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

August 2020

Industry consumption Report

Contents

Highlights

The month of August 2020 saw “unlock 3.0” guidelines allowing all commercial establishments to operate along with free movement of people even during night time, though metro rails, cinema halls, swimming pools and assembly halls remained closed as per the guidelines. The month of August continued to abide by certain local restrictions like weekend lockdowns, imposed by State governments and District authorities to contain the spread of COVID-19.

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

1. The consumption of petroleum products in August 2020 recovered 83.8% of August 2019 volume. The consumption of petroleum products reached a volume of 14.4 MMT in August 2020 as compared to 17.2 MMT in August 2019. Petroleum products consumption during the period April to August 2020 recovered 78.8% of the consumption in the same period previous year. The products which registered a growth in the month of August 2020 were Bitumen 37.0% and Furnace Oil & Low Sulphur Heavy Stock (FO/LSHS) 4.3%, while the products which registered de-growth were LPG -5.3%, Diesel (HSD) -20.7%, Petrol (MS) -7.5%, Naphtha -24.4%, Aviation Turbine Fuel (ATF) -61.5%, Lubes & Greases -0.7%, Light Diesel Oil (LDO) -5.1%, Pet coke -22.8%, and products categorised under “Others” category -4.4%. Kerosene (SKO) recorded a de-growth of -42.8% during the current month as compared to August 2019.

2. Due to improved mobility of passenger vehicles on road, MS (Petrol) consumption during the month of August 2020 saw a growth of 5.3% over the previous month of July 2020. During the month of August 2020, MS recovered to 92.5% of August 2019 volume by recording a consumption of 2.4 MMT as compared to 2.6 MMT during August 2019. MS consumption for the period of April – August 2020 recovered to 74.7% of the volume during the same period previous year.

3. HSD (Diesel) consumption during the month of August 2020 recovered to 79.3% of August 2019 volume. August 2020 recorded a consumption of 4.8 MMT in the month of August 2020 as compared to 6.1 MMT during August 2019. HSD consumption for the period of April – August 2020 recovered to 71.5% of the volume during the same period previous year. With the advent of Unlock 3.0, economic activities are slowly moving towards normalisation, however local intermittent lockdowns by various states necessitated to contain pandemic and heavy rainfall dampened the HSD consumption during current month by affecting interstate movement. Power deficit remained constant at -0.2%. Rainfall during the month was 27% above the normal. A de-growth of -10.4% was recorded in port traffic during August 2020 as compared to August 2019.

4. LPG consumption registered a growth of 6.3% for the period April- August 20 as compared to same period last year. LPG consumption recorded a de-growth of -5.3% in August 2020 as compared to August 2019 due to unusually high historical volumes during August 2019.

5. ATF consumption during August 2020 registered a growth of 9.9% as compared to July 20 indicating increased mobility and air traffic. However as compared to same month last year, a de-growth of -61.5% was recorded in the month of August 2020.

6. Bitumen consumption during August 2020 recorded a growth of 37% as compared to August 2019, mainly due to accelerated road work in states where the rainfall had been low.

7. Kerosene (SKO) consumption registered a de-growth of –42.8% in August 2020 as compared to August 2019 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 August 2020. Data on product-wise monthly consumption of petroleum products for August 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 August 2020 is given in Table-1.

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

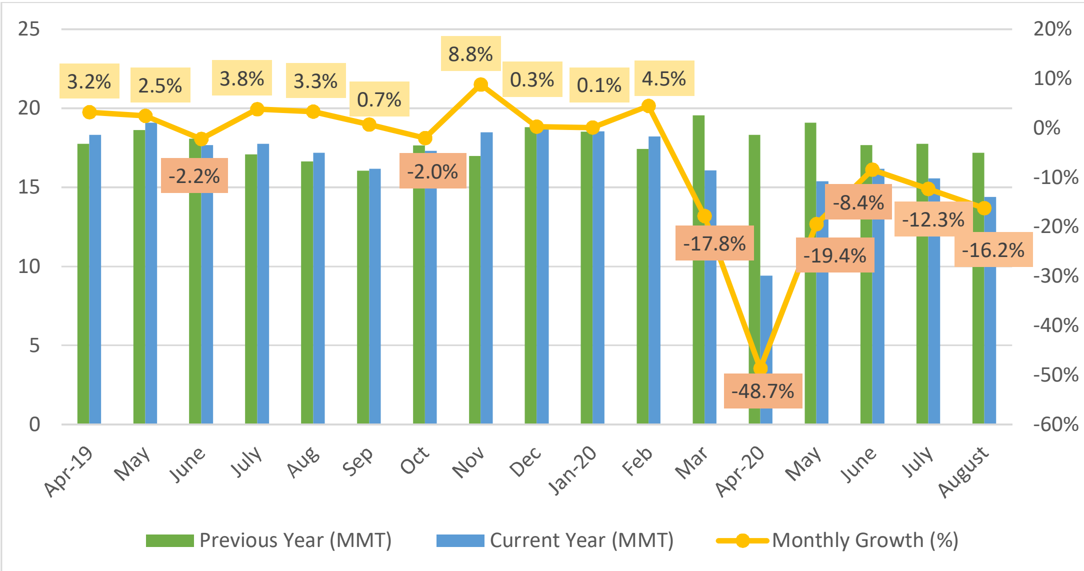
Product Type	Share %	August-2019	August-2020	Growth (%)	Products included
Sensitive Products	16.7	2633	2407	-8.6	SKO & LPG
Major Decontrolled Products	67.7	11862	9744	-17.9	HSD, MS, Naphtha, Lubes, LDO, FO/LSHS, Bitumen & ATF
Minor Decontrolled Products	15.6	2686	2239	-16.6	Petcoke & other minor products
Total	100	17181	14391	-16.2	

All Products:

Overall consumption of all petroleum products during the month of August 2020 stood at 14.4 MMT reaching to almost 84% of August 2019 volume of 17.2 MMT. The consumption for the period April-August 2020 has recovered ground to reach almost 79% of consumption during the same period last year. There has been a recovery in consumption of MS, ATF and LDO in August 2020 as compared to previous month July 2020, which grew by 5.3%, 9.9% and 2.0% due to improved mobility on roads and opening of economic activities during the month. The month of August 2020 saw growth in consumption of Bitumen at 37.0% and Furnace Oil & Low Sulphur Heavy Stock (FO/LSHS) at 4.3% as compared to August 2019 while all other products recorded de-growth as compared to same period last year.

Figure-1 gives a comparison of monthly POL consumption (MMT) and growth (%) since April 2019.

Figure-1: **Comparison of monthly POL consumption (MMT) and growth (%) since April 2019**



PPAC analyzes the sales recorded by the Industry and domestic sales by SEZ units based on available data. Data on direct private imports is received from DGCIS, which is added to the final sales reported by oil companies and domestic sales by SEZ units, for estimation of consumption figures, are available up to April 2020. Private imports data for May 2020 to August 2020 are projected based on May 2019 to April 2020 actual data.

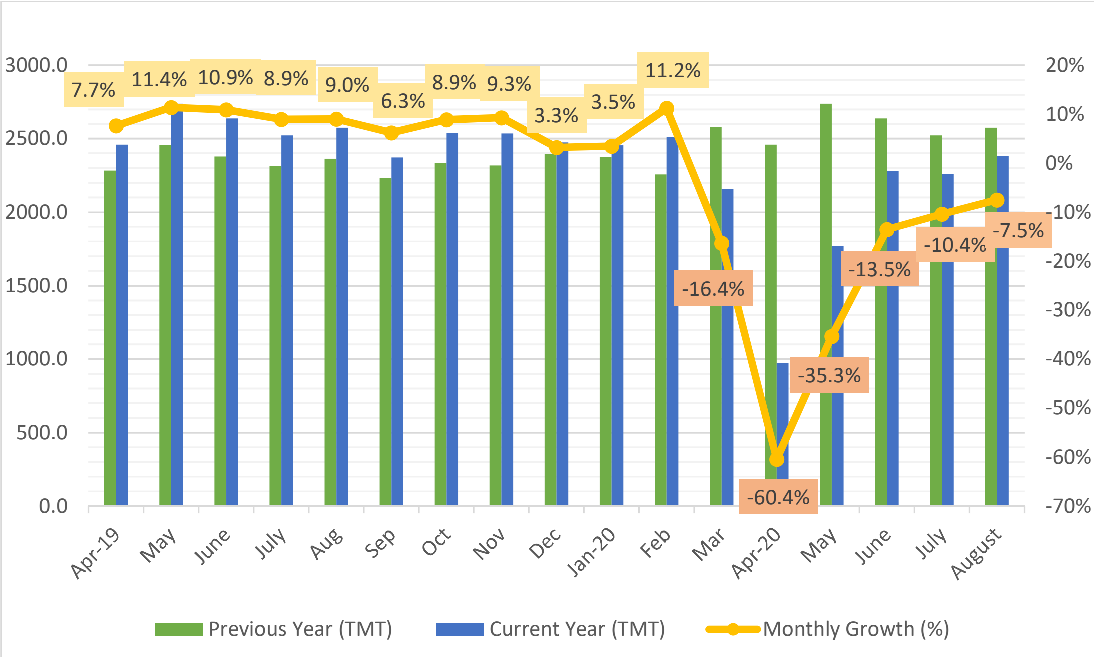
Petrol/Motor Spirit (MS):

MS (Petrol) consumption during the month of August 2020 recovered to 92.5% of August 2019 volume. August 2020 recorded a consumption of 2.4 MMT as compared to 2.6 MMT in the month of August 2019. Also the month of August 2020 saw a growth of 5.3% over the previous month of July 2020. On cumulative basis MS consumption recorded a volume of 9.7 MMT for the period April- August 2019 as compared to 12.9 MMT in the same period previous year and thus almost recovered 75% of its historical volume, especially due to following reasons:

- Rural markets have seen a steady consumption with ongoing agricultural activities.
- The gain in vehicle movement due to non-availability of public transport has more than offset the loss in volume due to work from home and online classes in schools and universities, which have been implemented as containment measure.
- However, tourism and hospitality sector had been held back due to various containment measures in place necessitated to control spread of virus till August 2020 and which has been slightly opened up during September 2020.

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 August 2020 with a sale of 2.15 Lac vehicles has clocked a growth of 14.2% over its historical sale of 1.89 Lac vehicles during the month of August 2019. The growth can be attributed to lower base of last year but has also set an anticipation of higher sales and positive sentiment for the coming festive season.

Passenger car, Utility vehicles and van sales recorded growth of 14.1%, 15.5% and 3.8% respectively during the current month as compared to the same period previous year.Passenger vehicle sales have witnessed a strong retail off-take and marked a step forward in recovery of the market, setting high hopes for oncoming festive season.

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

Vehicle Segment	**August**		
	2019-20	2020-21	Growth %age
Passenger Cars	109,277	124,715	14.1
Utility Vehicles	70,837	81,842	15.5
Vans	9,015	9,359	3.8
Total PV	189,129	215,916	14.2

Two Wheeler Sales:

The two-wheeler sales during the month of August 2020 with a sale of 15.6 Lac vehicles has clocked a growth of 3.0% over its historical sale of 15.1 Lac vehicles during the month of August 2019.

Scooters recorded a de-growth of -12.3% during the current month. While the motor cycle and moped sales registered a growth of 10.1% and 25.6% respectively during the current month as compared to the same period previous year.

Table-3: Passenger vehicle sales in the month of August 2020

Vehicle Segment	August		
	2019-20	**2020-21**	**Growth %ge**
Scooters/Scooterette	520,898	456,848	-12.3
Motor Cycles	937,486	1,032,476	10.1
Mopeds	55,812	70,126	25.6
Electric Two Wheelers		215	
Total 2 Wheelers	**1,514,196**	**1,559,665**	**3.0**

High Speed Diesel (HSD):

HSD (Diesel) consumption during the month of August 2020 recovered to 79.3% of August 2019 volume. August 2020 recorded a consumption of 4.8 MMT in the month of August 2020 as compared to 6.1 MMT in the month of August 2019. HSD consumption for the period of April – August 2020 has recovered to 71.5% of the volume during the same period previous year. The IHS Markit India Manufacturing PMI increased to 52 in August 2020 from 46 in the previous month. The latest reading pointed to the first monthly expansion in factory activity since March, led by an improvement in customer demand as client businesses reopened following the easing of lockdown restrictions. With the advent of Unlock 3.0, economic activities are slowly moving towards normalisation although intermittent lockdowns and restrictions by States during weekends to contain spread of virus and heavy rainfall during the month affected consumption of diesel negatively. Most of the industries across states are operating on 70 to 80% capacity depending on the demand. Rural based economy continues to be a key driving force in the consumption of HSD.

Factors affecting diesel consumption during the current month:

- Economy is slowly moving towards normalisation. While Industrial sectors like fertilizer, petrochemicals and power have helped to contribute positively to the growth since the beginning of lockdown, the demand is now returning for electronics goods, consumer durables and steel industry also.
- Weekend lockdowns and other restrictions imposed by state and district administrations to contain the spread of COVID-19 in addition to few states witnessing heavy rainfall has negatively affected the interstate vehicular movement.

- Rural demand on account of agriculture related activities continues to drive consumption growth.
- Heavy rainfall in few states have adversely affected economic activities like coal mining, stone quarrying and slow down witnessed in certain infrastructure projects.

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

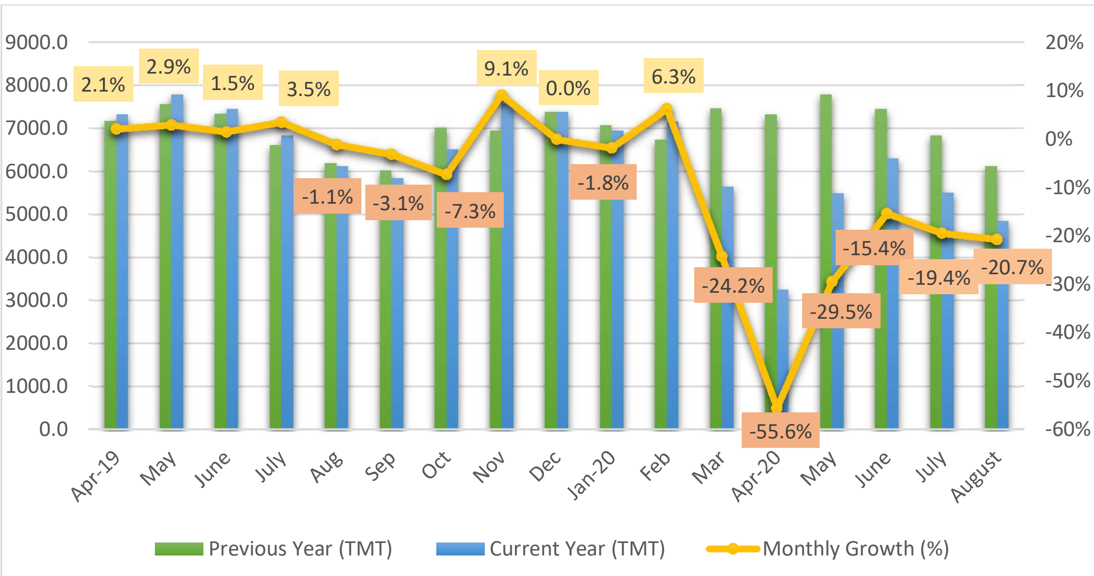
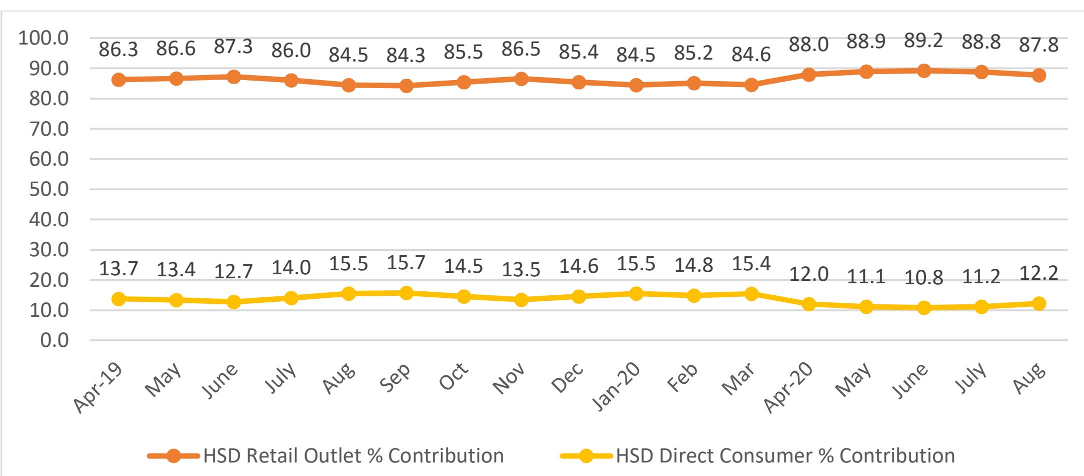


Figure-4 gives a comparison of month-wise percentage of HSD consumption through retail outlets and direct consumer business since April 2019.

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 are showing a slow pace to recovery. Major automobile companies have reported a fall in sale of commercial vehicle ranging from -22% to -30% while one of the company has also reported a positive growth of 4% setting a positive outlook going forward.

Tractor Sale:

Tractor sales as reported by individual companies have shown a stellar growth ranging from 70% to 80%, on account of a buoyant agriculture economy.

Port Traffic:

The traffic handled at major ports in India recorded a de-growth of -10.4% and together handled 51.7 MMT of cargo during August 2020 as against 57.7 MMT handled during the corresponding period of the previous year. All the major ports recorded a dip in cargo handled during the month of August 2020 except the port of Visakhapatnam 11.7% and Mormugao (Goa) 9.7%, both on account of growth in Iron ore traffic.

During the period April-August 2020, growth was registered in iron ore 26.9%, fertilizer finished 3.0% and fertilizer raw 31.1% while de-growth was observed in Petroleum Oil & lubricants (POL) -18.6%, other liquids -16.1%, thermal & steam coal -25.4%, coking & others coal -31.9% and containers -22.5% and miscellaneous cargo -10.6%. Commodity-wise, the percentage share of POL was maximum i.e. 32.4%, followed by container 20.1%, thermal & steam coal 11.8%, iron ore & pellets 11.1%, other miscellaneous cargo 10.5%, coking & other coal 6.9%, other liquids 4.3%, fertilizer finished 1.7% and raw fertilizer 1.2%.

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

Ports	August 2019	August 2020	Growth (%)
Kolkata & Haldia	5,361	4,601	-14.2%
Paradip	8,872	8,114	-8.5%
Visakhapatnam	5,287	5,908	11.7%
Kamarajar (Ennore)	2,464	2,119	-14.0%
Chennai	4,283	3,339	-22.0%
V.O. Chidambaranar	3,429	3,105	-9.4%
Cochin	2,774	2,280	-17.8%
New Mangalore	2,940	2,713	-7.7%
Mormugao	817	896	9.7%
Mumbai	5,210	4,300	-17.5%
JNPT	5,683	4,739	-16.6%
Deendayal	10,540	9,553	-9.4%
Total:	**57,660**	**51,667**	**-10.4%**

Source: ipa.nic.in

Power situation:

The position of power supply for the month of August 2020 is given in Table-3. As per the data reported, power deficit position has remained constant at -0.2% in both August 2020 and in August 2019. The deficit was mainly in the state Uttar Pradesh. Also the requirement of power in August 2020 at 109,833 MU has reached at 99.0% of requirement in the month of August 2019 at 110,896 MU.

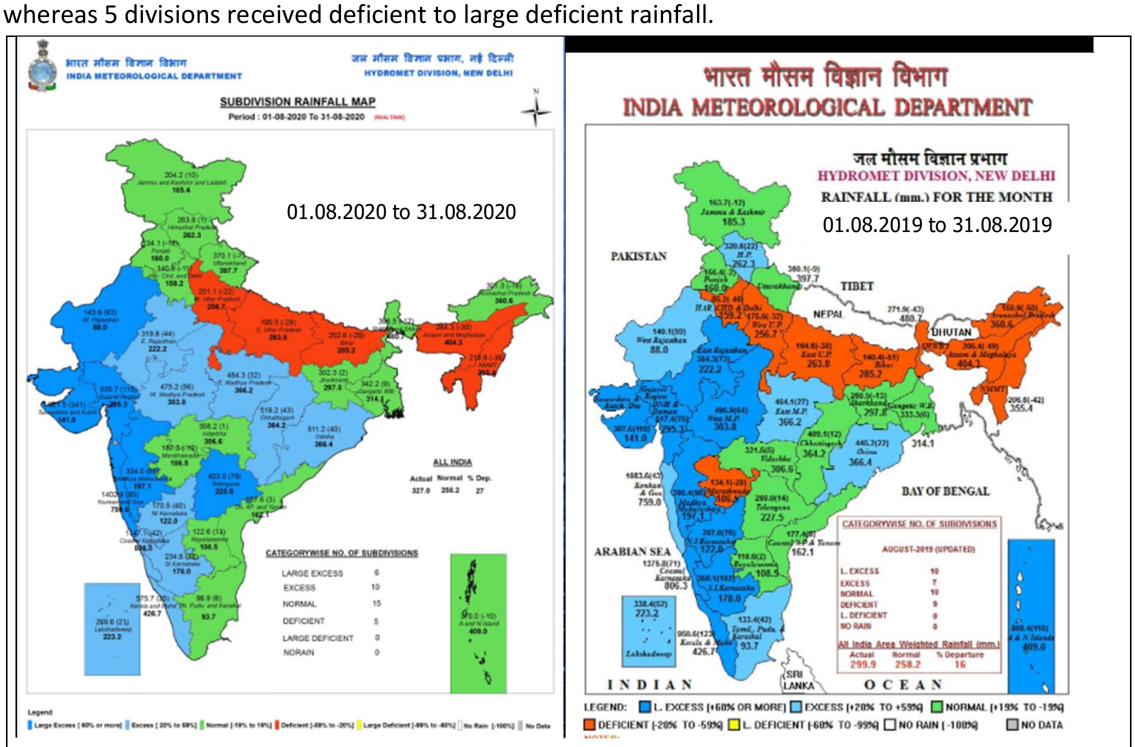
Table-5: Power supplied and deficit: Region-wise position for July 2020

Region	August-20		
	Requirement	Supplied (MU)	Deficit %
North	39,674	39,539	-0.3%
West	28,692	28,692	0.0%
South	26,345	26,339	0.0%
East	13,443	13,443	0.0%
North-East	1,680	1644	-2.2%
Total	**109,833**	**109,657**	**-0.2%**

Source: Central Electricity Authority (CEA)

Seasonal rainfall scenario:

The rainfall in the country during August 2020 was almost 27% above normal precipitation. A rainfall of 327.0 mm was recorded in the month of August 2020 as against a normal reading of 258.2 mm. Out of total 36 sub divisions, 31 divisions received from normal to large excess rainfall whereas 5 divisions received deficient to large deficient rainfall.



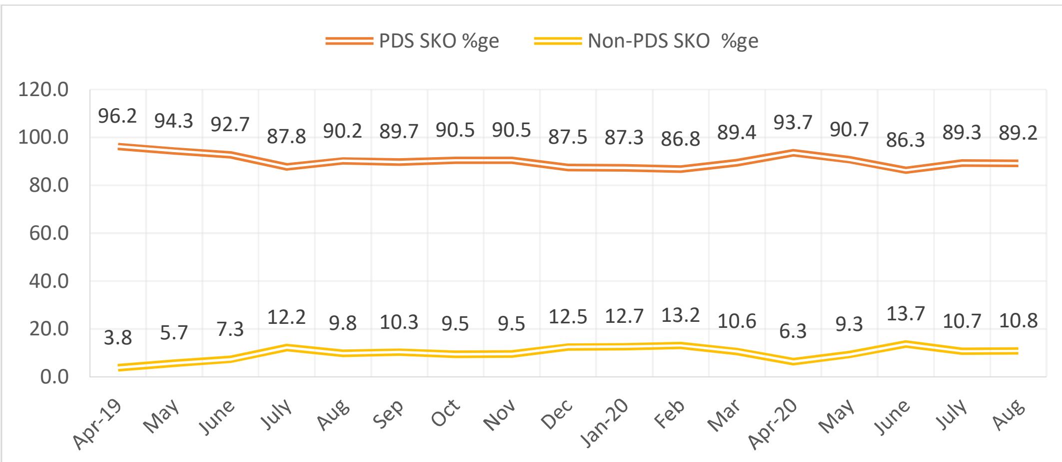
Source: India Meteorological Department (IMD)

Kerosene:

Kerosene consumption registered a de-growth of -42.8% during the month of August 2020 as compared to August 2019. Consumption for the period of April-August 2020 has shown a de-growth of -36.9% 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 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.

Figure-5 gives a comparison of SKO sales in PDS system vis-à-vis Non-PDS system since April 2019.

Figure-5: **Month-wise PDS & Non PDS SKO consumption in share (%) since April 2019**

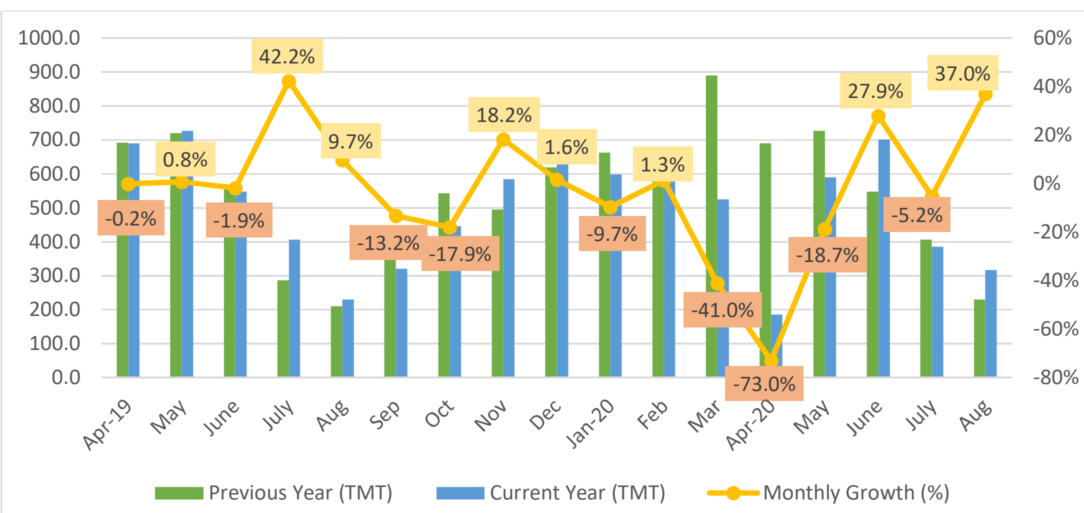


Bitumen:

Bitumen consumption in August 2020 registered a growth of 37.0% as compared to August 2019. There has been a revived growth in construction of roads, in the states where the monsoon season has come to an end.

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 de-growth of -5.3% during August 2020 mainly due to subdued festive season this year and unusual high sales in the month of August 2019. Also total LPG consumption recorded a cumulative growth of 6.3% during the period April-August 2020 compared to the same period last year. Last year during August 2019, a growth of 13.3% was observed and the cumulative growth during April-August 2019 was 3.7%. During August 2020, out of the five regions, Northern region had the highest share in total PSU LPG sales of 30.6% followed by Southern region at 28.0%, Western region at 21.2%, Eastern region at 18.0% and North Eastern region at 2.2%.

PSU LPG Packed Domestic category recorded a de-growth of -0.2% during August 2020 and a cumulative growth of 14.6% during April-August 2020. Last year during August 2019, a growth of 13.6% was observed and the cumulative growth during April-August 2019 was 3.7%. During April-August 2020, around 36.54 lakh new connections and 25.97 lakh DBCs were released. A total of 8.01 crore BPL households have been covered under PMUY till 31.8.2020 since inception of the scheme. During August 2020, the region-wise share of LPG Packed Domestic consumption was highest in Northern region (31.3%) followed by Southern region (27.1%), Western region (20.7%), Eastern region (18.6%) and North-Eastern region (2.3%). During August 2020, the five states with the highest LPG-Packed domestic sales share were Uttar Pradesh (14.9%), Maharashtra (10.7%), West Bengal (7.8%), Tamil Nadu (7.6%) and Bihar (6.6%). During August 2020, percentage share of LPG-Packed Domestic was 92.2% of total PSU LPG sales whereas it was 88.2% in August 2019.

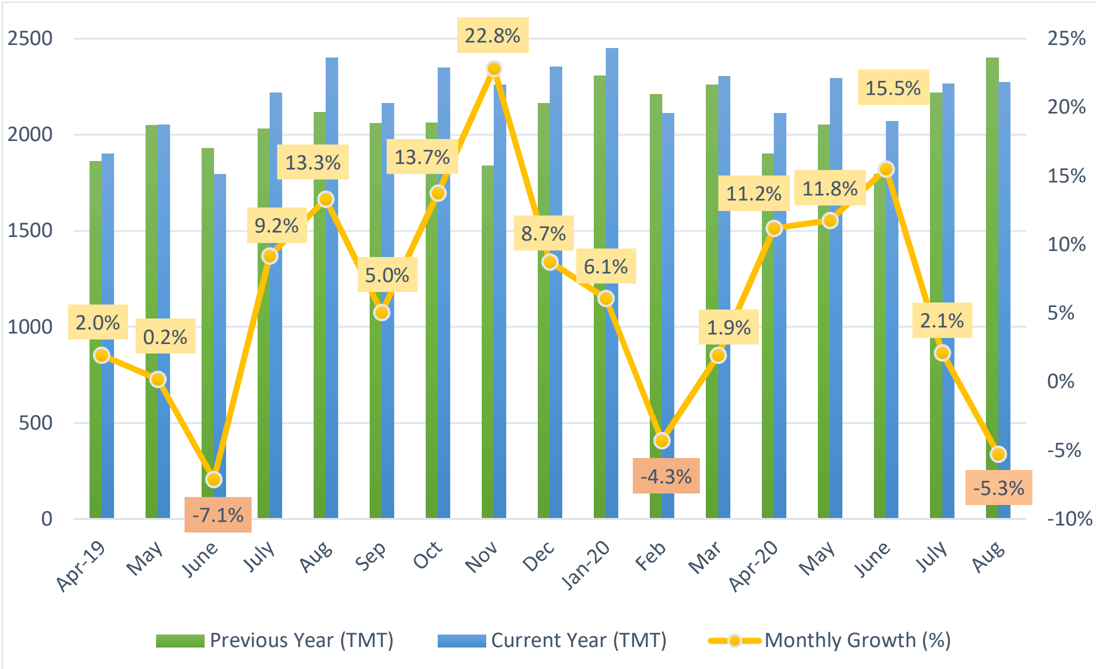
PSU LPG Packed Non-Domestic category recorded a de-growth of -43.6% in August 2020 and a cumulative de-growth of -52.6% during April-August 2020. Last year during August 2019, a growth of 20.3% was observed and the cumulative growth during April-July 2019 was 9.6%. Share of LPG Packed Non-Domestic in total PSU LPG Sales has decreased to 5.9% in August 2020 from 10.0% in August 2019. Region-wise share of LPG Packed Non-Domestic consumption was highest in Southern region (38.1%) followed by Western region (27.4%), Northern region (26.5%), Eastern region (7.1%) and North-Eastern region (0.9%) during August 2020.

PSU Bulk LPG category registered a growth of 18.0% during August 2020 and a cumulative de-growth of -3.5% during April-August 2020. Last year in the month of August 2019, there was a growth of 2.9% while for the period April-August 2019 a de-growth of -20.7% was witnessed. Percentage share of Bulk LPG in total PSU LPG sales was 1.4% during August 2020 whereas it was 1.1% in August 2019.

PSU Auto LPG category registered a de-growth of -38.0% in August 2020 and a cumulative de-growth of -55.9% during April-August 2020. The sales volume decrease was about 6.1 TMT in August 2020 as compared to August 2019. Last year in the month of August 2019 a de-growth of -0.4% was observed while there was a cumulative de-growth of -6.0% during April-August 2019.During August 2020, the percentage share of Auto LPG was 0.4% of total PSU LPG sales whereas it was 0.7% in August 2019.

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

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



Naphtha:

Naphtha consumption recorded a de-growth of -24.4% in August 2020 as compared to August 2019. The period April-August 2020 saw a de-growth of -4.7% as compared to same period last year. Petrochemical industries remain the main consumers of naphtha in addition to minor consumers like fertilizer and power. The de-growth in Naphtha consumption during the month of August 2020 has been due to a fall in consumption of Naphtha by the petrochemical sector. Out of the total naphtha consumption of 1072.7 TMT during the month, petrochemical sector had consumed 809.6 TMT.

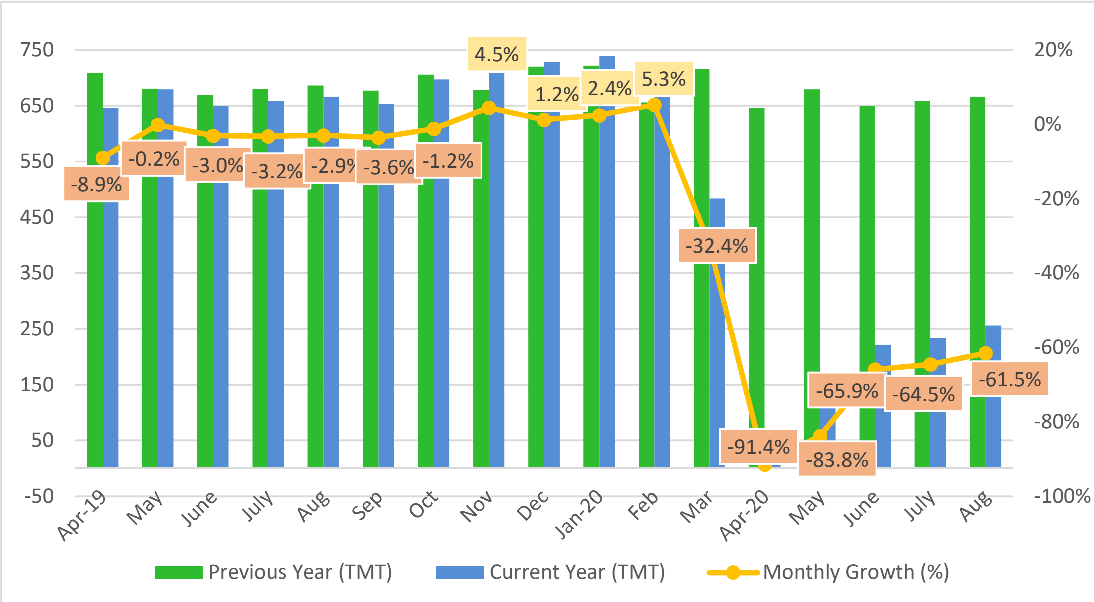
ATF:

ATF consumption for the month of August 2020 has registered a growth of 9.9% as compared to July 2020. However, August 2020 recorded de-growth of -61.5% as compared to August 2019. Various measures by local government with respect to air travel are still in place to contain the spread of COVID-19. International air travel remained banned except for certain flights engaged in special services.

Passengers carried by domestic airlines during the month of August 2020 stood at 28.3 lakh as against 117.9 lakh during August 2019. The total domestic passengers carried for the period of April-August 2020 stood at 72.0 lakh against 589.1 Lakh during April-August 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 registered a growth of 4.3% during August 2020 as compared to August 2019 and also a growth of 1.1% over July 20 consumption figures. Consumption of FO/LSHS is largely driven by General trade sector in addition to shipping, power, fertilizer, petrochemical, iron & steel and others. FO/LSHS consumption has saw a growth consumption under the category of "others" and general trade during the current month. Shipping consumed 69.6 TMT and Iron & Steel 65.8 TMT out of the total consumption of 499.5 TMT of FO/LSHS in the month of August 2020.

Petcoke:

Petcoke consumption registered a de-growth of -22.8% in August 2020 as compared to August 2019. Directorate General of Foreign Trade (DGFT) under Ministry of Commerce and Industry has banned import of petcoke for use as fuel but has allowed its import only for use as feedstock in some select industries such as cement, lime kiln, calcium carbide and gasification industries. The cement sector consumed 224.8 TMT out of the total consumption of 1375.7 TMT in the month of August 2020.

LDO:

LDO consumption recorded a de-growth of -5.1% during August 2020 as compared to August 2019. Consumption for the period of April-August 2020 has recorded a growth of 6.0% as compared to the same period previous year. LDO is extensively used in various types of furnaces. Consumption in power generation 20.7 TMT, civil engineering 6.1 TMT and Iron & Steel 6.4 TMT were the major sectors contributing to the total consumption of 60.0 TMT LDO during the month.

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Industry Consumption Trend Analysis 2020-21 (Provisional)						
						('000 MT)
Product	August			April-August		
	2019-20	2020-21	Growth (%)	2019-20	2020-21	Growth (%)
(A) Sensitive Products						
LPG	2401.7	2275.1	-5.3	10368.7	11021.5	6.3
SKO	231.4	132.3	-42.8	1208.9	762.3	-36.9
Sub Total	2633	2407	-8.6	11578	11784	1.8
(B) Major Decontrolled Product						
HSD	6116.8	4849.2	-20.7	35521.0	25412.1	-28.5
MS	2574.9	2381.1	-7.5	12933.0	9667.2	-25.3
Naphtha	1419.7	1072.7	-24.4	5616.0	5351.5	-4.7
ATF	666.3	256.4	-61.5	3298.9	877.1	-73.4
Bitumen	230.7	316.0	37.0	2602.6	2179.7	-16.3
FO/LSHS	478.9	499.5	4.3	2536.4	2256.3	-11.0
Lubes+Greases	311.4	309.3	-0.7	1525.8	1257.3	-17.6
LDO	63.2	60.0	-5.1	262.6	278.3	6.0
Sub Total	11862	9744	-17.9	64296	47280	-26.5
Sub – Total (A + B)	14495	12152	-16.2	75874	59063	-22.2
(C) Other Minor Decontrolled Products						
Pet.Coke	1782.7	1375.7	-22.8	9145.2	7818.9	-14.5
Others*	903.2	863.4	-4.4	4987.4	4034.6	-19.1
Sub Total	2686	2239	-16.6	14133	11853	-16.1
Total	17181	14391	-16.2	90007	70917	-21.2

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