

## I. Transfers to EDL in 2010

► In July 2010, treasury transfers to EDL reached LL 232 billion, as follows:

- ⇒ Reimbursement of KPC and Sonatrach LL 212.2 billion
- ⇒ Debt service LL 19.6 billion

► In 2010, treasury transfers to EDL reached LL 1,080 billion, as follows:

- ⇒ Reimbursement of KPC and Sonatrach LL 1,019.5 billion
- ⇒ Debt service LL 60.9 billion

Table 1: Monthly transfers to EDL in 2010

| (LL billion)                              | Jan         | Feb          | Mar          | Apr          | May          | Jun         | Jul          | Aug | Sep | Oct | Nov | Dec | Total          |
|-------------------------------------------|-------------|--------------|--------------|--------------|--------------|-------------|--------------|-----|-----|-----|-----|-----|----------------|
| <b>EDL of which:</b>                      | <b>94</b>   | <b>264</b>   | <b>147</b>   | <b>145</b>   | <b>155</b>   | <b>43</b>   | <b>232</b>   |     |     |     |     |     | <b>1,080</b>   |
| Debt service, of which:                   | 0.4         | 8.0          | 13.3         | 11.0         | 0.0          | 8.5         | 19.6         |     |     |     |     |     | 60.9           |
| • C-Loans and Eurobonds, of which:        | 0.4         | 8.0          | 13.3         | 1.0          | 0.0          | 8.5         | 13.5         |     |     |     |     |     | 44.7           |
| – Principal payments                      | 0.0         | 7.6          | 10.3         | 0.9          | 0.0          | 7.8         | 11.2         |     |     |     |     |     | 37.8           |
| – Interest payments                       | 0.4         | 0.4          | 3.0          | 0.1          | 0.0          | 0.7         | 2.3          |     |     |     |     |     | 6.9            |
| • BDL Guaranteed Loan payments            | 0.0         | 0.0          | 0.0          | 10.1         | 0.0          | 0.0         | 6.1          |     |     |     |     |     | 16.1           |
| <b>Reimbursement of KPC and Sonatrach</b> | <b>93.3</b> | <b>255.8</b> | <b>134.1</b> | <b>134.2</b> | <b>155.2</b> | <b>34.7</b> | <b>212.2</b> |     |     |     |     |     | <b>1,019.5</b> |

Source: Ministry of Finance

## II. Transfers to EDL in 2010 in comparison with 2009

► Transfers to EDL in 2010 were LL 578 billion lower than the 2009 level

Transfers in 2010 registered a level that is LL 552 billion below that of the same period of 2009, which stood at LL 1,572 billion, as a result of the following two factors:

- ⇒ decrease in payments to Kuwait Petroleum Corporation (KPC) and Algeria's Sonatrach for fuel and gas oil purchases by LL 552 billion
- ⇒ decrease in debt service by LL 25 billion

Table 2: Transfers to EDL

| (LL billion)                                         | Jul 2009   | Jul 2010   | 2009         | 2010         | Change       | % Change    |
|------------------------------------------------------|------------|------------|--------------|--------------|--------------|-------------|
| <b>EDL, of which:</b>                                | <b>148</b> | <b>232</b> | <b>1,658</b> | <b>1,080</b> | <b>(578)</b> | <b>-35%</b> |
| Debt Service, of which:                              | 26         | 20         | 86           | 61           | (25)         | -30%        |
| • C-Loans and Eurobonds, of which:                   | 20         | 13         | 60           | 45           | (16)         | -26%        |
| – Principal Repayments                               | 16         | 11         | 51           | 38           | (13)         | -25%        |
| – Interest Payments                                  | 4          | 2          | 10           | 7            | (3)          | -29%        |
| • BDL-Guaranteed Loan Payments                       | 6          | 6          | 26           | 16           | (10)         | -38%        |
| <b>Reimbursement of KPC and Sonatrach Agreements</b> | <b>122</b> | <b>212</b> | <b>1,572</b> | <b>1,020</b> | <b>(552)</b> | <b>-35%</b> |

Source: Ministry of Finance

► Payments to the two oil suppliers in 2010 were LL 552 billion lower than their 2009 level

The component “Reimbursement of KPC and Sonatrach Agreements” reached LL 1,020 billion in 2010, down from LL 1,572 billion in 2009. The registered 35 percent downward change is rooted both in a quantity and a price effect, where the average oil price according to which the 2010 payments were made is lower than that pertaining to 2009.

At the quantity level, payments to oil suppliers in 2010 reflect around 30<sup>1</sup> percent lower quantity of gas oil than that paid in the same period of 2009, which partially counterbalanced the 20 percent increase in quantity of fuel oil purchased. This decline in gas oil quantities is partially attributed to the fact that commercial quantities of natural gas from Egypt, a substitute for KPC and Sonatrach gasoil, started flowing to the Deir al-Ammar/Beddawi power plant in early November 2009. EDL has not yet started to pay for the natural gas.

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

► ***EDL contributed to 11 percent of the total oil bill in 2010***

With a total oil bill of LL 1,150 billion paid in 2010, of which a treasury payment of LL 1,020 billion for “Reimbursement of KPC and Sonatrach Agreements”, EDL contributed by 11.3 percent to repaying the two oil suppliers. It is worth mentioning that this figure was lower at around 5.4 percent in the first half of 2009, out of a larger oil bill of LL 1,662 billion.

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<sup>1</sup> Quantity figures are calculated based on Letters of Credit (LCs) sent by EDL to the Ministry of Finance.