

## I. Transfers to EDL in 2010

► In October 2010, treasury transfers to EDL reached LL 275 billion, as follows:

- ⇒ Reimbursement of KPC and Sonatrach LL 257 billion
- ⇒ Debt service LL 18.3 billion

► In 2010, treasury transfers to EDL reached LL 1,526 billion, as follows:

- ⇒ Reimbursement of KPC and Sonatrach LL 1,431 billion
- ⇒ Debt service LL 94 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>46</b>   | <b>124</b>   | <b>275</b>   |     |     | <b>1,526</b>   |
| Debt service, of which:                   | 0.4         | 8.0          | 13.3         | 11.0         | 0.0          | 8.5         | 19.6         | 4.1         | 11.1         | 18.3         |     |     | 94.3           |
| • C-Loans and Eurobonds, of which:        | 0.4         | 8.0          | 13.3         | 1.0          | 0.0          | 8.5         | 13.5         | 4.1         | 11.1         | 1.0          |     |     | 60.8           |
| – Principal payments                      | 0.0         | 7.6          | 10.3         | 0.9          | 0.0          | 7.8         | 11.2         | 3.3         | 8.3          | 0.9          |     |     | 50.2           |
| – Interest payments                       | 0.4         | 0.4          | 3.0          | 0.1          | 0.0          | 0.7         | 2.3          | 0.8         | 2.8          | 0.1          |     |     | 10.6           |
| • BDL Guaranteed Loan payments            | 0.0         | 0.0          | 0.0          | 10.1         | 0.0          | 0.0         | 6.1          | 0.0         | 0.0          | 17.3         |     |     | 33.5           |
| <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>41.5</b> | <b>113.2</b> | <b>257.1</b> |     |     | <b>1,431.4</b> |

Source: Ministry of Finance

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

► Transfers to EDL in 2010 were LL 419 billion lower than the 2009 level

Transfers in 2010 registered a level that is LL 419 billion below that of the same period of 2009, which stood at LL 1,944 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 396 billion
- ⇒ decrease in debt service by LL 23 billion

Table 2: Transfers to EDL

| (LL billion)                                         | Oct 2009   | Oct 2010   | 2009         | 2010         | Change       | % Change    |
|------------------------------------------------------|------------|------------|--------------|--------------|--------------|-------------|
| <b>EDL, of which:</b>                                | <b>201</b> | <b>275</b> | <b>1,944</b> | <b>1,526</b> | <b>(419)</b> | <b>-22%</b> |
| Debt Service, of which:                              | 9          | 18         | 117          | 94           | (23)         | -19%        |
| • C-Loans and Eurobonds, of which:                   | 1          | 1          | 83           | 61           | (22)         | -27%        |
| – Principal Repayments                               | 1          | 1          | 70           | 50           | (19)         | -28%        |
| – Interest Payments                                  | 0          | 0          | 14           | 11           | (3)          | -22%        |
| • BDL-Guaranteed Loan Payments                       | 8          | 17         | 34           | 33           | (0)          | -1%         |
| <b>Reimbursement of KPC and Sonatrach Agreements</b> | <b>193</b> | <b>257</b> | <b>1,827</b> | <b>1,431</b> | <b>(396)</b> | <b>-22%</b> |

Source: Ministry of Finance

► Payments to the two oil suppliers in 2010 were LL 396 billion lower than their 2009 level

The component “Reimbursement of KPC and Sonatrach Agreements” reached LL 1,431 billion in 2010, down from LL 1,827 billion in 2009. The registered 22 percent downward change is rooted in a quantity effect, where mainly lower amounts of gas oil were paid for in 2010 than 2009. In fact, payments to gas oil suppliers in Jan-Oct 2010, as compared to Jan-Oct

2009, pertain to around 26<sup>1</sup> percent lower quantity. This decline in gas oil quantities is partially attributed to the fact that natural gas, a substitute for gasoil, started flowing from Egypt, to the Deir Amar/Beddawi power plant in early November 2009. The received quantities of natural gas have not been yet paid for.

### 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 1,616 billion paid in January-October 2010, of which a treasury payment of LL 1,431 billion for “Reimbursement of KPC and Sonatrach Agreements”, EDL contributed by 11.4 percent to repaying the two oil suppliers. It is worth mentioning that this figure was lower at around 6.8 percent in 2009, out of a larger oil bill of LL 1,966 billion.

---

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