

NEW DELHI: India's domestic sales for diesel and petrol rose to record highs in May, pushing the country's overall [fuel consumption](#)

for the month higher year-on-year, data from the Petroleum Planning and Analysis Cell (PPAC) of the oil ministry showed on Saturday.

Fuel consumption, a proxy for oil demand, totalled 18.72 million tonnes last month, during which diesel sales soared to 7.55 million tonnes and petrol consumption climbed to 2.46 million tonnes - the highest monthly sales figures in PPAC data going back to April 1998.

India, the world's third-largest oil consumer, used 35.2 million tonnes of diesel during January to May this year, up 6 percent from the corresponding period last year.

The country's monthly diesel sales have averaged 7.05 million tonnes in 2018, compared with a monthly average consumption of 6.6 million tonnes last year.

Sales of petrol, rose 7.6 per cent in May from April +

and are up 2 per cent from the same month last year. Monthly demand for petrol has averaged 2.27 million tonnes this year, up 7 per cent from the 2017 average of 2.12 million tonnes.

Diesel consumption growth during the calendar year of 2018 may be more than double from last year, analysts and traders told Reuters, aided by an expected regular monsoon that should boost demand for diesel used in harvesting, while the government targets massive infrastructure spending.

More than half of India's population is employed in the farm sector, which depends on diesel to fuel the pumps for land irrigation.

Higher domestic consumption in India, however, may cap the country's capacity to export diesel.

India's diesel exports during March to April this year were 3.79 million tonnes, down 22 per cent from 4.87 million tonnes of the industrial fuel exported during the same time last year.

Last month, petrol and diesel pump prices in India surged to record highs, raising pressure on Prime Minister Narendra Modi's government to find a solution to provide relief to consumers without taking a hit on its finances.

The recent rise in global crude prices was largely behind the surge in domestic prices, but fuel is also heavily taxed by India's state and federal authorities, accounting for about half the cost of petrol and 40 per cent of the diesel price.