

Industry POL and NG Consumption Report

MARCH 2021



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



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Highlights

The month of March 2021 saw a rise in COVID cases in the second wave. Vaccinations were simultaneously rolled out to health and frontline workers and elderly during the month. The GST collection during the month of March 2021 stood at Rs 1.23 lakh crore pointing towards a robust economy.

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

1. The consumption of petroleum products in March 2021 with a volume of 18.8 MMT recorded a growth of 17.9% over volume of 15.9 MMT in March 2020. Last week of March 2020 had seen a complete lockdown across the country in view of the Covid-19 pandemic. Petroleum products consumption during the period April to March 2021 recovered 90.9% of the consumption during the same period previous year. The products which registered a growth in the month of March 2021 were Diesel (HSD) 27.6%, Petrol (MS) 27.1%, Naphtha 3.7%, Bitumen 44.9%, Furnace Oil & Low Sulphur Heavy Stock (FO/LSHS) 12.0%, Lubes & Greases 31.4%, Light Diesel Oil (LDO) 130.5%, Pet coke 2.1% and products categorised under "Others" category 19.3%. The products which registered de-growth were LPG -1.5% and Aviation Turbine Fuel (ATF) -1.6%. Kerosene (SKO) recorded a growth of 1.8% during the current month as compared to March 2020.
2. MS (Petrol) consumption during the month of March 2021 with a volume of 2.7 MMT registered a growth of 27.1% over the volume of 2.2 MMT in March 2020. MS consumption for the period of April - March 2021 recovered to 93.2% of the volume during the same period previous year. High Growth rate during the month as compared to the corresponding month of the previous year can be partially attributed to the lower base of March 2020. Growth in consumption has been observed across rural and urban markets especially due to increased preference for personal mobility as a COVID related behaviour. The passenger vehicle sales during the month of March 2021 with a sale of 2.9 Lakh vehicles clocked a growth of 115.2% over its historical sale of 1.4 Lakh vehicles during the month of March 2020.
3. HSD (Diesel) consumption during the month of March 2021 with a volume of 7.2 MMT registered a growth of 27.6% over the volume of 5.7 MMT in March 2020. HSD consumption for the period of April - March 2021 recovered to 88.0% of the volume during the same period previous year. Rainfall during the month was 45% below the normal. A growth of 16.43% was recorded in port traffic during March 2021 as compared to March 2020. Power deficit remained at constant -0.4% in the month of March 2021 as compared to -0.4% in the month of March 2020.
4. LPG consumption recovered to 98.5% during the month of March 2021 as compared to March 2020. Subdued demand in LPG can be attributed to heavy demand last year during the lock down initiated to control pandemic in March 2020. Overall, LPG consumption for the period of April - March 2021 registered a growth of 4.8% as compared to the same period in the previous year.
5. ATF consumption during March 2021 recovered to 98.4% of volumes in the month of March 2020. However, for the period of April – March 2021, a de-growth of -53.7% was recorded as compared to the same period last year.

6. Bitumen consumption during March 2021 registered a growth of 44.9% as compared to volume in March 2020. The consumption for the period of April - March 2021 registered a growth of 5.9% as compared to the same period in the previous year. There has been a major thrust by government on infrastructure spending leading to various road projects being executed across the country leading to an increased Bitumen demand.
7. Kerosene (SKO) consumption registered a growth of 1.8% in March 2021 as compared to March 2020. While consumption for the period of April – March 2021 registered a degrowth of -25.1% as compared to the same period previous year, 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 March 2021. Data on product-wise monthly consumption of petroleum products for March 2021 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 March 2021 is given in Table-1.

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

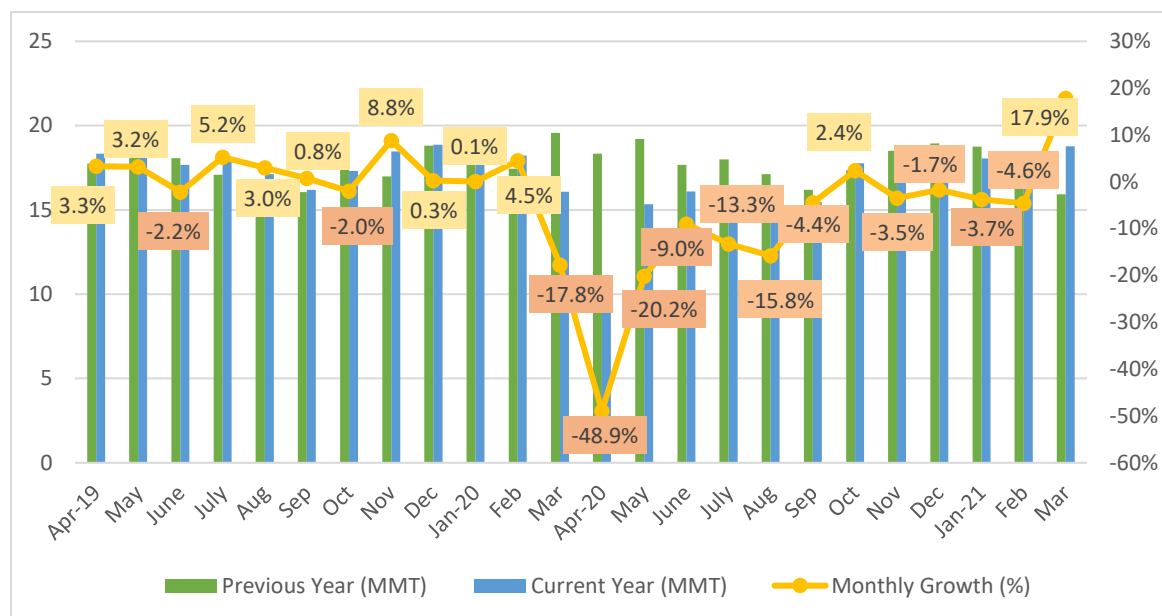
Product Type	Share %	February - 2020	February - 2021	Growth (%)	Products included
Sensitive Products	12.9	2445	2415	-1.3	SKO & LPG
Major Decontrolled Products	73.0	11031	13706	24.3	HSD, MS, Naphtha, Lubes, LDO, FO/LSHS, Bitumen & ATF
Minor Decontrolled Products	14.1	2454	2654	8.1	Petcoke & other minor products
Total	100	15931	18775	17.9	

All Products:

Overall consumption of all petroleum products in March 2021 with a volume of 18.8 MMT recorded a growth of 17.9% over volume of 15.9 MMT in March 2020. Petroleum products consumption during the period April to March 2021 recovered 90.9% of the consumption during the same period previous year. The products which registered a growth in the month of March 2021 were Diesel (HSD) 27.6%, Petrol (MS) 27.1%, Naphtha 3.7%, Bitumen 44.9%, Furnace Oil & Low Sulphur Heavy Stock (FO/LSHS) 12.0%, Lubes & Greases 31.4%, Light Diesel Oil (LDO) 130.5%, Pet coke 2.1% and products categorised under “Others” category 19.3%, while all other products recorded de-growth as compared to same period last year. Kerosene (SKO) recorded a growth of 1.8% during the current month as compared to March 2020.

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 March 2021 are projected based on July 2019 to June 2020 actual data.

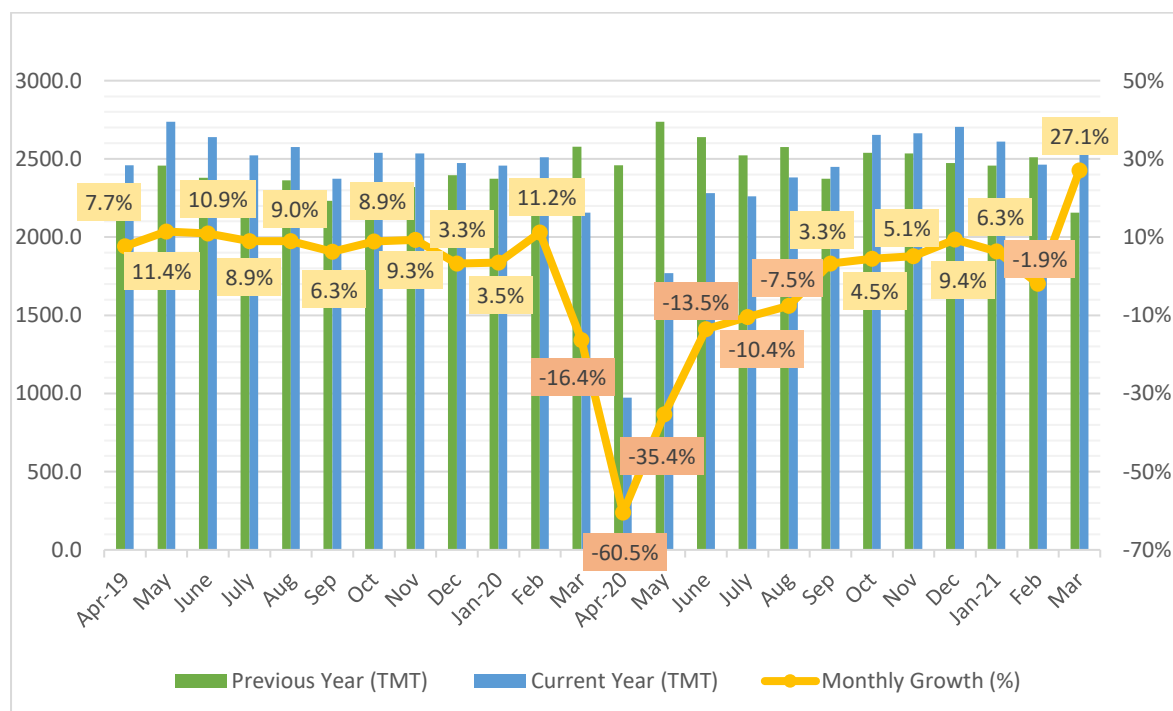
Petrol/Motor Spirit (MS):

MS (Petrol) consumption during the month of March 2021 with a volume of 2.7 MMT recorded a growth of 27.1% over the volume of 2.2 MMT in March 2020. On cumulative basis MS consumption recorded a volume of 28.0 MMT for the period April - March 2021 as compared to 30.0 MMT in the same period previous year and thus recovered 93.2% of its historical volume. Major factors contributing to MS consumption during the month are as follows:

- Low historical base in the month of March 2020.
- Sales of passenger vehicles and 2/3 wheelers has been registering a growth consecutively for past 8 months since August 2020 due to increased preference for personal mobility as a COVID related behaviour. This has been a major factor contributing to MS sales growth.
- Robust agriculture season continues to keep the rural markets on the growth trend.

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 March 2021 with a sale of 2.9 Lakh vehicles has clocked a growth of 115.2% over its historical sale of 1.4 Lakh vehicles during the month of March 2020.

Passenger car, utility vehicles and vans recorded a growth of 94.5%, 153.4% and 87.8% respectively during the current month as compared to the same period previous year.

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

Vehicle Segment	March		
	2019-20	2020-21	Growth %age
Passenger Cars	80,727	156,985	94.5
Utility Vehicles	48,291	122,350	153.4
Vans	6,178	11,604	87.8
Total PV	135,196	290,939	115.2

Two Wheeler Sales:

The two-wheeler sales during the month of March 2021 with a sale of 15.0 Lakh vehicles has clocked a growth of 72.7% over its historical sale of 8.7 Lakh vehicles during the month of March 2020. Two wheeler segment continues to clock positive growth for the eight consecutive month but the current growth of 72.7% can be attributed to the lockdown in the last week of March 2020.

Scooters, motor cycles and mopeds sales registered a growth of 74.0%, 74.1% and 36.2% respectively during the current month as compared to the same period previous year.

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

Vehicle Segment	March		
	2019-20	2020-21	Growth %ge
Scooters/Scooterette	263,070	457,677	74.0
Motor Cycles	570,858	993,996	74.1
Mopeds	32,808	44,688	36.2
Electric Two Wheelers	109	445	308.3
Total 2 Wheelers	866,845	1,496,806	72.7

High Speed Diesel (HSD):

HSD (Diesel) consumption during the month of March 2021 with a volume of 7.2 MMT recorded a growth of 27.6% over the volume of 5.7 MMT in March 2020. HSD consumption for the period of April - March 2021 recovered to 88.0% of the volume during the same period previous year.

Factors affecting diesel consumption during the current month:

- Low historical base in the month of March 2020 .
- Sectoral analysis of direct consumer segment indicated a growth of 47.6% in the consumption of diesel during the month in manufacturing activities compared to its level in March 2020.
- However, resurgence of COVID in some states necessitated local governments to adopt partial lockdowns to contain pandemic, which affected the interstate movement.

Manufacturing PMI for the month of March 2021 stood at 55.4 as compared to 57.5 in the month of February 2021 indicating a further moderation in growth, though remaining well in the growth zone of above 50 level. Services PMI for the month of March 2021 stood at 54.6 as compared to 55.3 in February 2021 indicating an easing in 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

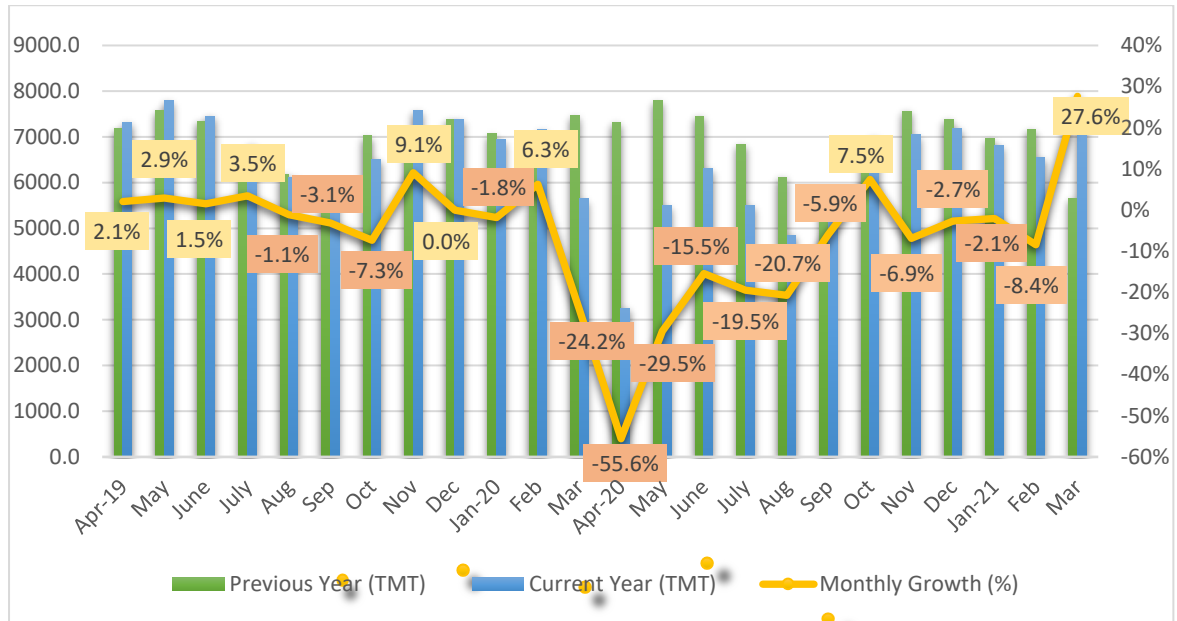
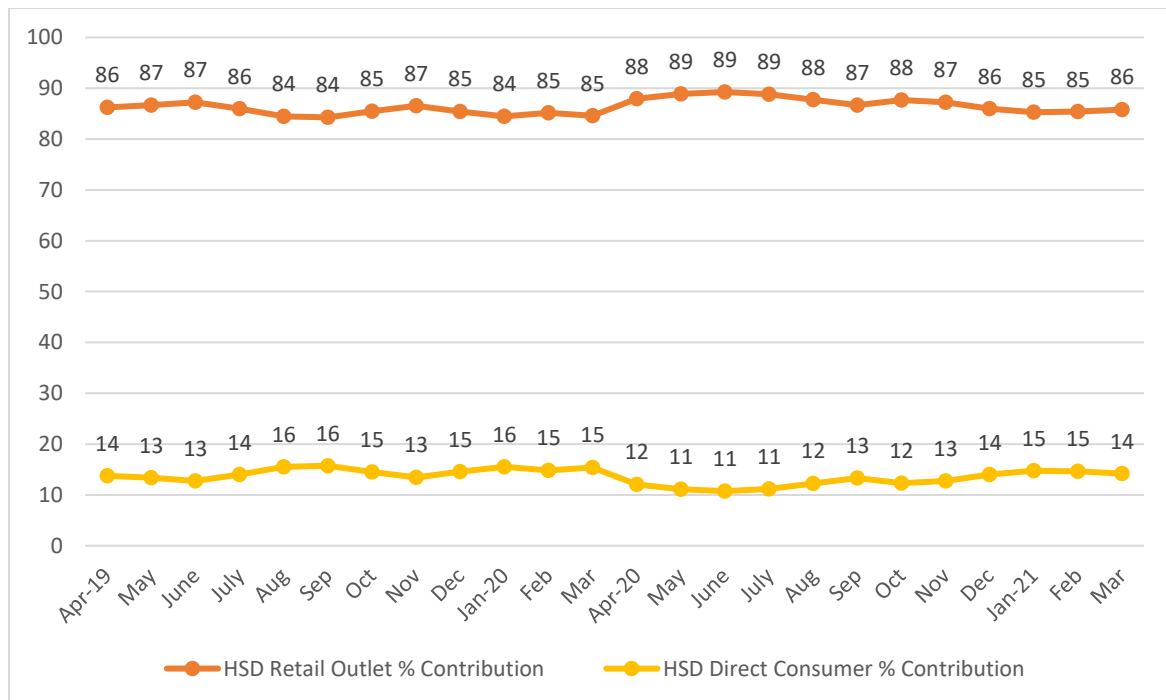


Figure-4 gives a comparison of month-wise percentage of HSD consumption through retail outlets and direct consumer business since April 2019.

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 March 2021 has shown triple digit growth owing to lock down in the last week of March 2020.

Tractor Sale:

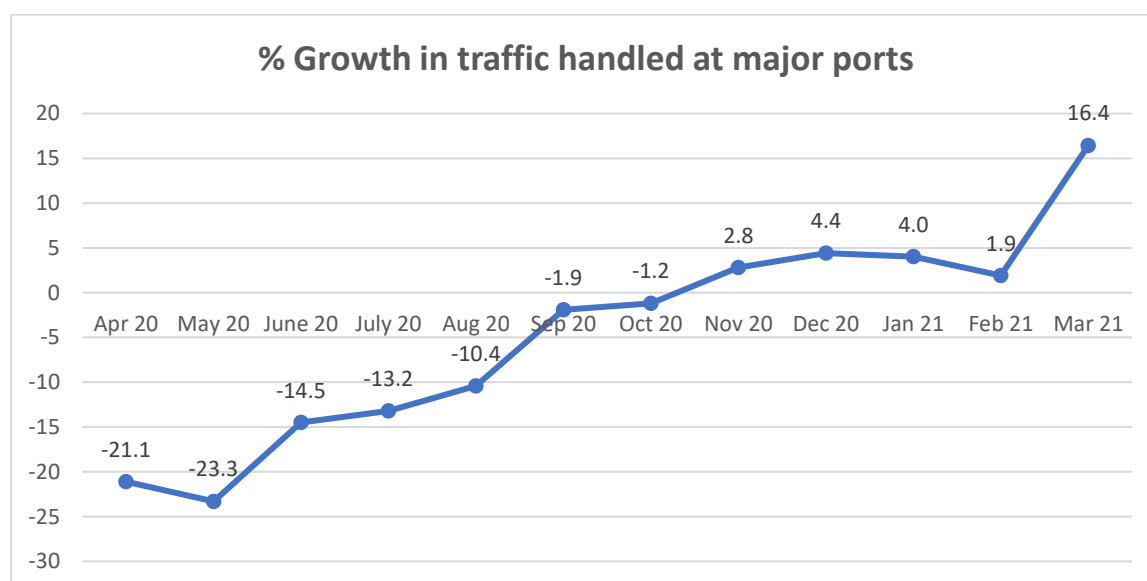
Tractor sales as reported by major individual companies also registered a triple digit growth in the month of March 2021.

Port Traffic:

The traffic handled at major ports in India recorded a growth of 16.4% and together handled 72.0 MMT of cargo during March 2021 as against 61.8 MMT handled during the corresponding period of the previous year. There has been a growth in traffic handled at major ports for fifth consecutive month indicating a sustained expansion of port 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 March 2021 in the port of Kolkata & Haldia 16.4%, Paradip 15.7%, Visakhapatnam 6.2%, Kamarajar (Ennore) 32.3%, Chennai 34.6%, Cochin 16.8%, Mormugao (Goa) 107.2%, Mumbai 28.7%, JNPT 23.5% and Deendayal (Kandla) 15.1%.

During the period April - March 2021, growth was registered in iron ore 29.1%, fertilizer finished 11.3%, fertilizer raw 14.7% and miscellaneous cargo 2.4% while de-growth was observed in Petroleum Oil & lubricants (POL) -12.8%, other liquids -4.5%, thermal & steam coal -15.4%, coking & others coal -5.2% and containers -2.1%. Commodity-wise, the percentage share of POL was maximum i.e. 30.7%, followed by container 21.4%, thermal & steam coal 11.6%, other

miscellaneous cargo 10.8%, iron ore & pellets 10.6%, coking & other coal 8.0%, other liquids 4.2%, fertilizer finished 1.5% and raw fertilizer 1.1%.

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

Ports	March 2020	March 2021	Growth (%)
Kolkata & Haldia	5,415	6,304	16.4
Paradip	10,062	11,642	15.7
Visakhapatnam	5,986	6,358	6.2
Kamarajar (Ennore)	2,758	3,650	32.3
Chennai	3,584	4,825	34.6
V.O. Chidambaranar	3,230	2,996	-7.2
Cochin	3,162	3,694	16.8
New Mangalore	4,847	4,021	-17.0
Mormugao	1,286	2,665	107.2
Mumbai	4,317	5,555	28.7
JNPT	5,933	7,329	23.5
Deendayal	11,243	12,942	15.1
Total:	61,823	71,981	16.4

Source: ipa.nic.in

Power situation:

The position of power supply for the month of March 2021 is given in Table-5. As per the data reported, power deficit position has remained constant at -0.4% in the month of March 2021 as compared to -0.4% in the month of March 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 March 2021 at 122,006 MU has recorded a growth of 23.5% over requirement of power at 98,824 MU in the month of March 2020.

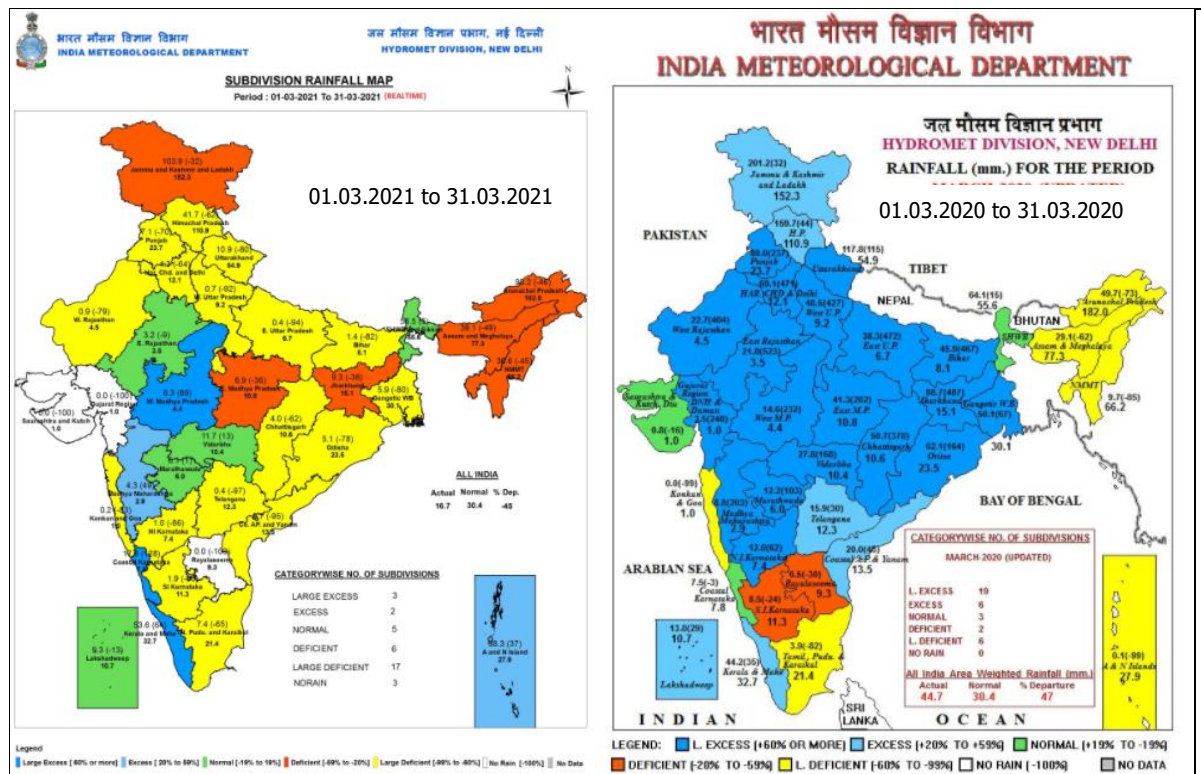
Table-5: Power supplied and deficit: Region-wise position for March 2021

Region	March 2021		
	Requirement	Supplied (MU)	Deficit %
North	31,049	30,641	-1.3%
West	39,820	39,820	0.0%
South	36,252	36,237	0.0%
East	13,474	13,469	0.0%
North-East	1,411	1350	-4.3%
Total	122,006	121,517	-0.4%

Source: Central Electricity Authority (CEA)

Seasonal rainfall scenario:

The rainfall in the country during March 2021 was almost 45% below normal precipitation. A rainfall of 16.7 mm was recorded in the month of March 2021 as against a normal reading of 30.4 mm. Out of total 36 sub divisions, 10 divisions received from normal to large excess rainfall whereas 26 divisions received deficient to no rainfall.



Source: India Meteorological Department (IMD)

Kerosene:

Kerosene consumption registered a growth of 1.8% during the month of March 2021 as compared to March 2020. Consumption for the period of April - March 2021 has shown a de-growth of -25.1% as compared to corresponding period of the previous year. There are now total 10 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

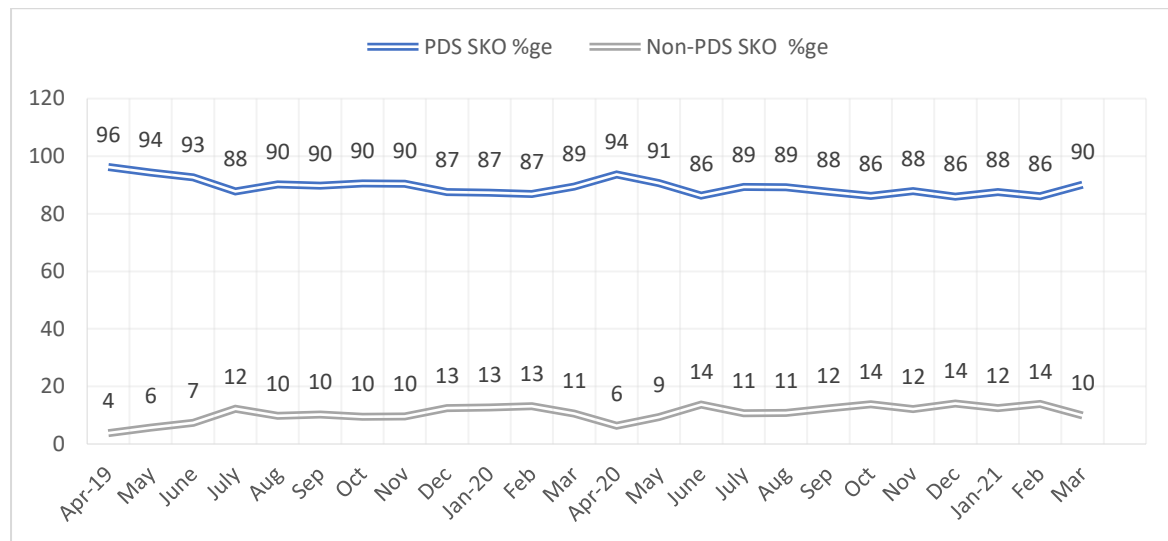
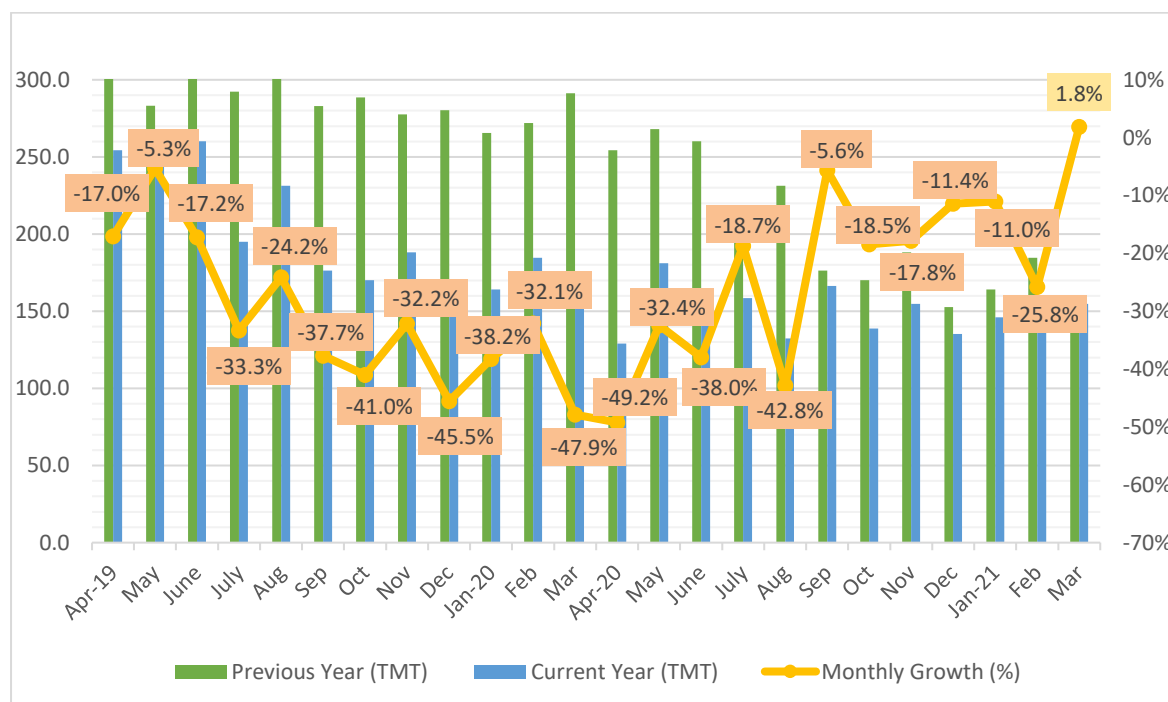


Figure-6 gives the month wise Kerosene consumption and growth since April 2019.

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

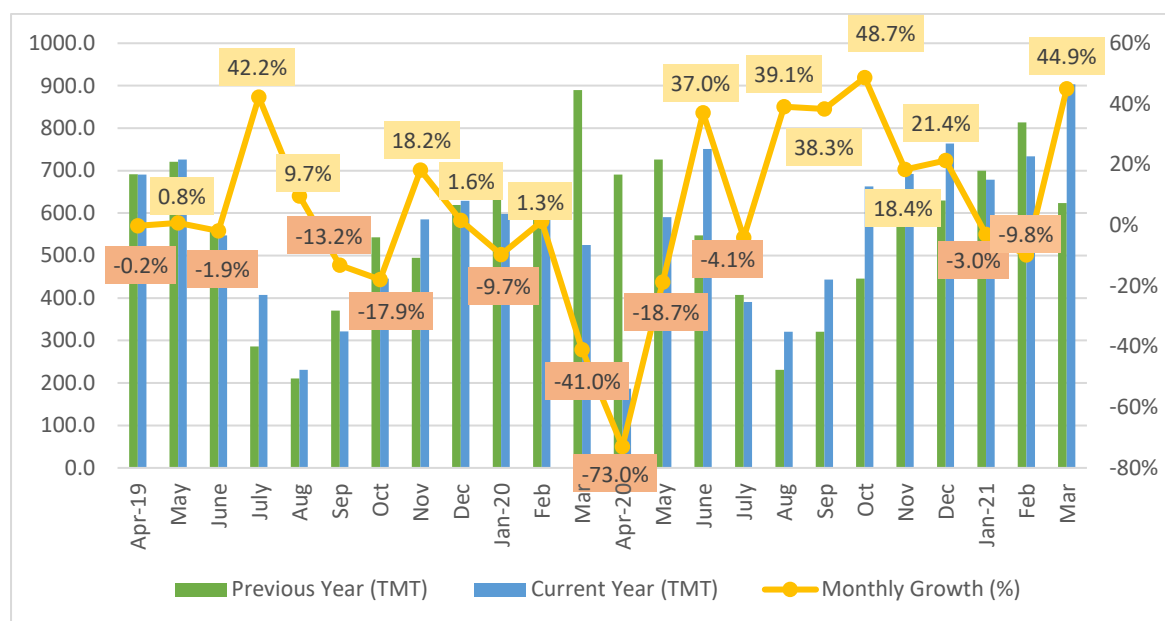


Bitumen:

Bitumen consumption during March 2021 recorded a growth of 44.9% as compared to volume in March 2020. The consumption for the period of April - March 2021 registered a growth of 5.9% as compared to the same period in the previous year. There has been a major thrust by government on infrastructure spending leading to various road projects being executed across the country.

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

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



LPG:

Total LPG consumption recorded a de-growth of -1.5% during March 2021 and a cumulative growth of 4.8% during FY 2020-21. Last year during March 2020, a growth of 1.4% was observed and the cumulative growth during 2019-20 was 5.7%. During March 2021, out of the five regions, Northern region had the highest share in total PSU LPG sales of 31.5% followed by Southern region at 28.9%, Western region at 21.7%, Eastern region at 15.3% and North Eastern region at 2.6%.

PSU LPG Packed Domestic category recorded a de-growth of -4.8% during March 2021 and a cumulative growth of 8.8% during 2020-21. Last year during March 2020, a growth of 5.7% was observed and the cumulative growth during 2019-20 was 6.2%. During 2020-21, around 85.8 lakh new connections and 67.6 lakh DBCs were released. A total of 8.0 crore BPL households have been covered under PMUY till 31.03.2021 since inception of the scheme. During March 2021, the region-wise share of LPG Packed Domestic consumption was highest in Northern region (32.9%) followed by Southern region (26.9%), Western region (21.1%), Eastern region (16.2%) and North-Eastern region (2.8%). During March 2021, the five states with the highest LPG-Packed domestic sales share were Uttar Pradesh (14.5%), Maharashtra (11.2%), Tamil Nadu (8.0%) West Bengal (6.9%), and Karnataka (6.4%). During March 2021, percentage share of LPG-Packed Domestic was 88.7% of total PSU LPG sales whereas it was 91.6% in March 2020.

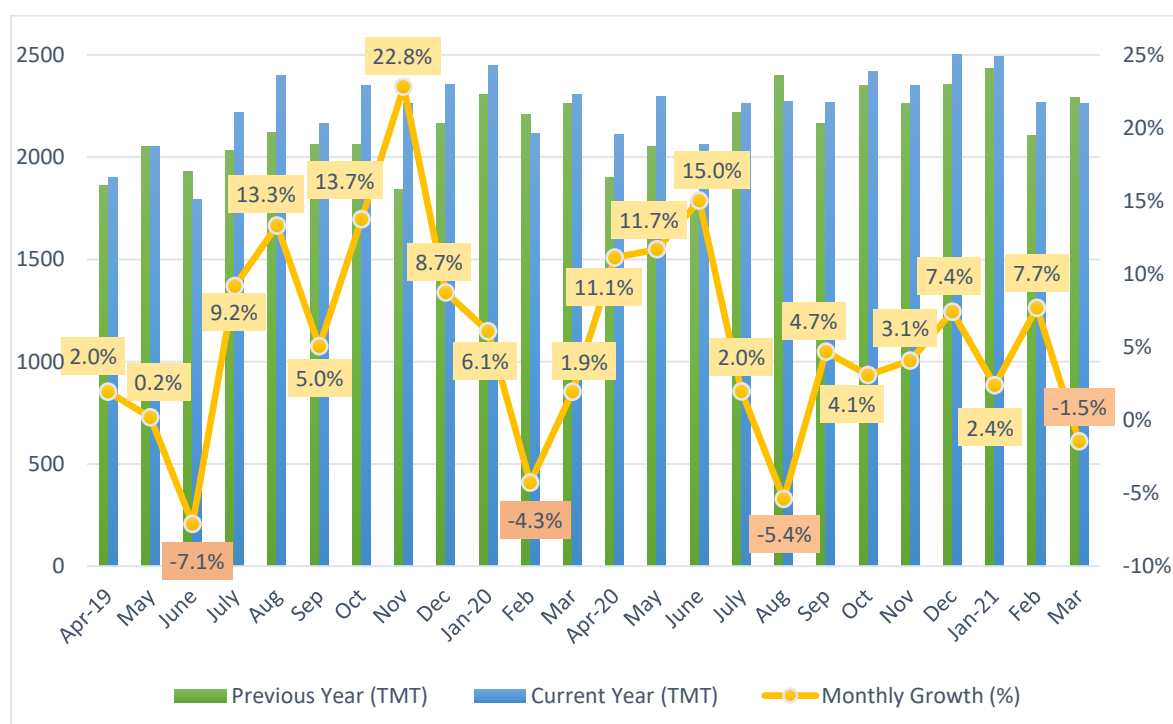
PSU LPG Packed Non-Domestic category recorded a growth of 21.5% in March 2021 and a cumulative de-growth of -27.9% during 2020-21. Last year during March 2020, a de-growth of -22.7% was observed and the cumulative growth during 2019-20 was 10.6%. Share of LPG Packed Non-Domestic in total PSU LPG Sales has increased to 9.0% in March 2021 from 7.3% in March 2020. Region-wise share of LPG Packed Non-Domestic consumption was highest in Southern region (41.2%) followed by Western region (27.7%), Northern region (23.3%), Eastern region (6.7%) and North-Eastern region (1.1%) during March 2021.

PSU Bulk LPG category registered a growth of 154.9% during March 2021 and a cumulative growth of 34.9% during 2020-21. Last year in the month of March 2020, there was a de-growth of -46.1% while for the period 2019-20, a de-growth of -17.2% was witnessed. Percentage share of Bulk LPG in total PSU LPG sales was 1.8% during March 2021 whereas it was 0.7% in March 2020.

PSU Auto LPG category registered a growth of 25.4% in March 2021 and a cumulative de-growth of -31.2% during 2020-21. The sales volume increase was about 2.5 TMT in March 2021 as compared to March 2020. Last year in the month of March 2020 a de-growth of -33.5% was observed while there was a cumulative de-growth of -4.7% during 2019-20. During March 2021, the percentage share of Auto LPG was 0.6% of total PSU LPG sales whereas it was 0.4% in March 2020.

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

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



Naphtha:

Naphtha consumption during the month of March 2021 with a volume of 1.4 MMT registered a growth of 3.7% as compared to the volume of 1.3 MMT in March 2020. Consumption during the period April – March 2021 recovered to 99.9% volume as in the same period last year. Petrochemical industries remain the main consumers of naphtha. Out of the total naphtha consumption of 1360.4 TMT during the month, petrochemical sector had consumed 1014.5 TMT.

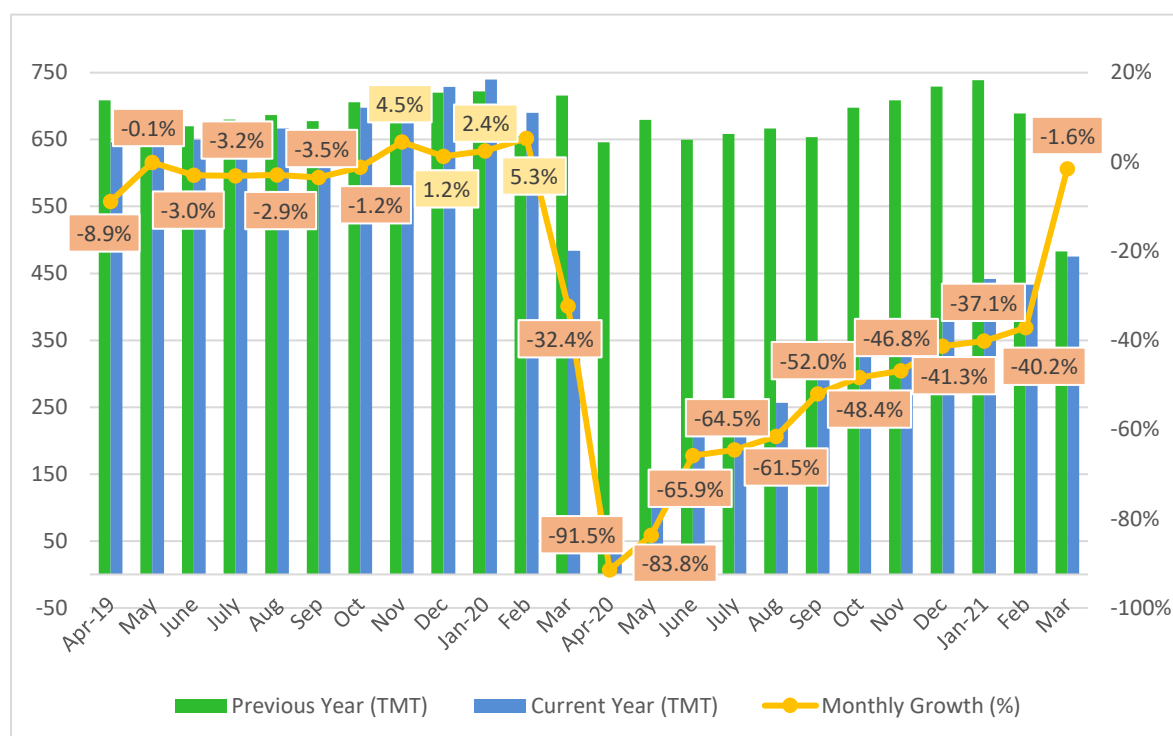
ATF:

ATF consumption during March 2021 recovered to 98.4% of volumes in the month of March 2020. Domestic flights continue to operate with increase over previous month hence keeping up the month on month increase in air travel. Though travel to some states was affected due to second wave of COVID 19.

Passengers carried by domestic airlines during the month of March 2021 stood at 78.2 lakhs as against 77.6 lakhs during March 2020. The total domestic passengers carried for the period of April - March 2021 stood at 534.8 lakhs against 1416.3 lakhs during April - March 2020.

Figure-9 gives the month-wise ATF consumption and growth since April 2019.

Figure-9: 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 March 2021 recorded a growth of 12.0% over volume in March 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 power generation while miscellaneous and manufacturing registered the major growth in the month of March 2021. Manufacturing consumed 178.6 TMT, miscellaneous 187.0 TMT and shipping 78.1 TMT out of the total consumption of 528.7 TMT of FO/LSHS in the month of March 2021.

Petcoke:

Petcoke consumption during the month of March 2021 recorded a growth of 2.1% as compared to the volume of March 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. While manufacturing sector consumed 485 TMT and 970 TMT out of total of 1625.5 TMT was consumed by miscellaneous industrial uses in the month of March 2021.

LDO:

LDO is extensively used in various types of furnaces. LDO consumption recorded a growth of 130.5% during March 2021 as compared to March 2020. Consumption for the period of April - March 2021 has recorded a growth of 34.6% as compared to the same period previous year. Consumption in power generation 41.0 TMT and manufacturing 29.9 TMT were the major sectors contributing to the total consumption of 112.7 TMT LDO during the month.

Natural Gas:

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. Consumption of Natural Gas with a volume of 5.6 BCM during the month of March 2021 recorded a growth of 5.7% over the volume of 5.3 BCM in the month of March 2020. Also consumption during the period of April - March 2021 reached 94.5% of the volume in April - March 2020.

Approximate sector wise consumption of Natural gas for the period April – February 2021 were fertilizer (32%), power (20%), City Gas Distribution (CGD) (16%), refinery (14%), petrochemicals (5%) and others (12%).

Industry Consumption Trend Analysis 2020-21 (Provisional)						
('000 MT)						
Product	March			April-March		
	2019-20	2020-21	Growth (%)	2019-20	2020-21	Growth (%)
(A) Sensitive Products						
LPG	2293.5	2259.9	-1.5	26329.8	27590.5	4.8
SKO	151.9	154.7	1.8	2396.8	1795.1	-25.1
Sub Total	2445	2415	-1.3	28727	29386	2.3
(B) Major Decontrolled Product						
HSD	5659.8	7223.6	27.6	82602.0	72719.6	-12.0
MS	2155.7	2739.7	27.1	29975.5	27951.4	-6.8
Naphtha	1312.4	1360.4	3.7	14267.8	14256.8	-0.1
ATF	482.9	475.3	-1.6	7998.6	3705.4	-53.7
Bitumen	623.5	903.7	44.9	6720.4	7118.4	5.9
FO/LSHS	471.9	528.7	12.0	6301.5	5994.7	-4.9
Lubes+Greases	275.9	362.4	31.4	3833.4	3538.8	-7.7
LDO	48.9	112.7	130.5	627.8	844.9	34.6
Sub Total	11031	13706	24.3	152327	136130	-10.6
Sub – Total (A + B)	13476	16121	19.6	181054	165516	-8.6
(C) Other Minor Decontrolled Products						
Pet.Coke	1592.3	1625.5	2.1	21708.2	18290.8	-15.7
Others*	862.1	1028.7	19.3	11364.9	10825.3	-4.7
Sub Total	2454	2654	8.1	33073	29116	-12.0
Total	15931	18775	17.9	214127	194632	-9.1

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