

I. Treasury Transfers to EDL in May 2017

- In May 2017, treasury transfers to EDL reached LL 147.88 billion, as follows:
- ⇒ Reimbursement of KPC and Sonatrach LL 147.85 billion
 - ⇒ Debt Service LL 0.03 billion

Table 1: Monthly Treasury to EDL in Jan-May 2017

(LL billion)	Jan	Feb	Mar	April	May	Total
EDL of which:	95.14	213.93	110.75	125.85	147.88	693.54
Debt service (C-Loans and Eurobonds):	1.43	5.32	0.27	0.00	0.03	7.05
• Principal payments	0.94	4.99	0.24	0.00	0.03	6.20
• Interest payments	0.49	0.33	0.03	0.00	0.00	0.86
Reimbursement for purchase of gas and fuel	93.71	208.61	110.47	125.85	147.85	686.49
• KPC & SPC	93.71	208.61	110.47	125.85	147.85	686.49

Source: Ministry of Finance

II. Treasury Transfers to EDL in Jan-May 2017 in comparison with Jan-May 2016

- Transfers to EDL in Jan-May 2017 were LL 260.71 billion higher than the Jan-May 2016 level

Transfers in Jan-May 2017 were LL 260.71 billion higher than the amount paid in Jan-May 2016, which stood at LL 432.84 billion. This was mainly a result of higher payments to KPC and Sonatrach for fuel oil and gas oil purchases.

Table 2: Treasury Transfers to EDL

(LL billion)	Jan-May 2016	Jan-May 2017	Change	% Change
EDL, of which:	432.84	693.54	260.71	60.2%
Debt Service (C-Loans and Eurobonds):	9.41	7.05	2.36-	-25%
-Principal Repayments	8.24	6.20	2.04-	-25%
-Interest Payments	1.17	0.86	0.31-	-26.9%
Reimbursement for purchase of gas and fuel	423.43	686.49	263.06	62.1%
• KPC & SPC	423.43	686.49	263.06	62.1%

- Payments to the two oil suppliers in Jan-May 2017 were LL 263.06 billion higher than their level during Jan-May 2016.

The component “Reimbursement of KPC and Sonatrach Agreements” reached LL 686.49 billion in Jan-May 2017, rise from LL 423.43 billion in Jan-May 2016. This 62.1 percent increase was mainly driven by higher average prices of crude oil and higher quantity of fuel oil.

- **From a quantity-effect viewpoint:**
 - % Change in Quantity of Fuel Oil imported: 13.20% ▲
 - % Change in Quantity of Gas Oil imported: 19.64% ▼
- **From a price-effect viewpoint:**

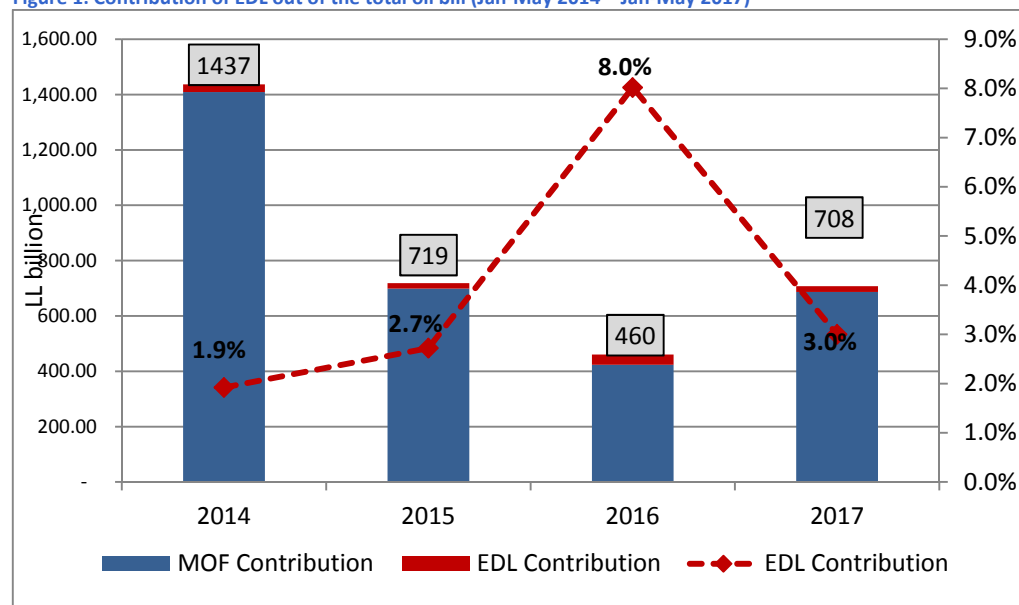
	Jan-May 2016 Bill	Jan-May 2017 Bill
Average Price/Barrel	US\$ 38.07	US\$ 52.48
% Change in weighted average price of crude oil		37.85% ▲

III. Contribution of EDL out of the total oil bill

▶ *EDL contributed 3 percent of the total oil bill in Jan-May 2017*

From a total oil bill of LL 708 billion in Jan-May 2017, EDL contributed by 3 percent to the cost of gas oil and fuel oil purchase¹. This figure was higher at 8 percent during the same period of 2016, out of a lower bill of LL 460 billion. In nominal terms, EDL's contribution was lower in Jan-May 2017, amounting to LL 21 billion, compared to LL 37 billion during the same period in 2016.

Figure 1: Contribution of EDL out of the total oil bill (Jan-May 2014 – Jan-May 2017)

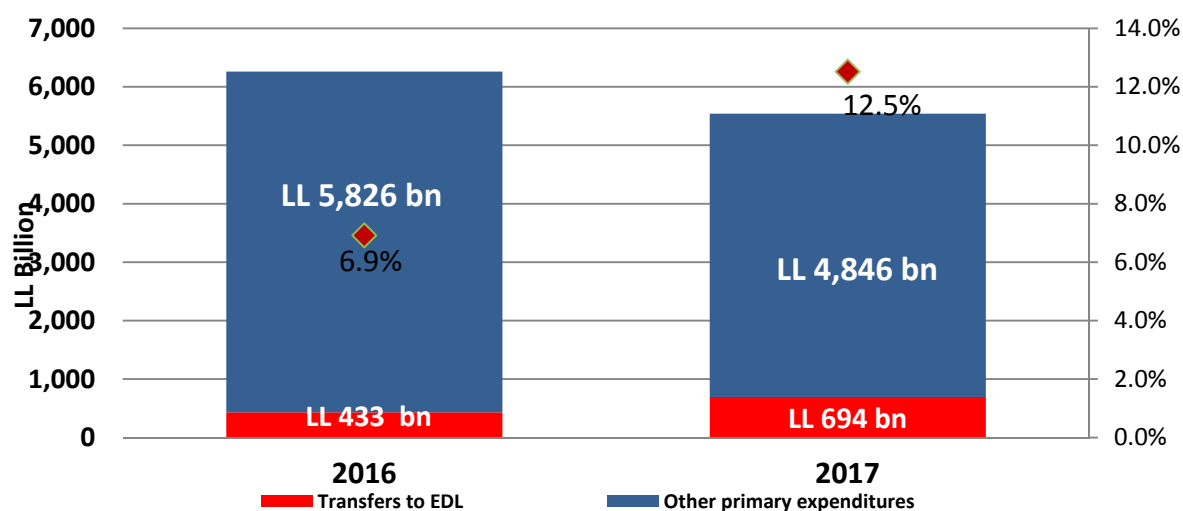


IV. Shares of “Transfers to EDL” out of Expenditures

▶ *Transfers to EDL constituted 12.5 percent of primary expenditures in Jan-May 2017*

With primary expenditures at LL 5,540 billion, the share of transfers to EDL reached 12.5 percent in Jan-May 2017. This share was lower at 6.9 percent in Jan-May 2016.

Figure 2: Transfers to EDL out of primary expenditures (Jan-May 2016 – Jan-May 2017)



¹ The Treasury transferred around LL 693.54 billion to cover EDL's deficit in Jan-May 2017. Out of this amount, around LL 686.49 billion represented the Treasury transfer to purchase gas oil and fuel oil (as shown in Table 2). However, the total oil bill for Jan-May 2017 amounted to LL 707.73 billion, which correspond to LL 686.49 billion of Treasury transfers plus LL 21.24 billion of payments made by EDL.