

I. Treasury Transfers to EDL in January-October 2012

► In October 2012, treasury transfers to EDL reached LL 200 billion, as follows:

- ⇒ Reimbursement of KPC and Sonatrach LL 155.5 billion
- ⇒ Debt service LL 30.2 billion
- ⇒ Treasury advance for VAT payment LL 14 billion

► Between January and October 2012, treasury transfers to EDL reached LL 2,821 billion, as follows:

- ⇒ Reimbursement of KPC and Sonatrach LL 2,700.1 billion
- ⇒ Debt service LL 106.9 billion
- ⇒ Treasury advance for VAT payment LL 14 billion

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

(LL billion)	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Total
EDL of which:	355	189	272	261	333	70	387	306	450	200	2,821
Debt service, of which:	3.7	14.1	0	25.4	0	1.6	18.6	13.4	0	30.2	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	41.5
– Principal payments	1	11.9	0	1.2	0	1.3	6.4	11.4	0	1.2	34.4
– Interest payments	0.7	2.2	0	0.2	0	0.3	1.7	1.9	0	0.2	7.1
• BDL Guaranteed Loan payments	1.9	0	0	24	0	0	10.5	0	0	28.9	65.4
Reimbursement for purchase of gas and fuel	351	175.1	271.7	235.1	333.1	68.4	367.9	292.7	449.6	155.5	2,700.10
• KPC & SPC	351	175.1	271.7	235.1	333.1	68.4	367.9	292.7	449.6	155.5	2,700.10
• EGAS	-	-	-	-	-	-	-	-	-	-	0
Treasury Advance for VAT Payment	-	-	-	-	-	-	-	-	-	14	14

Source: Ministry of Finance

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

► Transfers to EDL between January and October 2012 were LL 670 billion higher than the amount paid during the same period in 2011

Transfers in January-October 2012 were LL 670 billion higher than the amount paid during the same period of 2011, which stood at LL 2,151 billion, as a result of the following factors:

- ⇒ Increase in payments to KPC and Sonatrach for fuel oil and gas oil purchases, by LL 700 billion
- ⇒ Increase in debt service, by LL 11 billion
- ⇒ Treasury advance for VAT payments on fuel oil and gas oil imported during October, by LL 14 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)	Oct 2011	Oct 2012	Jan-Oct 2011	Jan-Oct 2012	Change	% Change
EDL, of which:	447	186	2,151	2,821	670	31%
Debt Service, of which:	21	30.2	96	107	11	12%
• C-Loans and Eurobonds, of which:	1	1.3	56	42	-14	-25%
- Principal Repayments	1	1.2	46	34	-12	-26%
- Interest Payments	0	0.2	9	7	-2	-24%
• BDL-Guaranteed Loan Payments	20	28.9	40	65	26	64%
Reimbursement for purchase of gas and fuel	427	155.5	2,055	2,700	645	31%
• KPC & SPC	427	449.6	2,000	2,700	700	35%
• EGAS	-	-	55	0	-55	-100%
Treasury Advance for VAT Payment	-	-	-	14	14	100%

Source: Ministry of Finance

► *Payments to the two oil suppliers in January-October 2012 were LL 645 billion higher than their level during the same period of 2011*

The component “Reimbursement of KPC and Sonatrach Agreements” reached LL 2,700 billion in January-October 2012, up from LL 2,055 billion in January-October 2011. This 31 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-May 2012 (paid in January-October 2012) is 4% higher than the quantity imported between June 2010-May 2011 (paid in January-October 2011). In return, fuel oil quantities imported during July 2011-May 2012 (paid in January-October 2012) increased by 3 percent, compared to July 2010-May 2011 (paid in January-October 2011).
- From a price-effect viewpoint: the average oil price according to which the January-October 2012 payments were made is 21 percent higher than that pertaining to January-October 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\$ 113.35 /barrel. The January-October 2011 payments reflect consumption over the period June 2010-May 2011, where crude oil prices averaged US\$ 93.3/barrel.

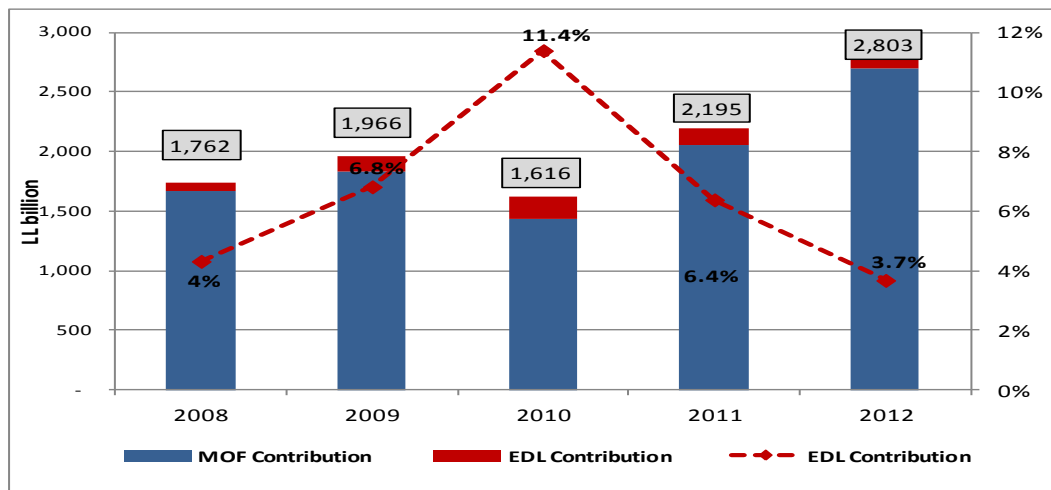
III. Contribution of EDL out of the total oil bill

► *EDL contributed 3.7 percent of the total oil bill in January-October 2012*

With a total oil bill of LL 2,803 billion paid in January-October 2012¹, EDL contributed by 3.7 percent to repaying of KPC and Sonatrach. This figure was higher at 6.4 percent during the same period of 2011, out of a smaller bill of LL 2,195 billion. In nominal terms, EDL paid higher contribution in January-October 2011, amounting to LL 140 billion compared to LL 103 billion during the same period of this year. This represents a much lower contribution compared to that of 2010, which amounted to LL 184 billion or 11.4 percent out of an oil bill of LL 1,616 billion.

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

¹ The Treasury transferred LL 2,821 billion to cover EDL’s deficit in January-October 2012. Out of this amount, LL 2,700 billion represented the Treasury transfer to purchase gas and oil (as shown in Table 2). However, the total oil bill for January-October 2012 summed up to LL 2,803 billion which is constituted of LL 2,700 billion of treasury transfers “plus” 103 billion of transfers made by EDL.



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

► Transfers to EDL constituted 24.4 percent of primary expenditures in January-October 2012

With primary expenditures at 11,552 billion in January-October 2012, the share of transfers to cover EDL’s oil bill reached 24.4 percent, registering the highest share in the last three years. The share of transfers out of primary expenditures was lower in January-October 2011, at 23.7 percent.

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

