

I. Treasury Transfers to EDL in September 2013

► In September 2013, treasury transfers to EDL reached LL 265.62 billion, as follows:

- ⇒ Payments for purchase of gas and fuel oil LL 265.26 billion
- ⇒ Debt service payment LL 0.36 billion

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

(LL billion)	Jan	Feb	Mar	Apr	May	June	July	Aug	Sep	Total
EDL of which:	204.92	230.86	426.56	229.86	219.62	107.98	409.26	446.69	265.62	2,541.38
Debt service, of which:	9.11	9.81	-	20.01	1.49	-	11.87	9.59	0.36	62.24
• C-Loan, of which:	1.71	9.81	-	1.29	1.49	-	8.26	9.59	0.36	32.51
- Principal payments	1.02	8.12	-	1.16	1.29	-	6.80	8.08	0.30	26.77
- Interest payments	0.69	1.70	-	0.13	0.19	-	1.46	1.51	0.05	5.74
• BDL Guaranteed Loan payments	7.39	-	-	18.73	-	-	3.61	-	-	29.72
Reimbursement for purchase of gas and fuel	195.81	221.05	426.56	209.85	218.14	107.98	397.39	437.09	265.26	2,479.14
• KPC & SPC	195.81	221.05	426.56	209.85	218.14	107.98	397.39	437.09	265.26	2,479.14

Source: Ministry of Finance

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

► Transfers to EDL in January-September 2013 were LL 79.87 billion lower than their January-September 2012 level

Transfers to EDL amounted to LL 2,541 billion in January-September 2013, declining by LL 79.87 billion from the LL 2,621.25 billion paid in January-September 2012. This was a result of the two following factors:

- ⇒ Decrease in payments to KPC and Sonatrach by LL 65.44 billion
- ⇒ Decrease in debt service payments by LL 14.43 billion

Table 2: Treasury Transfers to EDL

(LL billion)	Sep 2012	Sep 2013	Jan- Sep 2012	Jan- Sep 2013	Change	% Change
EDL, of which:	449.60	265.62	2,621.25	2,541.38	79.87-	-3%
Debt Service, of which:	-	0.36	76.67	62.24	14.43-	-19%
• C-Loans, of which:	-	0.36	40.18	32.51	7.67-	-19%
-Principal Repayments	-	0.30	33.21	26.77	6.44-	-19%
-Interest Payments	-	0.05	6.97	5.74	1.23-	-18%
• BDL-Guaranteed Loan Payments	-	-	36.49	29.72	6.77-	-19%
Reimbursement for purchase of gas and fuel	449.60	265.26	2,544.58	2,479.14	65.44-	-3%
• KPC & SPC	449.60	265.26	2,544.58	2,479.14	65.44-	-3%

Source: Ministry of Finance

► Payments to the two oil suppliers in January-September 2013 were LL 65.44 billion lower than their level during the same period in 2012

Payments to KPC and Sonatrach reached LL 2,479.14 billion in January-September 2013, down from LL 2,544.58 billion in January-September 2012. This 3 percent decrease was driven by a decline in the total volume of energy imports and lower average crude oil prices.

- From a quantity-effect viewpoint: The volume of gas oil imported in May 2012-April 2013 and paid for in January-September 2013 was 6 percent higher than the quantity imported during May 2011-April 2012 and paid for in January-September 2012. In return, the volume of fuel oil imported in July 2012-September 2013 and paid for in January-September 2013 was 13 percent less than the volume of fuel oil imported during July 2011-April 2012 and paid for in January-September 2012.

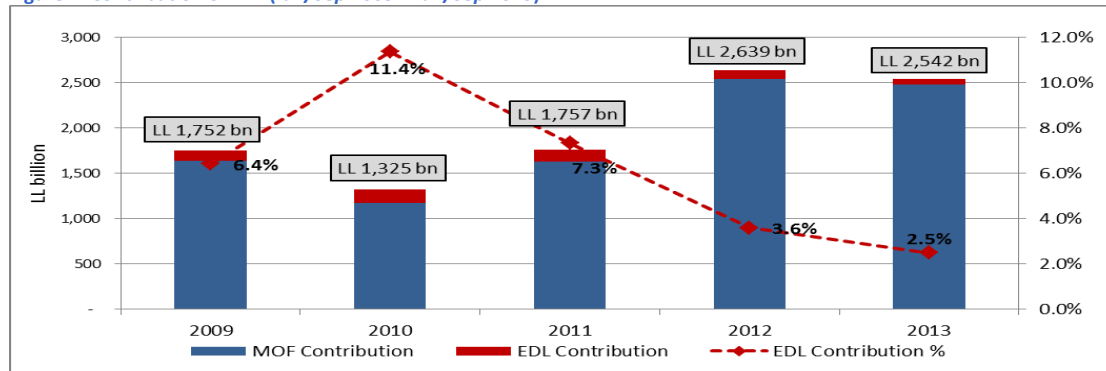
- From a price-effect viewpoint: the average price of crude oil corresponding to payments made in January-September 2013 was 3 percent lower than that pertaining to January-September 2012. This was due to the fact that January-September 2013 payments reflected energy consumption over the period of May 2012-September 2013, when the average weighted price of crude oil was US\$ 109.48¹/barrel. The January-September 2012 payments reflected consumption over the period of May 2011-April 2012, when crude oil prices averaged US\$ 113.40/barrel.

III. Contribution of EDL out of the total oil bill

▶ EDL contributed 2.5 percent of the total oil bill in January-September 2013

From a total oil bill of LL 2,542.38 billion, EDL contributed by 2.5 percent to the cost of gasoil and fuel oil purchase in January-September 2013². This figure was higher at 3.6 percent during the same period of 2012, out of a higher bill of LL 2,639.49 billion. In nominal terms, EDL's contribution was lower in January-September 2013, amounting to LL 63 billion, compared to LL 95 billion during the same period in 2012 and LL 129 billion or 7.3 percent of a LL 1,757 billion oil bill in January-September 2011.

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

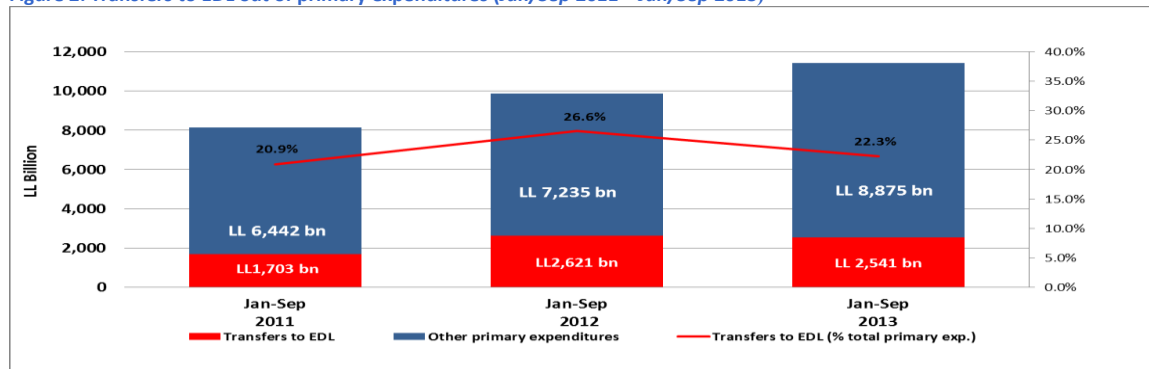


IV. Shares of “Transfers to EDL” out of Expenditures

▶ Transfers to EDL constituted 22.3 percent of primary expenditures in January-September 2013

With primary expenditures at 11,416 billion in January-September 2013, the share of transfers to EDL reached 22.3 percent. The share of transfers out of primary expenditures was higher in January-September 2012, at 26.6 percent.

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



¹ The weighted average price of crude oil for the period of May 2012-September 2013 is calculated using monthly average spot prices of Brent crude oil, and is weighted by the monthly imported volumes of gas oil during May 2012-April 2013 and fuel oil during July 2012-September 2013.

² The Treasury transferred around LL 2,541 billion to cover EDL's deficit in Jan-Sep 2013. Out of this amount, around LL 2,479 billion represented the Treasury transfer to purchase gas oil and fuel oil (as shown in Table 2). However, the total oil bill for Jan-Sep 2013 amounted to LL 2,542 billion, which correspond to LL 2,479 billion of Treasury transfers plus LL 63 billion of payments made by EDL.