

I. Transfers to EDL in 2011

► In March 2011, treasury transfers to EDL reached LL 154 billion, as follows:

- ⇒ Reimbursement of KPC and Sonatrach LL 153.6 billion
- ⇒ Debt service LL 0.5 billion

► In QI 2011, treasury transfers to EDL reached LL 504 billion, as follows:

- ⇒ Reimbursement of KPC and Sonatrach LL 486.7 billion
- ⇒ Debt service LL 16.8 billion

Table 1: Monthly transfers to EDL in 2011

(LL billion)	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
EDL of which:	95	255	154										504
Debt service, of which:	2.0	14.3	0.5										16.8
• C-Loans and Eurobonds, of which:	2.0	14.3	0.5										16.8
– Principal payments	1.3	11.6	0.3										13.2
– Interest payments	0.7	2.7	0.2										3.5
• BDL Guaranteed Loan payments	0.0	0.0	0.0										0.0
Reimbursement for purchase of gas and fuel	92.5	240.6	153.6										486.7
• KPC & SPC	92.5	240.6	153.6										486.7
• EGAS	-	-	-										-

Source: Ministry of Finance

II. Transfers to EDL in QI 2011 in comparison with QI 2010

► Transfers to EDL in 2011 were LL 2 billion lower than the 2010 level

Transfers in 2011 maintained almost the same level as that of 2010, lower by only LL 2 billion, which stood at LL 504 billion, as a result of the decrease in debt service by LL 5 billion, accompanied by an a slight increase of LL 3 billion in payments to Kuwait Petroleum Corporation (KPC) and Algeria's Sonatrach for fuel and gas oil purchases.

Table 2: Transfers to EDL

(LL billion)	Mar 2010	Mar 2011	2010	2011	Change	% Change
EDL, of which:	155	154	505	504	(2)	0%
Debt Service, of which:	0	1	22	17	(5)	-23%
• C-Loans and Eurobonds, of which:	0	1	22	17	(5)	-23%
– Principal Repayments	0	0	18	13	(5)	-26%
– Interest Payments	0	0	4	4	(0)	-9%
• BDL-Guaranteed Loan Payments	0	0	0	0	0	-
Reimbursement for purchase of gas and fuel	155	154	483	487	3	1%
• KPC & SPC	155	154	483	487	3	1%
• EGAS	0	0	0	0	0	-

Source: Ministry of Finance

► Payments to the two oil suppliers in 2011 were LL 3 billion higher than their 2010 level

The component “Reimbursement of KPC and Sonatrach Agreements” reached LL 487 billion in 2011, almost the same level as that of 2010. However, the registered 1 percent upward change is the result of the increase in international oil prices, which was dampened by a substantial drop in quantities of consumed gas oil..

From a price perspective, the average oil price according to which the 2011 payments were made is 13 percent higher than that pertaining to 2010. In fact, the 2010 payments reflect consumption over the period May-October 2009, when the international crude oil price averaged US\$ 68/barrel. The January-February 2011 payments, on the other hand, reflect consumption over the period May-September 2010, when crude oil price averaged US\$ 77/barrel, due to higher international demand.

From a quantity perspective, payments to the two oil suppliers in 2011 reflect around 21¹ percent and 1 percent lower quantities of gas oil and fuel oil, respectively, than those paid in the same period of 2010. The former is explained by the flow of Egypt's natural gas, which acts as a substitute for gas oil. In January-March 2011, no payments for natural gas were made to EGAS.

III. Contribution of EDL out of the total oil bill

► EDL contributed to 5percent of the total oil bill in 2011

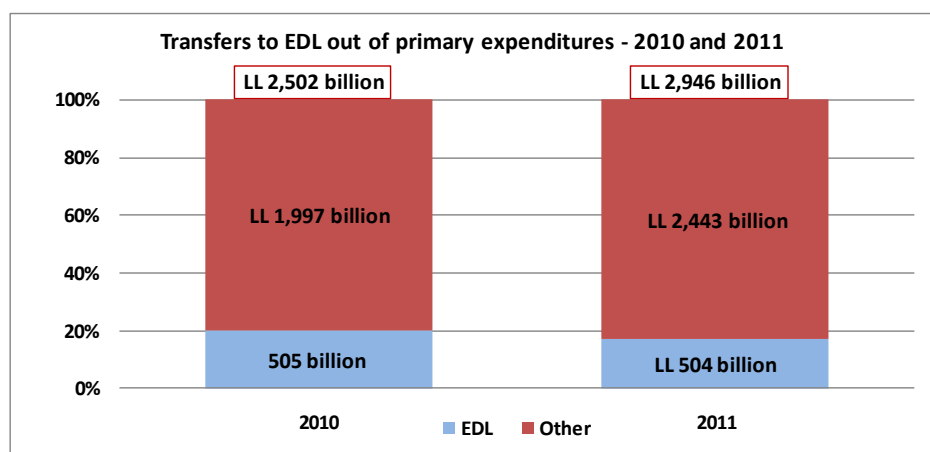
With a total oil bill of LL 514 billion paid in 2011, of which a treasury payment of LL 487 billion for "Reimbursement of KPC and Sonatrach Agreements", EDL contributed by 5.4 percent to repaying the two oil suppliers. This figure matches the contribution made by EDL during 2008 and 2009. In fact, it is worth mentioning that 2010 was exceptional in this respect, where EDL contributed by 16 percent of the total oil bill of LL 573 billion.

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

► Transfers to EDL constituted 17 percent of primary expenditures in QI 2011

With primary expenditures at LL 2,946 billion in QI 2011, the share of spending on EDL reached 17.1 percent. The share was higher in QI 2010, at 20.2 percent of primary expenditures, due to lower primary expenditures.

Figure 1: Transfers to EDL out of primary expenditures in 2010 and 2011



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