

I. Treasury Transfers to EDL in October 2016

- ▶ **In October 2016**, treasury transfers to EDL reached LL 122.07 billion for reimbursement of KPC and Sonatrach gas and fuel bills.
- ▶ The C-loans are fully amortized so no debt service will be recorded starting October 2016.

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

(LL billion)	Jan	Feb	Mar	April	May	June	July	Aug	Sep	Oct	Total
EDL of which:	53.83	82.64	93.15	87.27	115.95	71.28	157.41	124.18	166.45	122.07	1074.23
Debt service (C-Loans and Eurobonds):	1.48	5.63	0.29	0.88	1.13	0.60	4.17	5.50	0.29	0.00	19.96
• Principal payments	0.94	5.07	0.25	0.87	1.11	0.52	3.50	5.05	0.25	0.00	17.56
• Interest payments	0.53	0.57	0.04	0.01	0.02	0.08	0.66	0.45	0.04	0.00	2.40
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	1054.27
• KPC & SPC	52.35	77.01	92.86	86.39	114.82	70.68	153.25	118.68	166.17	122.07	1054.27

Source: Ministry of Finance

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

- ▶ **Transfers to EDL in Jan-October 2016 were LL384.14 billion lower than the Jan-October 2015 level**

Transfers in Jan-October 2016 were LL 384.14 billion lower than the amount paid in Jan-October 2015, which stood at LL 1,458.38 billion. This was mainly a result of lower payments to KPC and Sonatrach for fuel oil and gas oil purchases

(LL billion)	Jan-Oct 2015	Jan-Oct 2016	Change	% Change
EDL, of which:	1,458.38	1074.23	384.14-	-26.3%
Debt Service (C-Loans and Eurobonds):	27.04	19.96	7.08-	-26.2%
-Principal Repayments	23.68	17.56	6.11-	-26%
-Interest Payments	3.37	2.40	0.97-	-28.8%
Reimbursement for purchase of gas and fuel	1,431.33	1054.27	377.06-	-26.3%
• KPC & SPC	1,431.33	1054.27	377.06-	-26.3%

- ▶ **Payments to the two oil suppliers in Jan-October 2016 were LL 377.06 billion lower than their level during Jan-October 2015.**

The component “Reimbursement of KPC and Sonatrach Agreements” reached LL 1054.27 billion in Jan-October 2016, down from LL 1,431.33 billion in Jan-October 2015. This 26.3 percent decrease was mainly driven by lower average prices of crude oil.

- **From a quantity-effect viewpoint:**
 - % Change in Quantity of Fuel Oil imported: 17.10 % ▲
 - % Change in Quantity of Gas Oil imported: 0.28 % ▲
- **From a price-effect viewpoint:**

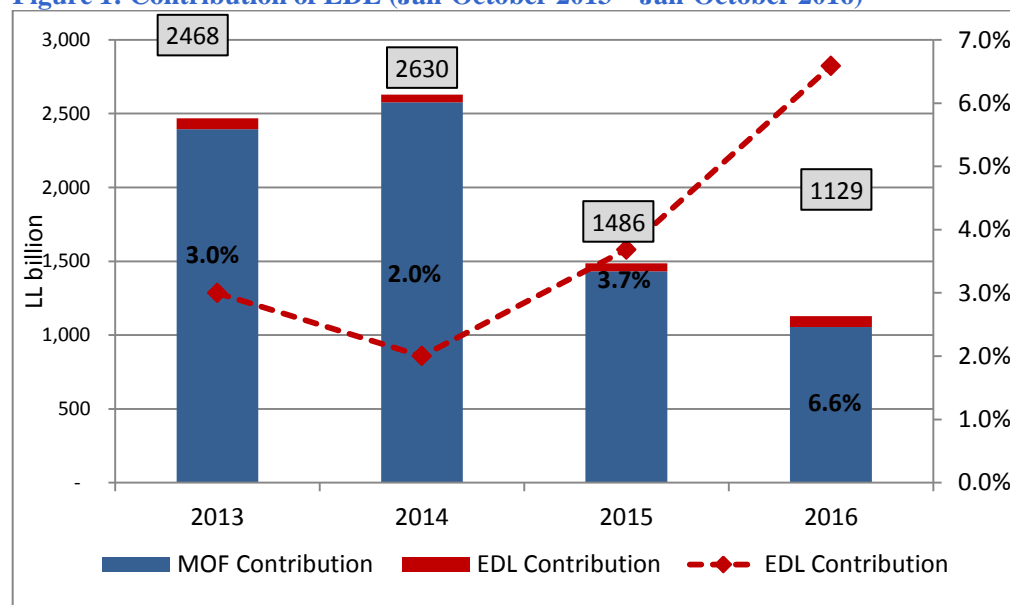
	Jan-Oct 2015 Bill	Jan-Oct 2016 Bill
Average Price/Barrel	US\$ 54.48	US\$ 42.88
% Change in weighted average price of crude oil		21.288 % ▼

III. Contribution of EDL out of the total oil bill

- ▶ **EDL contributed 6.6 percent of the total oil bill in Jan-October 2016**

From a total oil bill of LL 1129 billion in Jan-October 2016, EDL contributed by 6.6 percent to the cost of gas oil and fuel oil purchase¹. This figure was lower at 3.7 percent during the same period of 2015, out of a higher bill of LL 1486 billion. In nominal terms, EDL's contribution was lower in Jan-October 2015, amounting to LL 54.73 billion, compared to LL 74.33 billion during the same period in 2016.

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

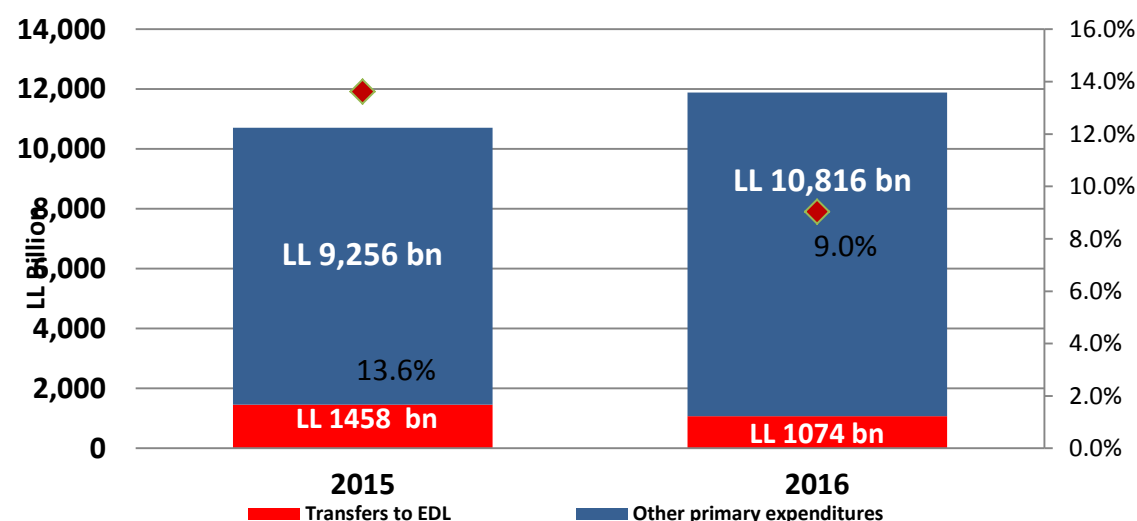


IV. Shares of “Transfers to EDL” out of Expenditures

- ▶ *Transfers to EDL constituted 9.0 percent of primary expenditures in Jan-October 2016*

With primary expenditures at LL 11,890 billion, the share of transfers to EDL reached 9.0 percent in Jan-October 2016. This share was higher at 13.6 percent in Jan-October 2015.

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



¹ The Treasury transferred around LL 1074 billion to cover EDL's deficit in Jan-October 2016. Out of this amount, around LL 1054.27 billion represented the Treasury transfer to purchase gas oil and fuel oil (as shown in Table 2). However, the total oil bill for Jan-October 2016 amounted to LL 1128.60 billion, which correspond to LL 1054.27 billion of Treasury transfers plus LL 74.33 billion of payments made by EDL.