

## I. Treasury Transfers to EDL in Jan-May 2012

► In May 2012, treasury transfers to EDL reached LL 333 billion, as follows:

- ⇒ Reimbursement of KPC and Sonatrach LL 333.1 billion
- ⇒ Debt service LL 0 billion

► Between January and May 2012, treasury transfers to EDL reached LL 1409.1 billion, as follows:

- ⇒ Reimbursement of KPC and Sonatrach LL 1,366 billion
- ⇒ Debt service LL 43.1 billion

Table 1: Monthly Treasury transfers to EDL in Jan-May 2012

(LL billion)	Jan	Feb	Mar	Apr	May	Total
<b>EDL of which:</b>	<b>355</b>	<b>189</b>	<b>272</b>	<b>261</b>	<b>333</b>	<b>1,409</b>
<b>Debt service, of which:</b>	<b>3.7</b>	<b>14.1</b>	<b>0.0</b>	<b>25.4</b>	<b>0.0</b>	<b>43.1</b>
• C-Loans and Eurobonds, of which:	1.7	14.1	0.0	1.4	0.0	17.2
– Principal payments	1.0	11.9	0.0	1.2	0.0	14.1
– Interest payments	0.7	2.2	0.0	0.2	0.0	3.1
• BDL Guaranteed Loan payments	1.9	0.0	0.0	24.0	0.0	26.0
<b>Reimbursement for purchase of gas and fuel</b>	<b>351.0</b>	<b>175.1</b>	<b>271.7</b>	<b>235.1</b>	<b>333.1</b>	<b>1,366.0</b>
• KPC & SPC	351.0	175.1	271.7	235.1	333.1	1,366.0
• EGAS	-	-	-	-	-	-

Source: Ministry of Finance

## II. Treasury Transfers to EDL in Jan-May 2012 vs. Jan-May 2011

► Transfers to EDL between January and May 2012 were LL 463 billion higher than the amount paid during the same period in 2011

Transfers in January-May 2012 were LL 463 billion higher than the amount paid during the same period of 2011, which stood at LL 947 billion, as a result of the following two factors:

- ⇒ Increase in payments to KPC and Sonatrach for fuel oil and gas oil purchases, by LL 458 billion
- ⇒ Increase in debt service, by LL 5 billion

The above increases were partly offset by a decrease in natural gas purchases from EGAS, by LL 55 billion

Table 2: Treasury Transfers to EDL

(LL billion)	May 2011	May 2012	Jan-May 2011	Jan-May 2012	Change	% Change
<b>EDL, of which:</b>	<b>195</b>	<b>333</b>	<b>947</b>	<b>1,409</b>	<b>463</b>	<b>49%</b>
<b>Debt Service, of which:</b>	<b>2</b>	<b>0</b>	<b>38</b>	<b>43</b>	<b>5</b>	<b>12%</b>
• C-Loans and Eurobonds, of which:	2	0	19	17	-2	-11%
– Principal Repayments	1	0	15	14	-1	-9%
– Interest Payments	0	0	4	3	-1	-21%
• BDL-Guaranteed Loan Payments	0	0	19	26	7	37%
<b>Reimbursement for purchase of gas and fuel</b>	<b>193</b>	<b>333</b>	<b>908</b>	<b>1,366</b>	<b>458</b>	<b>50%</b>
• KPC & SPC	151	333	853	1,366	513	60%
• EGAS	42	0	55	0	-55	-100%

Source: Ministry of Finance

- ▶ *Payments to the two oil suppliers in January-May 2012 were LL 513 billion higher than their level during the same period of 2011*

The component “Reimbursement of KPC and Sonatrach Agreements” reached LL 1,366 billion in January-May 2012, up from LL 853 billion in January-May 2011. This 60 percent increase was mainly driven by higher international oil prices at the time when the gas oil and fuel oil shipments were imported.

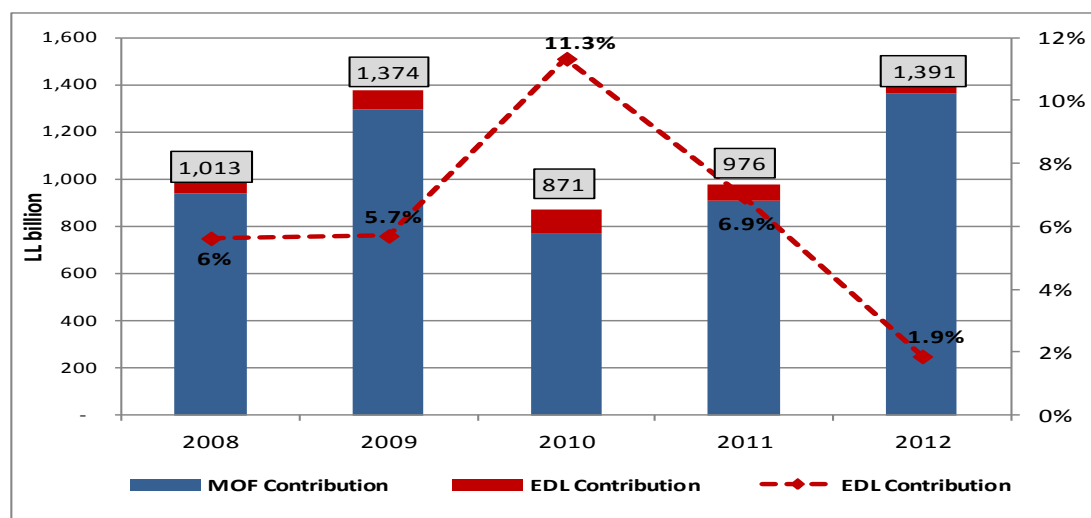
- From a quantity-effect viewpoint: the payments made in January-May 2012 represent 13% higher gas oil imports in May-December 2011, compared to gas oil imports in June-December 2010 (paid in January-May 2011). In parallel, fuel oil quantities imported during July-December 2011, and paid in January-May 2012, increased by 3 percent, compared to July-December 2010 (paid in January-May 2011).
- From a price-effect viewpoint: the average oil price according to which the January-May 2012 payments were made is 38 percent higher than that pertaining to January-May 2011. This is due to the fact that 2012 payments reflect consumption over the period May-December 2011, where the weighted crude oil average prices were US\$ 111.1 /barrel. The January-May 2011 payments reflect consumption over the period June-December 2010, where crude oil prices averaged US\$ 80.3 /barrel.

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

- ▶ *EDL contributed 1.9 percent of the total oil bill in January-May 2012*

With a total oil bill of LL 1,391 billion paid in January-May 2012<sup>1</sup>, EDL contributed by 1.9 percent to repaying of KPC and Sonatrach. The latter contribution was higher at 6.9 percent during the same period of 2011, out of a smaller bill of LL 976 billion. In nominal terms, EDL paid higher contribution in January-May 2011, amounting to LL 68 billion compared to LL 26 billion during the same period of this year. This represents a much lower contribution compared to that of 2010, which amounted to LL 99 billion or 11.3 percent out of an oil bill of LL 871 billion.

Figure 1: Contribution of EDL (Jan-May 2008 - Jan-May 2012)



<sup>1</sup> The Treasury transferred LL 1,409 billion to cover EDL’s deficit in January-May 2012. Out of this amount, LL 1,366 billion represented the Treasury transfer to purchase gas and oil (as shown in Table 2). However, the total oil bill for January-May 2012 summed up to LL 1,391 billion which is constituted of LL 1,366 billion of treasury transfers “plus” 26 billion of transfers made by EDL.

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

- ▶ *Transfers to EDL constituted 25.9 percent of primary expenditures in January-May 2012*

With primary expenditures at LL 5,431 billion in January-May 2012, the share of transfers to cover EDL’s oil bill reached 25.9 percent, registering the highest share in the last three years. The share of transfers out of primary expenditures was lower in January-May 2011, at 20.4 percent, due to a much lower amount of transfers to EDL.

Figure 2: Transfers to EDL out of primary expenditures (Jan-May 2010 - Jan-May 2012)

