

## I. Treasury Transfers to EDL in January 2014

▶ *In January 2014*, treasury transfers to EDL reached LL 262.94 billion, as follows:

⇒ Reimbursement of KPC and Sonatrach	LL 261.26 billion
⇒ Debt Service	LL 1.67 billion

## II. Treasury Transfers to EDL in 2014 in comparison with 2013

▶ *Transfers to EDL in January 2014 were LL 58 billion higher than the January 2013 level*

Transfers in January 2014 were LL 58.02 billion higher than the amount paid in January 2013, which stood at LL 204.92 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 2013	Jan 2014	Change	% Change
<b>EDL, of which:</b>	<b>204.92</b>	<b>262.94</b>	<b>58.02</b>	<b>28%</b>
<b>Debt Service, of which:</b>	<b>9.11</b>	<b>1.67</b>	<b>7.43-</b>	<b>-82%</b>
• C-Loans and Eurobonds, of which:	1.71	1.67	0.04-	-2%
-Principal Repayments	1.02	1.02	0.01-	-1%
-Interest Payments	0.69	0.66	0.03-	-5%
• BDL-Guaranteed Loan Payments	7.39	0	7.39-	-100%
<b>Reimbursement for purchase of gas and fuel</b>	<b>195.81</b>	<b>261.26</b>	<b>65.45</b>	<b>33%</b>
• KPC & SPC	195.81	261.26	65.45	33%
• EGAS	-	-	0	0%

Source: Ministry of Finance

▶ *Payments to the two oil suppliers in January 2014 were LL 65.45 billion higher than their level during January 2013*

The component “Reimbursement of KPC and Sonatrach Agreements” reached LL 261.26 billion in January 2014, up from LL 195.81 billion in January 2013. This 33 percent increase was mainly driven by higher quantity of fuel oil and gas oil purchases and average prices of crude oil.

➤ **From a quantity-effect viewpoint:**

	<i>Period covered in Jan 2013 Bill</i>	<i>Period covered in Jan 2014 Bill</i>	<i>% Change in Quantity Imported</i>
Gas Oil	July 2012	May-August 2013	131% ▲
Fuel Oil	July-August 2012	August 2013	7% ▼

➤ **From a price-effect viewpoint:**

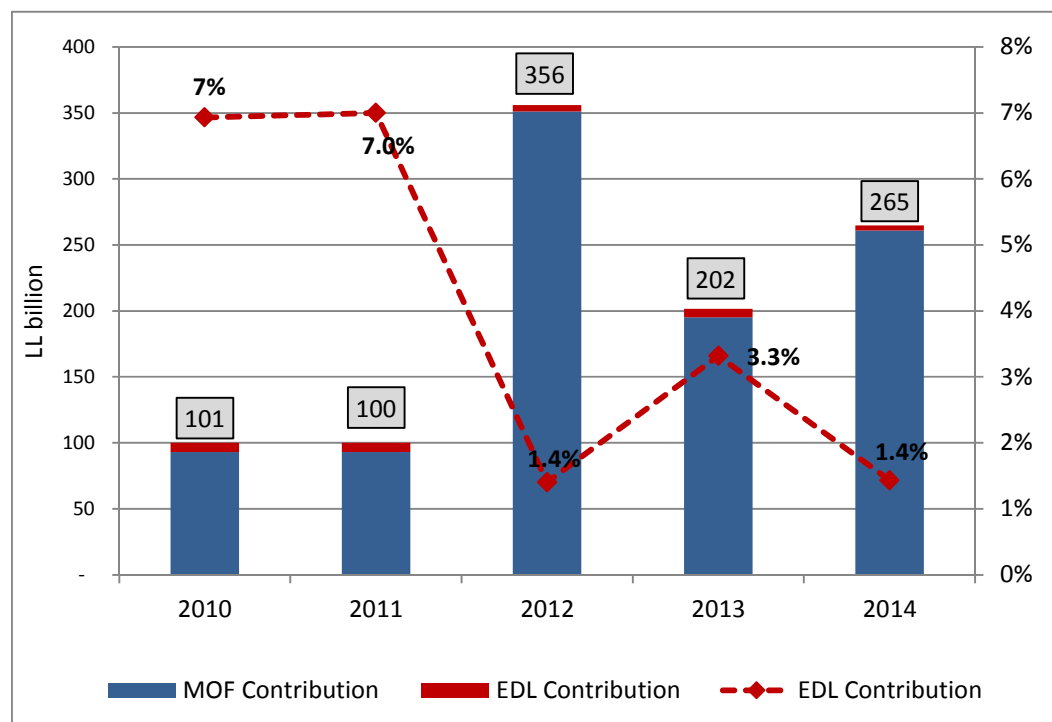
	<i>Jan 2013 Bill</i>	<i>Jan 2014 Bill</i>
Consumption Period	July-August 2012	May-August 2013
Average Price/Barrel	US\$ 106.2	US\$ 109.08
% Change in weighted average price of crude oil		3% ▲

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

➤ ***EDL contributed 1.4 percent of the total oil bill in January 2014***

From a total oil bill of LL 265 billion in January 2014, EDL contributed by 1.4 percent to the cost of gas oil and fuel oil purchase<sup>1</sup>. This figure was higher at 3.3 percent during the same period of 2013, out of a lower bill of LL 202 billion. In nominal terms, EDL’s contribution was lower in January 2014, amounting to LL4 billion, compared to LL 7 billion during the same period in 2013 and LL 5 billion or 1.4% percent of a LL 356 billion oil bill in January 2012.

Figure 1: Contribution of EDL (Jan 2010 – Jan 2014)



<sup>1</sup> The Treasury transferred around LL 262.94 billion to cover EDL’s deficit in Jan 2014. Out of this amount, around LL 261.26 billion represented the Treasury transfer to purchase gas oil and fuel oil (as shown in Table 2). However, the total oil bill for Jan 2014 amounted to LL 265 billion, which correspond to LL261 billion of Treasury transfers plus LL 4 billion of payments made by EDL.

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

▶ *Transfers to EDL constituted 18.8 percent of primary expenditures in January 2014*

With primary expenditures at 1,399 billion in January 2014, the share of transfers to EDL reached 18.8 percent, a higher share than that paid in January 2013. In fact, the share of transfers out of primary expenditures was higher in January 2013, at 16.5 percent.

Figure 2: Transfers to EDL out of primary expenditures (Jan 2012 – Jan 2014)

