

## I. Treasury Transfers to EDL in September 2014

► In September 2014, treasury transfers to EDL reached LL 119.67 billion, as follows:

|                                      |                   |
|--------------------------------------|-------------------|
| ⇒ Reimbursement of KPC and Sonatrach | LL 119.34 billion |
| ⇒ Debt Service                       | LL 0.33 billion   |

Table 1: Monthly Treasury transfers to EDL in Jan - Sep 2014

| (LL billion)                                      | Jan           | Feb           | Mar           | Apr           | May          | Jun           | Jul           | Aug           | Sep           | Total           |
|---|---------------|---------------|---------------|---------------|--------------|---------------|---------------|---------------|---------------|-----------------|
| <b>EDL of which:</b>                              | <b>262.94</b> | <b>107.43</b> | <b>420.84</b> | <b>194.47</b> | <b>81.34</b> | <b>498.02</b> | <b>211.76</b> | <b>351.92</b> | <b>119.67</b> | <b>2,248.38</b> |
| Debt service, of which:                           | 1.67          | 9.50          | 0.36          | 0.91          | 1.45         | 0.75          | 3.32          | 10.86         | 0.33          | 29.16           |
| • C-Loans, of which:                              | 1.67          | 9.50          | 0.36          | 0.91          | 1.45         | 0.75          | 3.32          | 10.86         | 0.33          | 29.16           |
| - Principal payments                              | 1.02          | 8.16          | 0.31          | 0.87          | 1.31         | 0.64          | 2.80          | 9.09          | 0.28          | 24.48           |
| - Interest payments                               | 0.66          | 1.34          | 0.05          | 0.04          | 0.14         | 0.11          | 0.52          | 1.78          | 0.05          | 4.69            |
| • BDL Guaranteed Loan payments                    | -             | -             | -             | -             | -            | -             | -             | -             | -             | -               |
| <b>Reimbursement for purchase of gas and fuel</b> | <b>261.26</b> | <b>97.93</b>  | <b>420.48</b> | <b>193.56</b> | <b>79.89</b> | <b>497.26</b> | <b>208.44</b> | <b>341.06</b> | <b>119.34</b> | <b>2,219.22</b> |
| • KPC & SPC                                       | 261.26        | 97.93         | 420.48        | 193.56        | 79.89        | 497.26        | 208.44        | 341.06        | 119.34        | 2,219.22        |
| • EGAS  | -             | -             | -             | -             | -            | -             | -             | -             | -             | -               |

Source: Ministry of Finance

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

► Transfers to EDL in Jan-Sep 2014 were LL 293 billion lower than the Jan-Sep 2013 level

Transfers in the first three quarters of 2014 were LL 293 billion lower than the amount paid during the same period in 2013, which stood at LL 2,541.38 billion. This was due to lower payments of debt service and lower reimbursement to KPC and Sonatrach for fuel oil and gas oil purchases.

Table 2: Treasury Transfers to EDL

| (LL billion)                                      | Sep 2013      | Sep 2014      | Jan-Sep 2013    | Jan-Sep 2014    | Change         | % Change      |
|---|---------------|---------------|-----------------|-----------------|----------------|---------------|
| <b>EDL of which:</b>                              | <b>265.62</b> | <b>119.67</b> | <b>2,541.38</b> | <b>2,248.38</b> | <b>293.00-</b> | <b>-11.5%</b> |
| Debt service, of which:                           | 0.36          | 0.33          | 62.24           | 29.16           | 33.07-         | -53.1%        |
| • C-Loans, of which:                              | 0.36          | 0.33          | 32.51           | 29.16           | 3.35-          | -10.3%        |
| - Principal payments                              | 0.30          | 0.28          | 26.77           | 24.48           | 2.30-          | -8.6%         |
| - Interest payments                               | 0.05          | 0.05          | 5.74            | 4.69            | 1.05-          | -18.4%        |
| • BDL Guaranteed Loan payments                    | -             | -             | 29.72           | -               | 29.72-         | -100.0%       |
| <b>Reimbursement for purchase of gas and fuel</b> | <b>265.26</b> | <b>119.34</b> | <b>2,479.14</b> | <b>2,219.22</b> | <b>259.93-</b> | <b>-10.5%</b> |
| • KPC & SPC                                       | 265.26        | 119.34        | 2,479.14        | 2,219.22        | 259.93-        | -10.5%        |
| • EGAS  | -             | -             | -               | -               | -              | -             |

Source: Ministry of Finance

► Payments to the two oil suppliers in Jan-Sep 2014 were LL 259.93 billion lower than their level during Jan-Sep 2013

The component "Reimbursement for purchase of Gas and Fuel" reached LL 2,219.22 billion in Jan-Sep 2014, down from LL 2,479.14 billion in Jan-Sep 2013.

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

|          | Period covered in Jan-Sep 2013 Bill | Period covered in Jan-Sep 2014 Bill | % Change in Quantity Imported |
|----------|-------------------------------------|-------------------------------------|-------------------------------|
| Gas Oil  | May 2012-Apr 2013                   | May 2013-Mar 2014                   | 22% ▼                         |
| Fuel Oil | Jul 2012-Aug 2013                   | Aug 2013-May 2014                   | 16% ▲                         |

➤ **From a price-effect viewpoint:**

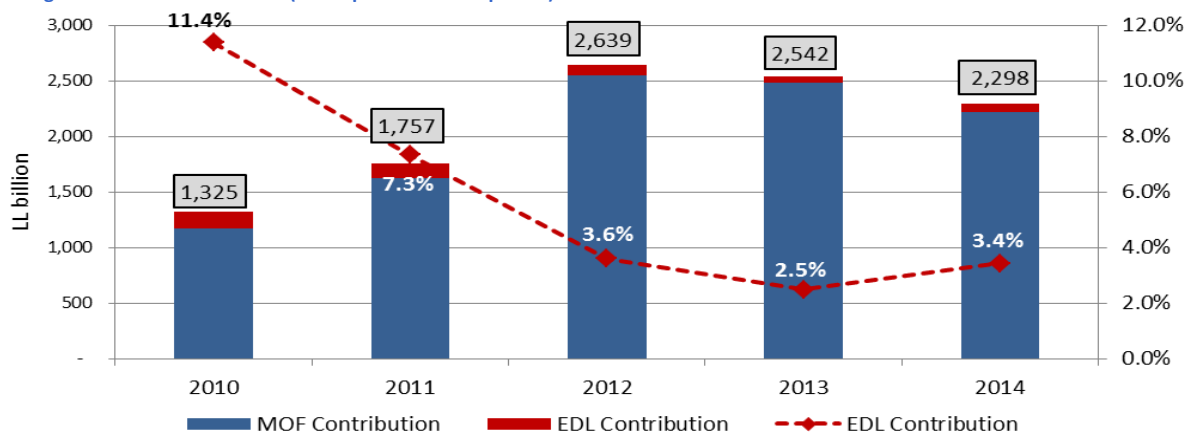
|   | Jan-Sep 2013 Bill | Jan-Sep 2014 Bill |
|---|-------------------|-------------------|
| Consumption Period                              | May 2012-Aug 2013 | May 2013-May 2014 |
| Average Price/Barrel                            | US\$ 109.5        | US\$ 109.10       |
| % Change in weighted average price of crude oil |                   | 0.41% ▼           |

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

➤ **EDL contributed 3.4 percent of the total oil bill in Jan-Sep 2014**

From a total oil bill of LL 2,298 billion in Jan-Sep 2014, EDL contributed by 3.4 percent to the cost of gas oil and fuel oil purchase<sup>1</sup>. This figure was lower at 2.5 percent during the same period of 2013, out of a higher bill of LL 2,542 billion. In nominal terms, EDL’s contribution in Jan-Sep 2014, amounting LL79 billion, was higher than its contribution during Jan-Sep 2013, amounting LL 63 billion.

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

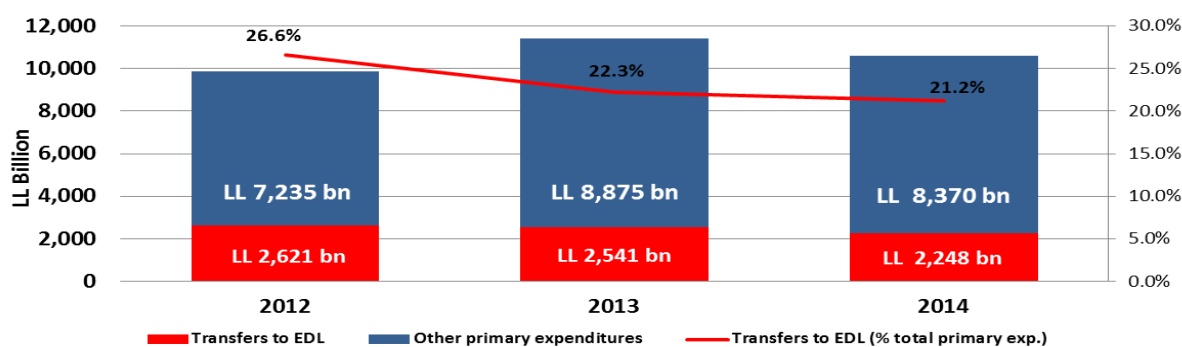


### IV. Shares of “Transfers to EDL” out of Expenditures

➤ **Transfers to EDL stands at 21.2 percent of primary expenditures during Jan-Sep 2014**

With primary expenditures at LBP 10,618 billion in Jan-Sep 2014, the share of transfers to EDL reached 21.2 percent, a lower share than that paid in Jan-Sep 2013 that stood at 22.3 percent of total primary expenditures.

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



<sup>1</sup> The Treasury transferred LL 2,248.38 billion to cover EDL’s deficit in Jan-Sep 2014. Out of this amount, LL 2,219.22 billion represented the Treasury transfer to purchase gas oil and fuel oil (as shown in Table 2). However, the total oil bill for Jan-Sep 2014 amounted to LL 2,297.88 billion, which correspond to around LL 2,219.22 billion of Treasury transfers plus around LL78.67 billions of payments made by EDL.