

I. Transfers to EDL in 2010

► In August 2010, treasury transfers to EDL reached LL 46 billion, as follows:

- ⇒ Reimbursement of KPC and Sonatrach LL 41.5 billion
- ⇒ Debt service LL 4.1 billion

► In 2010, treasury transfers to EDL reached LL 1,126 billion, as follows:

- ⇒ Reimbursement of KPC and Sonatrach LL 1,061 billion
- ⇒ Debt service LL 65 billion

Table 1: Monthly transfers to EDL in 2010

(LL billion)	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
EDL of which:	94	264	147	145	155	43	232	46					1,126
Debt service, of which:	0.4	8.0	13.3	11.0	0.0	8.5	19.6	4.1					65.0
• C-Loans and Eurobonds, of which:	0.4	8.0	13.3	1.0	0.0	8.5	13.5	4.1					48.8
– Principal payments	0.0	7.6	10.3	0.9	0.0	7.8	11.2	3.3					41.1
– Interest payments	0.4	0.4	3.0	0.1	0.0	0.7	2.3	0.8					7.8
• BDL Guaranteed Loan payments	0.0	0.0	0.0	10.1	0.0	0.0	6.1	0.0					16.1
Reimbursement of KPC and Sonatrach	93.3	255.8	134.1	134.2	155.2	34.7	212.2	41.5					1,061.0

Source: Ministry of Finance

II. Transfers to EDL in 2010 in comparison with 2009

► Transfers to EDL in 2010 were LL 587 billion lower than the 2009 level

Transfers in 2010 registered a level that is LL 587 billion below that of the same period of 2009, which stood at LL 1,713 billion, as a result of the following two factors:

- ⇒ decrease in payments to Kuwait Petroleum Corporation (KPC) and Algeria's Sonatrach for fuel and gas oil purchases by LL 545 billion
- ⇒ decrease in debt service by LL 42 billion

Table 2: Transfers to EDL

(LL billion)	Aug 2009	Aug 2010	2009	2010	Change	% Change
EDL, of which:	55	46	1,713	1,126	(587)	-34%
Debt Service, of which:	20	4	107	65	(42)	-39%
• C-Loans and Eurobonds, of which:	20	4	81	49	(32)	-39%
– Principal Repayments	17	3	67	41	(26)	-39%
– Interest Payments	4	1	13	8	(6)	-42%
• BDL-Guaranteed Loan Payments	0	-	26	16	(10)	-38%
Reimbursement of KPC and Sonatrach Agreements	34	42	1,606	1,061	(545)	-34%

Source: Ministry of Finance

► Payments to the two oil suppliers in 2010 were LL 545 billion lower than their 2009 level

The component “Reimbursement of KPC and Sonatrach Agreements” reached LL 1,061 billion in 2010, down from LL 1,606 billion in 2009. The registered 34 percent downward change is rooted both in a quantity and a price effect, where the average oil price according to which the 2010 payments were made is lower than that pertaining to 2009.

At the quantity level, payments to oil suppliers in 2010 reflect around 24¹ percent and 2 percent lower quantity of gas oil and fuel oil, respectively, than that paid in the same period of 2009. This decline in gas oil quantities is partially attributed to the fact that commercial quantities of natural gas from Egypt, a substitute for KPC and Sonatrach gasoil, started flowing to the Deir al-Ammar/Beddawi power plant in early November 2009. EDL has not yet started to pay for the natural gas bill.

III. Contribution of EDL out of the total oil bill

▶ *EDL contributed to 11 percent of the total oil bill in 2010*

With a total oil bill of LL 1,197 billion paid in 2010, of which a treasury payment of LL 1,061 billion for “Reimbursement of KPC and Sonatrach Agreements”, EDL contributed by 11.4 percent to repaying the two oil suppliers. It is worth mentioning that this figure was lower at around 6.5 percent in the first half of 2009, out of a larger oil bill of LL 1,723 billion.

¹ Quantity figures are calculated based on Letters of Credit (LCs) sent by EDL to the Ministry of Finance.