

I. Treasury Transfers to EDL in January-July 2012

► In July 2012, treasury transfers to EDL reached LL 387 billion, as follows:

- ⇒ Reimbursement of KPC and Sonatrach LL 367.9 billion
- ⇒ Debt service LL 18.6 billion

► Between January and July 2012, treasury transfers to EDL reached LL 1,866 billion, as follows:

- ⇒ Reimbursement of KPC and Sonatrach LL 1,802.3 billion
- ⇒ Debt service LL 63.3 billion

Table 1: Monthly Treasury transfers to EDL in Jan-Jul 2012

(LL billion)	Jan	Feb	Mar	Apr	May	Jun	Jul	Total
EDL of which:	355	189	272	261	333	70	387	1,866
Debt service, of which:	3.7	14.1	0.0	25.4	0.0	1.6	18.6	63.3
• C-Loans and Eurobonds, of which:	1.7	14.1	0.0	1.4	0.0	1.6	8.1	26.8
– Principal payments	1.0	11.9	0.0	1.2	0.0	1.3	6.4	21.8
– Interest payments	0.7	2.2	0.0	0.2	0.0	0.3	1.7	5.0
• BDL Guaranteed Loan payments	1.9	0.0	0.0	24.0	0.0	0.0	10.5	36.5
Reimbursement for purchase of gas and fuel	351.0	175.1	271.7	235.1	333.1	68.4	367.9	1,802.3
• KPC & SPC	351.0	175.1	271.7	235.1	333.1	68.4	367.9	1,802.3
• EGAS	-	-	-	-	-	-	-	0.0

Source: Ministry of Finance

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

► Transfers to EDL between January and July 2012 were LL 721 billion higher than the amount paid during the same period in 2011

Transfers in January-July 2012 were LL 721 billion higher than the amount paid during the same period of 2011, which stood at LL 1,144 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 773 billion
- ⇒ Increase in debt service, by LL 3 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)	July 2011	July 2012	Jan-July 2011	Jan-July 2012	Change	% Change
EDL, of which:	113	387	1,144	1,866	721	63%
Debt Service, of which:	18	18.6	60	63	3	5%
• C-Loans and Eurobonds, of which:	17	8.1	40	27	-13	-33%
– Principal Repayments	14	6.4	33	22	-11	-34%
– Interest Payments	2	1.7	7	5	-2	-24%
• BDL-Guaranteed Loan Payments	1	10.5	19	36	18	92%
Reimbursement for purchase of gas and fuel	95	367.9	1,084	1,802	718	66%
• KPC & SPC	95	367.9	1,029	1,802	773	75%
• EGAS	-	-	55	-	-55	-100%

Source: Ministry of Finance

- *Payments to the two oil suppliers in January-July 2012 were LL 773 billion higher than their level during the same period of 2011*

The component “Reimbursement of KPC and Sonatrach Agreements” reached LL 1,802 billion in January-July 2012, up from LL 1,029 billion in January-July 2011. This 75 percent increase was mainly driven by higher international oil prices at the time when the gas oil and fuel oil shipments were imported.

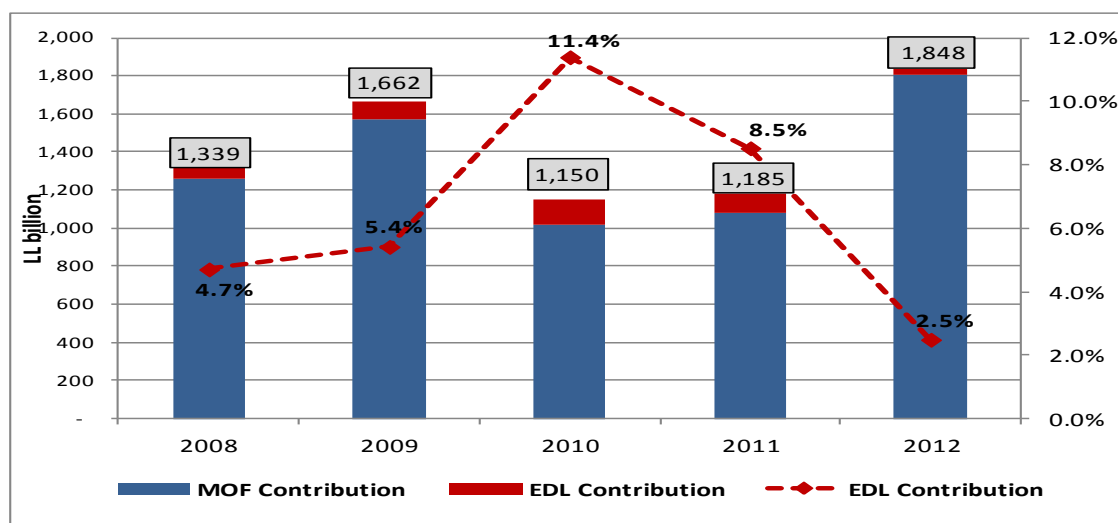
- From a quantity-effect viewpoint: gas oil imported during May 2011-February 2012 (paid in January-July 2012) is 30% higher than the quantity imported between June 2010- Feb 2011 (paid in January-July 2011). In return, fuel oil quantities imported during July 2011 and January 2012 (paid in January-July 2012) increased by 5 percent, compared to July 2010 and January 2011 (paid in January-July 2011).
- From a price-effect viewpoint: the average oil price according to which the January-July 2012 payments were made is 35 percent higher than that pertaining to January-July 2011. This is due to the fact that 2012 payments reflect consumption over the period May 2011 and February 2012, where the weighted crude oil average prices were US\$ 111.4 /barrel. The January-July 2011 payments reflect consumption over the period June 2010-February 2011, where crude oil prices averaged US\$ 82.3/barrel.

III. Contribution of EDL out of the total oil bill

- *EDL contributed 2.5 percent of the total oil bill in January-July 2012*

With a total oil bill of LL 1,848 billion paid in January-July 2012¹, EDL contributed by 2.5 percent to repaying of KPC and Sonatrach. This figure was higher at 8.5 percent during the same period of 2011, out of a smaller bill of LL 1,185 billion. In nominal terms, EDL paid higher contribution in January-July 2011, amounting to LL 101 billion compared to LL 46 billion during the same period of this year. This represents a much lower contribution compared to that of 2010, which amounted to LL 131 billion or 11.4 percent out of an oil bill of LL 1,150 billion.

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



¹ The Treasury transferred LL 1,866 billion to cover EDL's deficit in January-July 2012. Out of this amount, LL 1,802 billion represented the Treasury transfer to purchase gas and oil (as shown in Table 2). However, the total oil bill for January-July 2012 summed up to LL 1,848 billion which is constituted of LL 1,802 billion of treasury transfers “plus” 46 billion of transfers made by EDL.

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

► *Transfers to EDL constituted 24.5 percent of primary expenditures in January-July 2012*

With primary expenditures at LL 7,616 billion in January-July 2012, the share of transfers to cover EDL’s oil bill reached 24.5 percent, registering the highest share in the last three years. The share of transfers out of primary expenditures was lower in January-July 2011, at 17.9 percent.

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

