

I. Treasury Transfers to EDL in October 2013

► In October 2013, treasury transfers to EDL reached LL 166.93 billion, as follows:

- ⇒ Payments for purchase of gas and fuel oil LL 166.02 billion
- ⇒ Debt service payment LL 0.91 billion

Table 1: Monthly Treasury transfers to EDL in Jan-Oct 2013

(LL billion)	Jan	Feb	Mar	Apr	May	June	July	Aug	Sep	Oct	Total
EDL of which:	204.92	230.86	426.56	229.86	219.62	107.98	409.26	446.69	265.62	166.93	2,708.31
Debt service, of which:	9.11	9.81	-	20.01	1.49	-	11.87	9.59	0.36	0.91	63.15
• C-Loan, of which:	1.71	9.81	-	1.29	1.49	-	8.26	9.59	0.36	0.91	33.43
- Principal payments	1.02	8.12	-	1.16	1.29	-	6.80	8.08	0.30	0.87	27.64
- Interest payments	0.69	1.70	-	0.13	0.19	-	1.46	1.51	0.05	0.05	5.79
• BDL Guaranteed Loan payments	7.39	-	-	18.73	-	-	3.61	-	-	-	29.72
Reimbursement for purchase of gas and fuel	195.81	221.05	426.56	209.85	218.14	107.98	397.39	437.09	265.26	166.02	2,645.16
• KPC & SPC	195.81	221.05	426.56	209.85	218.14	107.98	397.39	437.09	265.26	166.02	2,645.16

Source: Ministry of Finance

II. Treasury Transfers to EDL in 2013 in comparison with 2012

► Transfers to EDL in January-October 2013 were LL 112.69 billion lower than their January-October 2012 level

Transfers to EDL amounted to LL 2,708.31 billion in January-October 2013, declining by LL 112.69 billion from the LL 2,821 billion paid in January-October 2012. This was a result of the three following factors:

- ⇒ Decrease in payments to KPC and Sonatrach by LL 54.94 billion
- ⇒ Decrease in debt service payments by LL 43.75 billion
- ⇒ A Treasury advance for VAT payment made in October 2012: LL 14 billion

Table 2: Treasury Transfers to EDL

(LL billion)	Oct 2012	Oct 2013	Jan-Oct 2012	Jan-Oct 2013	Change	% Change
EDL, of which:	199.80	166.93	2,821.00	2,708.31	112.69-	-4%
Debt Service, of which:	30.30	0.91	106.90	63.15	43.75-	-41%
• C-Loans, of which:	1.40	0.91	41.60	33.43	8.17-	-20%
-Principal Repayments	1.20	0.87	34.40	27.64	6.76-	-20%
-Interest Payments	0.20	0.05	7.20	5.79	1.41-	-20%
• BDL-Guaranteed Loan Payments	28.90	-	65.30	29.72	35.58-	-54%
Reimbursement for purchase of gas and fuel	169.50	166.02	2,700.10	2,645.16	54.94-	-2%
• KPC & SPC	155.50	166.02	2,700.10	2,645.16	54.94-	-2%
Treasury Advance for VAT payment	14	-	14	-	-14	-100%

Source: Ministry of Finance

► Payments to the two oil suppliers in January-October 2013 were LL 54.94 billion lower than their level during the same period in 2012

Payments to KPC and Sonatrach reached LL 2,645.16 billion in January-October 2013, down from LL 2,700.1 billion in January-October 2012. This 2 percent decrease was driven by two factors:

- Decline in the total volume of energy imports
- Lower average crude oil prices.

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

	<i>Period covered in Jan-Oct 2012 Bill</i>	<i>Period covered in Jan-Oct 2013 Bill</i>	<i>% Change in Quantity Imported</i>
Gas Oil	May 2011-May 2012	May 2012-June 2013	13% ▲
Fuel Oil	July 2011-May 2012	July 2012-September 2013	18% ▼

➤ **From a price-effect viewpoint:**

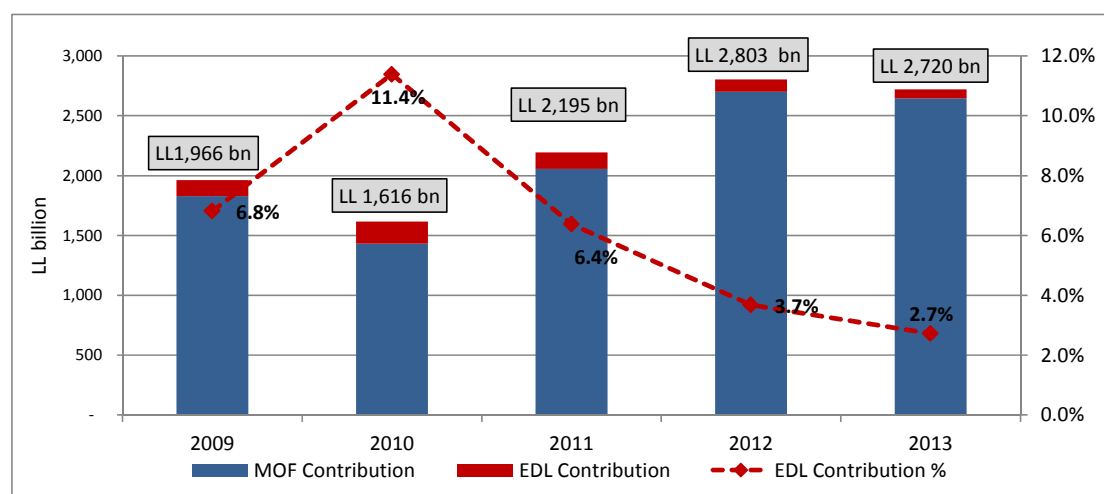
	<i>Jan-Oct 2012 Bill</i>	<i>Jan-Oct 2013 Bill</i>
Consumption Period	May 2011-May 2012	May 2012-September 2013
Average Price/Barrel	US\$113.2	US\$ 109.131
% Change in average price of crude oil		4% ▼

III. Contribution of EDL out of the total oil bill

➤ **EDL contributed 2.7 percent of the total oil bill in January-October 2013**

From a total oil bill of LL 2720 billion, EDL contributed by 2.7 percent to the cost of gasoil and fuel oil purchase in January-October 2013². This figure was higher at 3.7 percent during the same period of 2012, out of a higher bill of LL 2,803 billion. In nominal terms, EDL’s contribution was lower in January-October 2013, amounting to LL 74 billion, compared to LL 103 billion during the same period in 2012 and LL 140 billion or 6.4% percent of a LL 2,195 billion oil bill in January-October 2011.

Figure 1: Contribution of EDL (Jan/Oct 2009 – Jan/Oct 2013)



¹ The weighted average price of crude oil for the period of May 2012-September 2013 is calculated using monthly average spot prices of Brent crude oil, and is weighted by the monthly imported volumes of gas oil during May 2012-June 2013 and fuel oil during July 2012-September 2013

² The Treasury transferred around LL 2,708 billion to cover EDL’s deficit in Jan-Oct 2013. Out of this amount, around LL 2,645 billion represented the Treasury transfer to purchase gas oil and fuel oil (as shown in Table 2). However, the total oil bill for Jan-Oct 2013 amounted to LL 2,720 billion, which correspond to LL 2,645 billion of Treasury transfers plus LL 74.4 billion of payments made by EDL.

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

- ▶ *Transfers to EDL constituted 21.8 percent of primary expenditures in January-October 2013*

With primary expenditures at 12,413 billion in January-October 2013, the share of transfers to EDL reached 21.8 percent. The share of transfers out of primary expenditures was higher in January-October 2012, at 24.4 percent.

Figure 2: Transfers to EDL out of primary expenditures (Jan/Oct 2011 – Jan/Oct 2013)

