



Petroleum Planning & Analysis Cell

Ministry of Petroleum & Natural Gas, Government of India



June 2020

Industry Consumption Report



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Highlights

The month of June 2020 saw “unlock 1.0” focusing on opening up of all economic activities in phased manner with basic precautions and social distancing norms in place. Shopping malls, religious places, hotels and restaurants were permitted in addition to the already operational industries, construction activities, service sectors etc. Though the month of June also saw certain local restrictions being imposed by state government and district authorities to contain the growth of COVID-19.

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

1. The consumption of petroleum products in June 20 saw a growth of 11.0% as compared to consumption of May 20 as the volume grew from about 14.7 MMT in May 20 to 16.3 MMT in June 20. However overall, Petroleum products consumption during the month of June 2020 recorded a de-growth of -7.8% as compared to consumption in the same period previous year. The products which registered a growth in the month of June 2020 are LPG 15.8%, Naphtha 18.2%, Bitumen 27.6%, Furnace Oil & Low Sulphur Heavy Stock (FO/LSHS) 6.2%, Lubes & Greases 8.4%, Light Diesel Oil (LDO) 13.8% and Pet coke 7.9% while the products which registered de-growth were Diesel (HSD) -15.4%, Petrol (MS) -13.6%, Aviation Turbine Fuel (ATF) -65.8% and products categorised under “Others” category -14.2%. Kerosene (SKO) recorded a de-growth of -38.0% during the current month as compared to June 2019.
2. Similarly, in case of MS (Petrol), there was a recovery as compared to May 2020 and MS consumption in June 2020 was higher by 28.8% as compared to May 2020. MS consumption registered a de-growth of -13.6% in the month of June 2020 with consumption of 2.3 MMT as compared to 2.6 MMT in June 2019. Unlock 1.0 aided in free movement of vehicles and resumption of all economic activities indicating to movement of MS demand towards normalisation due to increased mobility and rampant use of private vehicles.
3. HSD (Diesel) consumption during the month recorded a growth of about 14.5% over May 2020 and a de-growth of -15.4%, with sales of 6.3 MMT in June 2020 as compared to 7.5 MMT in June 2019. The economic activity has received a boost in June 2020 with Unlock 1.0, resulting in increased movement of goods and resumption of industrial and manufacturing sector as compared to May 2020. A drop-in power demand in June 2020 by -10.1% was observed as compared to June 2019 while power deficit remained constant at -0.4%. Rainfall during the month was 18% above the normal distribution. A de-growth of -14.5% was recorded in port traffic during June 2020 as compared to June 2019.
4. LPG consumption recorded a growth of 15.8% in June 2020 as compared to June 2019 mainly due to continuation of refill supplies to PMUY connections in view of extension of government scheme for free refill of cylinders for poor households till September 20.
5. Although ATF consumption in June 2020 doubled as compared to May 2020, but registered a de-growth of -65.8% in the month of June 2020 as compared to June 2019 owing to restricted domestic flights operations coupled with travel restrictions. International air travel remained suspended except for certain flights engaged in bringing back Indian citizens stranded abroad.

6. Bitumen consumption during June 2020 recorded a growth of 27.6% as compared to June 2019, mainly due to picking up of road construction and repair activities ahead of monsoon season.
7. Kerosene (SKO) consumption registered a de-growth of -38.0% in June 2020 as compared to June 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 state of Uttrakhand during the month of June 2020.

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

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

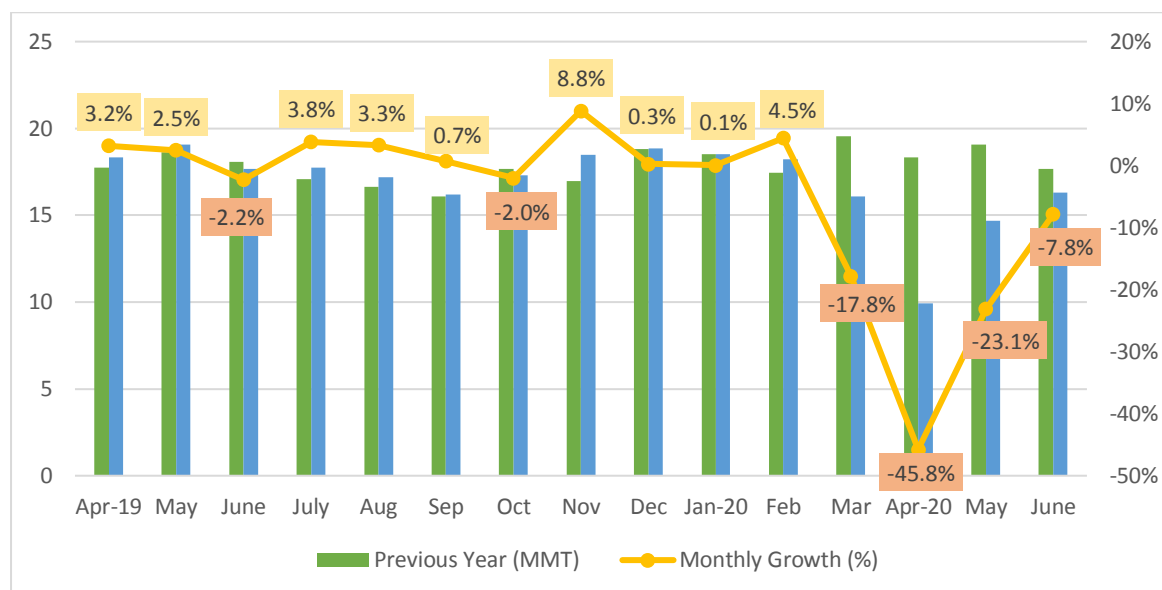
Product Type	Share %	June-2019	June-2020	Growth (%)	Products included
Sensitive Products	13.7	2053	2237	8.9	SKO & LPG
Major Decontrolled Products	71.0	13105	11564	-11.8	HSD, MS, Naphtha, Lubes, LDO, FO/LSHS, Bitumen & ATF
Minor Decontrolled Products	15.3	2517	2486	-1.2	Petcoke & other minor products
Total	100	17674	16287	-7.8	

All Products:

Overall consumption of all petroleum products significantly increased during the month of June 2020 and reached 92% level of June 2019 volume. Consumption in current month saw a growth of 11.0% as compared to consumption of May 20 in the backdrop of Indian economy gradually gaining momentum. The total volume grew from almost 14.7 MMT in May 20 to 16.3 MMT in June 20. Consumption of petroleum products during June 2020 was 16.3 MMT as against 17.7 MMT in June 2019. The consumption in the month of June 2020 registered an overall de-growth of -7.8% compared to June 2019 mainly due to the process of gradual economic recovery after two months of lockdown necessitated due to pandemic . The month of June 2020 saw growth in consumption of LPG 15.8%, Naphtha 18.2%, Bitumen 27.6%, Furnace Oil & Low Sulphur Heavy Stock (FO/LSHS) 6.2%, Lubes & Greases 8.4%, Light Diesel Oil (LDO) 13.8% and Pet coke 7.9% 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 February 2020. Private imports data for March 2020 to June 2020 are projected based on March 2019 to February 2020 actual data.

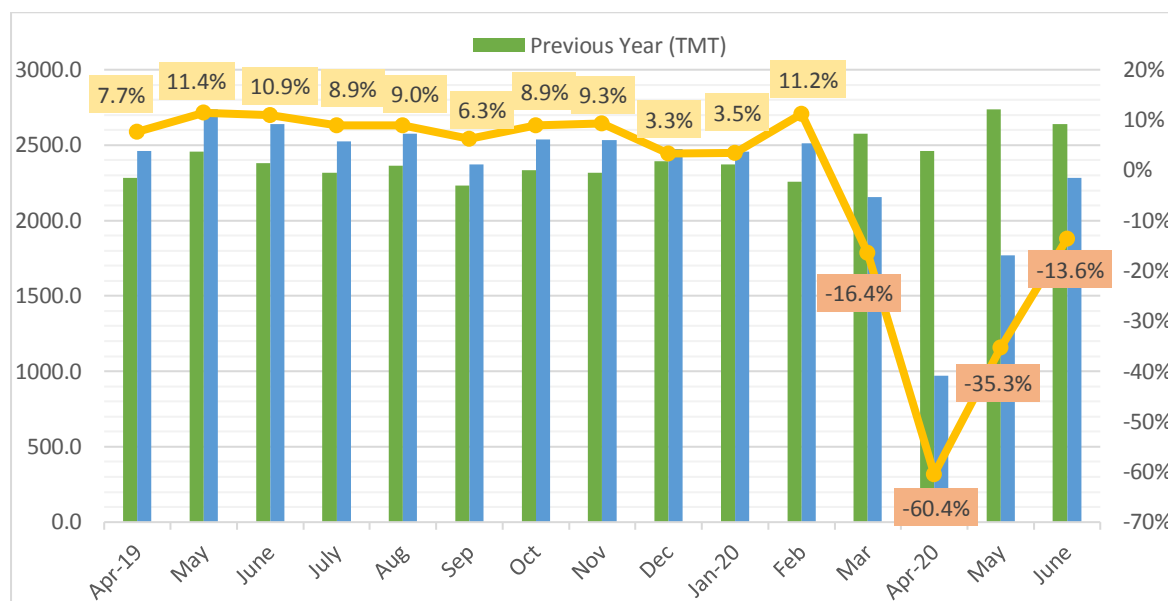
Petrol/Motor Spirit (MS):

In case of MS (Petrol), there was substantial recovery in consumption in June 2020 as compared to May 2020 which was higher by 28.8%. However, it registered a de-growth of -13.6% in the month of June 2020 with sales of 2.3 MMT as compared to 2.6 MMT in June 2019. Unlock 1.0 sought to remove any minor restrictions that existed in the lockdown 4.0 hence making free movement of all vehicles in order to restore normalcy in economy. But the movement remained restricted to economic activities and movement for non-essential travel remained curtailed. Work from home, virtual meetings and on-line classes for schools and universities continued.

- Shopping malls, religious places, hotels and restaurants operated with low footfall.
- States heavily dependent on tourism and hospitality sector saw muted demand.
- Consumption remained robust in the rural parts of the country due to timely arrival of monsoon and lower penetration of pandemic while urban cities saw tepid demand as a result of efforts to contain spread of pandemic.
- Schools & Colleges in addition to recreational activities like cinema halls, swimming pools and gyms continued to remain closed resulting in less traffic on roads and resulting in faster movement of vehicles.

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 was negative with a de-growth of -49.6% in the month of June 2020 and registered a de-growth of -78.4% for the period April-June 2020.

Passenger car, utility vehicles and vans recorded a de-growth of -58.0%, -31.2% and -62.1% respectively during the current month. On cumulative basis passenger cars, utility vehicles and vans recorded a de-growth of -82.1%, -69.7% and -86.2% respectively.

Two Wheeler Sales:

The overall sales for two-wheelers registered a de-growth of -38.6% during the month and also registered a de-growth of -74.2% for the period April-June 2020.

Scooter, motorcycle and moped recorded a de-growth of -47.4%, -35.2% and -22.3% respectively during the current month. On cumulative basis Scooter, motorcycle and moped recorded a de-growth of -77.6%, -73.0% and -68.0% respectively.

High Speed Diesel (HSD):

HSD consumption during the month recorded a growth of about 14.5% over May 2020 and a de-growth of -15.4%, with sales of 6.3 MMT in June 2020 as compared to 7.5 MMT in June 2019. As the economic activity gradually resumed, consumption in June 2020 rose by 69.1% as compared to previous month. There has been a considerable growth during the month in movement of goods and opening of manufacturing and industrial sector as compared to May 2020. It was also noted

that certain Industrial sectors like petrochemicals, aluminium and cement were more resilient than other sectors like iron & steel, textiles and certain agri-based industries and were quick to recover.

Factors affecting diesel consumption during the current month:

- Unlock 1.0 set the stage for economic recovery with the uplifting of last few restrictions on any economic activities. Industries, mines and other economic activities were operational between 30% to 80% capacity across the country.
- Rural demand on account of agriculture related activities and consumption in rural areas have been robust during the month due to timely arrival of monsoon and starting of sowing of Kharif season.
- Tractor registration has reached 90% of the registration in the previous year showing an optimistic outlook for the rural India.

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

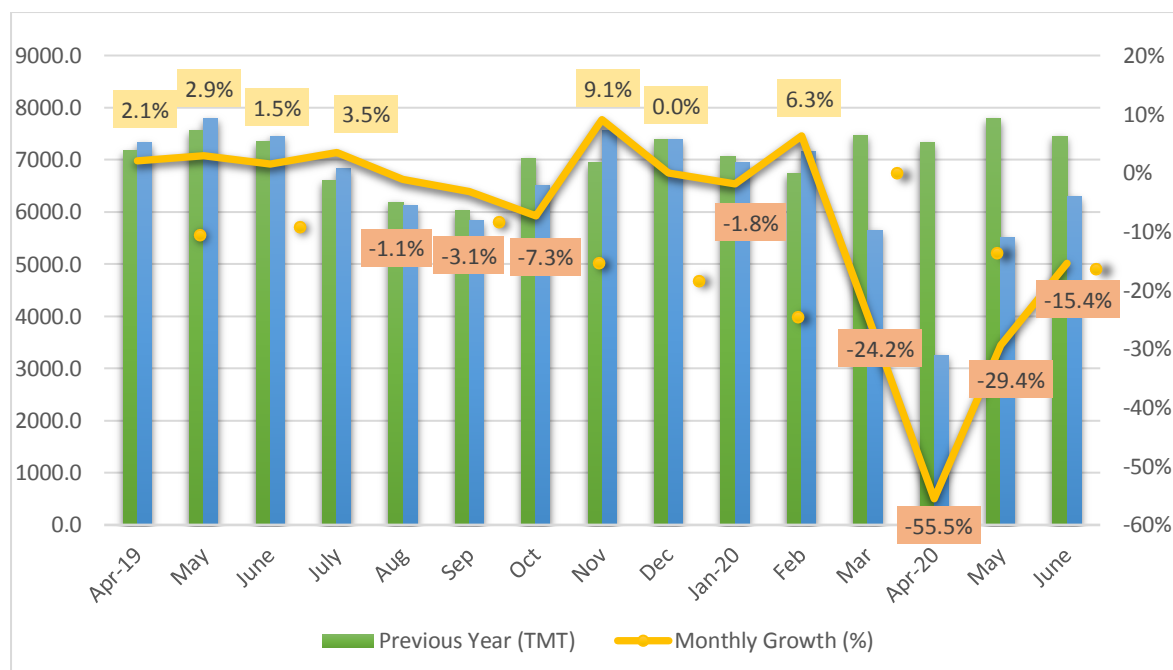
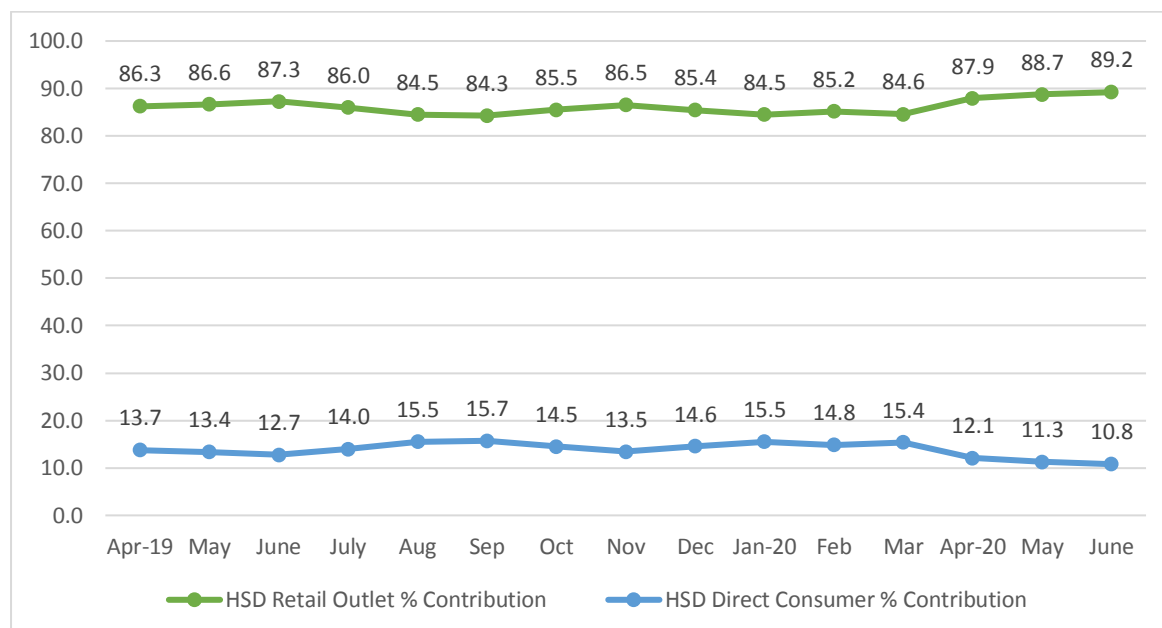


Figure-4 gives a comparison of month-wise percentage of HSD consumption through retail outlets and direct consumer business since April 2019.

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:

The commercial vehicle (M&HCV and LCV) segment registered a drop of -84.8% for the period April-June 2020. M&HCV and LCV saw a de-growth of -94.1% and -79.7% respectively for the period of April-June 2020 as compared to the last year.

Port Traffic:

The traffic handled at major ports in India recorded a de-growth of -14.5% and together handled 49.1 MMT of cargo during June 2020 as against 57.5 MMT handled during the corresponding period of the previous year. All the major ports recorded a dip in cargo handled during the month of June 2020 except the port of Mormugao (Goa) 22.8% due to growth in Iron ore traffic and VO Chidambaranar (Tuticorin) 1.4% due to growth in finished fertilizer traffic.

During the period April-June 2020, growth was registered in iron ore 18.8% and fertilizer raw 28.6% while de-growth was observed in Petroleum Oil & lubricants (POL) -14.7%, other liquids -28.5%, fertilizer finished -12.9%, thermal & steam coal -34.7%, coking & others coal -28.4% and containers -30.11% and miscellaneous cargo -10.9%. Commodity-wise, the percentage share of POL was maximum i.e. 34.0%, followed by container 18.6%, thermal & steam coal 12.5%, iron ore & pellets 10.9%, other miscellaneous cargo 10.5%, coking & other coal 7.5%, other liquids 3.6%, fertilizer finished 1.4% and raw fertilizer 1.0%.

Port-wise details on traffic handled by major ports in India during the month of June 2020 is given below in table 2.

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

Ports	June 2019	June 2020	Growth (%)
Kolkata & Haldia	5,431	4,415	-18.7%
Paradip	9,716	9,637	-0.8%
Visakhapatnam	5,907	5,507	-6.8%
Kamarajar (Ennore)	2,546	1,941	-23.8%
Chennai	3,939	2,721	-30.9%
V.O. Chidambaranar	2,809	2,849	1.4%
Cochin	2,811	2,224	-20.9%
New Mangalore	2,823	2,478	-12.2%
Mormugao	1,204	1,479	22.8%
Mumbai	4,587	3,921	-14.5%
JNPT	5,626	4,071	-27.6%
Deendayal	10,061	7,860	-21.9%
Total:	57,460	49,103	-14.5%

Source: ipa.nic.in

Power situation:

The position of power supply for the month of June 2020 is given in Table-6. As per the data reported, power deficit position has remained constant at -0.4% in the month of June 2020 as in the month of June 2019. The deficit was mainly in the state Uttar Pradesh and UT of Jammu & Kashmir and Ladakh. Also the requirement of power in June 2020 at 105,606 MU has reached at 89.9% of requirement in the month of June 2019 at 117,415 MU.

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

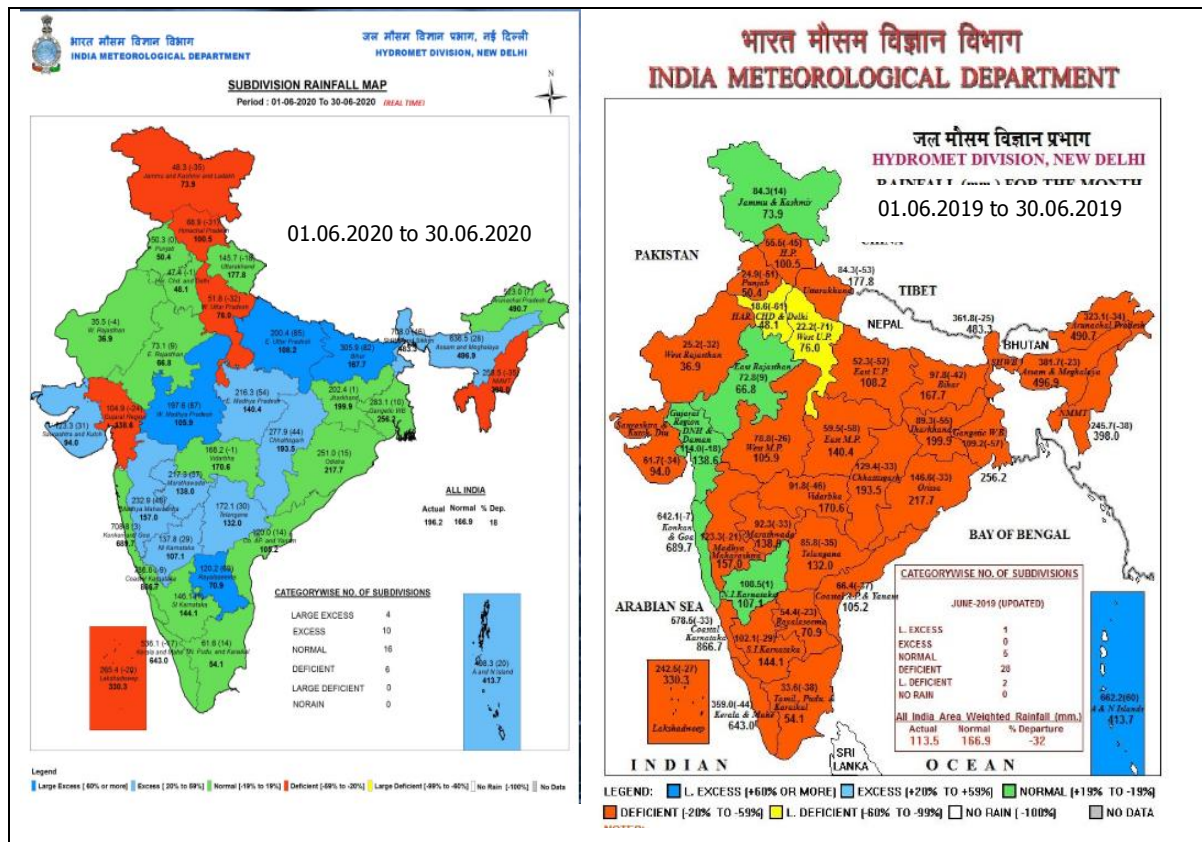
Region	June-19			June-20		
	Requirement	Supplied (MU)	Deficit %	Requirement	Supplied (MU)	Deficit %
North	40,978	40,586	-1.0%	37,749	37,331	-1.1%
West	33,248	33,248	0.0%	28,408	28,408	0.0%
South	28,502	28,485	-0.1%	25,978	25,978	0.0%
East	13,127	13,127	0.0%	12,005	12,005	0.0%
North-East	1,560	1,500	-3.8%	1,466	1,442	-1.6%
Total	117,415	116,946	-0.4%	105,606	105,164	-0.4%

Source: Central Electricity Authority (CEA)

Seasonal rainfall scenario:

The rainfall in the country during June 2020 was almost 18% above normal precipitation. A rainfall of 196.2 mm was recorded in the month of June 2020 as against a normal reading of 166.9 mm. Out of total 36 sub divisions, 30 divisions received from normal to large excess rainfall whereas 6

divisions received deficient to large deficient rainfall. Adequate rainfall during the month has supported the growth in the rural economy.



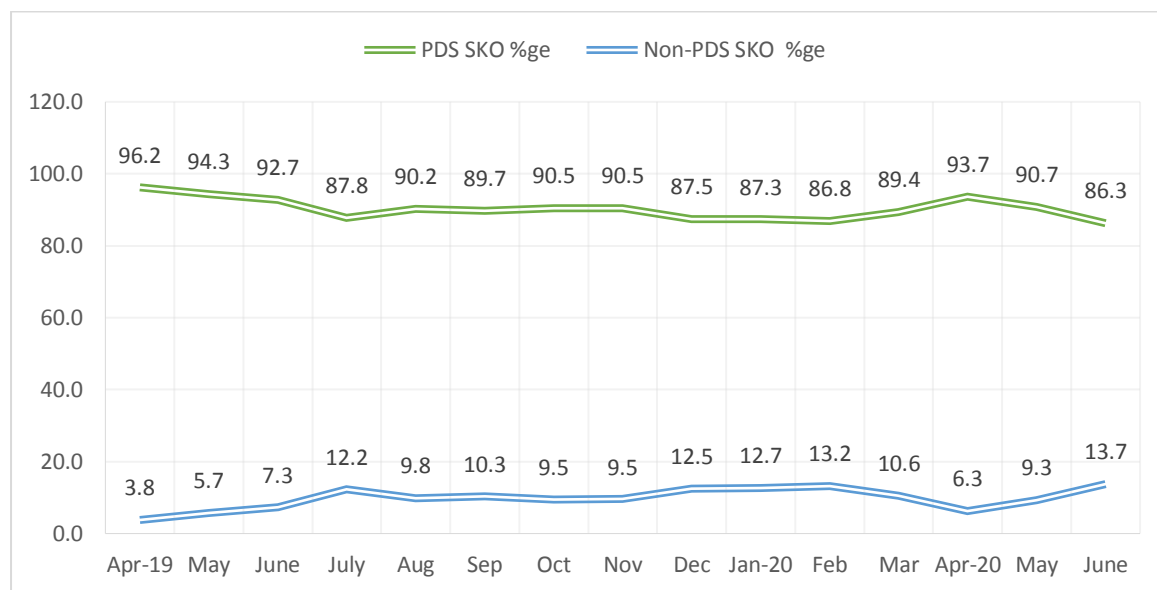
Source: India Meteorological Department (IMD)

Kerosene:

Kerosene consumption registered a de-growth of -38.0% during the month of June 2020 as compared to June 2019. Consumption for the period of April-June 2020 has shown a de-growth of -39.7% as compared to previous year. 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 June 2020 saw nil upliftment by the state of Uttarakhand. 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

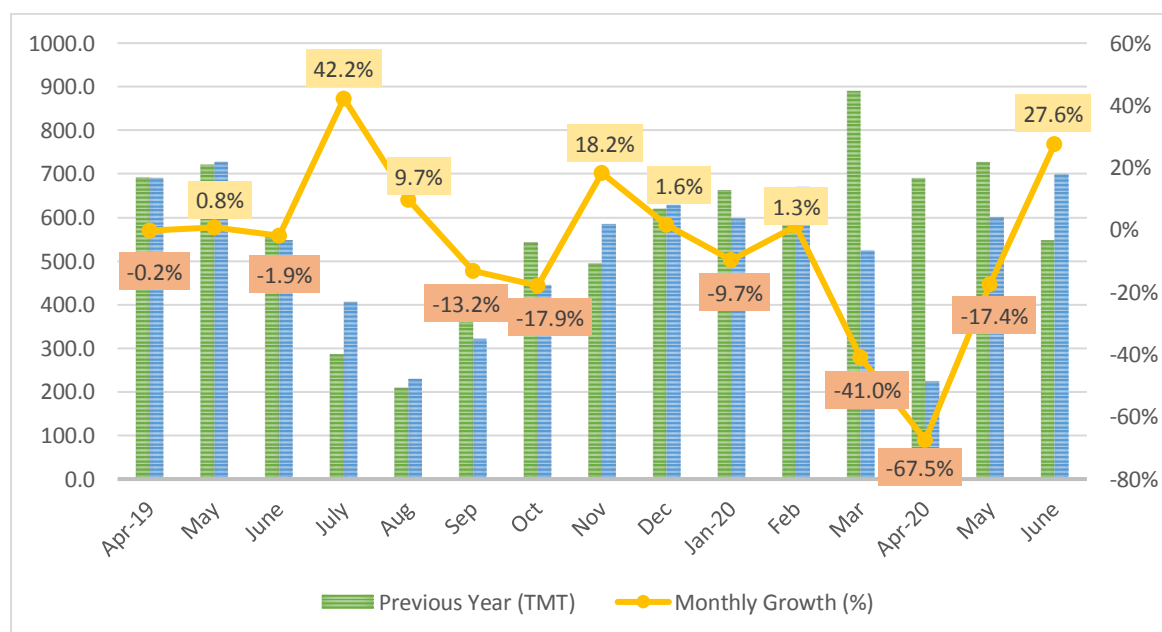


Bitumen:

Bitumen consumption in June 2020 improved to a volume of 699 TMT and recorded a growth of 27.6% as compared to June 2019 mainly due to rushing of road construction activities ahead of monsoon season. The growth in bitumen consumption signals towards normalcy returning to economic activities.

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 15.8% during June 2020 and a cumulative growth of 13.4% during the period April-June 2020. Last year during June 2019, a de-growth of -7.1% was observed and the cumulative de-growth during April-June 2019 was -1.7 %.

During June 2020, out of the five regions, Northern region had the highest share in total PSU LPG sales of 30.2% followed by Southern region at 27.2%, Western region at 20.7%, Eastern region at 19.0% and North Eastern region at 2.9%.

PSU LPG Packed Domestic category recorded a growth of 23.0% during June 2020 and a cumulative growth of 23.2% during April-June 2020. Last year during June 2019, a de-growth of -7.0% was observed and the cumulative de-growth during April-June 2019 was -1.4%. During April-June 2020, around 13.5 lakh DBCs and 18.9 lakh new connections were released. A total of 8.01 crore BPL households have been covered under PMUY till 30.6.2020 since inception of the scheme. During June 2020, the region-wise share of LPG Packed Domestic consumption was highest in Northern region (30.9%) followed by Southern region (26.1%), Western region (20.4%), Eastern region (19.6%) and North-Eastern region (3.0%). During June 2020, the five states with the highest LPG-Packed domestic sales share were Uttar Pradesh (15.3%), Maharashtra (10.6%), West Bengal (8.5%), Tamil Nadu (7.7%) and Bihar (6.8%). During June 2020, percentage share of LPG-Packed Domestic was 93.5% of total PSU LPG sales whereas it was 88.4% in June 2019.

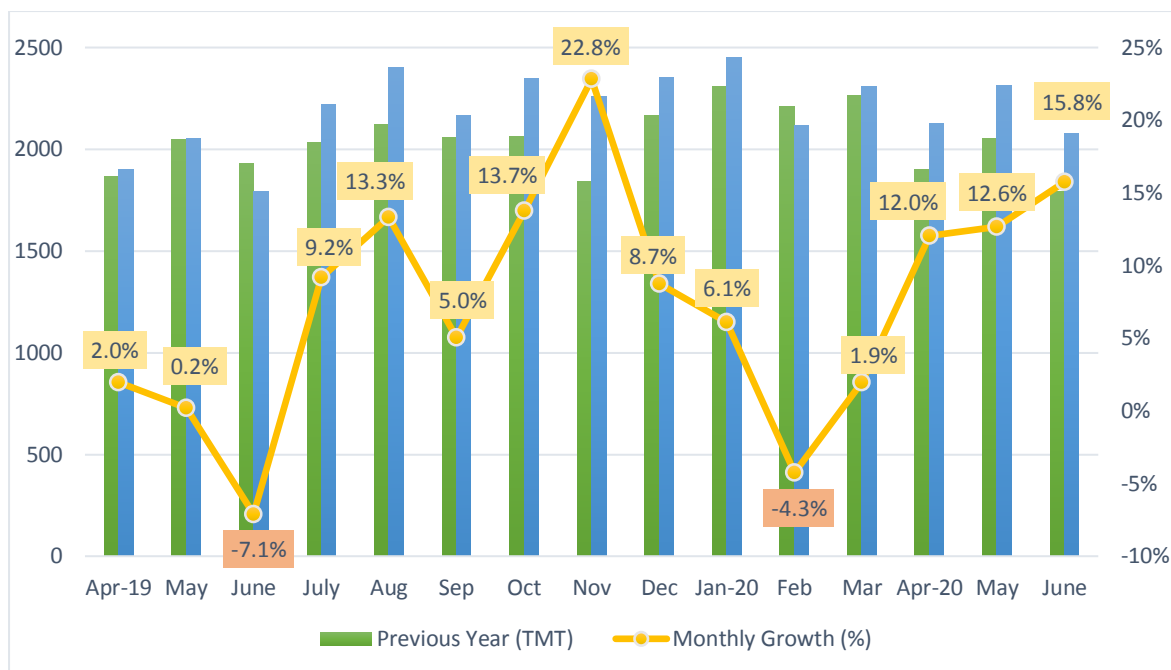
PSU LPG Packed Non-Domestic category recorded a de-growth of -41.4% in June 2020 and a cumulative de-growth of -59.9% during April-June 2020. Last year during June 2019, a de-growth of -3.1% was observed and the cumulative growth during April-June 2019 was 3.3%. Share of LPG Packed Non-Domestic in total PSU LPG Sales has decreased to 5.0% in June 2020 from 9.9% in June 2019. Region-wise share of LPG Packed Non-Domestic consumption was highest in Southern region (42.4%) followed by Western region (25.3%), Northern region (22.7%), Eastern region (8.2%) and North-Eastern region (1.4%) during June 2020.

PSU Bulk LPG category registered a growth of 45.0% during June 2020 and a cumulative de-growth of -19.7% during April-June 2020. Last year in the month of June 2019, there was a de-growth of -41.8% while for the period April-June 2019, a de-growth of -32.3% was witnessed. Percentage share of Bulk LPG in total PSU LPG sales was 1.1% during June 2020 whereas it was 0.9% in June 2019.

PSU Auto LPG category registered a de-growth of -36.5% in June 2020 and a cumulative de-growth of -65.9% during April-June 2020. The sales volume decrease was about 4.9 TMT in June 2020 as compared to June 2019. Last year in the month of June 2019 a de-growth of -13.6% was observed while there was a cumulative de-growth of -8.4% during April-June 2019. During June 2020, the percentage share of Auto LPG was 0.4% of total PSU LPG sales whereas it was 0.8% in June 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 18.2% in June 2020 as compared to June 2019. Consumption in June 2020 was higher by 8.0% as compared to May 2020. The period April-June 2020 saw a growth of 13.6% 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 1167.3 TMT during the month, petrochemical sector consumed 919.6 TMT.

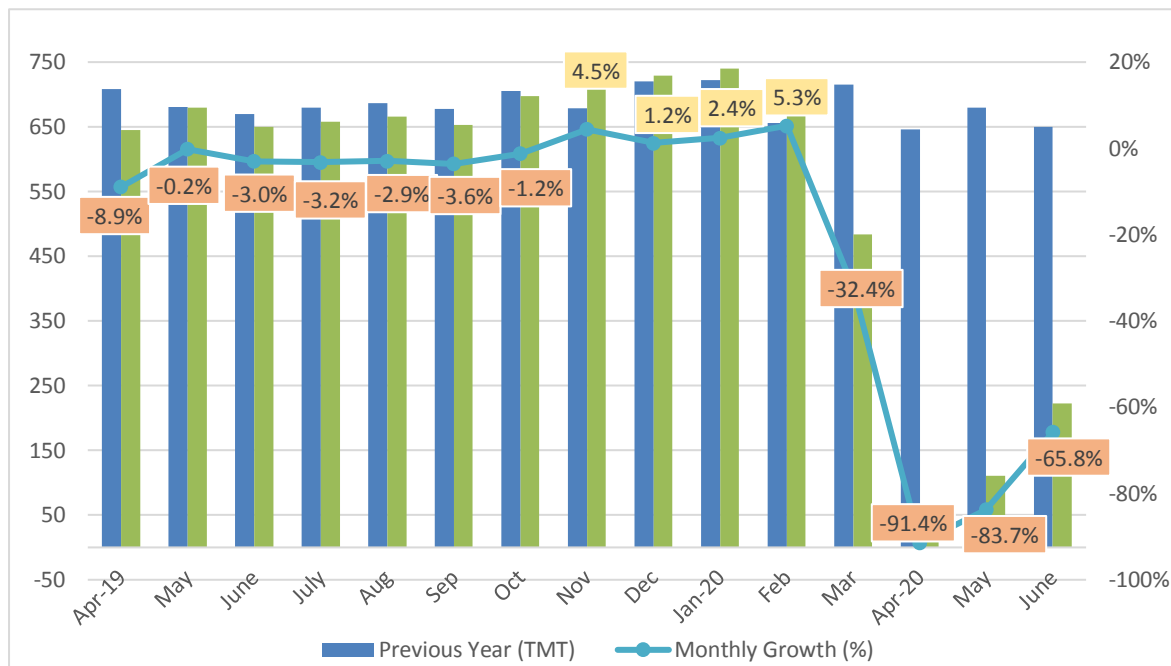
ATF:

ATF consumption has shown a growth of 100.6% in the month of June 2020 as compared to the previous month of May 2020, while consumption for the month of June 2020 as compared to June 2019 has shown a de-growth of -65.8%. The domestic flights functioned with cautious travellers, restrictions in flight capacity and airports depending on the local state government rules. International air travel remained banned except for certain flights engaged in special services.

Passengers carried by domestic airlines during the month of June 2020 stood at 19.8 lakhs as against 120.3 lakhs during June 2019. The total domestic passengers carried for the period of April-June 2020 stands at 22.7 lakhs against a historical of 352.1 Lakhs during April-June 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 6.2% during June 2020 as compared to June 2019. Consumption in June 2020 was higher by a meagre 0.6% as compared to May 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 90.4 TMT and Iron & Steel 55.6 TMT out of the total consumption of 505.6 TMT of FO/LSHS in the month of June 2020.

Petcoke:

Petcoke consumption registered a growth of 7.9% in June 2020 as compared to June 2019. Consumption in June 2020 was higher by 6.5% as compared to May 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. Consumption of Petcoke by cement industries increased significantly in June 20 as compared to last two months in the current financial year indicating opening of building & construction sector.

LDO:

LDO consumption recorded a growth of 13.8% during June 2020 as compared to June 2019. Consumption for the period of April-June 2020 has recorded a growth of 7.8% as compared to the same period previous year. LDO is extensively used in various types of furnaces. Consumption in power generation 17.0 TMT and civil engineering 12.9 TMT are the major sectors contributing to the consumption of LDO 60.9 TMT during the month.

Industry Consumption Trend Analysis 2020-21 (Provisional)						
('000 MT)						
Product	June			April-June		
	2019-20	2020-21	Growth (%)	2019-20	2020-21	Growth (%)
(A) Sensitive Products						
LPG	1793.3	2075.9	15.8	5747.8	6518.9	13.4
SKO	260.0	161.2	-38.0	782.5	471.5	-39.7
Sub Total	2053.4	2237.1	8.9	6530.3	6990.4	7.0
(B) Major Decontrolled Product						
HSD	7451.4	6302.4	-15.4	22562.9	15059.9	-33.3
MS	2638.7	2280.9	-13.6	7835.2	5024.3	-35.9
Naphtha	987.4	1167.3	18.2	2731.1	3103.8	13.6
ATF	649.7	222.3	-65.8	1974.9	388.7	-80.3
Bitumen	547.9	699.1	27.6	1964.9	1524.0	-22.4
FO/LSHS	475.9	505.6	6.2	1489.1	1324.5	-11.1
Lubes+Greases	300.1	325.5	8.4	909.3	795.7	-12.5
LDO	53.5	60.9	13.8	147.9	159.5	7.8
Sub Total	13104.5	11564.0	-11.8	39615.3	27380.4	-30.9
Sub – Total (A + B)	15157.9	13801.2	-9.0	46145.6	34370.9	-25.5
(C) Other Minor Decontrolled Products						
Pet.Coke	1479.6	1596.2	7.9	5867.8	4205.2	-28.3
Others*	1036.9	889.9	-14.2	3063.6	2315.1	-24.4
Sub Total	2516.5	2486.1	-1.2	8931.4	6520.3	-27.0
Total	17674.4	16287.2	-7.8	55077.0	40891.2	-25.8

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