

I. Treasury Transfers to EDL in December 2016

- ▶ **In December 2016**, treasury transfers to EDL reached LL 161.43 billion for reimbursement of KPC and Sonatrach gas and fuel bills.
- ▶ The C-loans are fully amortized so no debt service is recorded starting October 2016.

Table 1: Monthly Treasury transfers to EDL in Jan-Dec 2016

(LL billion)	Jan	Feb	Mar	April	May	June	July	Aug	Sep	Oct	Nov	Dec	Total
EDL of which:	53.83	82.64	93.15	87.27	115.95	71.28	157.41	124.18	166.45	122.07	161.62	161.43	1397.28
Debt service (C-Loans)	1.48	5.63	0.29	0.88	1.13	0.60	4.17	5.50	0.29	0.00	0.00	0.56	20.52
• Principal payments	0.94	5.07	0.25	0.87	1.11	0.52	3.50	5.05	0.25	0.00	0.00	0.49	18.05
• Interest payments	0.53	0.57	0.04	0.01	0.02	0.08	0.66	0.45	0.04	0.00	0.00	0.07	2.47
Reimbursement for purchase of gas and fuel	52.35	77.01	92.86	86.39	114.82	70.68	153.25	118.68	166.17	122.07	161.62	160.87	1376.76
• KPC & SPC	52.35	77.01	92.86	86.39	114.82	70.68	153.25	118.68	166.17	122.07	161.62	160.87	1215.89

Source: Ministry of Finance

II. Treasury Transfers to EDL in Jan-December 2016 in comparison with Jan-December 2015

- ▶ **Transfers to EDL in Jan-December 2016 were LL313.60 billion lower than the Jan-December 2015 level**

Transfers in Jan-December 2016 were LL 313.60 billion lower than the amount paid in Jan-December 2015, which stood at LL 1,710.87 billion. This was mainly a result of lower payments to KPC and Sonatrach for fuel oil and gas oil purchases

(LL billion)	Jan-Dec 2015	Jan-Dec 2016	Change	% Change
EDL, of which:	1,710.87	1,397.28	313.60-	-18.3%
Debt Service (C-Loans and Eurobonds):	28.90	20.52	8.39-	-29.0%
-Principal Repayments	25.40	18.05	7.35-	-29%
-Interest Payments	3.50	2.47	1.03-	-29.5%
Reimbursement for purchase of gas and fuel	1,681.97	1,376.76	305.21-	-18.1%
• KPC & SPC	1,681.97	1,376.76	305.21-	-18.1%

- ▶ **Payments to the two oil suppliers in Jan-December 2016 were LL 305.21 billion lower than their level during Jan-December 2015.**

The component “Reimbursement of KPC and Sonatrach Agreements” reached LL 1,376.76 billion in Jan-December 2016, down from LL 1,681.97 billion in Jan-December 2015. This 18.1 percent decrease was mainly driven by lower average prices of crude oil.

- **From a quantity-effect viewpoint:**
 - % Change in Quantity of Fuel Oil imported: 16.26 % ▲
 - % Change in Quantity of Gas Oil imported: -2.36 % ▼
- **From a price-effect viewpoint:**

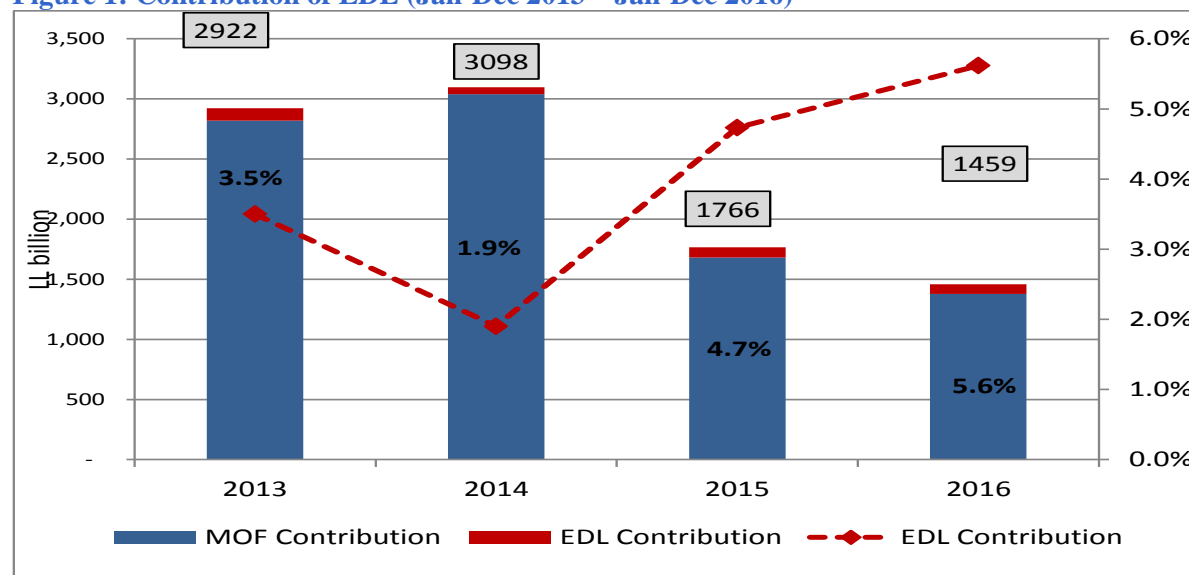
	Jan-Dec 2015 Bill	Jan-Dec 2016 Bill
Average Price/Barrel	US\$ 51.92	US\$ 44.13
% Change in weighted average price of crude oil		15 % ▼

III. Contribution of EDL out of the total oil bill

► EDL contributed 5.6 percent of the total oil bill in Jan-December 2016

From a total oil bill of LL 1459 billion in Jan-December 2016, EDL contributed by 5.6 percent to the cost of gas oil and fuel oil purchase¹. This figure was lower at 4.7 percent during the same period of 2015, out of a higher bill of LL 1766 billion. In nominal terms, EDL's contribution was higher in Jan-December 2015, amounting to LL 83.58 billion, compared to LL 81.92 billion during the same period in 2016.

Figure 1: Contribution of EDL (Jan-Dec 2013 – Jan-Dec 2016)

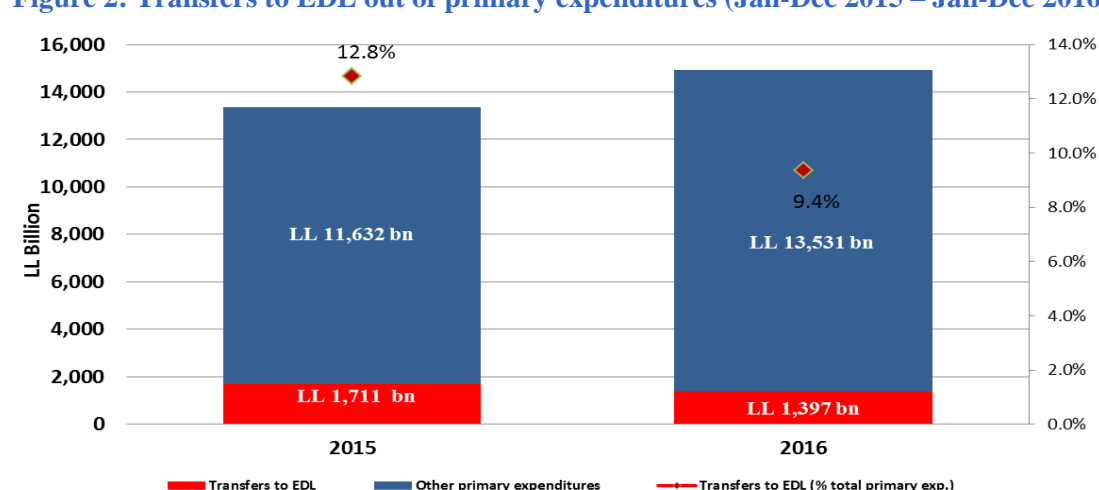


IV. Shares of “Transfers to EDL” out of Expenditures

► Transfers to EDL constituted 9.2 percent of primary expenditures in Jan-December 2016

With primary expenditures at LL 14,928 billion, the share of transfers to EDL reached 9.4 percent in Jan-December 2016. This share was higher at 12.8 percent in Jan-December 2015.

Figure 2: Transfers to EDL out of primary expenditures (Jan-Dec 2015 – Jan-Dec 2016)



¹ The Treasury transferred around LL 1,397 billion to cover EDL's deficit in Jan-December 2016. Out of this amount, around LL 1376.76 billion represented the Treasury transfer to purchase gas oil and fuel oil (as shown in Table 2). However, the total oil bill for Jan-December 2016 amounted to LL 1458.68 billion, which correspond to LL 1376.76 billion of Treasury transfers plus LL 81.92 billion of payments made by EDL.