Transfers to Eléctricité du Liban
A Monthly Snapshot
September 2010

I. Transfers to EDL in 2010

- ***In September 2010, treasury transfers to EDL reached LL 124 billion***, as follows:
  - ⇒ Reimbursement of KPC and Sonatrach — LL 113 billion
  - ⇒ Debt service — LL 11 billion
- ***In 2010, treasury transfers to EDL reached LL 1,250 billion***, as follows:
  - ⇒ Reimbursement of KPC and Sonatrach — LL 1,174 billion
  - ⇒ Debt service — LL 76 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**	**145**	**155**	**43**	**232**	**46**	**124**				**1,250**
Debt service, *of which:*	**0.4**	**8.0**	**13.3**	**11.0**	**0.0**	**8.5**	**19.6**	**4.1**	**11.1**				**76.0**
• C-*Loans* and Eurobonds, *of which:*	0.4	8.0	13.3	1.0	0.0	8.5	13.5	4.1	11.1				59.9
– *Principal payments*	*0.0*	*7.6*	*10.3*	*0.9*	*0.0*	*7.8*	*11.2*	*3.3*	*8.3*				*49.3*
– *Interest payments*	*0.4*	*0.4*	*3.0*	*0.1*	*0.0*	*0.7*	*2.3*	*0.8*	*2.8*				*10.5*
• BDL Guaranteed Loan payments	0.0	0.0	0.0	10.1	0.0	0.0	6.1	0.0	0.0				16.1
Reimbursement of KPC and Sonatrach	**93.3**	**255.8**	**134.1**	**134.2**	**155.2**	**34.7**	**212.2**	**41.5**	**113.2**				**1,174.3**

Source: Ministry of Finance

II. Transfers to EDL in 2010 in comparison with 2009

- ***Transfers to EDL in 2010 were LL 493 billion lower than the 2009 level***

Transfers in 2010 registered a level that is LL 493 billion below that of the same period of 2009, which stood at LL 1,743 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 460 billion
- ⇒ decrease in debt service by LL 32 billion

Table 2: Transfers to EDL

(LL billion)	Sep 2009	Sep 2010	2009	2010	Change	% Change
EDL, *of which:*	**30**	**124**	**1,743**	**1,250**	**(493)**	**-28%**
Debt Service, *of which:*	**2**	**11**	**108**	**76**	**(32)**	**-30%**
• C-Loans and Eurobonds, *of which:*	2	11	82	60	(22)	-27%
- *Principal Repayments*	*1*	*8*	*69*	*49*	*(19)*	*-28%*
- *Interest Payments*	*0*	*3*	*14*	*11*	*(3)*	*-22%*
• BDL-Guaranteed Loan Payments	0	-	26	16	(10)	-38%
Reimbursement of KPC and Sonatrach Agreements	**28**	**113**	**1,635**	**1,174**	**(460)**	**-28%**

Source: Ministry of Finance

- ***Payments to the two oil suppliers in 2010 were LL 460 billion lower than their 2009 level***

The component "Reimbursement of KPC and Sonatrach Agreements" reached LL 1,174 billion in 2010, down from LL 1,635 billion in 2009. The registered 28 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-Sep 2010, as compared to Jan-Sep

2009, pertain to around 23[1] 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[2].

III. Contribution of EDL out of the total oil bill

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

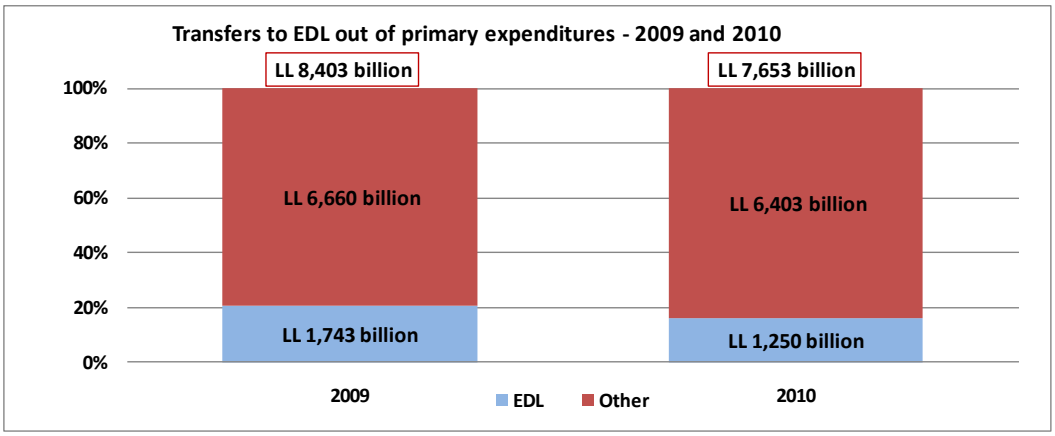
With a total oil bill of LL 1,325 billion paid in January-September 2010, of which a treasury payment of LL 1,174 billion for "Reimbursement of KPC and Sonatrach Agreements", EDL contributed by 11.4 percent to repaying the two oil suppliers. It is worth mentioning that this figure was lower at around 6.4 percent in 2009, out of a larger oil bill of LL 1,752 billion.

IV. Share of "Transfers to EDL" out of Expenditures

- ***Transfers to EDL constituted 16 percent of primary expenditures in 2010***

With primary expenditures at LL 7,653 billion in 2010, the share of spending on EDL reached 16.3 percent. The share was higher in 2009, at 20.7 percent of primary expenditures, due to higher level of transfers to EDL.

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



[1] Quantity figures are calculated based on Letters of Credit (LCs) sent by EDL to the Ministry of Finance.
[2] The received quantities of gas oil have not been yet paid for.