

## I. Treasury Transfers to EDL in January-August 2012

► In August 2012, treasury transfers to EDL reached LL 306 billion, as follows:

- ⇒ Reimbursement of KPC and Sonatrach LL 292.7 billion
- ⇒ Debt service LL 13.4 billion

► Between January and August 2012, treasury transfers to EDL reached LL 2,172 billion, as follows:

- ⇒ Reimbursement of KPC and Sonatrach LL 2,095 billion
- ⇒ Debt service LL 77 billion

Table 1: Monthly Treasury transfers to EDL in Jan-Aug 2012

(LL billion)	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Total
<b>EDL of which:</b>	<b>355</b>	<b>189</b>	<b>272</b>	<b>261</b>	<b>333</b>	<b>70</b>	<b>387</b>	<b>306</b>	<b>2,172</b>
Debt service, of which:	3.7	14.1	0.0	25.4	0.0	1.6	18.6	13.4	77
• C-Loans and Eurobonds, of which:	1.7	14.1	0.0	1.4	0.0	1.6	8.1	13.4	40
– Principal payments	1.0	11.9	0.0	1.2	0.0	1.3	6.4	11.4	33
– Interest payments	0.7	2.2	0.0	0.2	0.0	0.3	1.7	1.9	7
• BDL Guaranteed Loan payments	1.9	0.0	0.0	24.0	0.0	0.0	10.5	0.0	36
Reimbursement for purchase of gas and fuel	351.0	175.1	271.7	235.1	333.1	68.4	367.9	292.7	2,095
• KPC & SPC	351.0	175.1	271.7	235.1	333.1	68.4	367.9	292.7	2,095
• EGAS	-	-	-	-	-	-	-	-	0

Source: Ministry of Finance

## II. Treasury Transfers to EDL in Jan-Aug 2012 vs. January-Aug 2011

► Transfers to EDL between January and August 2012 were LL 830 billion higher than the amount paid during the same period in 2011

Transfers in January-August 2012 were LL 830 billion higher than the amount paid during the same period of 2011, which stood at LL 1,342 billion, as a result of the following two factors:

- ⇒ Increase in payments to KPC and Sonatrach for fuel oil and gas oil purchases, by LL 828 billion
- ⇒ Increase in debt service, by LL 2 billion

The above increases were partly offset by a decrease in natural gas purchases from EGAS, by LL 55 billion

Table 2: Treasury Transfers to EDL

(LL billion)	Aug 2011	Aug 2012	Jan-Aug 2011	Jan-Aug 2012	Change	% Change
<b>EDL, of which:</b>	<b>197</b>	<b>306</b>	<b>1,342</b>	<b>2,172</b>	<b>830</b>	<b>62%</b>
Debt Service, of which:	14	13	75	77	2	3%
• C-Loans and Eurobonds, of which:	14	13	54	40	-14	-26%
– Principal Repayments	12	11	45	33	-12	-26%
– Interest Payments	2	2	9	7	-2	-24%
• BDL-Guaranteed Loan Payments	0	0	20	36	16	80%
Reimbursement for purchase of gas and fuel	183	293	1,267	2,095	828	65%
• KPC & SPC	183	293	1,212	2,095	883	73%
• EGAS	0	0	55	0	-55	-100%

Source: Ministry of Finance



► *Payments to the two oil suppliers in January-August 2012 were LL 883 billion higher than their level during the same period of 2011*

The component “Reimbursement of KPC and Sonatrach Agreements” reached LL 2,095 billion in January-August 2012, up from LL 1,212 billion in January-August 2011. This 73 percent increase was mainly driven by higher international oil prices at the time when the gas oil and fuel oil shipments were imported.

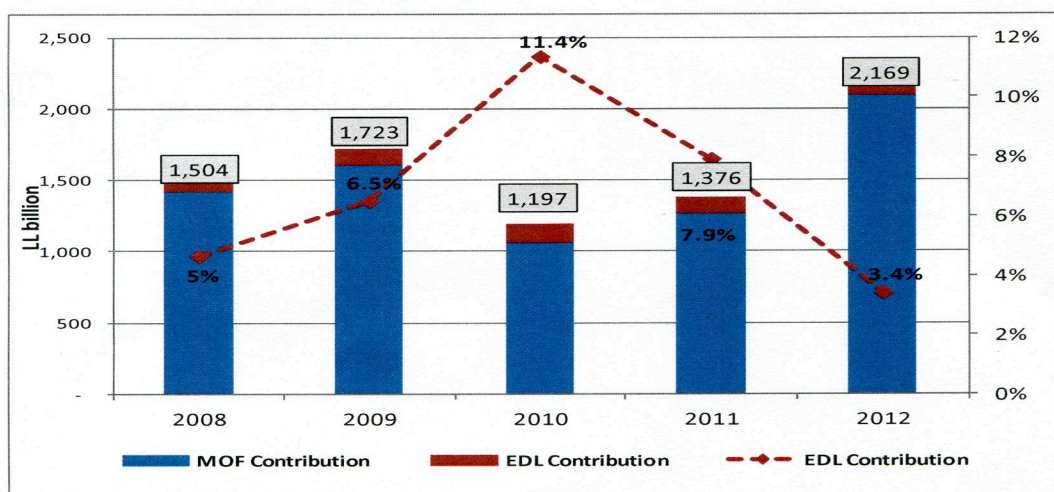
- From a quantity-effect viewpoint: gas oil imported during May 2011-February 2012 (paid in January-August 2012) is 25% higher than the quantity imported between June 2010- Feb 2011 (paid in January-August 2011). In return, fuel oil quantities imported during July 2011 and March 2012 (paid in January-August 2012) increased by 12 percent, compared to July 2010 and March 2011 (paid in January-August 2011).
- From a price-effect viewpoint: the average oil price according to which the January-August 2012 payments were made is 33 percent higher than that pertaining to January-August 2011. This is due to the fact that 2012 payments reflect consumption over the period May 2011 and March 2012, where the weighted crude oil average prices were US\$ 112.14 /barrel. The January-August 2011 payments reflect consumption over the period June 2010-March 2011, where crude oil prices averaged US\$ 84.4/barrel.

### III. Contribution of EDL out of the total oil bill

► *EDL contributed 3.4 percent of the total oil bill in January-August 2012*

With a total oil bill of LL 2,169 billion paid in January-August 2012<sup>1</sup>, EDL contributed by 3.4 percent to repaying of KPC and Sonatrach. This figure was higher at 7.9 percent during the same period of 2011, out of a smaller bill of LL 1,376 billion. In nominal terms, EDL paid higher contribution in January-August 2011, amounting to LL 109 billion compared to LL 74 billion during the same period of this year. This represents a much lower contribution compared to that of 2010, which amounted to LL 136 billion or 11.4 percent out of an oil bill of LL 1,197 billion.

Figure 1: Contribution of EDL (Jan-Aug 2008 - Jan-Aug 2012)



<sup>1</sup> The Treasury transferred LL 2,172 billion to cover EDL's deficit in January-August 2012. Out of this amount, LL 2,095 billion represented the Treasury transfer to purchase gas and oil (as shown in Table 2). However, the total oil bill for January-August 2012 summed up to LL 2,169 billion which is constituted of LL 2,095 billion of treasury transfers “plus” 74 billion of transfers made by EDL.

## IV. Share of “Transfers to EDL” out of Expenditures

### ► Transfers to EDL constituted 24.9 percent of primary expenditures in January-August 2012

With primary expenditures at 8,717 billion in January-August 2012, the share of transfers to cover EDL’s oil bill reached 24.9 percent, registering the highest share in the last three years. The share of transfers out of primary expenditures was lower in January-August 2011, at 18.8 percent.

Figure 2: Transfers to EDL out of primary expenditures (Jan-Aug 2010 - Jan-Aug 2012)

