

## I. Treasury Transfers to EDL in January-November 2012

► *In November 2012*, treasury transfers to EDL reached LL 482 billion, as follows:

- ⇒ Reimbursement of KPC and Sonatrach LL 295.7 billion
- ⇒ Treasury advance for VAT payment LL 7 billion
- ⇒ Treasury Advance for Karpowership Contract LL180 billion

► *Between January and November 2012*, treasury transfers to EDL reached LL 3,301 billion, as follows:

- ⇒ Reimbursement of KPC and Sonatrach LL 2,995.8 billion
- ⇒ Debt service LL 106.9 billion
- ⇒ Treasury advance for VAT payment LL 20.7 billion
- ⇒ Treasury Advance for Karpowership Contract LL180 billion

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

(LL billion)	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Total
<b>EDL of which:</b>	<b>355</b>	<b>189</b>	<b>272</b>	<b>261</b>	<b>333</b>	<b>70</b>	<b>387</b>	<b>306</b>	<b>450</b>	<b>200</b>	<b>482</b>	<b>3,303</b>
Debt service, of which:	3.7	14.1	0	25.4	0	1.6	18.6	13.4	0	30.2	0.0	106.9
• C-Loans and Eurobonds, of which:	1.7	14.1	0	1.4	0	1.6	8.1	13.4	0	1.3	0.0	41.5
– Principal payments	1	11.9	0	1.2	0	1.3	6.4	11.4	0	1.2	0.0	34.4
– Interest payments	0.7	2.2	0	0.2	0	0.3	1.7	1.9	0	0.2	0.0	7.1
• BDL Guaranteed Loan payments	1.9	0	0	24	0	0	10.5	0	0	28.9	0.0	65.4
<b>Reimbursement for purchase of gas and fuel</b>	<b>351</b>	<b>175.1</b>	<b>271.7</b>	<b>235.1</b>	<b>333.1</b>	<b>68.4</b>	<b>367.9</b>	<b>292.7</b>	<b>449.6</b>	<b>155.5</b>	<b>295.7</b>	<b>2,995.8</b>
• KPC & SPC	351	175.1	271.7	235.1	333.1	68.4	367.9	292.7	449.6	155.5	295.7	2,995.8
• EGAS	-	-	-	-	-	-	-	-	-	-	-	0.0
Treasury Advance-Contract with Karpowership	-	-	-	-	-	-	-	-	-	-	180	180.0
Treasury Advance for VAT payment	-	-	-	-	-	-	-	-	-	14	7	20.7

Source: Ministry of Finance

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

► *Transfers to EDL between January and November 2012 were LL 956 billion higher than the amount paid during the same period in 2011*

Transfers in January-November 2012 were LL 956 billion higher than the amount paid during the same period of 2011, which stood at LL 2,348 billion, as a result of the following factors:

- ⇒ Increase in payments to KPC and Sonatrach for fuel oil and gas oil purchases, by LL 800 billion
- ⇒ Increase in debt service, by LL 10 billion
- ⇒ Treasury advance for VAT payment during October and November, by LL 21 billion
- ⇒ Treasury advance for Karpowership Contract during November, by LL 180 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)	Nov 2011	Nov 2012	Jan-Nov 2011	Jan-Nov 2012	Change	% Change
<b>EDL, of which:</b>	<b>197</b>	<b>482</b>	<b>2,348</b>	<b>3,303</b>	<b>956</b>	<b>41%</b>
<b>Debt Service, of which:</b>	<b>2</b>	<b>0.0</b>	<b>97</b>	<b>107</b>	<b>10</b>	<b>10%</b>
• C-Loans and Eurobonds, of which:	2	0.0	57	42	-16	-28%
- Principal Repayments	1	0.0	48	34	-13	-28%
- Interest Payments	0	0.0	10	7	-3	-26%
• BDL-Guaranteed Loan Payments	0	0.0	40	65	26	64%
<b>Reimbursement for purchase of gas and fuel</b>	<b>196</b>	<b>295.7</b>	<b>2,251</b>	<b>2,996</b>	<b>745</b>	<b>33%</b>
• KPC & SPC	196	295.7	2,196	2,996	800	36%
• EGAS	-	-	55	0	-55	-100%
<b>Treasury Advance for Karpowership Contract</b>	<b>-</b>	<b>180</b>	<b>0</b>	<b>180</b>	<b>180</b>	<b>100%</b>
<b>Treasury Advance for VAT Payment</b>	<b>0</b>	<b>7</b>	<b>0</b>	<b>21</b>	<b>21</b>	<b>100%</b>

Source: Ministry of Finance

► *Payments to the two oil suppliers in January-November 2012 were LL 800 billion higher than their level during the same period of 2011*

The component “Reimbursement of KPC and Sonatrach Agreements” reached LL 2,966 billion in January-November 2012, up from LL 2,251 billion in January-November 2011. This 33 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-June 2012 (paid in January-November 2012) is 14% higher than the quantity imported between June 2010-May 2011 (paid in January-November 2011). In return, fuel oil quantities imported during July 2011-June 2012 (paid in January-November 2012) increased by 4 percent, compared to July 2010-May 2011 (paid in January-November 2011).
- From a price-effect viewpoint: the average oil price according to which the January-November 2012 payments were made is 20 percent higher than that pertaining to January-November 2011. This is due to the fact that 2012 payments reflect consumption over the period May 2011- May 2012, where the weighted crude oil average prices were US\$ 112.93 /barrel. The January-November 2011 payments reflect consumption over the period June 2010-May 2011, where crude oil prices averaged US\$ 94.4/barrel.

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

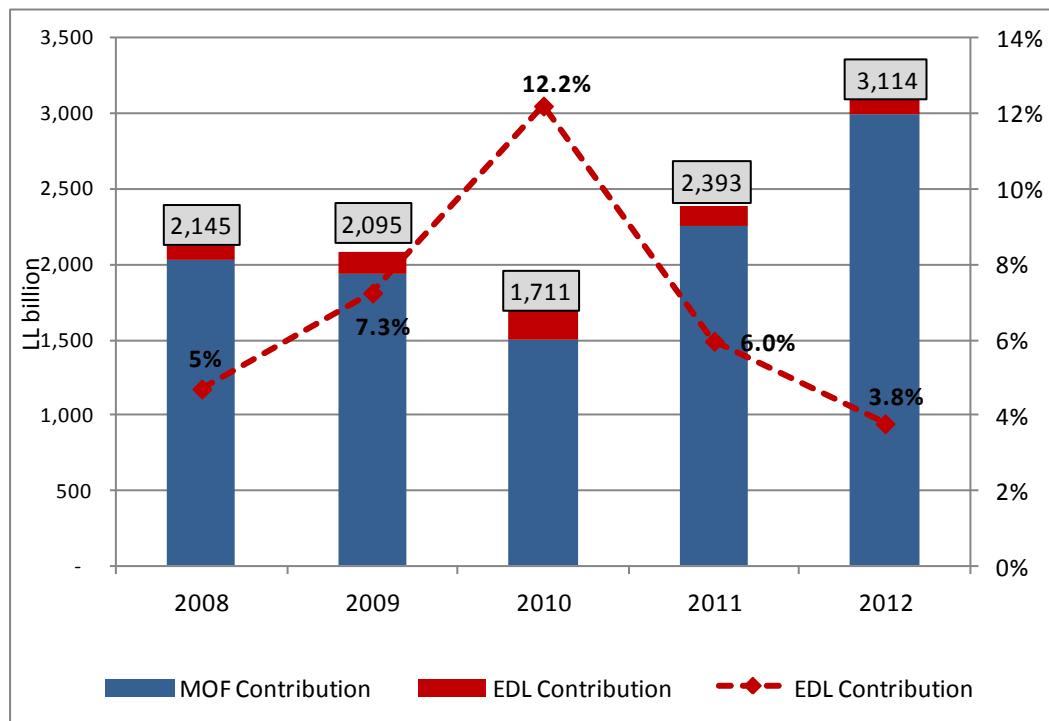
► *EDL contributed 3.8 percent of the total oil bill in January-November 2012*

With a total oil bill of LL 3,114 billion paid in January-November 2012<sup>1</sup>, EDL contributed by 3.8 percent to repaying of KPC and Sonatrach. This figure was higher at 6 percent during the same period of 2011, out of a smaller bill of LL 2,393 billion. In nominal terms, EDL paid

<sup>1</sup> The Treasury transferred LL 3,303 billion to cover EDL’s deficit in January-November 2012. Out of this amount, LL 2,955.8 billion represented the Treasury transfer to purchase gas and oil (as shown in Table 2). However, the total oil bill for January-November 2012 summed up to LL 3,114 billion which is constituted of LL 2,996 billion of treasury transfers “plus” 118 billion of transfers made by EDL.

higher contribution in January-November 2011, amounting to LL 143 billion compared to LL 118 billion during the same period of this year. This represents a much lower contribution compared to that of 2010, which amounted to LL 209 billion or 12.2 percent out of an oil bill of LL 1,711 billion.

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



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

► *Transfers to EDL constituted 25.5 percent of primary expenditures in January-November 2012*

With primary expenditures at 12,971 billion in January-November 2013, the share of transfers to cover EDL’s oil bill reached 25.5 percent, registering the highest share in the last three years. The share of transfers out of primary expenditures was lower in January-November 2011, at 23.2 percent.

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

