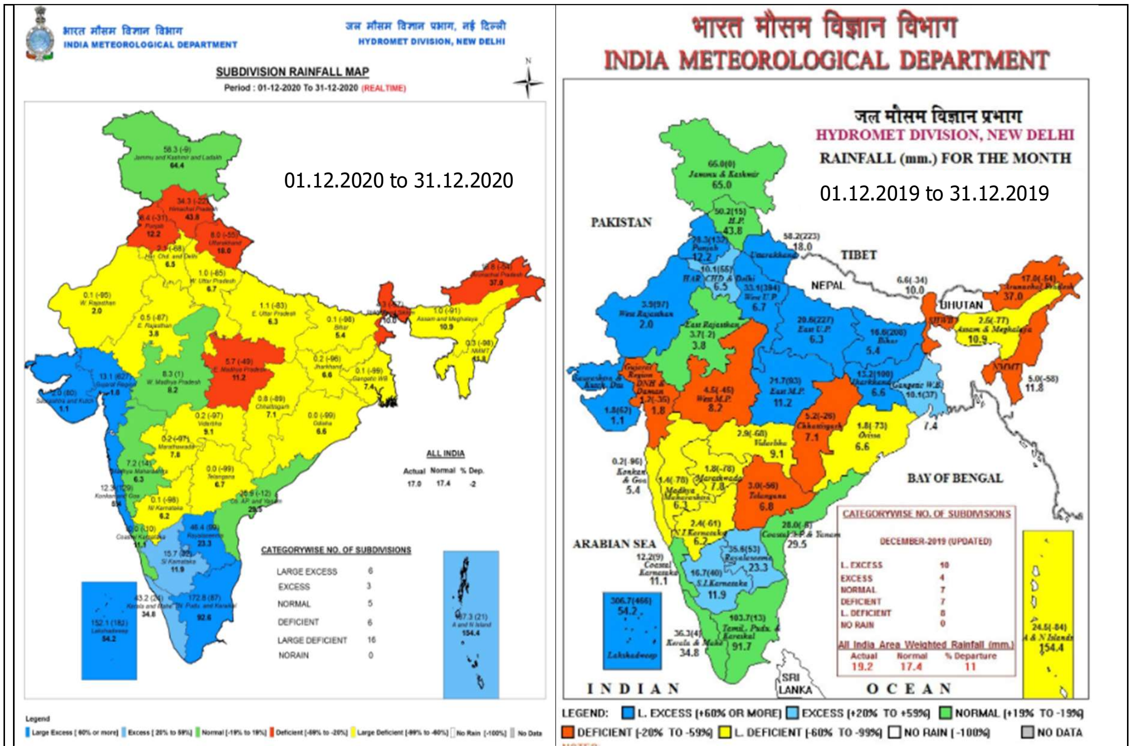
Table-5: Power supplied and deficit: Region-wise position for December 2020

	December 2020		
Region	**Requirement**	**Supplied (MU)**	**Deficit %**
North	30,772	30,369	-1.3%
West	36,846	36,846	0.0%
South	26,874	26,874	0.0%
East	10,727	10,723	0.0%
North-East	1,341	1320	-1.5%
Total	**106,560**	**106,132**	**-0.4%**

Source: Central Electricity Authority (CEA)

Seasonal rainfall scenario:

The rainfall in the country during December 2020 was almost 2% below normal precipitation. A rainfall of 17.0 mm was recorded in the month of December 2020 as against a normal reading of 17.4 mm. Out of total 36 sub divisions, 14 divisions received from normal to large excess rainfall whereas 22 divisions received deficient to no rainfall.



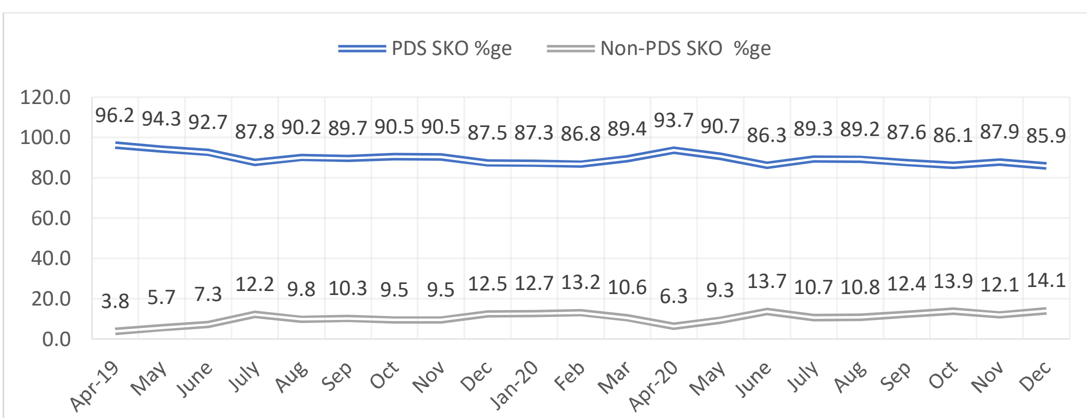
Source: India Meteorological Department (IMD)

Kerosene:

Kerosene consumption registered a de-growth of -11.4% during the month of December 2020 as compared to December 2019. Consumption for the period of April - December 2020 has shown a de-growth of -28.4% 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. The states of Rajasthan, Uttar Pradesh & Odisha saw nil upliftment of PDS SKO during the month. Also the quota for PDS SKO of Uttar Pradesh has been made nil for Q4 (Jan-Mar) of 2020-21.

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**

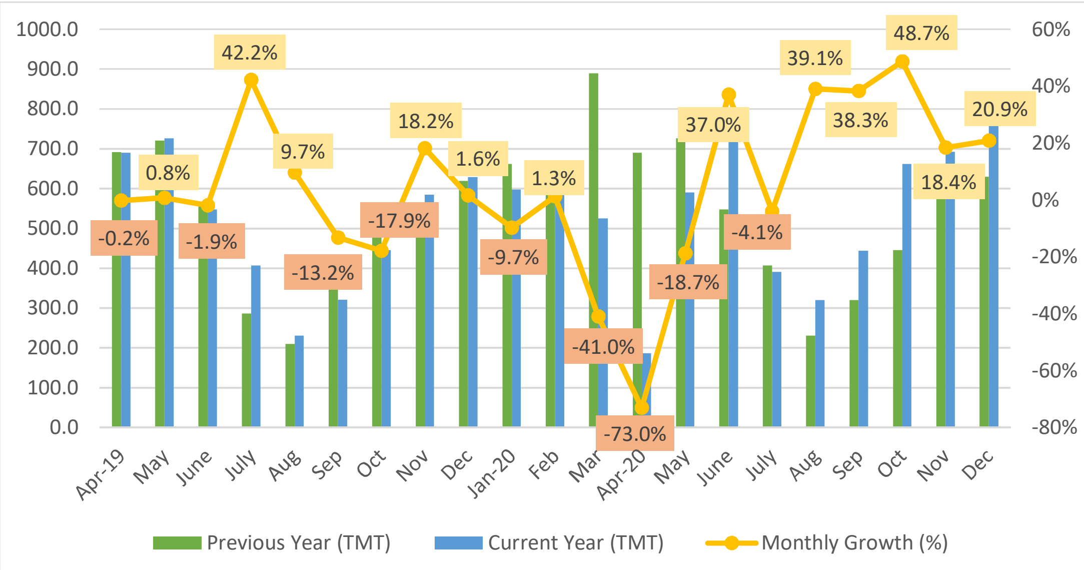


Bitumen:

Bitumen consumption during December 2020 recorded a growth of 20.9% as compared to December 2019, on account of various ongoing road projects like Bharatmala Pariyojna, state highways and other interior roads. Also growth for the period of April - December 2020 has shown a growth of 4.7% 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 7.4% during December 2020 and a cumulative growth of 5.6% during the period April - December 2020. Last year during December 2019, a growth of 8.7% was observed and the cumulative growth during April - December 2019 was 7.6%. During December 2020, out of the five regions, Northern region had the highest share in total PSU LPG sales of 32.4% followed by Southern region at 27.7%, Western region at 21.2%, Eastern region at 16.1% and North Eastern region at 2.6%.

PSU LPG Packed Domestic category recorded a growth of 10.2% during December 2020 and a cumulative growth of 11.3% during April - December 2020. Last year during December 2019, a growth of 8.3% was observed and the cumulative growth during April - December 2019 was 7.6%. During April - December 2020, around 67.9 lakh new connections and 50.8 lakh DBCs were released. A total of 8.01 crore BPL households have been covered under PMUY till 31.12.2020 since inception of the scheme. During December 2020, the region-wise share of LPG Packed Domestic consumption was highest in Northern region (33.6%) followed by Southern region (26.2%), Western region (20.4%), Eastern region (17.1%) and North-Eastern region (2.8%). During December 2020, the five states with the highest LPG-Packed domestic sales share were Uttar Pradesh (14.6%), Maharashtra (10.5%), Tamil Nadu (7.8%), West Bengal (7.0%), and Karnataka (6.3%). During December 2020, percentage share of LPG-Packed Domestic was 89.5% of total PSU LPG sales whereas it was 87.4% in December 2019.

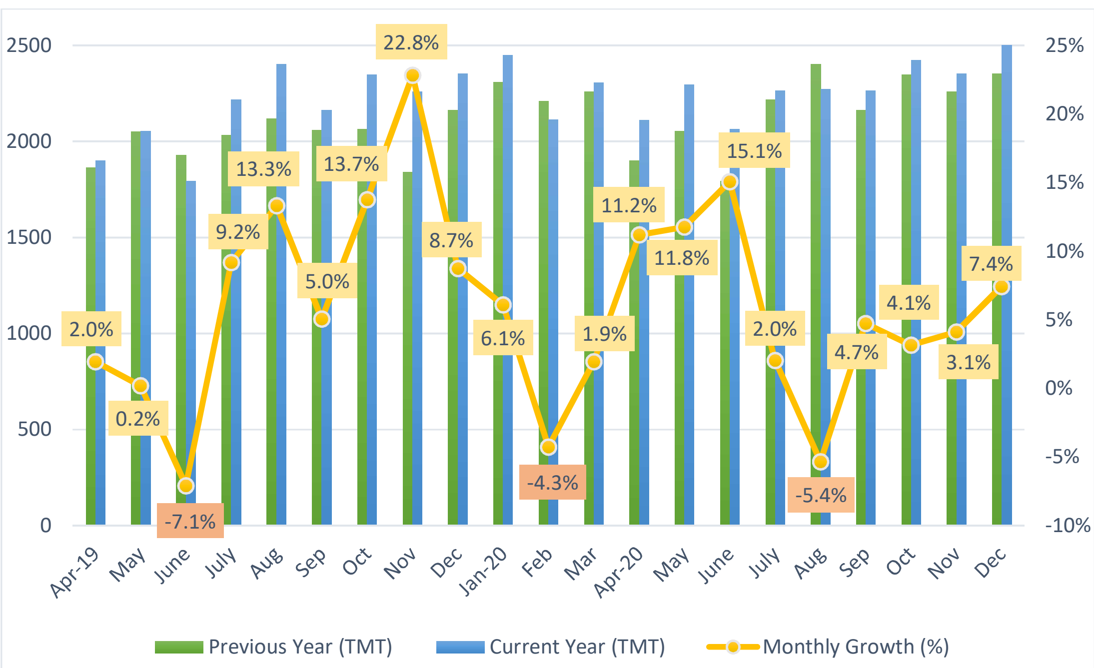
PSU LPG Packed Non-Domestic category recorded a de-growth of -14.8% in December 2020 and a cumulative de-growth of -36.3% during April - December 2020. Last year during December 2019, a growth of 19.2% was observed and the cumulative growth during April - December 2019 was 15.9%. Share of LPG Packed Non-Domestic in total PSU LPG Sales has decreased to 8.7% in December 2020 from 11.0% in December 2019. Region-wise share of LPG Packed Non-Domestic consumption was highest in Southern region (37.9%) followed by Western region (28.8%), Northern region (25.3%), Eastern region (6.9%) and North-Eastern region (1.0%) during December 2020.

PSU Bulk LPG category registered a growth of 49.3% during December 2020 and a cumulative growth of 15.3% during April - December 2020. Last year in the month of December 2019, there was a growth of 14.5% while for the period April - December 2019, a de-growth of -10.0% was witnessed. Percentage share of Bulk LPG in total PSU LPG sales was 1.3% during December 2020 whereas it was 1.0% in December 2019.

PSU Auto LPG category registered a de-growth of -15.5% in December 2020 and a cumulative de-growth of -39.3% during April - December 2020. The sales volume decrease was about 2.4 TMT in December 2020 as compared to December 2019. Last year in the month of December 2019 a growth of 5.0% was observed while there was a cumulative de-growth of -1.8% during April - December 2019. During December 2020, the percentage share of Auto LPG was 0.5% of total PSU LPG sales whereas it was 0.7% in December 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 during the month of December 2020 with a volume of 1.2 MMT recovered to 97.3% of the volume of 1.3 MMT in December 2019. The period April - December 2020 saw a growth of 1.4% as compared to same period last year. Petrochemical industries remain the main consumers of naphtha. The de-growth in Naphtha consumption during the month of December 2020 has been due to a fall in consumption of Naphtha by other miscellaneous sectors and fertilizers sector. Out of the total naphtha consumption of 1238.1 TMT during the month, petrochemical sector had consumed 1017.1 TMT with a growth of 3.3% over the month of December 2019.

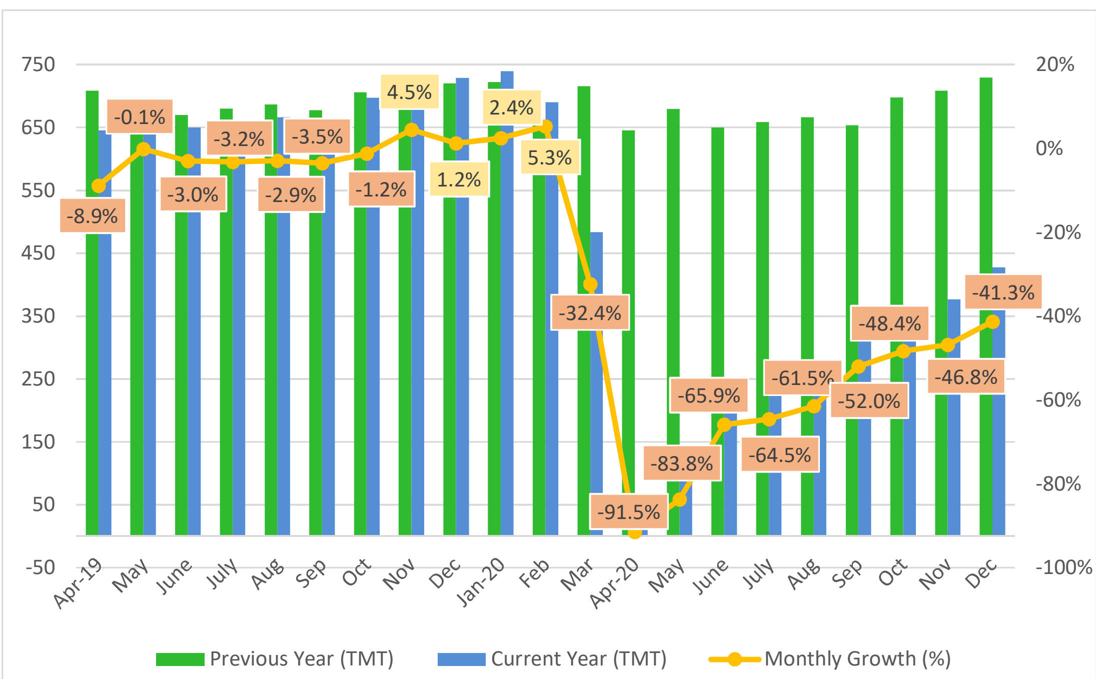
ATF:

ATF consumption for the month of December 2020 has registered a growth of 13.6% as compared to November 2020 indicating increased mobility and air traffic on month to month basis. However, December 2020 recorded de-growth of -41.3% as compared to December 2019. International air traffic remains restricted with the continuing ban on international flights. Domestic flights are witnessing a month on month increase as travellers shed their inhibitions and resume both business and leisure travel slowly and cautiously.

Passengers carried by domestic airlines during the month of December 2020 stood at 73.3 lakhs as against 130.2 lakhs during December 2019. The total domestic passengers carried for the period of April - December 2020 stood at 301.0 lakhs against 1087.2 lakhs during April - December 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 December 2020 reached 89.1% of volume in December 2019. 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 December 2020. Shipping consumed 87.0 TMT, manufacturing 188.9 TMT and miscellaneous 206.6 TMT out of the total consumption of 559.3 TMT of FO/LSHS in the month of December 2020.

Petcoke:

Petcoke consumption during the month of December 2020 reached 79.7% of volume in December 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. Manufacturing sector consumed 500.5 TMT out of total 1594.7 TMT of Petcoke consumption in the month of December 2020.

LDO:

LDO consumption recorded a growth of 87.4% during December 2020 as compared to December 2019. Consumption for the period of April - December 2020 has recorded a growth of 21.0% as compared to the same period previous year. LDO is extensively used in various types of furnaces. Consumption in power generation 30.1 TMT and manufacturing 33.5 TMT were the major sectors contributing to the total consumption of 86.2 TMT LDO during the month.

Natural Gas:

Consumption of Natural Gas with a volume of 5.1 BCM during the month of December 2020 reached 96.2% of volume of 5.3 BCM in the month of December 2019. Consumption of natural gas has been steadily moving towards normalisation as the economy stabilises towards pre-covid times. Also consumption during the period of April - December 2020 reached 94.8% of the volume in April - December 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 for the period April - November 2020 were fertilizer (32%), power (20%), City Gas Distribution (CGD) (14%), refinery (15%), petrochemicals (6%) and others (13%).

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Industry Consumption Trend Analysis 2020-21 (Provisional)						
						('000 MT)
Product	December			April-December		
	2019-20	2020-21	Growth (%)	2019-20	2020-21	Growth (%)
(A) Sensitive Products						
LPG	2354.1	2528.7	7.4	19495.5	20580.2	5.6
SKO	152.7	135.3	-11.4	1896.3	1357.5	-28.4
Sub Total	2507	2664	6.3	21392	21938	2.6
(B) Major Decontrolled Product						
HSD	7387.3	7182.7	-2.8	62823.8	52130.0	-17.0
MS	2473.3	2704.5	9.3	22852.7	20143.6	-11.9
Naphtha	1272.2	1238.1	-2.7	10317.0	10461.5	1.4
ATF	729.0	427.9	-41.3	6088.2	2355.8	-61.3
Bitumen	629.6	760.9	20.9	4583.4	4798.6	4.7
FO/LSHS	628.0	559.3	-10.9	4637.7	4397.7	-5.2
Lubes+Greases	306.5	332.6	8.5	2861.7	2536.6	-11.4
LDO	46.0	86.2	87.4	467.6	565.9	21.0
Sub Total	13472	13292	-1.3	114632	97390	-15.0
Sub – Total (A + B)	15979	15956	-0.1	136024	119327	-12.3
(C) Other Minor Decontrolled Products						
Pet.Coke	2001.6	1594.7	-20.3	16661.2	13453.7	-19.3
Others*	965.3	1046.0	8.4	8660.3	7835.8	-9.5
Sub Total	2967	2641	-11.0	25322	21290	-15.9
Total	18946	18597	-1.8	161345	140617	-12.8

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