

I. Transfers to EDL in 2010

► In January 2010, treasury transfers to EDL reached LL 94 billion, as follows:

- ⇒ Reimbursement of KPC and Sonatrach LL 93.3 billion
- ⇒ Debt service LL 0.4 billion

Table 1: Monthly transfers to EDL in 2010

(LL billion)	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
EDL of which:	93.8												93.8
Debt service, of which:	0.4												0.4
• C-Loans and Eurobonds, of which:	0.4												0.4
– Principal payments	0.0												0.0
– Interest payments	0.4												0.4
• BDL Guaranteed Loan payments	0.0												0.0
Reimbursement of KPC and Sonatrach	93.3												93.3

Source: Ministry of Finance

II. Transfers to EDL in 2010 in comparison with 2009

► Transfers to EDL in January 2010 were LL 321 billion lower than their January 2009 level

Transfers in January 2010 registered a level that is LL 321 billion lower than that in January 2009, which stood at LL 415 billion, as a result of the following two factors:

- ⇒ decrease in payments to Kuwait Petroleum Corporation (KPC) and Algeria's Sonatrach for fuel and gas oil purchases by LL 311 billion
- ⇒ decrease in debt service by LL 9 billion

Box 1: Transfers in 2010

It is important to note that figures pertaining to one particular month are not enough to draw comparisons and conclusions of yearly transfer trends, as is the case for Jan 2010 in comparison with Jan 2009.

Table 2: Transfers to EDL

(LL billion)	2009 Jan	2010 Jan	Value Change	% Change
EDL, of which:	414.7	93.8	(321)	-77%
Debt Service, of which:	9.9	0.4	(9)	-96%
• C-Loans and Eurobonds, of which:	4.1	0.4	(4)	-90%
– Principal Repayments	3.6	-	(4)	-100%
– Interest Payments	0.5	0.4	(0)	-18%
• BDL-Guaranteed Loan Payments	5.8	-	(6)	-100%
Reimbursement of KPC and Sonatrach Agreements	404.8	93.3	(311)	-77%

Source: Ministry of Finance

► Payments to the two oil suppliers were LL 311 billion lower than their January 2009 level

The component “Reimbursement of KPC and Sonatrach Agreements” reached LL 93 billion in January 2010, down from LL 405 billion in January 2009. The registered 77 percent downward change is rooted in both a price and a quantity effect.

- ⇒ Oil-price effect: the average oil price according to which the January 2010 payments were made is lower than that pertaining to January 2009
- ⇒ A lower number of letters of credit (LCs) was paid in January 2010, as compared to January 2009

Box 2: LCs paid in January 2010

It is worth noting that there is no trend regarding the number of LCs due (and thus paid) during a certain month.

III. Contribution of EDL out of the total oil bill

► *EDL contributed to 7 percent of the total oil bill in January 2010*

With a total oil bill of LL 101 billion due in January 2010, of which a treasury payment of LL 93 billion for “Reimbursement of KPC and Sonatrach Agreements”, EDL contributed by 7.3 percent to repaying the two oil suppliers. It is worth mentioning that this figure was lower at around 6 percent in January 2009, out of an oil bill of LL 431 billion.