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

Feb 2021

Industry Consumption Report

Contents

Highlights

The month of February 2021 saw COVID vaccination roll out and increased economic activity accompanied by increased mobility. Rising GST collections indicated positive sentiment and increased domestic production. February is a month during the year that despite least number of working days sees high consumption of petroleum products due to pleasant weather and festivities due to wedding season. However, February 2021 had 28 days as compared to 29 days in February 2020 effecting the consumption to that extent.

The summary of product-wise POL consumption pattern during the month of February 2021 is as follows.

1. The consumption of petroleum products in February 2021 with a volume of 17.2 MMT recovered to 95.1% of the volume of 18.1 MMT in February 2020. Petroleum products consumption during the period April to February 2021 recovered 88.7% of the consumption during the same period previous year. The products which registered a growth in the month of February 2021 were LPG 7.7%, Naphtha 0.3%, Lubes & Greases 0.8%, Light Diesel Oil (LDO) 46.5%, Pet coke 0.5% and products categorised under “Others” category 5.5%. The products which registered de-growth were Diesel (HSD) -8.5%, Petrol (MS) -3.0%, Aviation Turbine Fuel (ATF) -37.1%, Bitumen -11.1% and Furnace Oil & Low Sulphur Heavy Stock (FO/LSHS) -10.2%. Kerosene (SKO) recorded a de-growth of -25.8% during the current month as compared to February 2020.

2. MS (Petrol) consumption during the month of February 2021 with a volume of 2.4 MMT recovered to 97.0% of the volume of 2.5 MMT in February 2020. MS consumption for the period of April - February 2021 recovered to 90.5% of the volume during the same period previous year. Subtle transition towards public transport and a day lesser in the month of February 2021 compared to February 2020 are the main reasons for a subdued volume during the month.

3. HSD (Diesel) consumption during the month of February 2021 with a volume of 6.6 MMT recovered to 91.5% of the volume of 7.2 MMT in February 2020. HSD consumption for the period of April - February 2021 recovered to 85.1% of the volume during the same period previous year. Rainfall during the month was 68% below the normal. A growth of 1.9% was recorded in port traffic during February 2021 as compared to February 2020. Power deficit decreased to -0.4% in the month of February 2021 as compared to -0.5% in the month of February 2020.

4. LPG consumption registered a growth of 7.7% during the month of February 2021 as compared to February 2020 mainly on account of increased domestic consumption with PMUY refills. LPG consumption for the period of April - February 2021 registered a growth of 5.4% as compared to the same period in the previous year.

5. ATF consumption during February 2021 recovered to 98.1% of volumes in the month of January 2021. However as compared to February 2020, a de-growth of -37.1% was recorded in the month of February 2021.

6. Bitumen consumption during February 2021 recovered to 88.9% of the volume in February 2020. The consumption for the period of April - February 2021 registered a growth of 1.7% as compared to the same period in the previous year.

7. Kerosene (SKO) consumption registered a de-growth of -25.8% in February 2021 as compared to February 2020 mainly due to few States & all Union Territories (except UTs of Jammu & Kashmir and Ladakh) going Kerosene free.

   This report analyses the trend of consumption of petroleum products in the country during the month of February 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 February 2021 is given in Table-1.

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

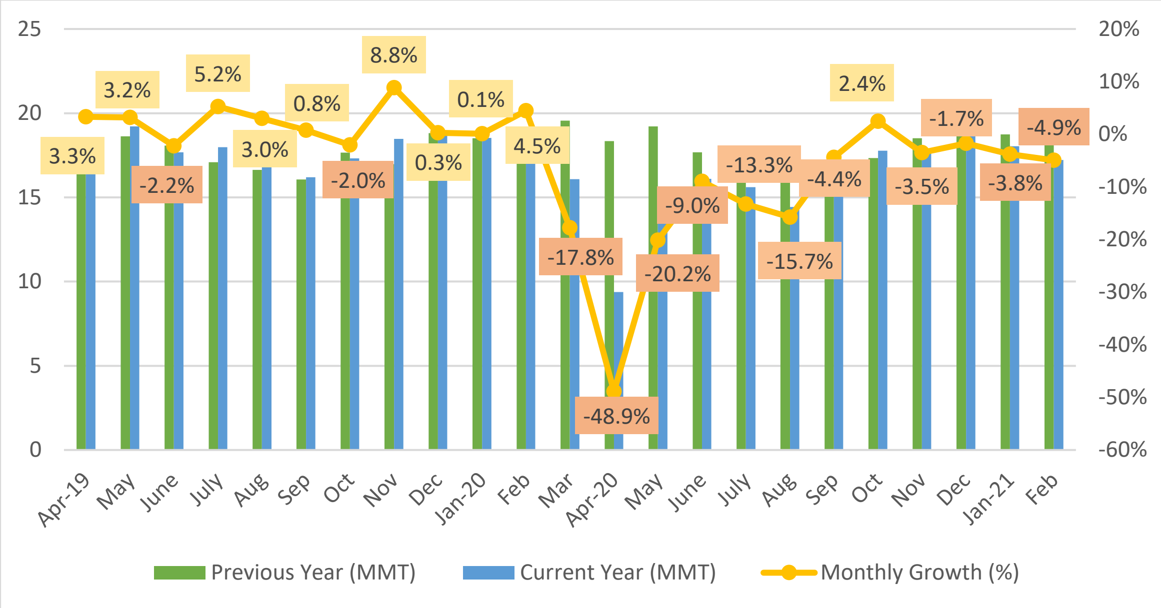
Product Type	Share %	February - 2020	February - 2021	Growth (%)	Products included
Sensitive Products	14.0	2290	2404	5.0	SKO & LPG
Major Decontrolled Products	71.4	13357	12296	-7.9	HSD, MS, Naphtha, Lubes, LDO, FO/LSHS, Bitumen & ATF
Minor Decontrolled Products	14.6	2457	2512	2.3	Petcoke & other minor products
Total	**100**	**18105**	**17212**	**-4.9**	

All Products:

Overall consumption of all petroleum products in February 2021 with a volume of 17.2 MMT recovered to 95.1% of the volume of 18.1 MMT in February 2020. Petroleum products consumption during the period April to February 2021 recovered 88.7% of the consumption during the same period previous year. The products which registered a growth in the month of February 2021 were LPG 7.7%, Naphtha 0.3%, Lubes & Greases 0.8%, Light Diesel Oil (LDO) 46.5%, Pet coke 0.5% and products categorised under "Others" category 5.5%, 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 February 2021 are projected based on July 2019 to June 2020 actual data.

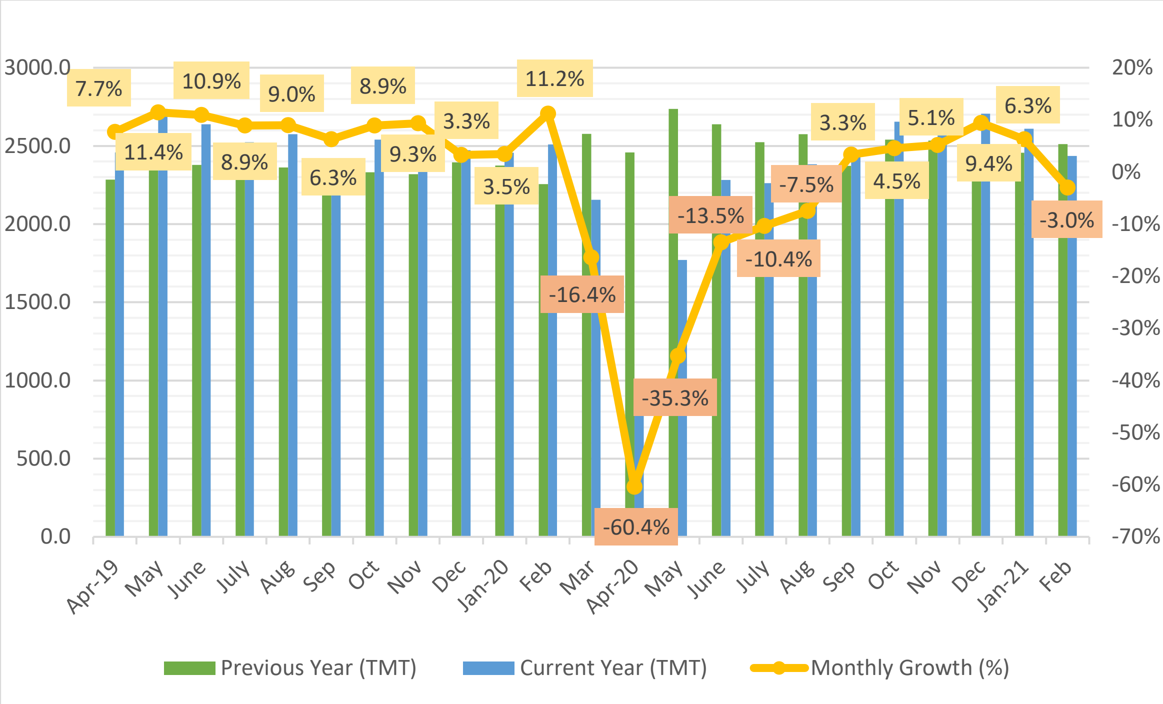
Petrol/Motor Spirit (MS):

MS (Petrol) consumption during the month of February 2021 with a volume of 2.4 MMT recovered to 97.0% of the volume of 2.5 MMT in February 2020. On cumulative basis MS consumption recorded a volume of 25.2 MMT for the period April - February 2021 as compared to 27.8 MMT in the same period previous year and thus recovered 90.5% of its historical volume. Major factors contributing to MS consumption during the month are as follows:

- Gradual adoption of public transport though at a lower quantum as compared to pre covid levels has adversely affected the MS consumption during the month.
- An extra day during the month of February 2020 as compared to February 2021 has resulted in de-growth during the month.
- Though work from home has been abolished in most of the sectors, there are still sectors like IT and other services that continue to operate from home.
- States dependent on tourism are moving towards normalisation but are yet to reach the pre covid levels.

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 February 2021 with a sale of 2.8 Lac vehicles has clocked a growth of 17.9% over its historical sale of 2.4 Lac vehicles during the month of February 2020. Utility vehicles have been the major growth drivers for the passenger vehicles during the month.

Passenger car, utility vehicles and vans recorded a growth of 4.4%, 45.3% and 4.3% respectively during the current month as compared to the same period previous year.

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

Vehicle Segment	**February**		
	2019-20	2020-21	Growth %age
Passenger Cars	148,541	155,128	4.4
Utility Vehicles	78,674	114,350	45.3
Vans	11,407	11,902	4.3
Total PV	238,622	281,380	17.9

(Source: SIAM data)

Two Wheeler Sales:

The two-wheeler sales during the month of February 2021 with a sale of 14.3 Lac vehicles has clocked a growth of 10.2% over its historical sale of 12.9 Lac vehicles during the month of February 2020. Two wheeler segment continues to clock positive growth for the seventh consecutive month on the back drop of robust demand and continued preference for personal mobility.

Scooters and motor cycle sales registered a growth of 10.1% and 11.5% respectively while mopeds registered a de-growth of -7.8% during the current month as compared to the same period previous year.

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

Vehicle Segment	February		
	2019-20	2020-21	Growth %ge
Scooters/Scooterette	422,168	464,744	10.1
Motor Cycles	816,679	910,323	11.5
Mopeds	55,802	51,445	-7.8
Electric Two Wheelers	138	353	155.8
Total 2 Wheelers	**1,294,787**	**1,426,865**	**10.2**

(Source- SIAM)

High Speed Diesel (HSD):

HSD (Diesel) consumption during the month of February 2021 with a volume of 6.6 MMT recovered to 91.5% of the volume of 7.2 MMT in February 2020. HSD consumption for the period of April - February 2021 recovered to 84.5% of the volume during the same period previous year.

Factors affecting diesel consumption during the current month:

- An extra day during the month of February 2020 as compared to February 2021 has resulted in de-growth during the month.
- In addition to school buses remaining suspended, regional factors like transporters strike in West Bengal and Bihar, shifting of agriculture sector's seasonal demand to from February to March in Uttar Pradesh & Punjab, reduced mining activities in Bihar & Jharkhand muted the HSD consumption during the month.
- Precautionary measures adopted by few states like Maharashtra, Gujarat, Kerala & Karnataka to contain infection by imposing restrictions also mildly muted the diesel consumption during the month.
- Sectoral analysis of direct consumer segment indicated a growth of 5.7% in the consumption of diesel during the month in manufacturing activities compared to its level in February 2020.

Manufacturing PMI for the month of February 2021 stood at 57.5 as compared to 57.7 in January 2021 indicating a slight moderation in growth. Services PMI for the month of February 2021 rose to 55.3 from 52.8 in January 2021 indicating a robust demand. 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

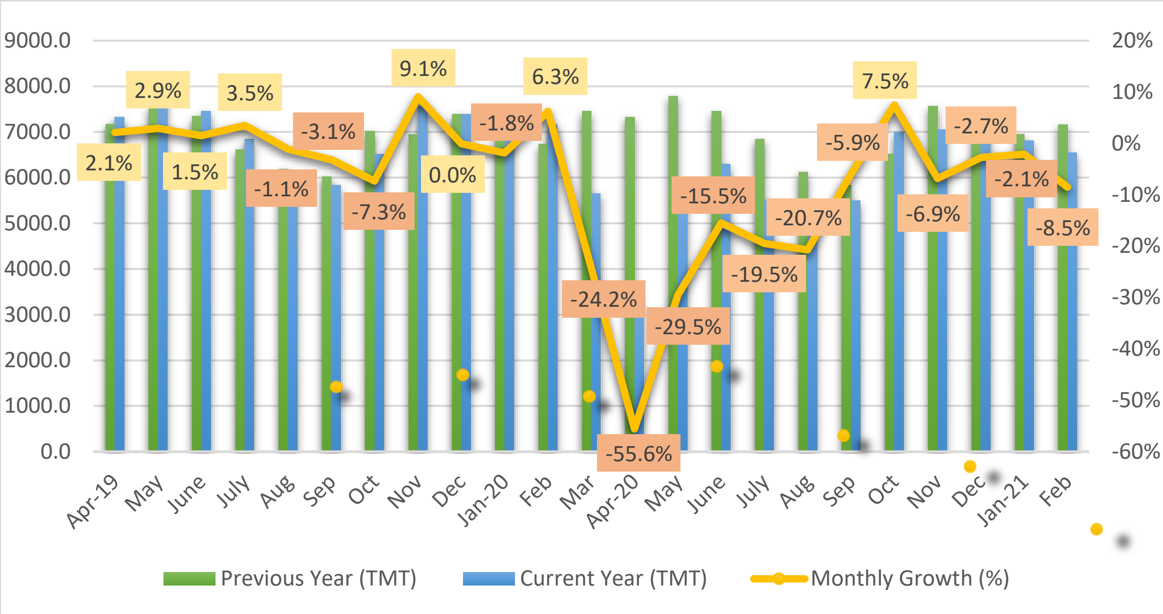
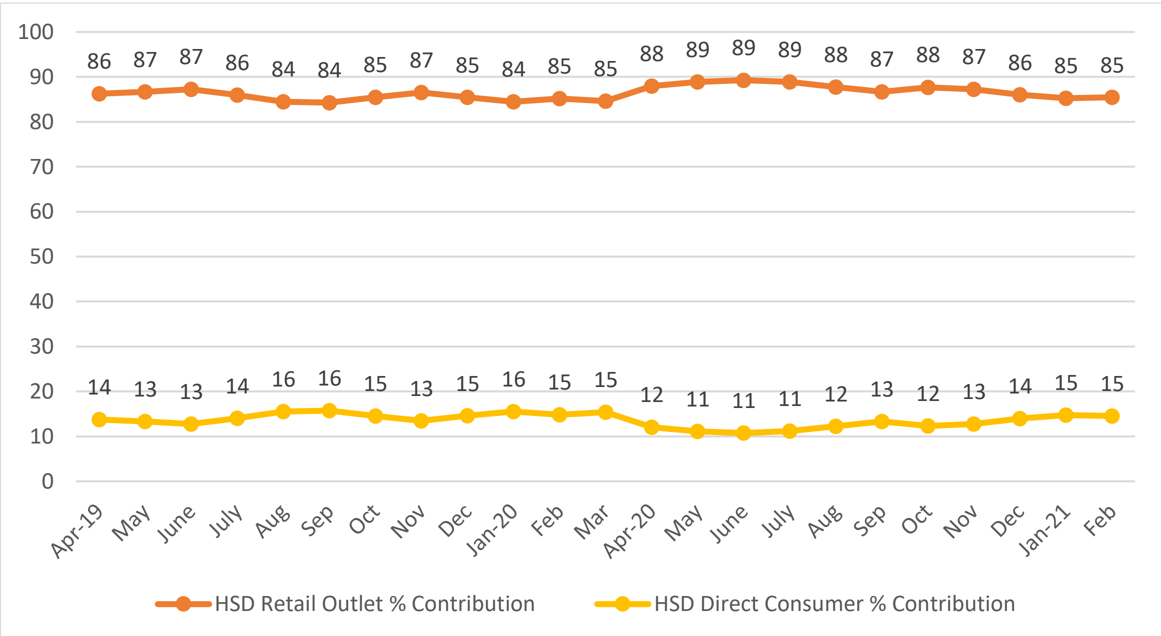


Figure-4 gives a comparison of month-wise percentage of HSD consumption through retail outlets and direct consumer business since April 2019.

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 February 2021 has shown double digit growth indicating a positive outlook towards economic activities.

Tractor Sale:

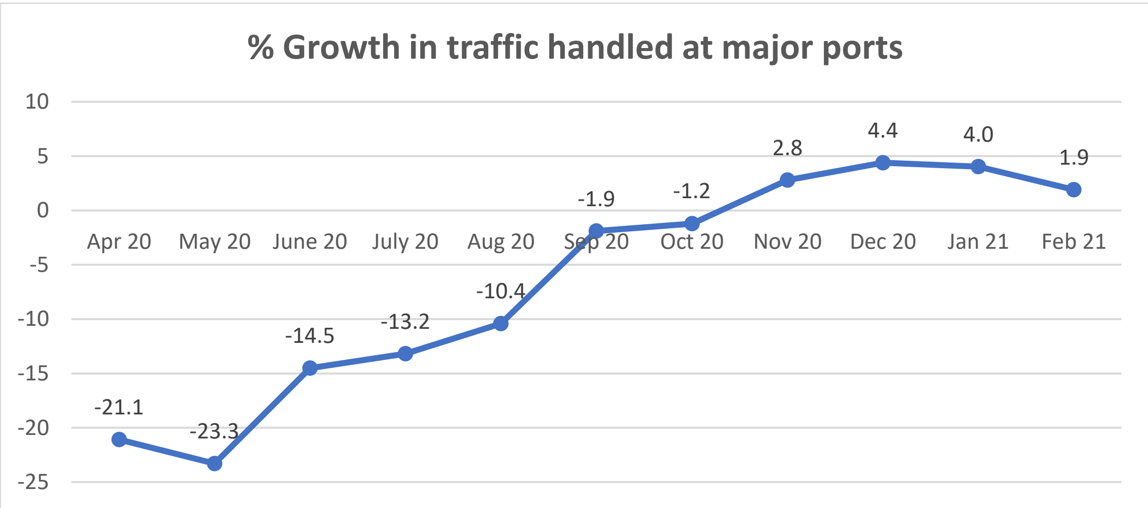
Tractor sales as reported by major individual companies continues to show a double digit growth on account of robust agricultural economy.

Port Traffic:

The traffic handled at major ports in India recorded a growth of 1.9% and together handled 58.5 MMT of cargo during February 2021 as against 57.4 MMT handled during the corresponding period of the previous year. There has been a growth in traffic handled at major ports for fourth 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 February 2021 in the port of Paradip 0.6%, Kamarajar (Ennore) 5.7%, Chennai 18.2%, Cochin 9.8%, New Mangalore 5.4%, Mormugao (Goa) 59.7%, JNPT 8.8% and Deendayal (Kandla) 1.3%.

During the period April - February 2021, growth was registered in iron ore 25.9%, fertilizer finished 2.4% and fertilizer raw 13.0% while de-growth was observed in Petroleum Oil & lubricants (POL) -14.2%, other liquids -5.3%, thermal & steam coal -16.7%, coking & others coal -6.8%, containers -5.1% and miscellaneous cargo -0.04%. Commodity-wise, the percentage share of POL was maximum i.e. 31.0%, followed by container 21.3%, thermal & steam coal 11.4%, other miscellaneous cargo 10.8%, iron ore & pellets 10.5%, coking & other coal 8.1%, other liquids 4.3%, fertilizer finished 1.5% and raw fertilizer 1.2%.

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

Ports	February 2020	February 2021	Growth (%)
Kolkata & Haldia	5,690	5,587	-1.8
Paradip	9,240	9,299	0.6
Visakhapatnam	5,997	5,395	-10.0
Kamarajar (Ennore)	2,435	2,573	5.7
Chennai	3,371	3,985	18.2
V.O. Chidambaranar	2,913	2,375	-18.5
Cochin	2,856	3,135	9.8
New Mangalore	3,383	3,566	5.4
Mormugao	1,314	2,098	59.7
Mumbai	5,033	4,706	-6.5
JNPT	5,742	6,248	8.8
Deendayal	9,398	9,522	1.3
Total:	**57,372**	**58,489**	**1.9**

Source: ipa.nic.in

Power situation:

The position of power supply for the month of February 2021 is given in Table-5. As per the data reported, power deficit position has decreased to -0.4% in the month of February 2021 as compared to -0.5% in the month of February 2020. The deficit was mainly in the UT of J&K and Ladakh and the state of Uttar Pradesh. Also the requirement of power in February 2021 at 104,574 MU has recorded a growth of 1.0% over requirement of power at 103,493 MU in the month of February 2020.

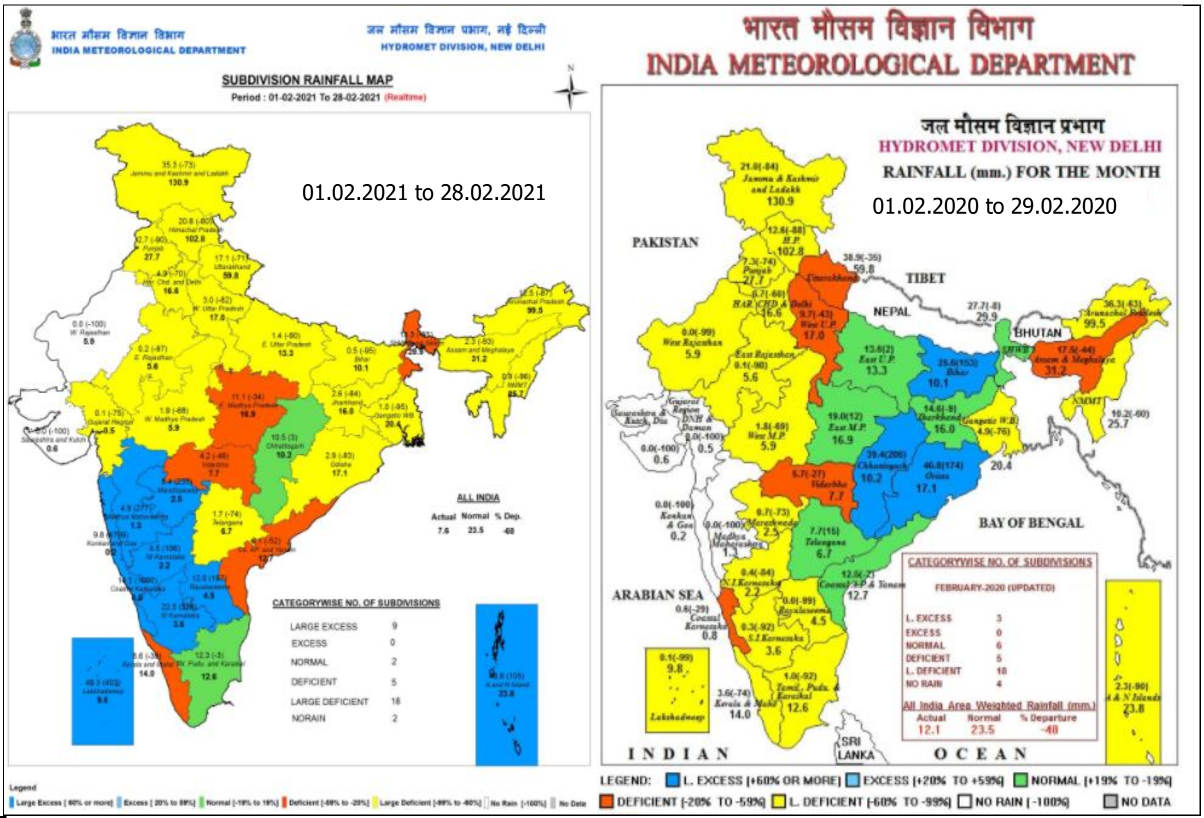
Table-5: Power supplied and deficit: Region-wise position for February 2021

	February 2021		
Region	**Requirement**	**Supplied (MU)**	**Deficit %**
North	28,608	28,183	-1.5%
West	34,559	34,559	0.0%
South	29,138	29,127	0.0%
East	11,057	11,050	-0.1%
North-East	1,212	1196	-1.4%
Total	**104,574**	**104,115**	**-0.4%**

Source: Central Electricity Authority (CEA)

Seasonal rainfall scenario:

The rainfall in the country during February 2021 was almost 68% below normal precipitation. A rainfall of 7.6 mm was recorded in the month of February 2021 as against a normal reading of 23.5 mm. Out of total 36 sub divisions, 11 divisions received from normal to large excess rainfall whereas 25 divisions received deficient to no rainfall. Deficiency in rainfall may have led to greater usage of diesel.



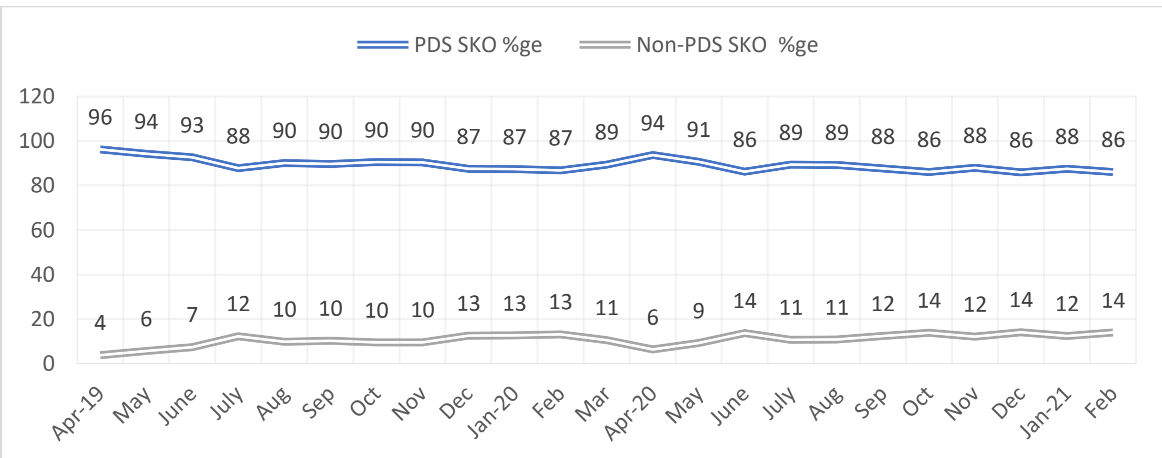
Source: India Meteorological Department (IMD)

Kerosene:

Kerosene consumption registered a de-growth of -25.8% during the month of February 2021 as compared to February 2020. Consumption for the period of April - February 2021 has shown a de-growth of -26.9% as compared to corresponding period of the previous year. There are now total 12 number of states/UTs who have voluntarily surrendered the PDS kerosene quota. 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.

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**

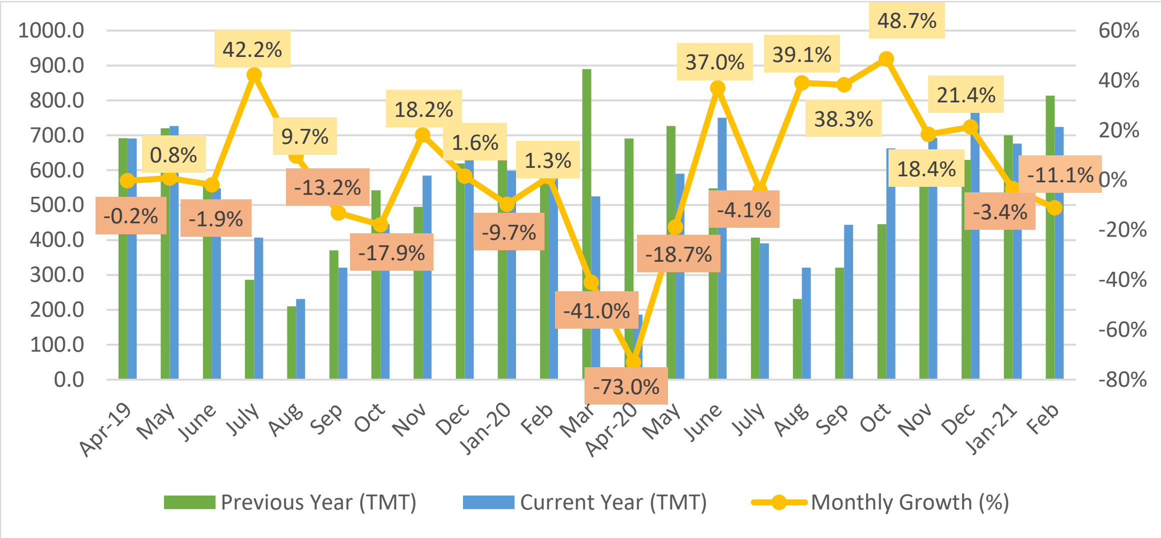


Bitumen:

Bitumen consumption during February 2021 recovered to 88.9% of volume in February 2020. Although the consumption for the period of April - February 2021 registered a growth of 1.7% as compared to the same period in the previous year. Many road projects are already underway and a number of steps being taken by the government to expedite work that got affected due to COVID is expected to boost demand of bitumen in the coming months.

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 7.7% during February 2021 and a cumulative growth of 5.4% during the period April 2020-February 2021. Last year during February 2020, a de-growth of 4.7% was observed and the cumulative growth during April 2019-February 2020 was 6.1%. During February 2021, out of the five regions, Northern region had the highest share in total PSU LPG sales of 31.8% followed by Southern region at 27.5%, Western region at 21.8%, Eastern region at 16.3% and North Eastern region at 2.5%

PSU LPG Packed Domestic category recorded a growth of 8.3% during February 2021 and a cumulative growth of 10.3% during April 2020-February 2021. Last year during February 2020, a de-growth of 3.7% was observed and the cumulative growth during April 2019-February 2020 was 6.3%. During April 2020-February 2021, around 80.6 lakh new connections and 62.1 lakh DBCs were released. A total of 8.0 crore BPL households have been covered under PMUY till 28.02.2021 since inception of the scheme. During February 2021, the region-wise share of LPG Packed Domestic consumption was highest in Northern region (33.2%) followed by Southern region (25.8%), Western region (21.0%), Eastern region (17.3%) and North-Eastern region (2.7%). During February 2021, the five states with the highest LPG-Packed domestic sales share were Uttar Pradesh (14.2%), Maharashtra (11.0%), Tamil Nadu (7.6%) West Bengal (7.3%), and Karnataka (6.2%). During February 2021, percentage share of LPG-Packed Domestic was 88.9% of total PSU LPG sales whereas it was 88.4% in February 2020

PSU LPG Packed Non-Domestic category recorded a de-growth of 5.0% in February 2021 and a cumulative de-growth of 31.2% during April 2020-February 2021. Share of LPG Packed Non-

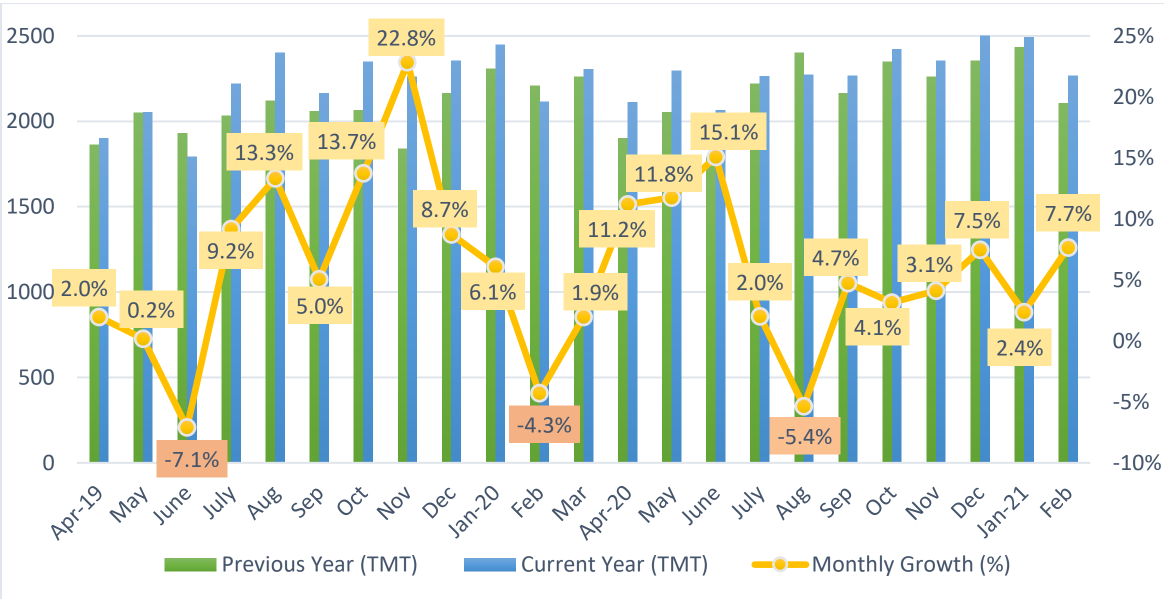
Domestic in total PSU LPG Sales decreased to 8.9% in February 2021 from 10.1% in February 2020. Region-wise share of LPG Packed Non-Domestic consumption was highest in Southern region (39.0%) followed by Western region (29.3%), Northern region (24.1%), Eastern region (6.6%) and North-Eastern region (1.0%) during February 2021.

PSU Bulk LPG category registered a growth of 105.7% during February 2021 and a cumulative growth of 27.3% during April 2020-February 2021. Last year in the month of February 2020, there was a de-growth of 40.1% while for the period April 2019-February 2020, a de-growth of 14.3% was witnessed. Percentage share of Bulk LPG in total PSU LPG sales was 1.6% during February 2021 whereas it was 0.8% in February 2020.

PSU Auto LPG category registered a de-growth of 12.9% in February 2021 and a cumulative de-growth of 34.7% during April 2020-February 2021. The sales volume decrease was about 1.8 TMT in February 2021 as compared to February 2020. Last year in the month of February 2020 a de-growth of 5.3% was observed while there was a cumulative de-growth of 2.1% during April 2019-February 2020. During February 2021, the percentage share of Auto LPG was 0.5% of total PSU LPG sales whereas it was 0.6% in February 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 February 2021 with a volume of 1.2 MMT registered a growth of 0.3% as compared to the volume of 1.2 MMT in February 2020. Consumption during the period April - February 2021 recovered to 99.5% volume as in the same period last year. Petrochemical industries remain the main consumers of naphtha. Out of the total naphtha consumption of 1223.3 TMT during the month, petrochemical sector had consumed 981.5 TMT with a growth of 1.6% over the historical volume in the month of February 2020.

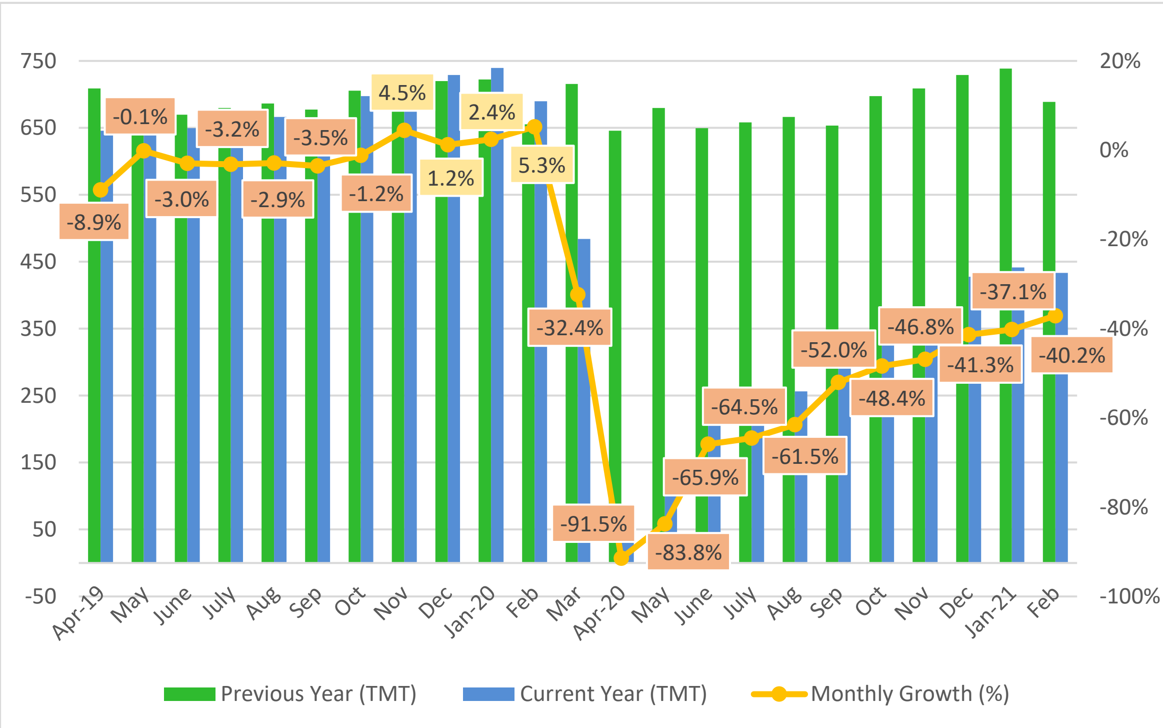
ATF:

ATF consumption during February 2021 recovered to 98.1% of volumes in the month of January 2021. However as compared to February 2020, a de-growth of -37.1% was recorded in the month of February 2021. Although commercial aviation continues to improve, led by a rebound in domestic traffic. COVID-19 has reduced the average passenger trip length in domestic and international travel. International air traffic remains restricted and domestic flights continue to operate with marginal increase over previous month hence keeping up the month on month increase in air travel with February being an exception due to lesser number of days in the month.

Passengers carried by domestic airlines during the month of February 2021 stood at 78.3 lakhs as against 123.7 lakhs during February 2020. The total domestic passengers carried for the period of April - February 2021 stood at 456.6 lakhs against 1338.7 lakhs during April - February 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 February 2021 reached 89.8% of volume in February 2020. Consumption of FO/LSHS is largely driven by manufacturing and other miscellaneous sector in addition to shipping, power, road transport, agriculture, mining and others. FO/LSHS consumption saw a fall in manufacturing and other miscellaneous sectors while shipping and power generation registered a growth in the month of February 2021. Manufacturing consumed 197.1 TMT, miscellaneous 186.6 TMT and shipping 59.9 TMT out of the total consumption of 527.4 TMT of FO/LSHS in the month of February 2021.

Petcoke:

Petcoke consumption during the month of February 2021 recorded a growth of 0.5% as compared to the volume of February 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 455.9 TMT and miscellaneous consumed 964.4 TMT out of total 1598.4 TMT of Petcoke consumption in the month of February 2021.

LDO:

LDO consumption recorded a growth of 46.5% during February 2021 as compared to February 2020. Consumption for the period of April - February 2021 has recorded a growth of 26.3% as compared to the same period previous year. LDO is extensively used in various types of furnaces. Consumption in power generation 13.6 TMT and manufacturing 29.8 TMT were the major sectors contributing to the total consumption of 79.1 TMT LDO during the month.

Natural Gas:

Consumption of Natural Gas with a volume of 5.0 BCM during the month of February 2021 reached 87.3% of volume of 5.8 BCM in the month of February 2020. Also consumption during the period of April - February 2021 reached 93.6% of the volume in April - February 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 – January 2021 were fertilizer (32%), power (20%), City Gas Distribution (CGD) (16%), refinery (14%), petrochemicals (5%) and others (12%).

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Industry Consumption Trend Analysis 2020-21 (Provisional)						
						('000 MT)
Product	February			April-February		
	2019-20	2020-21	Growth (%)	2019-20	2020-21	Growth (%)
(A) Sensitive Products						
LPG	2105.8	2267.0	7.7	24036.3	25341.1	5.4
SKO	184.6	137.0	-25.8	2244.9	1640.4	-26.9
Sub Total	2290	2404	5.0	26281	26982	2.7
(B) Major Decontrolled Product						
HSD	7162.0	6550.4	-8.5	76942.2	65492.4	-14.9
MS	2511.0	2435.0	-3.0	27819.8	25190.2	-9.5
Naphtha	1219.1	1223.3	0.3	12955.4	12896.3	-0.5
ATF	689.0	433.1	-37.1	7515.7	3230.1	-57.0
Bitumen	813.6	723.6	-11.1	6096.9	6201.7	1.7
FO/LSHS	587.4	527.4	-10.2	5829.6	5465.3	-6.2
Lubes+Greases	321.4	324.0	0.8	3557.5	3174.1	-10.8
LDO	54.0	79.1	46.5	578.9	730.9	26.3
Sub Total	13357	12296	-7.9	141296	122381	-13.4
Sub – Total (A + B)	15648	14700	-6.1	167577	149363	-10.9
(C) Other Minor Decontrolled Products						
Pet.Coke	1590.9	1598.4	0.5	20115.9	16665.1	-17.2
Others*	866.1	914.1	5.5	10502.8	9797.2	-6.7
Sub Total	2457	2512	2.3	30619	26462	-13.6
Total	18105	17212	-4.9	198196	175825	-11.3

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