

I. Treasury Transfers to EDL in January-September 2012

- ▶ *In September 2012*, treasury transfers to EDL reached LL 450 billion to reimburse KPC and Sonatrach bills.
- ▶ *Between January and September 2012*, treasury transfers to EDL reached LL 2,621 billion, as follows:

| | |
|--------------------------------------|------------------|
| ⇒ Reimbursement of KPC and Sonatrach | LL 2,544 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 | Sept | Total |
|---|--------------|--------------|--------------|--------------|--------------|-------------|--------------|--------------|--------------|----------------|
| EDL of which: | 355 | 189 | 272 | 261 | 333 | 70 | 387 | 306 | 450 | 2,621 |
| Debt service, of which: | 3.7 | 14.1 | 0.0 | 25.4 | 0.0 | 1.6 | 18.6 | 13.4 | 0.0 | 76.7 |
| • C-Loans and Eurobonds, of which: | 1.7 | 14.1 | 0.0 | 1.4 | 0.0 | 1.6 | 8.1 | 13.4 | 0.0 | 40.2 |
| – Principal payments | 1.0 | 11.9 | 0.0 | 1.2 | 0.0 | 1.3 | 6.4 | 11.4 | 0.0 | 33.2 |
| – Interest payments | 0.7 | 2.2 | 0.0 | 0.2 | 0.0 | 0.3 | 1.7 | 1.9 | 0.0 | 7.0 |
| • BDL Guaranteed Loan payments | 1.9 | 0.0 | 0.0 | 24.0 | 0.0 | 0.0 | 10.5 | 0.0 | 0.0 | 36.5 |
| Reimbursement for purchase of gas and fuel | 351.0 | 175.1 | 271.7 | 235.1 | 333.1 | 68.4 | 367.9 | 292.7 | 449.6 | 2,544.6 |
| • KPC & SPC | 351.0 | 175.1 | 271.7 | 235.1 | 333.1 | 68.4 | 367.9 | 292.7 | 449.6 | 2,544.6 |
| • EGAS | - | - | - | - | - | - | - | - | - | 0.0 |

Source: Ministry of Finance

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

- ▶ *Transfers to EDL between January and September 2012* were LL 918 billion higher than the amount paid during the same period in 2011

Transfers in January-September 2012 were LL 918 billion higher than the amount paid during the same period of 2011, which stood at LL 1,703 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 971 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) | Sept 2011 | Sept 2012 | Jan-Sept 2011 | Jan-Sept 2012 | Change | % Change |
|---|------------|--------------|---------------|---------------|------------|------------|
| EDL, of which: | 362 | 450 | 1,703 | 2,621 | 918 | 54% |
| Debt Service, of which: | 0 | 0 | 75 | 77 | 2 | 2% |
| • C-Loans and Eurobonds, of which: | 0 | 0.0 | 55 | 40 | -15 | -27% |
| Principal Repayments | 0 | 0.0 | 45 | 33 | -12 | -27% |
| – Interest Payments | 0 | 0.0 | 9 | 7 | -2 | -25% |
| • BDL-Guaranteed Loan Payments | 0 | 0.0 | 20 | 36 | 16 | 80% |
| Reimbursement for purchase of gas and fuel | 361 | 449.6 | 1,628 | 2,545 | 916 | 56% |
| • KPC & SPC | 361 | 449.6 | 1,574 | 2,545 | 971 | 62% |
| • EGAS | - | - | 55 | 0 | -55 | -100% |

Source: Ministry of Finance

- *Payments to the two oil suppliers in January-September 2012 were LL 971 billion higher than their level during the same period of 2011*

The component “Reimbursement of KPC and Sonatrach Agreements” reached LL 2,545 billion in January-September 2012, up from LL 1,574 billion in January-September 2011. This 62 percent increase was mainly driven by higher international oil prices at the time when the gas oil and fuel oil shipments were imported.

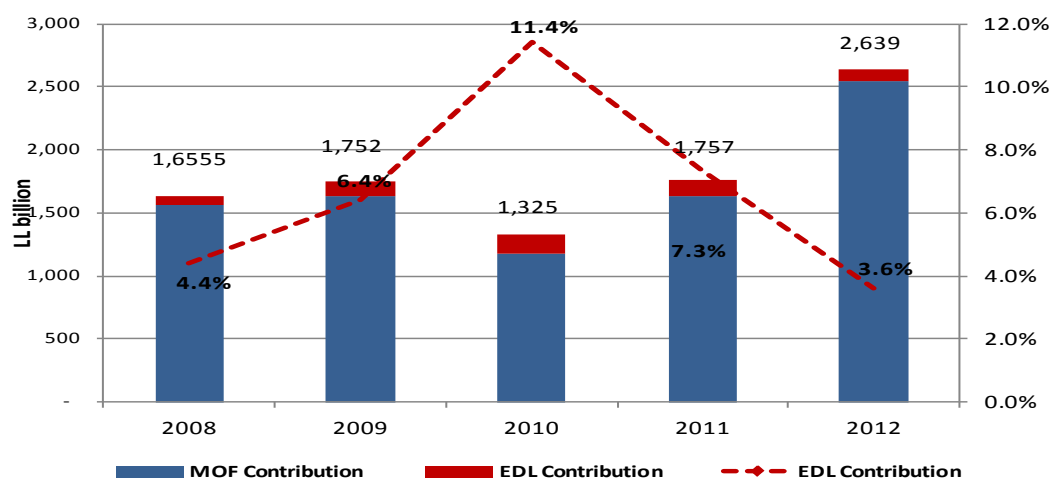
- From a quantity-effect viewpoint: gas oil imported during May 2011-March 2012 (paid in January-September 2012) is 31% higher than the quantity imported between June 2010-Mars 2011 (paid in January-September 2011). In return, fuel oil quantities imported during July 2011- April 2012 (paid in January-September 2012) increased by 3 percent, compared to July 2010-April 2011 (paid in January-September 2011).
- From a price-effect viewpoint: the average oil price according to which the January-September 2012 payments were made is 26 percent higher than that pertaining to January-September 2011. This is due to the fact that 2012 payments reflect consumption over the period May 2011- April 2012, where the weighted crude oil average prices were US\$ 113.52 /barrel. The January-September 2011 payments reflect consumption over the period June 2010-April 2011, where crude oil prices averaged US\$ 89.9/barrel.

III. Contribution of EDL out of the total oil bill

- *EDL contributed 3.6 percent of the total oil bill in January-September 2012*

With a total oil bill of LL 2,639 billion paid in January-September 2012¹, EDL contributed by 3.6 percent to repaying of KPC and Sonatrach. This figure was higher at 7.3 percent during the same period of 2011, out of a smaller bill of LL 1,757 billion. In nominal terms, EDL paid higher contribution in January-September 2011, amounting to LL 129 billion compared to LL 95 billion during the same period of this year. This represents a much lower contribution compared to that of 2010, which amounted to LL 151 billion or 11.4 percent out of an oil bill of LL 1,325 billion.

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



¹ The Treasury transferred LL 2,621 billion to cover EDL's deficit in January-September 2012. Out of this amount, LL 2,545 billion represented the Treasury transfer to purchase gas and oil (as shown in Table 2). However, the total oil bill for January-September 2012 summed up to LL 2,639 billion which is constituted of LL 2,545 billion of treasury transfers “plus” 95 billion of transfers made by EDL.

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

► *Transfers to EDL constituted 26.6 percent of primary expenditures in January-September 2012*

With primary expenditures at 9,856 billion in January-September 2012, the share of transfers to cover EDL’s oil bill reached 26.6 percent, registering the highest share in the last three years. The share of transfers out of primary expenditures was lower in January-September 2011, at 20.9 percent.

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

