

## I. Treasury Transfers to EDL in May 2016

► In May 2016, treasury transfers to EDL reached LL 115.95 billion, as follows:

- ⇒ Reimbursement of KPC and Sonatrach LL 114.82 billion
- ⇒ Debt Service LL 1.13 billion

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

(LL billion)	Jan	Feb	Mar	April	May	Total
<b>EDL of which:</b>	<b>53.83</b>	<b>82.64</b>	<b>93.15</b>	<b>87.27</b>	<b>115.95</b>	<b>432.84</b>
<b>Debt service (C-Loans and Eurobonds):</b>	<b>1.48</b>	<b>5.63</b>	<b>0.29</b>	<b>0.88</b>	<b>1.13</b>	<b>9.41</b>
• Principal payments	0.94	5.07	0.25	0.87	1.11	8.24
• Interest payments	0.53	0.57	0.04	0.01	0.02	1.17
<b>Reimbursement for purchase of gas and fuel</b>	<b>52.35</b>	<b>77.01</b>	<b>92.86</b>	<b>86.39</b>	<b>114.82</b>	<b>423.43</b>
• KPC & SPC	52.35	77.01	92.86	86.39	114.82	423.43

Source: Ministry of Finance

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

► Transfers to EDL in Jan-May 2016 were LL 278.81 billion lower than the Jan-May 2015 level

Transfers in Jan-May 2016 were LL 278.81 billion lower than the amount paid in Jan-May 2015, which stood at LL 711.65 billion. This was mainly a result of lower payments to KPC and Sonatrach for fuel oil and gas oil purchases

(LL billion)	Jan-May 2015	Jan-May 2016	Change	% Change
<b>EDL, of which:</b>	<b>711.65</b>	<b>432.84</b>	<b>278.81-</b>	<b>-39.2%</b>
<b>Debt Service (C-Loans and Eurobonds):</b>	<b>12.73</b>	<b>9.41</b>	<b>3.32-</b>	<b>-26.1%</b>
-Principal Repayments	11.07	8.24	2.83-	-26%
-Interest Payments	1.65	1.17	0.48-	-29.2%
<b>Reimbursement for purchase of gas and fuel</b>	<b>698.93</b>	<b>423.43</b>	<b>275.50-</b>	<b>-39.4%</b>
• KPC & SPC	698.93	423.43	275.50-	-39.4%

► Payments to the two oil suppliers in Jan-May 2016 were LL 275.50 billion lower than their level during Jan-May 2015.

The component "Reimbursement of KPC and Sonatrach Agreements" reached LL 423.43 billion in Jan-May 2016, down from LL 698.93 billion in Jan-May 2015. This 39.4 percent decrease was mainly driven by lower average prices of crude oil.

- **From a quantity-effect viewpoint:**
  - % Change in Quantity of Fuel Oil imported: 23.47% ▲
  - % Change in Quantity of Gas Oil imported: 0.20 % ▼
- **From a price-effect viewpoint:**

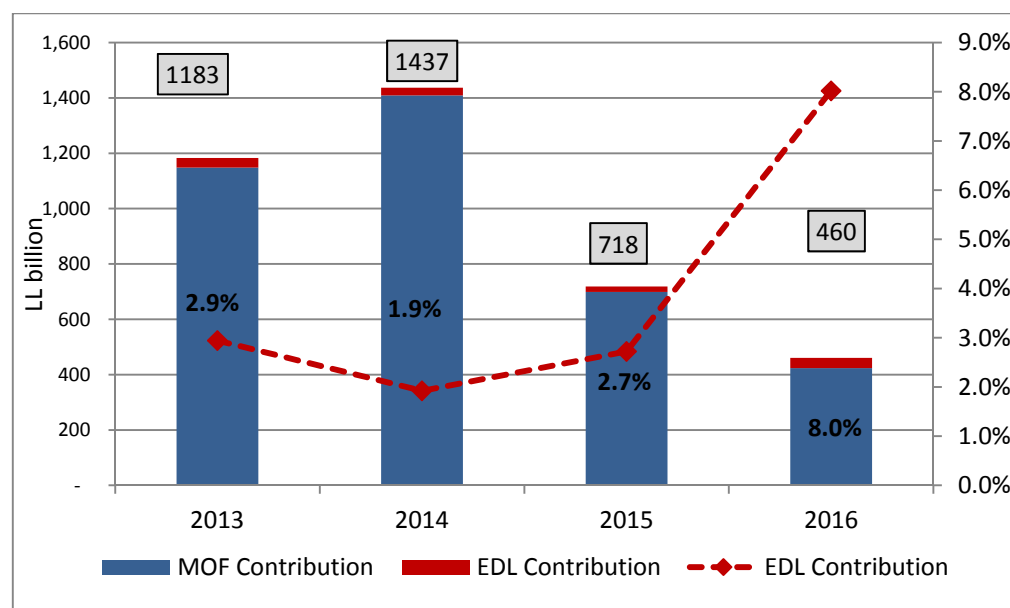
	Jan-May 2015 Bill	Jan-May 2016 Bill
Average Price/Barrel	US\$ 56.26	US\$ 38.43
% Change in weighted average price of crude oil		31.69 % ▼

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

► *EDL contributed 8 percent of the total oil bill in Jan-May 2016*

From a total oil bill of LL 460 billion in Jan-May 2016, EDL contributed by 8 percent to the cost of gas oil and fuel oil purchase<sup>1</sup>. This figure was lower at 2.7 percent during the same period of 2015, out of a higher bill of LL 718 billion. In nominal terms, EDL's contribution was lower in Jan-May 2015, amounting to LL 20 billion, compared to LL 37 billion during the same period in 2016.

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

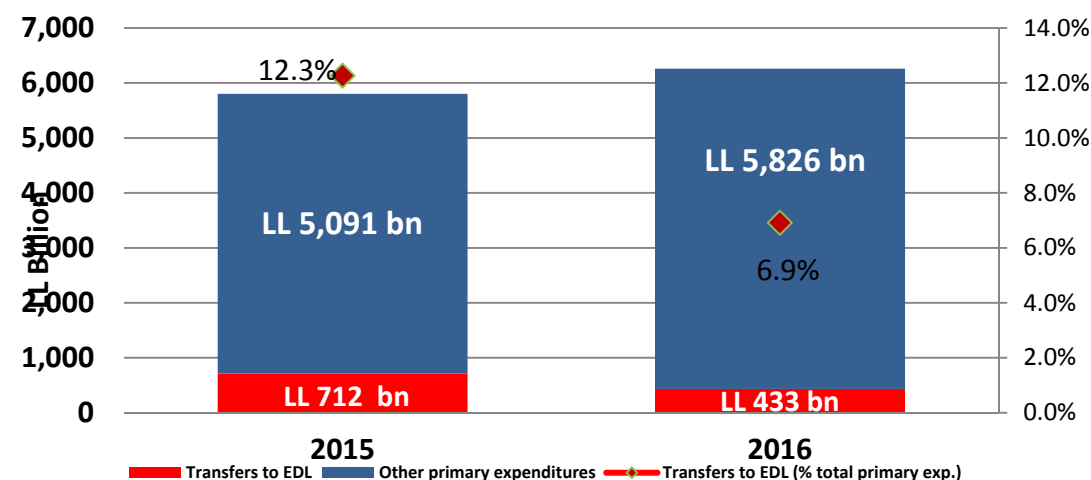


### IV. Shares of “Transfers to EDL” out of Expenditures

► *Transfers to EDL constituted 6.9 percent of primary expenditures in Jan-May 2016*

With primary expenditures at LL 6,259 billion, the share of transfers to EDL reached 6.9 percent in Jan-May 2016. This share was higher at 12.3 percent in Jan-May 2015.

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



<sup>1</sup> The Treasury transferred around LL 432.84 billion to cover EDL's deficit in Jan-May 2016. Out of this amount, around LL 423.43 billion represented the Treasury transfer to purchase gas oil and fuel oil (as shown in Table 2). However, the total oil bill for Jan-May 2016 amounted to LL 460.35 billion, which correspond to LL 423.43 billion of Treasury transfers plus LL 36.92 billion of payments made by EDL.