

I. Transfers to EDL in 2011

► In November 2011, treasury transfers to EDL reached LL 197 billion, as follows:

- ⇒ Reimbursement of KPC and Sonatrach LL 195.5 billion
- ⇒ Debt service LL 1.6 billion

► In 2011, treasury transfers to EDL reached LL 2,348 billion, as follows:

- ⇒ Reimbursement of KPC and Sonatrach LL 2,195.7 billion
- ⇒ Payments to EGAS LL 54.9 billion
- ⇒ Debt service LL 97.2 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	248	195	85	113	197	362	447	197		2,348
Debt service, of which:	2.0	14.3	0.5	19.9	1.7	3.9	17.9	14.4	0.5	20.6	1.6		97.2
• C-Loans and Eurobonds, of which:	2.0	14.3	0.5	1.0	1.7	3.9	16.6	14.4	0.5	0.9	1.6		57.3
– Principal payments	1.3	11.6	0.3	0.9	1.3	3.6	14.2	11.9	0.3	0.9	1.3		47.6
– Interest payments	0.7	2.7	0.2	0.1	0.3	0.3	2.4	2.5	0.2	0.1	0.3		9.7
• BDL Guaranteed Loan payments	0.0	0.0	0.0	19.0	0.0	0.0	1.3	0.0	0.0	19.6	0.0		39.9
Reimbursement for purchase of gas and fuel	92.5	240.6	153.6	228.5	192.9	81.0	95.0	182.9	361.4	426.6	195.5		2,250.6
• KPC & SPC	92.5	240.6	153.6	215.2	151.4	81.0	95.0	182.9	361.4	426.6	195.5		2,195.7
• EGAS		-	-	13.4	41.5	-	-	-	-	-	-		54.9

Source: Ministry of Finance

II. Transfers to EDL in 2011 in comparison with 2010

► Transfers to EDL in 2011 were LL 750 billion higher than the 2010 level

Transfers in January-November 2011 were LL 750 billion higher than those of 2010, which stood at LL 1,598 billion. This is due to an increase in payments for fuel and gas oil purchases by LL 694 billion and a couple of payments amounting to LL 55 billion for natural gas provided by EGAS. Payments to cover for debt service increased by LL 1 billion over this period.

Table 2: Transfers to EDL

(LL billion)	Nov 2010	Nov 2011	Jan – Nov 2010	Jan – Nov 2011	Change	% Change
EDL, of which:	72	197	1,598	2,348	750	47%
Debt Service, of which:	2	2	96	97	1	1%
• C-Loans and Eurobonds, of which:	2	2	62	57	-5	-8%
– Principal Repayments	1	1	52	48	-4	-8%
– Interest Payments	0	0	11	10	-1	-12%
• BDL-Guaranteed Loan Payments ¹	0	0	33	40	6	19%
Reimbursement for purchase of gas and fuel	70	196	1,502	2,251	749	50%
• KPC & SPC	70	196	1,502	2,196	694	46%
• EGAS	0	0	0	55	55	-

Source: Ministry of Finance

1/: In November 2003 and July 2004, two loans were extended to EDL, of amount LL 300 bn and LL 150 bn, respectively, to finance the payment of electricity bought from Syria. The amortization schedule ends in 2013.

► Payments to the two oil suppliers in 2011 were LL 694 billion higher than their 2010 level

The component “Reimbursement of KPC and Sonatrach Agreements” reached LL 2,196 billion in 2011. The significant 46 percent increase in payments is mainly attributed to higher international oil prices associated with the 2011 payment over the period under consideration.

- From a price perspective, the average oil price according to which the 2011 payments were made is 29 percent higher than that pertaining to 2010. In fact, the 2010 payments reflect consumption over the period May 2009 – June 2010, when the international crude oil price averaged US\$ 73 per barrel. The January-November 2011 payments reflect consumption over the period June 2010 – May 2011, when crude oil price averaged US\$ 95/barrel.
- From a quantity perspective, payments to the two oil suppliers in 2011 reflect around 19 percent higher quantities of gas oil and 5 percent lower quantities of fuel oil, respectively, during the period under consideration. The rise in quantities of gas oil during the June 2010 – May 2011 consumption period, which is paid in January-November 2011, is due to the fact that the supply of natural gas stopped in November 2010. As such, natural gas was once again substituted by gas oil as of November 2010 and until present time.

► *Payments to EGAS for provision of natural gas*

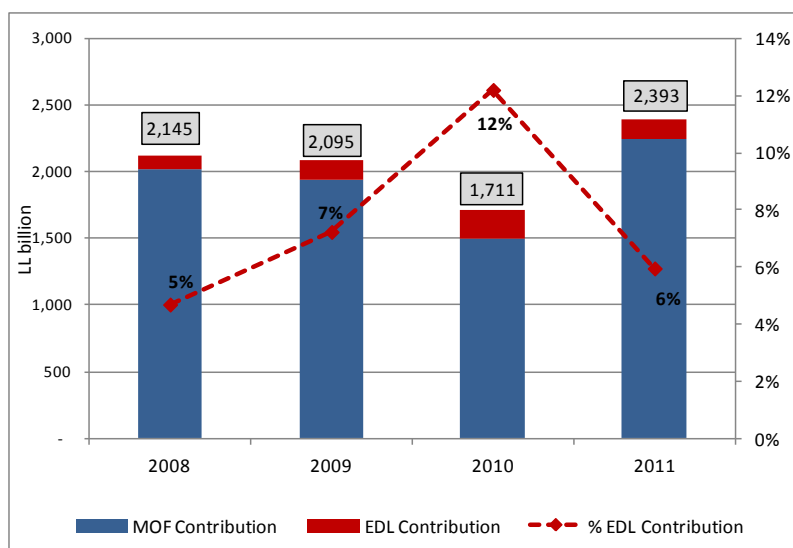
Treasury payments to cover for the provision of natural gas amounted to LL 42 billion in 2011, which constituted the payment of the last bills sent to the Ministry of Finance by the Ministry of Energy and Water. In sum, the Treasury has paid LL 97 billion for natural gas provided by Egypt over the period September 2009-November 2010.

III. Contribution of EDL out of the total oil bill

► *EDL contributed to 6.4 percent of the total oil bill in 2011*

With a total oil bill of LL 2,393 billion paid in 2011, of which a treasury payment of LL 2,196 billion for “Reimbursement of KPC, Sonatrach and EGAS”, EDL contributed 6 percent to this bill compared to 12 percent contribution in 2010, out of a much smaller oil bill of LL 1,711 billion. EDL’s 2011 contribution, however, is more in line with that of 2009.

Figure 1: EDL's contribution out of total oil bill



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

► *Transfers to EDL constituted 23 percent of primary expenditures in 2011*

With primary expenditures at LL 10,116 billion in January-November 2011, the share of transfers to cover EDL's oil bill reached 23.2 percent, registering the second highest share in the last five years, following that of 2008. The share was much lower in 2010, making up 16.3 percent of primary expenditures, due to much lower transfers to EDL at that time.

Figure 2: Transfers to EDL out of primary expenditures between 2007-2011

