

I. Transfers to EDL in 2010

► In February 2010, treasury transfers to EDL reached LL 264 billion, as follows:

- ⇒ Reimbursement of KPC and Sonatrach LL 255.8 billion
- ⇒ Debt service LL 8.0 billion

► In 2010, treasury transfers to EDL reached LL 358 billion, as follows:

- ⇒ Reimbursement of KPC and Sonatrach LL 349.1 billion
- ⇒ Debt service LL 8.5 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											358
Debt service, of which:	0.4	8.0											8.5
• C-Loans and Eurobonds, of which:	0.4	8.0											8.5
– Principal payments	0.0	7.6											7.6
– Interest payments	0.4	0.4											0.9
• BDL Guaranteed Loan payments	0.0	0.0											0.0
Reimbursement of KPC and Sonatrach	93.3	255.8											349.1

Source: Ministry of Finance

II. Transfers to EDL in 2010 in comparison with 2009

► Transfers to EDL in 2010 were LL 318 billion lower than their 2009 level

Transfers in the first two months of 2010 registered a level that is LL 318 billion lower than that the same period of 2009, which stood at LL 676 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 303 billion
- ⇒ decrease in debt service by LL 15 billion

Table 2: Transfers to EDL

(LL billion)	Feb 2009	Feb 2010	2009	2010	Change	% Change
EDL, of which:	261	264	676	358	(318)	-47%
Debt Service, of which:	14	8	24	8	(15)	-64%
• C-Loans and Eurobonds, of which:	14	8	18	8	(10)	-53%
– Principal Repayments	13	8	16	8	(9)	-54%
– Interest Payments	1	0	2	1	(1)	-44%
• BDL-Guaranteed Loan Payments	0	0	6	-	(6)	-100%
Reimbursement of KPC and Sonatrach Agreements	247	256	652	349	(303)	-46%

Source: Ministry of Finance

▶ *Lower transfers to EDL 2010 came as a result of significantly lower transfers in January*

Transfers to EDL in February 2010 were almost equivalent to the February 2009 level; however the variation in transfers witnessed in the first two months of 2010 materialised in January 2010¹.

▶ *Payments to the two oil suppliers in 2010 were LL 303 billion lower than their 2009 level*

The component “Reimbursement of KPC and Sonatrach Agreements” reached LL 349 billion in 2010, down from LL 652 billion in 2009. The registered 46 percent downward change is rooted mainly in a price effect, where the average oil price according to which the 2010 (January and February) payments were made is lower than that pertaining to 2009.

At the quantity level, payments to oil suppliers in the first two months of 2010 reflect a slightly higher quantity of gas oil and fuel than that paid in the same period of 2009 by around 4 percent.

III. Contribution of EDL out of the total oil bill

▶ *EDL contributed to 16 percent of the total oil bill in 2010*

With a total oil bill of LL 414 billion paid in 2010, of which a treasury payment of LL 349 billion for “Reimbursement of KPC and Sonatrach Agreements”, EDL contributed by 15.7 percent to repaying the two oil suppliers. It is worth mentioning that this figure was lower at around 5 percent in the first two months of 2009, out of a larger oil bill of LL 683 billion.

¹ For details on Transfers to EDL in January 2010, kindly refer to “Transfers to EDL - A Monthly Snapshot - Jan 2010”.