

## I. Treasury Transfers to EDL in November 2013

► In November 2013, treasury transfers to EDL reached LL 121 billion, as follows:

- ⇒ Payments for purchase of gas and fuel oil LL 119.62 billion
- ⇒ Debt service payment LL 1.47 billion

Table 1: Monthly Treasury transfers to EDL in Jan-Nov 2013

(LL billion)	Jan	Feb	Mar	Apr	May	June	July	Aug	Sep	Oct	Nov	Total
<b>EDL of which:</b>	<b>204.92</b>	<b>230.86</b>	<b>426.56</b>	<b>229.86</b>	<b>219.62</b>	<b>107.98</b>	<b>409.26</b>	<b>446.69</b>	<b>265.62</b>	<b>166.93</b>	<b>121.09</b>	<b>2,829.40</b>
<b>Debt service, of which:</b>	<b>9.11</b>	<b>9.81</b>	<b>-</b>	<b>20.01</b>	<b>1.49</b>	<b>-</b>	<b>11.87</b>	<b>9.59</b>	<b>0.36</b>	<b>0.91</b>	<b>1.47</b>	<b>64.63</b>
• C-Loan, of which:	1.71	9.81	-	1.29	1.49	-	8.26	9.59	0.36	0.91	1.47	34.90
- Principal payments	1.02	8.12	-	1.16	1.29	-	6.80	8.08	0.30	0.87	1.31	28.95
- Interest payments	0.69	1.70	-	0.13	0.19	-	1.46	1.51	0.05	0.05	0.17	5.95
• BDL Guaranteed Loan payments	7.39	-	-	18.73	-	-	3.61	-	-	-	-	29.72
<b>Reimbursement for purchase of gas and fuel</b>	<b>195.81</b>	<b>221.05</b>	<b>426.56</b>	<b>209.85</b>	<b>218.14</b>	<b>107.98</b>	<b>397.39</b>	<b>437.09</b>	<b>265.26</b>	<b>166.02</b>	<b>119.62</b>	<b>2,764.78</b>
• KPC & SPC	195.81	221.05	426.56	209.85	218.14	107.98	397.39	437.09	265.26	166.02	119.62	2,764.78

Source: Ministry of Finance

## II. Treasury Transfers to EDL in 2013 in comparison with 2012

► Transfers to EDL in January-November 2013 were LL 474 billion lower than their January-November 2012 level

Transfers to EDL amounted to LL 2,829 billion in January-November 2013, declining by LL474.30 billion from the LL 3,304 billion paid in January-November 2012. This was a result of the four following factors:

- ⇒ Decrease in payments to KPC and Sonatrach by LL 231.02 billion
- ⇒ Decrease in debt service payments by LL 42.27 billion
- ⇒ Treasury advance for VAT payments made in Oct-Nov 2012 by LL 21 billion
- ⇒ Treasury advance for payments to Karpowership made in Nov 2012 by LL 180 billion

Table 2: Treasury Transfers to EDL

(LL billion)	Nov 2012	Nov 2013	Jan- Nov 2012	Jan- Nov 2013	Change	% Change
<b>EDL, of which:</b>	<b>482.70</b>	<b>121.09</b>	<b>3,303.70</b>	<b>2,829.40</b>	<b>474.30-</b>	<b>-14%</b>
<b>Debt Service, of which:</b>	<b>-</b>	<b>1.47</b>	<b>106.90</b>	<b>64.63</b>	<b>42.27-</b>	<b>-40%</b>
• C-Loans, of which:	-	1.47	41.60	34.90	6.70-	-16%
-Principal Repayments	-	1.31	34.40	28.95	5.45-	-16%
-Interest Payments	-	0.17	7.20	5.95	1.25-	-17%
• BDL-Guaranteed Loan Payments	-	-	65.30	29.72	35.58-	-54%
<b>Reimbursement for purchase of gas and fuel</b>	<b>295.70</b>	<b>119.62</b>	<b>2,995.80</b>	<b>2,764.78</b>	<b>231.02-</b>	<b>-8%</b>
• KPC & SPC	295.70	119.62	2,995.80	2,764.78	231.02-	-8%
<b>Treasury Advance-Contract with Karpowership</b>	<b>180.00</b>	<b>-</b>	<b>180</b>	<b>-</b>	<b>180.00-</b>	<b>-100%</b>
<b>Treasury Advance for VAT payment</b>	<b>7.00</b>	<b>-</b>	<b>21</b>	<b>-</b>	<b>21.00-</b>	<b>-100%</b>

Source: Ministry of Finance

► Payments to the two oil suppliers in January-November 2013 were LL 231 billion lower than their level during the same period in 2012

Payments to KPC and Sonatrach reached LL 2,764.78 billion in January-November 2013, down from LL 2,995.80 billion in January-November 2012. This 8 percent decrease was driven by two factors:

- Decline in the total volume of energy imports
- Lower average crude oil prices

➤ **From a quantity-effect viewpoint:**

	<i>Period covered in Jan-Nov 2012 Bill</i>	<i>Period covered in Jan-Nov 2013 Bill</i>	<i>% Change in Quantity Imported</i>
Gas Oil	May 2011-June 2012	May 2012-June 2013	2% ▼
Fuel Oil	July 2011-June 2012	July 2012-September 2013	11% ▼

➤ **From a price-effect viewpoint:**

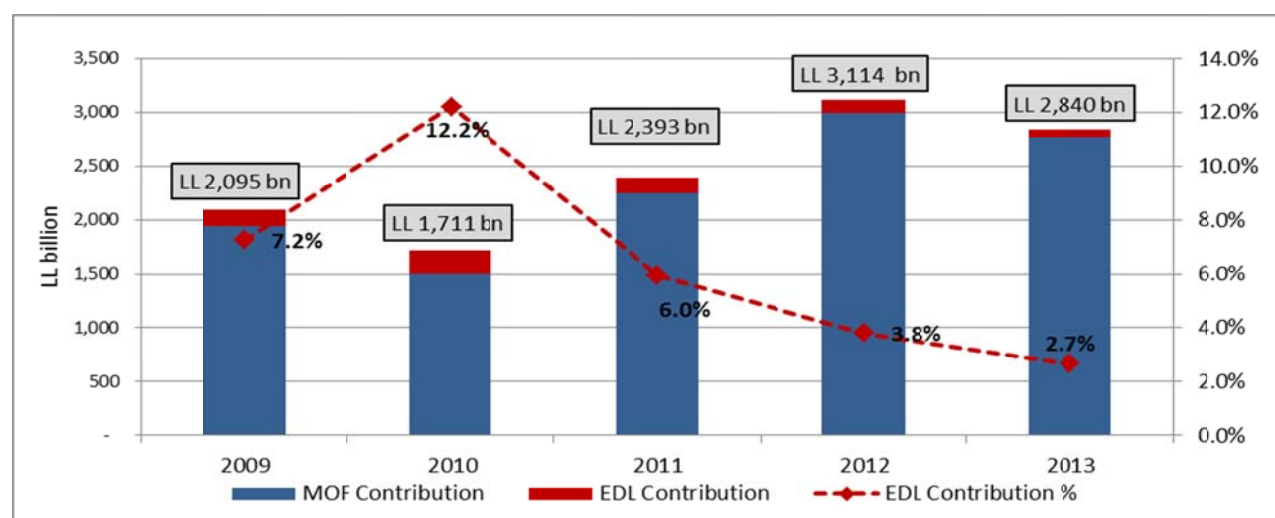
	<i>Jan-Nov 2012 Bill</i>	<i>Jan-Nov 2013 Bill</i>
Consumption Period	May 2011-June 2012	May 2012-September 2013
Average Price/Barrel	US\$ 112.8	US\$ 108.94
% Change in average price of crude oil		3% ▼

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

➤ **EDL contributed by 2.7 percent of the total oil bill in January-November 2013**

From a total oil bill of LL 2,840 billion, EDL contributed by 2.7 percent to the cost of gas oil and fuel oil purchase in January-November 2013<sup>1</sup>. This figure was higher at 3.8 percent during the same period of 2012, out of a higher bill of LL 3,114 billion. In nominal terms, EDL's contribution was lower in January-November 2013, amounting to LL 75 billion, compared to LL 118 billion during the same period in 2012 and LL 143 billion or 6.0 percent of a LL 2,393 billion oil bill in January-November 2011.

Figure 1: Contribution of EDL (Jan/Nov 2009 – Jan/Nov 2013)



<sup>1</sup> The Treasury transferred around LL 2,829 billion to cover EDL's deficit in Jan-Nov 2013. Out of this amount, around LL 2,765 billion represented the Treasury transfer to purchase gas oil and fuel oil (as shown in Table 2). However, the total oil bill for Jan-Nov 2013 amounted to LL 2,840 billion, which correspond to LL 2,765 billion of Treasury transfers plus LL 75 billion of payments made by EDL.

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

► *Transfers to EDL constituted 21.3 percent of primary expenditures in January-November 2013*

With primary expenditures at 13,312 billion in January-November 2013, the share of transfers to EDL reached 21.3 percent. The share of transfers out of primary expenditures was higher in January-November 2012, at 25.5 percent.

Figure 2: Transfers to EDL out of primary expenditures (Jan/Nov 2011 – Jan/Nov 2013)

