

## I. Treasury Transfers to EDL in 2012

► *In December 2012*, treasury transfers to EDL reached LL 105 billion, as follows:

⇒ Reimbursement of KPC and Sonatrach	LL 81 billion
⇒ Debt Service	LL 5 billion
⇒ Treasury advance for VAT payment	LL 19 billion

► *In 2012*, treasury transfers to EDL reached LL 3,408 billion, as follows:

⇒ Reimbursement of KPC and Sonatrach	LL 3,076.4 billion
⇒ Debt service	LL 111.9 billion
⇒ Treasury Advance for Karpowership Contract	LL 180 billion
⇒ Treasury advance for VAT payment	LL 40 billion

Table 1: Monthly Treasury transfers to EDL in 2012

(LL billion)	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec	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>450</b>	<b>200</b>	<b>482</b>	<b>105</b>	<b>3,408</b>
Debt service, of which:	3.7	14.1	0	25.4	0	1.6	18.6	13.4	0	30.2	0.0	5.0	111.9
• C-Loans and Eurobonds, of which:	1.7	14.1	0	1.4	0	1.6	8.1	13.4	0	1.3	0.0	5.0	46.5
– Principal payments	1	11.9	0	1.2	0	1.3	6.4	11.4	0	1.2	0.0	4.6	38.9
– Interest payments	0.7	2.2	0	0.2	0	0.3	1.7	1.9	0	0.2	0.0	0.4	7.5
• BDL Guaranteed Loan payments	1.9	0	0	24	0	0	10.5	0	0	28.9	0.0	0.0	65.4
<b>Reimbursement for purchase of gas and fuel</b>	<b>351</b>	<b>175.1</b>	<b>271.7</b>	<b>235.1</b>	<b>333.1</b>	<b>68.4</b>	<b>367.9</b>	<b>292.7</b>	<b>449.6</b>	<b>155.5</b>	<b>295.7</b>	<b>80.6</b>	<b>3,076.4</b>
• KPC & SPC	351	175.1	271.7	235.1	333.1	68.4	367.9	292.7	449.6	155.5	295.7	80.6	3,076.4
• EGAS	-	-	-	-	-	-	-	-	-	-	-	-	0.0
<b>Treasury Advance-Contract with Karpowership</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>180</b>	<b>-</b>	<b>180.0</b>
<b>Treasury Advance for VAT payment</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>14</b>	<b>7</b>	<b>19</b>	<b>40.0</b>

Source: Ministry of Finance

## II. Treasury Transfers to EDL in 2012 in comparison with 2011

► *Transfers to EDL in 2012 were LL 783 billion higher than the 2011 level*

Transfers in 2012 were LL 783 billion higher than the amount paid in 2011, which stood at LL 2,626 billion, as a result of the following factors:

- ⇒ Increase in payments to KPC and Sonatrach for fuel oil and gas oil purchases, by LL 606 billion
- ⇒ Increase in debt service, by LL 11 billion
- ⇒ Treasury advance for VAT payment during October, November and December, by LL 40 billion
- ⇒ Treasury advance for Karpowership Contract during November, by LL 180 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)	Dec 2011	Dec 2012	2011	2012	Change	% Change
<b>EDL, of which:</b>	<b>278</b>	<b>105</b>	<b>2,626</b>	<b>3,408</b>	<b>783</b>	<b>30%</b>
<b>Debt Service, of which:</b>	<b>3</b>	<b>5.0</b>	<b>101</b>	<b>112</b>	<b>11</b>	<b>11%</b>
• C-Loans and Eurobonds, of which:	3	5.0	61	46	-14	-23%
-Principal Repayments	3	4.6	51	39	-12	-23%
-Interest Payments	0	0.4	10	8	-2	-24%
• BDL-Guaranteed Loan Payments	0	0.0	40	65	26	64%
<b>Reimbursement for purchase of gas and fuel</b>	<b>275</b>	<b>80.6</b>	<b>2,525</b>	<b>3,076</b>	<b>551</b>	<b>22%</b>
• KPC & SPC	275	80.6	2,470	3,076	606	25%
• EGAS	-	-	55	0	-55	-100%
<b>Treasury Advance for Karpowership Contract</b>	<b>0</b>	<b>-</b>	<b>0</b>	<b>180</b>	<b>180</b>	<b>100%</b>
<b>Treasury Advance for VAT Payment</b>	<b>0</b>	<b>19</b>	<b>0</b>	<b>40</b>	<b>40</b>	<b>100%</b>

Source: Ministry of Finance

► **Payments to the two oil suppliers in 2012 were LL 606 billion higher than their level during 2011**

The component “Reimbursement of KPC and Sonatrach Agreements” reached LL 3,076 billion in 2012, up from LL 2,470 billion in 2011. This 25 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-June 2012 (paid in 2012) is 6% higher than the quantity imported between June 2010-July 2011 (paid in 2011). In return, fuel oil quantities imported during July 2011-June 2012 (paid in 2012) decreased by 5 percent, compared to July 2010-July 2011 (paid in 2011).
- From a price-effect viewpoint: the average oil price according to which the payments of year 2012 were made is 17 percent higher than that pertaining to year 2011. This is due to the fact that 2012 payments reflect consumption over the period May 2011- Jun 2012, where the weighted crude oil average prices were US\$ 112.95 /barrel. The 2011 payments reflect consumption over the period June 2010-Jul 2011, where crude oil prices averaged US\$ 96.5/barrel.

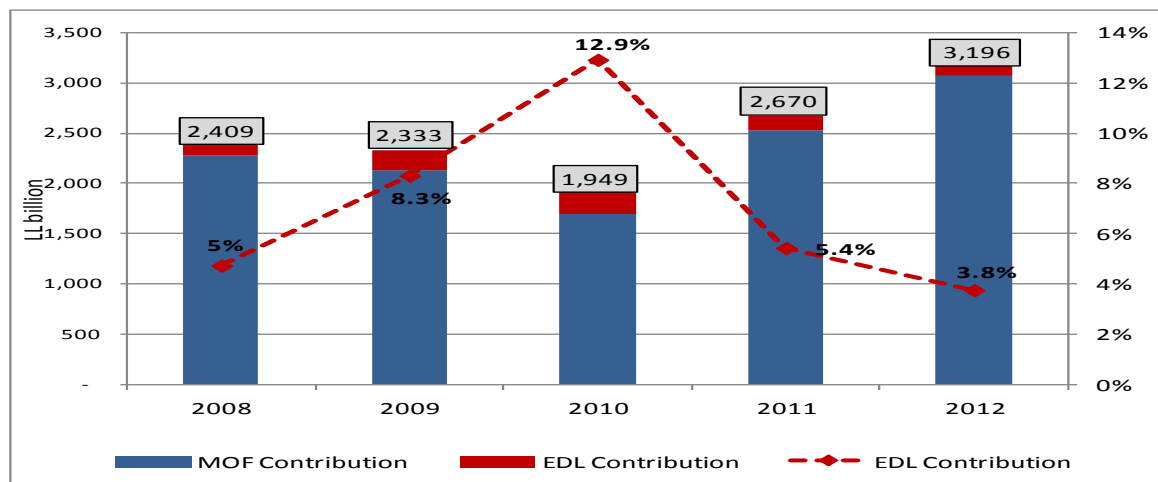
### III. Contribution of EDL out of the total oil bill

► **EDL contributed 3.8 percent of the total oil bill in 2012**

With a total oil bill of LL 3,196 billion paid 2012<sup>1</sup>, EDL contributed by 3.8 percent to repaying of KPC and Sonatrach. This figure was higher at 5.4 percent during 2011, out of a smaller bill of LL 2,670 billion. In nominal terms, EDL paid higher contribution in 2011, amounting to LL 145 billion compared to LL 120 billion during the same period of this year. This represents a much lower contribution compared to that of 2010, which amounted to LL 252 billion or 12.9 percent out of an oil bill of LL 1,949 billion.

<sup>1</sup> The Treasury transferred LL 3,408 billion to cover EDL's deficit in 2012. Out of this amount, LL 3,076.4 billion represented the Treasury transfer to purchase gas and oil (as shown in Table 2). However, the total oil bill 2012 summed up to LL 3,196 billion which is constituted of LL 3,076 billion of treasury transfers “plus” 120 billion of transfers made by EDL.

Figure 1: Contribution of EDL (2008 - 2012)



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

► *Transfers to EDL constituted 23.8 percent of primary expenditures in 2012*

With primary expenditures at 14,329 billion in 2012, the share of transfers to cover EDL’s oil bill reached 23.8 percent, registering the highest share in the last three years. The share of transfers out of primary expenditures was lower in 2011, at 22.7 percent.

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

