

I. Treasury Transfers to EDL in Jan-June 2012

► In June 2012, treasury transfers to EDL reached LL 70 billion, as follows:

⇒ Reimbursement of KPC and Sonatrach LL 68.4 billion

⇒ Debt service LL 1.6 billion

► Between January and June 2012, treasury transfers to EDL reached LL 1,479 billion, as follows:

⇒ Reimbursement of KPC and Sonatrach LL 1,434.4 billion

⇒ Debt service LL 44.7 billion

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

(LL billion)	Jan	Feb	Mar	Apr	May	Jun	Total
EDL of which:	355	189	272	261	333	70	1,479
Debt service, of which:	3.7	14.1	0.0	25.4	0.0	1.6	44.7
• C-Loans and Eurobonds, of which:	1.7	14.1	0.0	1.4	0.0	1.6	18.8
– Principal payments	1.0	11.9	0.0	1.2	0.0	1.3	15.4
– Interest payments	0.7	2.2	0.0	0.2	0.0	0.3	3.4
• BDL Guaranteed Loan payments	1.9	0.0	0.0	24.0	0.0	0.0	26.0
Reimbursement for purchase of gas and fuel	351.0	175.1	271.7	235.1	333.1	68.4	1,434.4
• KPC & SPC	351.0	175.1	271.7	235.1	333.1	68.4	1,434.4
• EGAS	-	-	-	-	-	-	-

Source: Ministry of Finance

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

► Transfers to EDL between January and June 2012 were LL 448 billion higher than the amount paid during the same period in 2011

Transfers in January-June 2012 were LL 448 billion higher than the amount paid during the same period of 2011, which stood at LL 1,031 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 500 billion

⇒ Increase in debt service, by LL 2 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)	Jun 2011	Jun 2012	Jan-Jun 2011	Jan-Jun 2012	Change	% Change
EDL, of which:	85	70	1,031	1,479	448	43%
Debt Service, of which:	4	2	42	45	2	6%
• C-Loans and Eurobonds, of which:	4	2	23	19	-5	-19%
– Principal Repayments	4	1	19	15	-4	-19%
– Interest Payments	0	0	4	3	-1	-20%
• BDL-Guaranteed Loan Payments	0	0	19	26	7	37%
Reimbursement for purchase of gas and fuel	81	68	989	1,434	445	45%
• KPC & SPC	81	68	934	1,434	500	54%
• EGAS	0	0	55	0	-55	-100%

Source: Ministry of Finance

- ▶ *Payments to the two oil suppliers in January-June 2012 were LL 500 billion higher than their level during the same period of 2011*

The component “Reimbursement of KPC and Sonatrach Agreements” reached LL 1,434 billion in January-June 2012, up from LL 934 billion in January-June 2011. This 54 percent increase was mainly driven by higher international oil prices at the time when the gas oil and fuel oil shipments were imported.

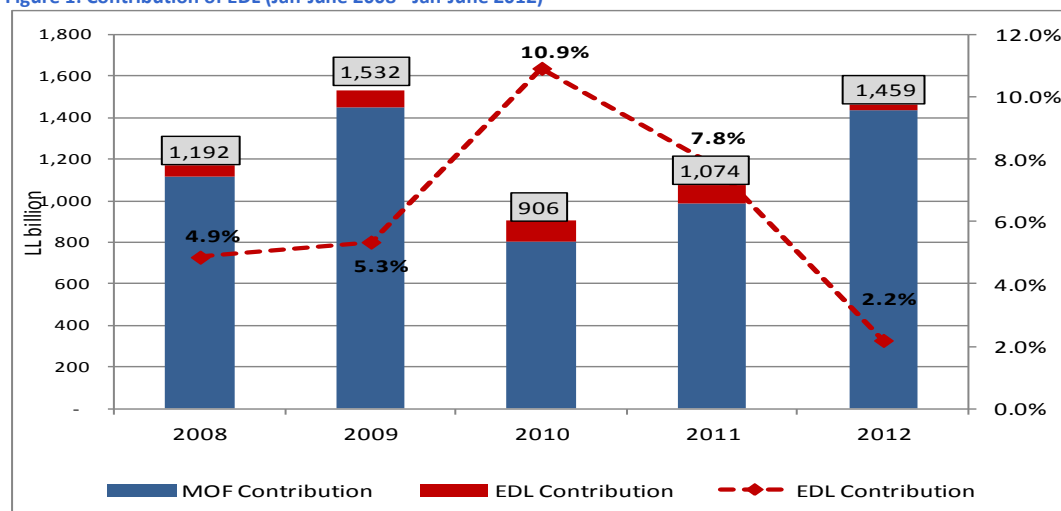
- From a quantity-effect viewpoint: gas oil imported during May-December 2011, and paid in January-June 2012, remain at the same level compared to the quantity imported between June 2010 and Jan 2011 (paid in January-June 2011). In return, fuel oil quantities imported during July-December 2011, and paid in January-June 2012, decreased by 5 percent, compared to July-December 2010 (paid in January-June 2011).
- From a price-effect viewpoint: the average oil price according to which the January-June 2012 payments were made is 36 percent higher than that pertaining to January-June 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\$ 111.2 /barrel. The January-June 2011 payments reflect consumption over the period June 2010-January 2011, where crude oil prices averaged US\$ 81.6/barrel.

III. Contribution of EDL out of the total oil bill

- ▶ *EDL contributed 2.2 percent of the total oil bill in January-June 2012*

With a total oil bill of LL 1,459 billion paid in January-June 2012¹, EDL contributed by 2.2 percent to repaying of KPC and Sonatrach. This figure was higher at 7.8 percent during the same period of 2011, out of a smaller bill of LL 1,074 billion. In nominal terms, EDL paid higher contribution in January-June 2011, amounting to LL 84 billion compared to LL 32 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 10.9 percent out of an oil bill of LL 906 billion.

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



¹ The Treasury transferred LL 1,479 billion to cover EDL’s deficit in January-June 2012. Out of this amount, LL 1,434 billion represented the Treasury transfer to purchase gas and oil (as shown in Table 2). However, the total oil bill for January-June 2012 summed up to LL 1,466 billion which is constituted of LL 1,434 billion of treasury transfers “plus” 32 billion of transfers made by EDL.

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

► *Transfers to EDL constituted 22.8 percent of primary expenditures in January-June 2012*

With primary expenditures at LL 6,477 billion in January-June 2012, the share of transfers to cover EDL’s oil bill reached 22.8 percent, registering the highest share in the last three years. The share of transfers out of primary expenditures was lower in January-June 2011, at 18.8 percent, due to a lower amount of transfers to EDL.

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

