



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

Industry consumption Report

May 2020



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Highlights

The month of May 2020 saw lockdown 3.0 from 4th May to 17th May 2020 and lockdown 4.0 from 18th May to 31st May 2020, which were steps towards easing down the restrictions and a calibrated approach towards opening up the economy. Lockdown 3.0 witnessed opening up of industries, construction activities, service sectors, free movement of people with restricted timings, shops and markets with staggered timings but with basic precautions and social distancing norms. Lockdown 4.0 in addition allowed interstate movement of vehicles and furthering easing of norms for all sectors.

The summary of product-wise impact on consumption in the month of May 2020 is as follows.

1. The consumption of petroleum products saw a growth of 47.5% as compared to consumption of April 20 as the volume grew from about 10 MMT in April 20 to 15 MMT in May 20. However overall, Petroleum products consumption during the month of May 2020 recorded a de-growth of -23.3% as compared to consumption in May 2019. The products which registered a growth in the month of May 2020 are LPG 12.8%, Naphtha 36.3% and Light Diesel Oil (LDO) 40.5%, while the products which registered de-growth were Diesel (HSD) -29.4%, Petrol (MS) -35.4%, Aviation Turbine Fuel (ATF) -83.6%, Bitumen -21.4%, Furnace Oil & Low Sulphur Heavy Stock (FO/LSHS) -6.9%, Lubes & Greases -27.9%, Pet coke 28.7% and products categorised under “Others” category -19.3%. Kerosene (SKO) recorded a de-growth of -32.4% during the current month as compared to May 2019.
2. Similarly, in case of MS (Petrol), there was a recovery as compared to April 2020 and MS consumption in May 2020 was higher by 81.8% as compared to April 2020. MS consumption registered a de-growth of -35.4% in the month of May 2020 with consumption of 1.8 MMT as compared to 2.7 MMT in May 2019. May month saw an easing in restrictions in the movement of vehicular traffic leading to the revival in demand of MS as compared to the lows in the month of April 2020.
3. HSD (Diesel) consumption during the month recorded a growth of about 69% over April 2020 and a de-growth of -29.4%, with sales of 5.5 MMT in May 2020 as compared to 7.8 MMT in May 2019. Although interstate movement was permitted in the lockdown 4.0, the movement of raw materials and finished goods did not reach the pre COVID-19 levels. The power demand in May 2020 decreased by -14.2% as compared to May 2019 and power deficit increased to -0.5% as compared to -0.4% in the month of May 2019. Rainfall during the month was 14% above the normal distribution. A de-growth of -23.3% was recorded in port traffic during May 2020 as compared to May 2019.
4. LPG consumption recorded a growth of 12.8% in May 2020 as compared to May 2019 mainly due to government scheme of free refill of cylinders for poor households.
5. ATF consumption in May 2020 improved by 97.6% as compared to April 2020 but registered a de-growth of -83.6% in the month of May 2020 as compared to May 2019 as both domestic and international air travel remained suspended except for certain flights engaged in special services.

6. Bitumen consumption during May 2020 recorded a growth of about 190% over April 2020 but a de-growth of -21.4% as compared to May 2019, mainly due to opening up of road construction & repair activities in certain pockets as per availability of manpower and maintaining social distancing norms.
7. Kerosene (SKO) consumption registered a de-growth of -32.4% in May 2020 as compared to May 2019 mainly due to few States & all Union Territories except UT of Jammu & Kashmir and Ladakh going Kerosene free. Nil upliftment of kerosene was observed in the UT of Ladakh, Lakshadweep and state of Uttrakhand during the month of May 2020.

This report analyses the trend of consumption of petroleum products in the country during the month of May 2020. Data on product-wise monthly consumption of petroleum products for May 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 May 2020 is given in Table-1.

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

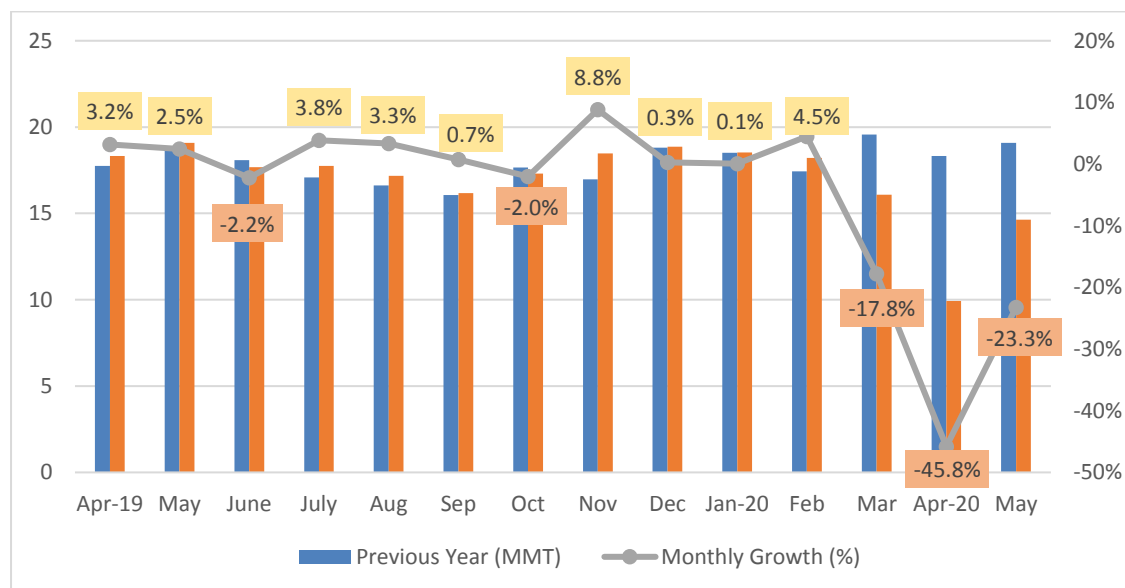
Product Type	Share %	May-2019	May-2020	Growth (%)	Products included
Sensitive Products	17.1	2322	2498	7.6	SKO & LPG
Major Decontrolled Products	67.1	13644	9834	-27.9	HSD, MS, Naphtha, Lubes, LDO, FO/LSHS, Bitumen & ATF
Minor Decontrolled Products	15.8	3116	2315	-25.7	Petcoke & other minor products
Total	100	19083	14646	-23.3	

All Products:

The consumption of petroleum products saw a growth of 47.5% as compared to consumption of April 20 as the volume grew from almost 10 MMT in April 20 to 15 MMT in May 20. Consumption of petroleum products during May 2020 was 14.6 MMT as against 19.1 MMT in May last year. The consumption in the month of May 2020 registered an overall de-growth of -23.3% compared to May 2019 mainly due to few restrictions that still remained in the lockdown 3.0 & 4.0. The month of May 2020 saw growth in consumption of LPG 12.8%, Naphtha 36.3% and Light Diesel Oil (LDO) 40.5%, while all other products recorded degrowth.

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 January 2020. Private imports data for February 2020 to May 2020 are projected based on February 2019 to January 2020 actual data.

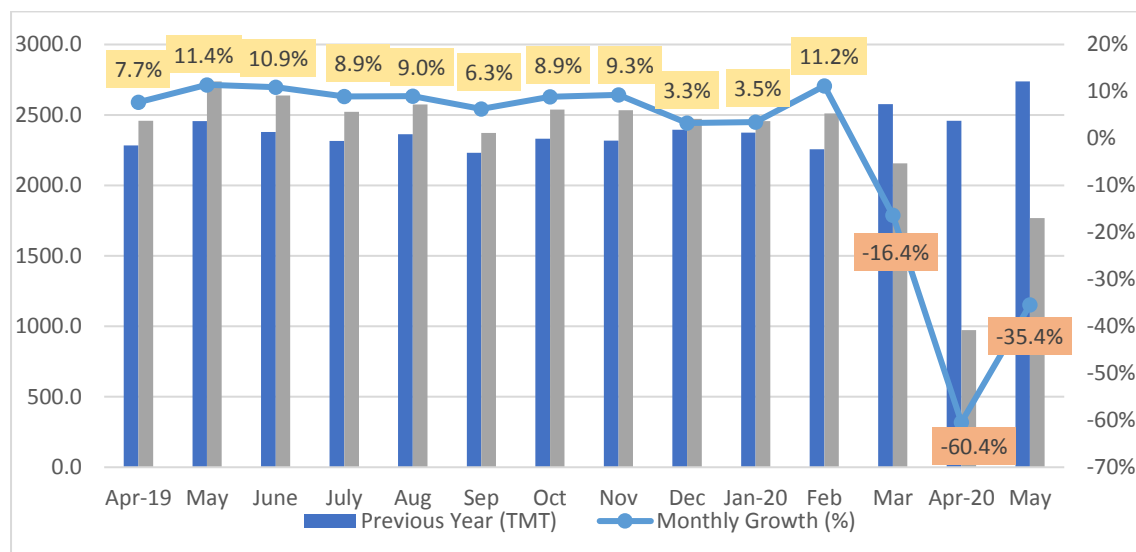
Petrol/Motor Spirit (MS):

In case of MS (Petrol), there was substantial recovery in consumption in May 2020 as compared to April 2020 which was higher by 81.8% as compared to April 2020. However, it registered a de-growth of -35.4% in the month of May 2020 with sales of 1.8 MMT as compared to 2.7 MMT in May 2019. Although there was an increase in mobility with easing of restrictions and opening of economic sectors, however it was restricted to essential movement, work from home was favoured, virtual classes in schools and universities continued and corporate world also resorted to virtual meetings to the extent possible.

- All recreational activities like hotels, cinema halls, malls, swimming pools, gyms and dine in restaurants remained closed during the month.
- Discretionary travel including travelling for tourism remained muted.
- Reduced congestion on roads led to faster travel saving time and fuel consumption.
- The sales of two wheelers and Passenger vehicles was estimated to be down due to weak consumer sentiments and lockdown restriction during the month.

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



High Speed Diesel (HSD):

HSD consumption during the month recorded a growth of about 69% over April 2020 and a de-growth of -29.4%, with sales of 5.5 MMT in May 2020 as compared to 7.8 MMT in May 2019. As the mobility improved in the month of May as compared to previous month, consumption in May 2020 rose by 69.1% as compared to previous month.

Factors affecting diesel consumption during the current month:

- Though lockdown 3.0 & 4.0 facilitated the opening up of economy, industries were impacted due to manpower issues and raw material uncertainties.
- Industries like cement, steel, mining, infrastructure, pharma etc started functioning to its 30% to 50% capacity across states.
- Free movement of vehicles and goods across state borders provided a major relief to industries in non-essential sectors.
- Restrictions continued on on Inter and intra state buses which were plying on reduced frequency and capacity due to containment measures.
- Harvesting activities in agriculture continued to positively contribute to consumption of diesel during the month.
- Cyclon Amphan making a land fall in the eastern states of West Bengal and Odisha resulted in affecting highway vehicular movement and consumption of diesel.
- The sales of commercial vehicle is estimated to be very low owing to the lockdown and not much demand in the transportation of goods.

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

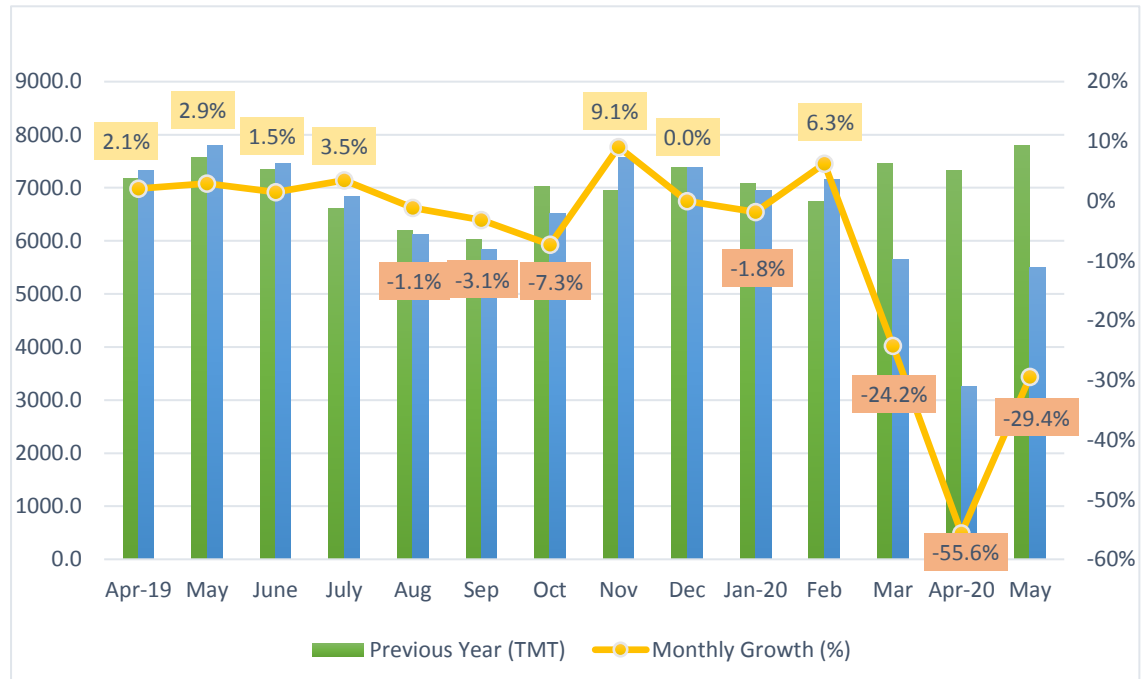
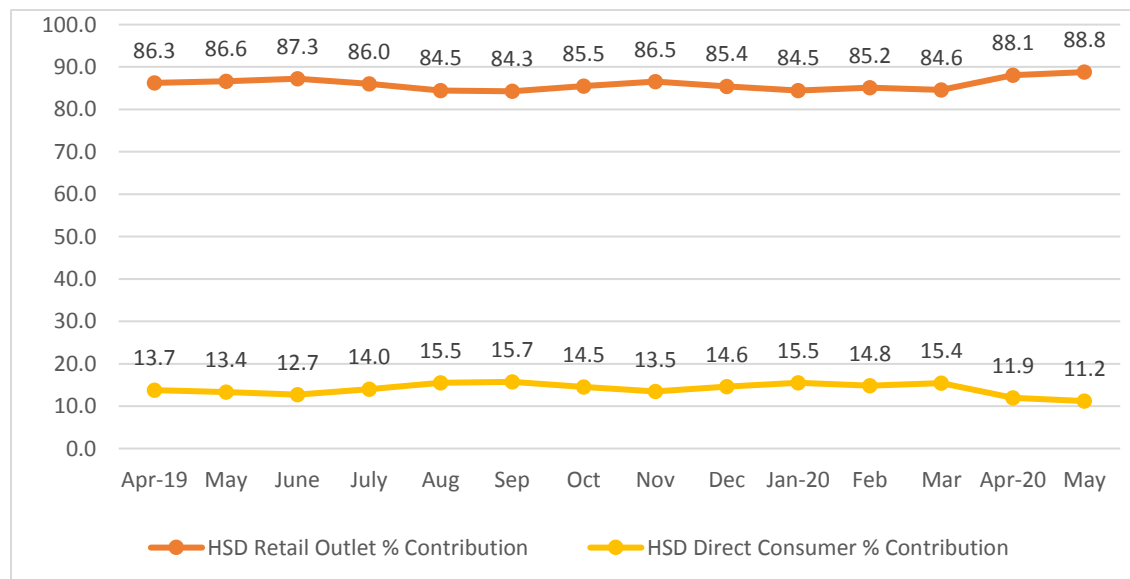


Figure-4 gives a comparison of month-wise percentage of HSD consumption through retail outlets and direct consumer business since April 2019.

Figure-4: Share of Retail and Direct business (%) in Diesel consumption month-wise since April 2019



Port Traffic:

The traffic handled at major ports in India recorded a de-growth of -23.3% and together handled 45.4 MMT of cargo during May 2020 as against 59.2 MMT handled during the corresponding period of the previous year. All the major ports recorded a dip in cargo handled during the month of May 2020 except the port of Mormugao (Goa) 34.8 % due to growth in POL products and New Mangalore 26.18% due to growth in iron ore.

During the month, growth was registered in iron ore 14.4% and fertilizer raw 34.0% while degrowth was observed in Petroleum Oil & lubricants (POL) -14.7%, other liquids -36.4%, fertilizer finished -14.2%, thermal & steam coal -35.9%, coking & others coal -24.0% and containers -33.9% and miscellaneous cargo -19.4%. Commodity-wise, the percentage share of POL was maximum i.e. 34.8%, followed by container 18.1%, thermal & steam coal 13.3%, other miscellaneous cargo 10.4%, iron ore & pellets 9.9%, coking & other coal 8.1%, other liquids 3.4%, fertilizer finished 1.2% and raw fertilizer 0.9%.

Table-2 below gives the port-wise performance during the month of May 2020

Table-2: Traffic handled at major ports in May 2020

Ports	May 2019	May 2020	Growth (%)
Kolkata & Haldia	5714	3654	-36.1%
Paradip	8937	7533	-15.7%
Visakhapatnam	5689	4938	-13.2%
Kamarajar (Ennore)	3008	1145	-61.9%
Chennai	4231	2120	-49.9%
V.O. Chidambaranar	2950	2420	-18.0%
Cochin	2870	1537	-46.4%
New Mangalore	2850	3596	26.2%
Mormugao	1793	2417	34.8%
Mumbai	5339	3452	-35.3%
JNPT	6014	4072	-32.3%
Deendayal	9758	8515	-12.7%
Total:	59153	45399	-23.3%

Source: ipa.nic.in

Power situation:

The position of power supply for the month of May 2020 is given in Table-2. As per the data reported, power deficit position has increased to -0.5% in the month of May 2020 from -0.4% in the month of May 2019. The deficit was mainly in the state Uttar Pradesh and UT of Jammu & Kashmir and Ladakh. Also there has been a fall of -14.2% in requirement of power from 119,717 MU in May 2019 to 102,666 MU in May 2020.

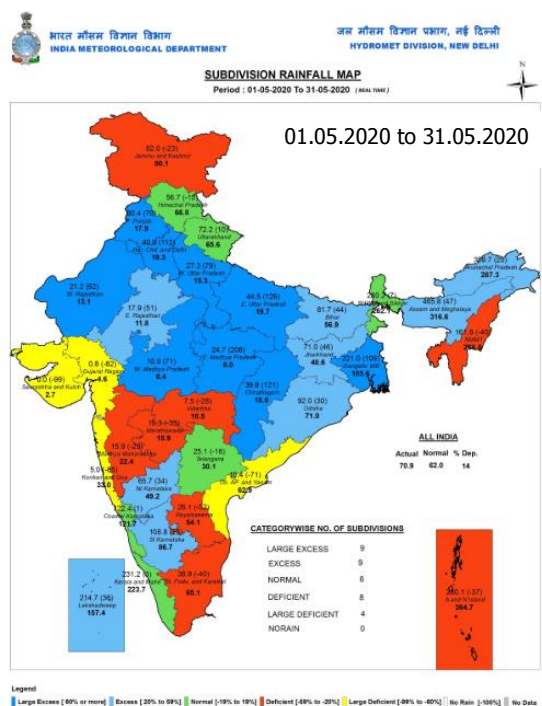
Table-3: Power supplied and deficit: Region-wise position for May 2020

Region	May-19			May-20		
	Requirement	Supplied (MU)	Deficit %	Requirement	Supplied (MU)	Deficit %
North	37,020	36,615	-1.1%	30,900	30,473	-1.4%
West	36,658	36,658	0.0%	32,088	32,088	0.0%
South	31,232	31,213	-0.1%	27,881	27,880	0.0%
East	13,391	13,391	0.0%	10,557	10,557	0.0%
North-East	1,416	1,323	-6.6%	1,240	1185	-4.4%
Total	119,717	119,200	-0.4%	102,666	102,183	-0.5%

Source: Central Electricity Authority (CEA)

Seasonal rainfall scenario:

The rainfall in the country during May 2020 was almost 14% above normal precipitation. A rainfall of 70.9 mm was recorded in the month of May 2020 as against a normal reading of 62.0 mm. Out of total 36 sub divisions, 24 divisions received from normal to large excess rainfall whereas 12 divisions received deficient to large deficient rainfall. Requirement of diesel by agriculture sector may have contracted due to better rainfall during the month.



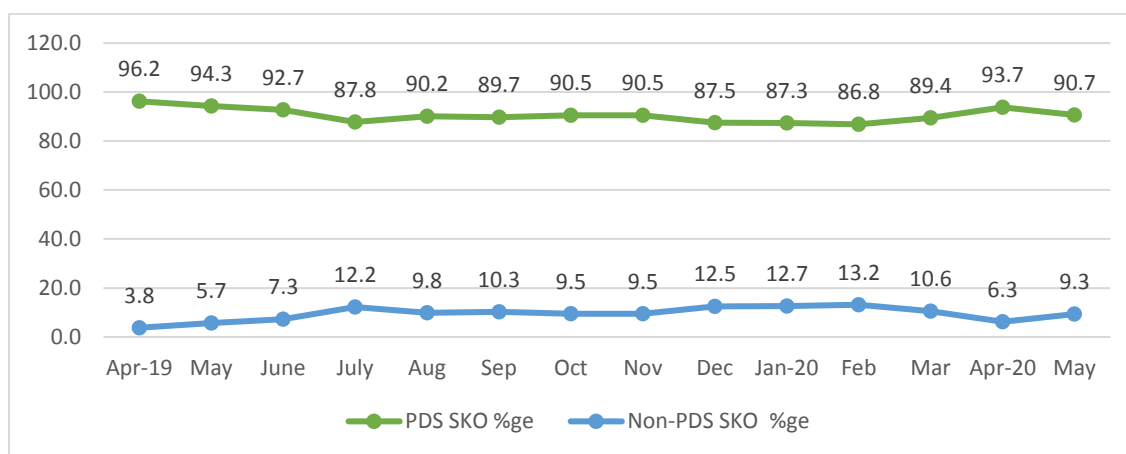
Source: India Meteorological Department (IMD)

Kerosene:

Kerosene consumption registered a de-growth of -32.4% during the month of May 2020 as compared to May 2019. Consumption in May 2020 was higher by 40.4% as compared to April 2020. All UTs except the UT of J&K and Ladakh have been declared kerosene free. While the states Andhra Pradesh, Delhi, Haryana and Punjab have been declared kerosene free. The month of May 2020 saw nil upliftment by the UT of Ladakh and state of Uttrakhand. 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 kerosene sales in public distribution system vis-à-vis Non-PDS system since April 2019.

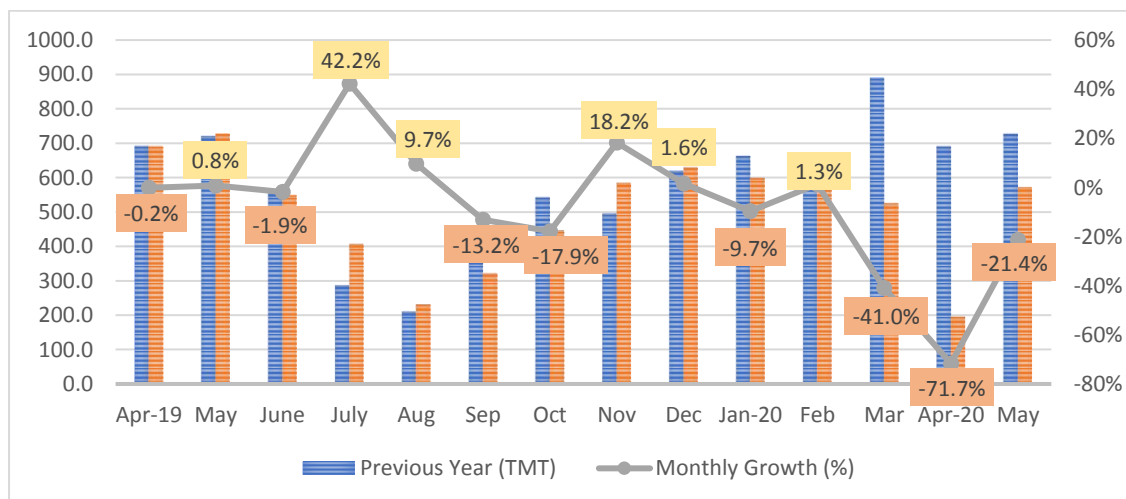
Figure-5: Month-wise PDS & Non PDS SKO consumption in share (%) since April 2019



Bitumen:

Bitumen consumption in May 20 improved to a volume of 571 TMT as compared to 195.8 TMT in April 20 and recorded a growth of 191.7% over previous month indicating opening of economic activities. Bitumen consumption during May 2020 recorded a de-growth of -21.4% as compared to May 2019 mainly due to opening up of road construction activities as per availability of manpower and maintaining social distancing norms. 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 12.8% in May 2020 as compared to May 2019 and a cumulative growth of 12.5% during the period April-May 2020, mainly due to government scheme of free refill of cylinders for poor households. Also people staying at home during the lockdown and smooth supply, increased domestic consumption of LPG cooking gas during the month. Consumption in May 2020 was higher by 8.7% as compared to April 2020.

Last year during May 2019, a growth of 0.2% was observed and the cumulative growth during April-May 2019 was 1.0 %. During May 2020, out of the five regions, Northern region had the highest share in total PSU LPG sales of 30.5% followed by Southern region at 26.3%, Western region at 20.5%, Eastern region at 19.5% and North Eastern region at 3.1%.

PSU LPG Packed Domestic category recorded a growth of 21.4% during May 2020 and a cumulative growth of 23.3% during April-May 2020. Last year during May 2019, a growth of 0.6% was observed and the cumulative growth during April-May 2019 was 1.4%. During April-May 2020, around 7.2 lakh DBCs and 9.9 lakh new connections were released. A total of 8.02 crore BPL households have been covered under PMUY till 31.5.2020 since inception of the scheme. During May 2020, the region-wise share of LPG Packed Domestic consumption was highest in Northern region (31.1%) followed by Southern region (25.4%), Western region (20.2%), Eastern region (20.1%) and North-Eastern region (3.3%). During May 2020, the five states with the highest LPG-Packed domestic sales share were Uttar Pradesh (15.0%), Maharashtra (10.0%), West Bengal (8.0%), Tamil Nadu (7.8%) and Bihar (7.1%). During May 2020, percentage share of LPG-Packed Domestic was 94.9% of total PSU LPG sales whereas it was 88.3% in May 2019.

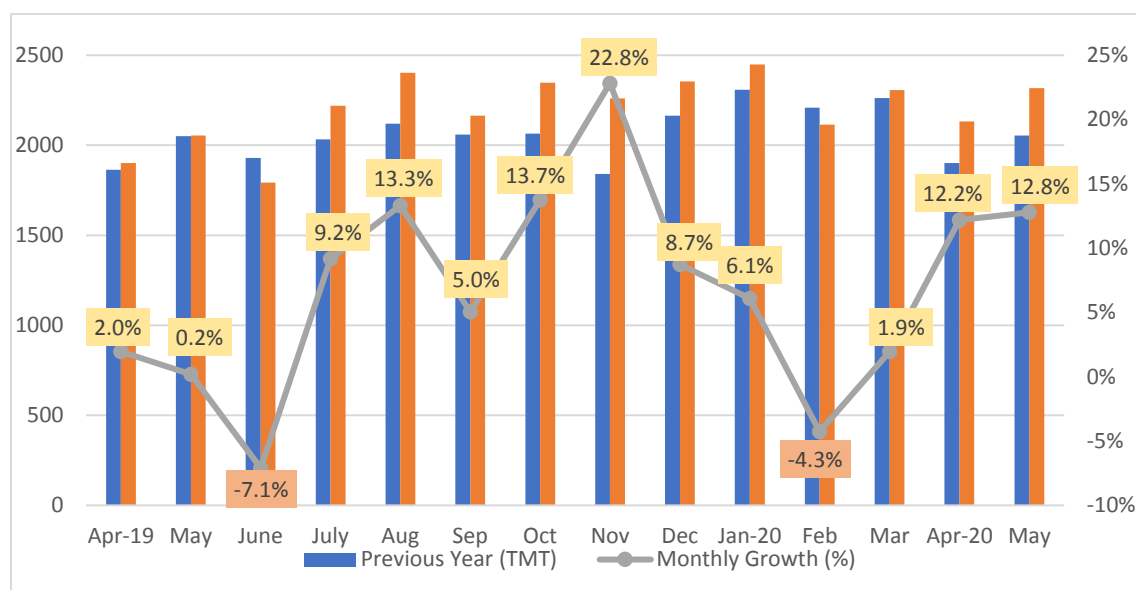
PSU LPG Packed Non-Domestic recorded a de-growth of -53.4% in May 2020 and a cumulative de-growth of -68.1% during April-May 2020. Last year during May 2019, a growth of 7.1% was observed and the cumulative growth during April-May 2019 was 6.4%. Share of LPG Packed Non-Domestic in total PSU LPG Sales has decreased to 4.1% in May 2020 from 9.9% in May 2019. Region-wise share of LPG Packed Non-Domestic consumption was highest in Southern region (42.6%) followed by Western region (26.5%), Northern region (22.0%), Eastern region (7.8%) and North-Eastern region (1.1%) during May 2020.

PSU Bulk LPG category has registered a de-growth of -15.1% during May 2020 and a cumulative de-growth of -44.1% during April-May 2020. Last year in the month of May 2019, there was a de-growth of -29.7% while for the period April-May 2019, a de-growth of -28.0% was witnessed. Percentage share of Bulk LPG in total PSU LPG sales was 0.8% during May 2020 whereas it was 1.1% in May 2019.

PSU Auto LPG category registered a de-growth of -64.5% in May 2020 and a cumulative de-growth of -79.7% during April-May 2020. The sales volume decrease was about 9.3 TMT in May 2020 as compared to May 2019. Last year in the month of May 2019 a de-growth of -8.2% was observed while there was a cumulative de-growth of -5.8% during April-May 2019. During May 2020, the percentage share of Auto LPG was 0.2% of total PSU LPG sales whereas it was 0.7% in May 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 growth of 36.3% in May 2020 as compared to May 2019. Consumption in May 2020 was higher by 26.1% as compared to April 2020. The period April -May 20 11.4% 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 growth in Naphtha consumption has been due to export oriented petrochemical industries. Out of the total naphtha consumption of 1083.8 TMT during the month, petrochemical sector consumed 854.6 TMT.

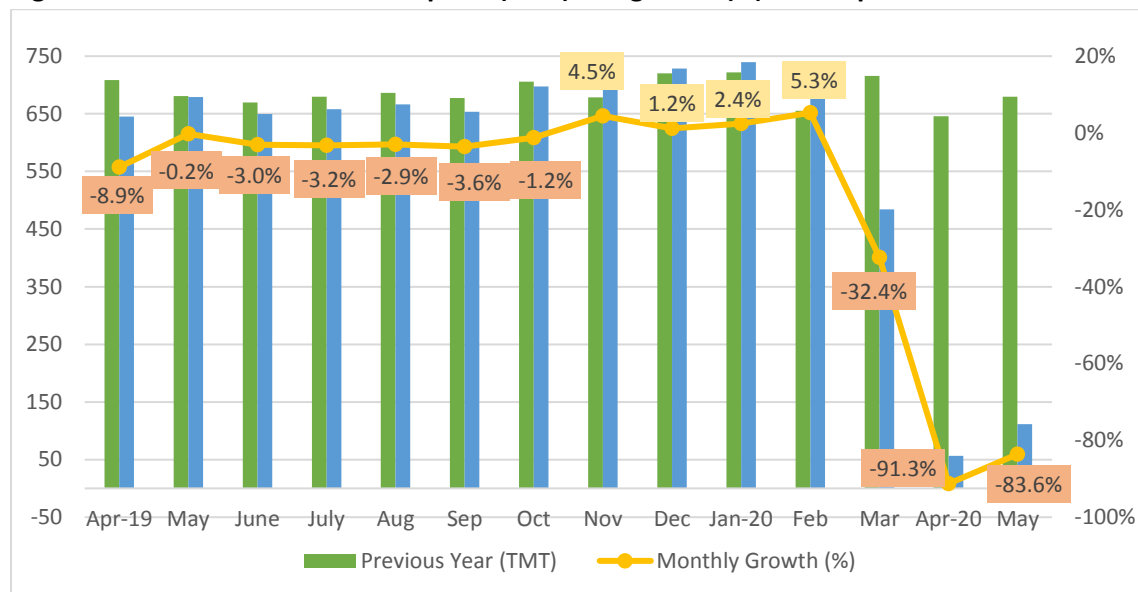
ATF:

ATF consumption registered a de-growth of -83.6% in the month of May 2020 as both domestic and international air travel remained banned except for certain flights engaged in special services. Domestic air travel resumed from 25th May 2020 with restrictions and cautions. Consumption in May 2020 was higher by 97.6% as compared to April 2020.

Passengers carried by domestic airlines during the month of May 2020 stood at 2.8 lakhs as against 121.9 lakhs during May 2019. The month of April 2020 saw nil passengers carried by domestic airlines, hence the total domestic passengers carried for the period of April-May 2020 also stands at 2.8 lakhs against a historical of 231.8 Lakhs during April- May 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 de-growth of -6.9% during May 2020 as compared to April 2019. Consumption in May 2020 was higher by 61.2% as compared to April 2020. Consumption of FO/LSHS is largely driven by General trade sector in addition to shipping, power, fertilizer, petrochemical, iron & steel and others. Shipping consumed 70.2 TMT and Iron & Steel 64.1 TMT out of the total consumption of 479.0 TMT of FO/LSHS in the month of May 2020.

Petcoke:

Petcoke consumption registered a de-growth of -28.7% in May 2020 as compared to May 2019. Consumption in May 2020 was higher by 34.2% as compared to April 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.

LDO:

LDO consumption recorded a growth of 40.5% during May 2020 as compared to May 2019. Consumption in May 2020 was higher by 151.0% as compared to April 2020. LDO is extensively used in various types of furnaces. Consumption in power generation 15.5 TMT and civil engineering 16.0 TMT are the major sectors contributing to the consumption of LDO 69.4 TMT during the month. LDO was also consumed by a new thermal power plant commissioned by BHEL in Telangana during the month of May 20.

Industry Consumption Trend Analysis 2020-21 (Provisional)						
('000 MT)						
Product	May			April-May		
	2019-20	2020-21	Growth (%)	2019-20	2020-21	Growth (%)
(A) Sensitive Products						
LPG	2054.2	2316.8	12.8	3954.5	4448.6	12.5
SKO	268.1	181.1	-32.4	522.4	310.1	-40.6
Sub Total	2322	2498	7.6	4477	4759	6.3
(B) Major Decontrolled Product						
HSD	7788.1	5495.1	-29.4	15111.5	8744.8	-42.1
MS	2737.4	1768.5	-35.4	5196.5	2741.4	-47.2
Naphtha	794.9	1083.8	36.3	1743.7	1943.2	11.4
ATF	679.4	111.4	-83.6	1324.9	167.7	-87.3
Bitumen	726.5	571.1	-21.4	1417.0	766.9	-45.9
FO/LSHS	514.6	479.0	-6.9	1013.1	776.3	-23.4
Lubes+Greases	354.2	255.4	-27.9	609.2	467.3	-23.3
LDO	49.4	69.4	40.5	94.4	97.0	2.8
Sub Total	13644	9834	-27.9	26510	15704	-40.8
Sub – Total (A + B)	15967	12332	-22.8	30987	20463	-34.0
(C) Other Minor Decontrolled Products						
Pet.Coke	2134.5	1522.7	-28.7	4388.1	2657.6	-39.4
Others*	981.8	791.9	-19.3	2027.1	1462.1	-27.9
Sub Total	3116	2315	-25.7	6415	4120	-35.8
Total	19083	14646.2	-23.3	37402.5	24582.9	-34.3

*Others include sulphur, propylene, propane, reformat, L.A.B.F.S, CBFS, butane, MTO etc.