

I. Transfers to EDL in 2010

► In March 2010, treasury transfers to EDL reached LL 147 billion, as follows:

- ⇒ Reimbursement of KPC and Sonatrach LL 134.1 billion
- ⇒ Debt service LL 13.3 billion

► In QI 2010, treasury transfers to EDL reached LL 505 billion, as follows:

- ⇒ Reimbursement of KPC and Sonatrach LL 483.3 billion
- ⇒ Debt service LL 21.8 billion

Table 1: Monthly transfers to EDL in 2010

(LL billion)	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
EDL of which:	94	264	147										505
Debt service, of which:	0.4	8.0	13.3										21.8
• C-Loans and Eurobonds, of which:	0.4	8.0	13.3										21.8
– Principal payments	0.0	7.6	10.3										17.9
– Interest payments	0.4	0.4	3.0										3.9
• BDL Guaranteed Loan payments	0.0	0.0	0.0										0.0
Reimbursement of KPC and Sonatrach	93.3	255.8	134.1										483.3

Source: Ministry of Finance

II. Transfers to EDL in 2010 in comparison with 2009

► Transfers to EDL in QI 2010 were LL 580 billion lower than their QI 2009 level

Transfers in the first quarter of 2010 registered a level that is LL 580 billion lower than that the same period of 2009, which stood at LL 1,085 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 565 billion
- ⇒ decrease in debt service by LL 15 billion

Table 2: Transfers to EDL

(LL billion)	Mar 2009	Mar 2010	2009	2010	Change	% Change
EDL, of which:	409	147	1,085	505	(580)	-53%
Debt Service, of which:	13	13	36	22	(15)	-40%
• C-Loans and Eurobonds, of which:	13	13	31	22	(9)	-29%
– Principal Repayments	9	10	26	18	(8)	-30%
– Interest Payments	3	3	5	4	(1)	-22%
• BDL-Guaranteed Loan Payments	-	-	6	0	(6)	-100%
Reimbursement of KPC and Sonatrach Agreements	396	134	1,048	483	(565)	-54%

Source: Ministry of Finance

► *Payments to the two oil suppliers in QI 2010 were LL 565 billion lower than their 2009 level*

The component “Reimbursement of KPC and Sonatrach Agreements” reached LL 483 billion in QI 2010, down from LL 1,048 billion in 2009. The registered 54 percent downward change is rooted mainly in a price effect, where the average oil price according to which the QI 2010 payments were made is notably lower than that pertaining to 2009.

At the quantity level, payments to oil suppliers in the first quarter of 2010 reflect a somewhat lower quantity of gas oil and fuel oil than that paid in the same period of 2009.

III. Contribution of EDL out of the total oil bill

► *EDL contributed to 16 percent of the total oil bill in QI 2010*

With a total oil bill of LL 573 billion paid in 2010, of which a treasury payment of LL 483 billion for “Reimbursement of KPC and Sonatrach Agreements”, EDL contributed by 15.6 percent to repaying the two oil suppliers. It is worth mentioning that this figure was lower at around 5 percent in the first quarter of 2009, out of a larger oil bill of LL 1,105 billion.

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

► *Transfers to EDL constituted 20 percent of primary expenditures in QI 2010*

With primary expenditures at LL 2,502 billion in QI 2010, the share of spending on EDL reached 20.2 percent. The share was higher in QI 2009, at 34.7 percent of primary expenditures, due to much higher level of transfers to EDL.

Figure 1: Transfers to EDL out of primary expenditures in 2009 and 2010

