

India's fuel consumption declined to a four-year low in fiscal 2020-2021



India closed the financial year 2020-2021 with a nine per cent decline in total [fuel consumption](#) over the same period last year. This fall is primarily attributed to Covid-19 lockdowns induced slump in economic activities. According to data shared by the Petroleum Planning and Analysis Cell, India's total fuel consumption stood at 194.63 million tonnes (mt) during the year under review, down from 214.13 mt a year ago. This is a four year low with 194.60 mt fuel consumption last reported in fiscal 2016-2017. It is also the first recorded overall decline in the country's fuel consumption.

Petrol consumption stood 6.75 per cent lower from 30 million tonnes in 2019-2020 to 28 mt in 2020-2021. The fall was muted on account of a rise in preference for personal mobility in the later months of the financial year as COVID-19 lockdowns were relaxed.

Liquefied Petroleum Gas (LPG or cooking gas) consumption stood at 27.59 mt, almost 5 per cent higher than last year. This growth in consumption is driven by the three free LPG cylinders distributed to each of the 8 crore Pradhan Mantri Ujjwala Yojana (PMUY) beneficiaries early in the COVID-19 pandemic lockdowns.

This had also driven up imports of LPG with IndianOil, the country's largest fuel refiner, saying that it will be importing about 50 per cent more cooking gas to ensure uninterrupted availability of bulk LPG for its bottling plants.

Oil companies had ramped up imports of LPG in April and May to cover up any shortfall during the course of the pandemic lockdowns. Despite the surge, the additional imports remained within the existing contracts with more quantities being frontloaded at the beginning of the financial year.

A steep decline in diesel consumption over the year pulled down the overall fuel usage the most. India's diesel consumption stood at 72.72 mt in fiscal 2020-2021, down from 82.60 mt a year ago. This means lesser commercial vehicles were on the country's roads compared to last year, a reflection of slowed economic activity. This is also the second straight year of decline in total diesel consumption that stood at 83.53 mt in fiscal 2018-2019. Diesel consumption in 2020-2021 is a five-year low with 69.42 mt of consumption being reported in 2014-2015.

Aviation Turbine Fuel (ATF or Jet fuel) consumption fell to less than half of a year ago during the period under review. This is because leisure travel came to a standstill for most of the year and businesses shifted to virtual meetings to avoid the spread of Covid-19.

Fuel Consumption took a pandemic hit last fiscal

240220200180160140120100806040200LPGNaphthaPetrolAviation Turbine FuelKeroseneDieselLight diesel
oilLubricants & GreasesFurnace Oil and Low Su...BitumenPetroleum cokeOthersTOTAL
2019-2020
2020-2021

Source: Petroleum Planning and Analysis Cell

[Fuel Consumption](#)