

## I. Treasury Transfers to EDL in June 2016

► In June 2016, treasury transfers to EDL reached LL 71.28 billion, as follows:

- ⇒ Reimbursement of KPC and Sonatrach LL 70.68 billion
- ⇒ Debt Service LL 0.60 billion

Table 1: Monthly Treasury transfers to EDL in Jan-June 2016

| (LL billion)                                      | Jan          | Feb          | Mar          | April        | May           | June         | Total         |
|---|--------------|--------------|--------------|--------------|---------------|--------------|---------------|
| <b>EDL of which:</b>                              | <b>53.83</b> | <b>82.64</b> | <b>93.15</b> | <b>87.27</b> | <b>115.95</b> | <b>71.28</b> | <b>504.12</b> |
| <b>Debt service (C-Loans and Eurobonds):</b>      | <b>1.48</b>  | <b>5.63</b>  | <b>0.29</b>  | <b>0.88</b>  | <b>1.13</b>   | <b>0.60</b>  | <b>10.01</b>  |
| • Principal payments                              | 0.94         | 5.07         | 0.25         | 0.87         | 1.11          | 0.52         | 8.76          |
| • Interest payments                               | 0.53         | 0.57         | 0.04         | 0.01         | 0.02          | 0.08         | 1.25          |
| <b>Reimbursement for purchase of gas and fuel</b> | <b>52.35</b> | <b>77.01</b> | <b>92.86</b> | <b>86.39</b> | <b>114.82</b> | <b>70.68</b> | <b>494.11</b> |
| • KPC & SPC                                       | 52.35        | 77.01        | 92.86        | 86.39        | 114.82        | 70.68        | 494.11        |

Source: Ministry of Finance

## II. Treasury Transfers to EDL in Jan-June 2016 in comparison with Jan-June 2015

► Transfers to EDL in Jan-June 2016 were LL 441.91 billion lower than the Jan-June 2015 level

Transfers in Jan-June 2016 were LL 441.91 billion lower than the amount paid in Jan-June 2015, which stood at LL 946.03 billion. This was mainly a result of lower payments to KPC and Sonatrach for fuel oil and gas oil purchases

| (LL billion)                                      | Jan-June 2015 | Jan-June 2016 | Change         | % Change      |
|---|---------------|---------------|----------------|---------------|
| <b>EDL, of which:</b>                             | <b>946.03</b> | <b>504.12</b> | <b>441.91-</b> | <b>-46.7%</b> |
| <b>Debt Service (C-Loans and Eurobonds):</b>      | <b>13.34</b>  | <b>10.01</b>  | <b>3.33-</b>   | <b>-25%</b>   |
| -Principal Repayments                             | 11.60         | 8.76          | 2.84-          | -24%          |
| -Interest Payments                                | 1.74          | 1.25          | 0.49-          | -28.3%        |
| <b>Reimbursement for purchase of gas and fuel</b> | <b>932.69</b> | <b>494.11</b> | <b>438.58-</b> | <b>-47%</b>   |
| • KPC & SPC                                       | 932.69        | 494.11        | 438.58-        | -47%          |

► Payments to the two oil suppliers in Jan-June 2016 were LL 438.58 billion lower than their level during Jan-June 2015.

The component “Reimbursement of KPC and Sonatrach Agreements” reached LL 494.11 billion in Jan-June 2016, down from LL 932.69 billion in Jan-June 2015. This 47 percent decrease was mainly driven by lower average prices of crude oil.

- **From a quantity-effect viewpoint:**
  - % Change in Quantity of Fuel Oil imported: 1.09 % ▼
  - % Change in Quantity of Gas Oil imported: 10.48 % ▼
- **From a price-effect viewpoint:**

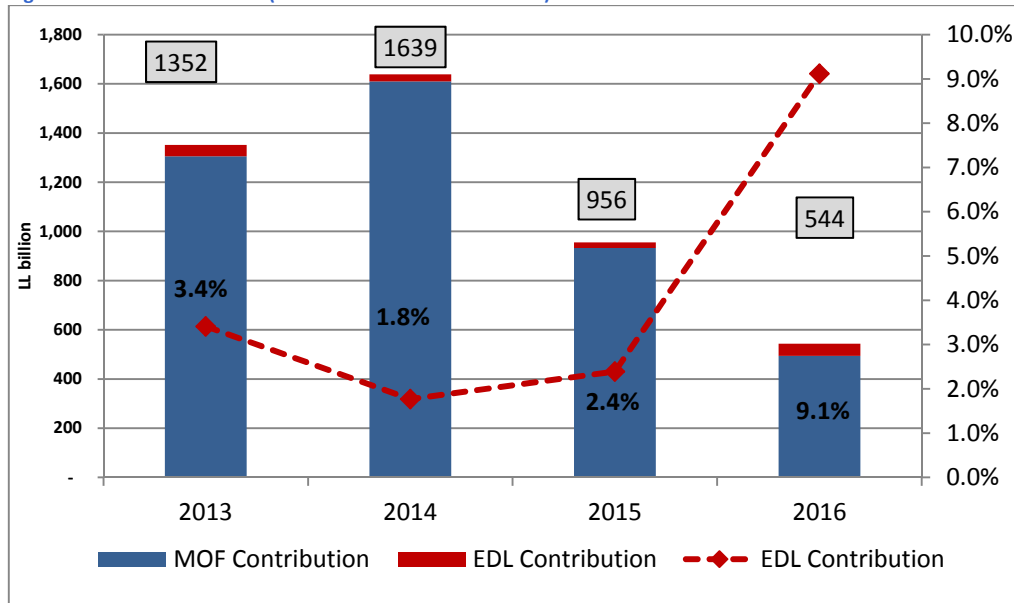
|   | Jan-June 2015 Bill | Jan-June 2016 Bill |
|---|--------------------|--------------------|
| Average Price/Barrel                            | US\$ 57.47         | US\$ 39.39         |
| % Change in weighted average price of crude oil |                    | 31.473 % ▼         |

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

- ▶ *EDL contributed 9.1 percent of the total oil bill in Jan-June 2016*

From a total oil bill of LL 544 billion in Jan-June 2016, EDL contributed by 9.1 percent to the cost of gas oil and fuel oil purchase<sup>1</sup>. This figure was lower at 2.4 percent during the same period of 2015, out of a higher bill of LL 956 billion. In nominal terms, EDL’s contribution was lower in Jan-June 2015, amounting to LL 23 billion, compared to LL 50 billion during the same period in 2016.

Figure 1: Contribution of EDL (Jan-June 2013 – Jan-June 2016)

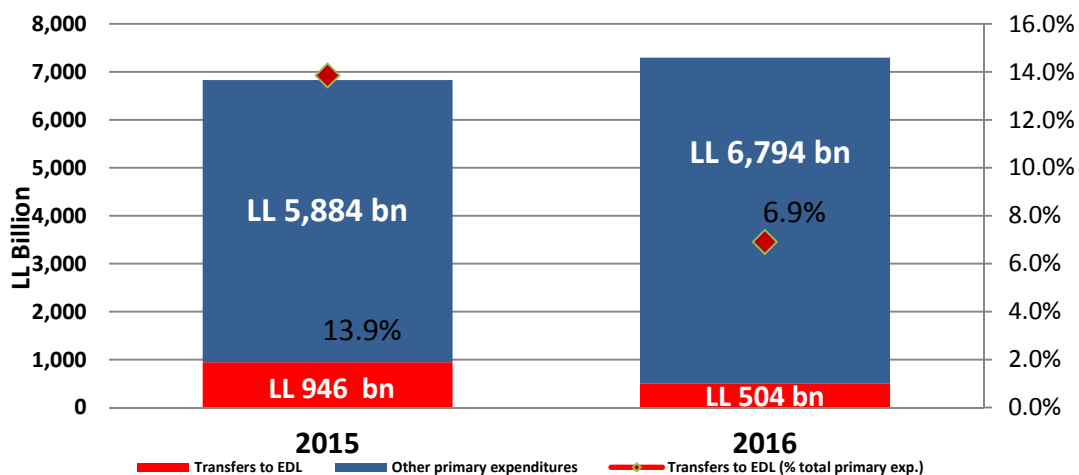


### IV. Shares of “Transfers to EDL” out of Expenditures

- ▶ *Transfers to EDL constituted 6.9 percent of primary expenditures in Jan-June 2016*

With primary expenditures at LL 7,298 billion, the share of transfers to EDL reached 6.9 percent in Jan-June 2016. This share was higher at 13.9 percent in Jan-June 2015.

Figure 2: Transfers to EDL out of primary expenditures (Jan-June 2015 – Jan-June 2016)



<sup>1</sup> The Treasury transferred around LL 504.12 billion to cover EDL’s deficit in Jan-June 2016. Out of this amount, around LL 494.11 billion represented the Treasury transfer to purchase gas oil and fuel oil (as shown in Table 2). However, the total oil bill for Jan-June 2016 amounted to LL 543.67 billion, which correspond to LL 494.11 billion of Treasury transfers plus LL 49.56 billion of payments made by EDL.