

I. Transfers to EDL in 2011

► In October 2011, treasury transfers to EDL reached LL 447 billion, as follows:

- ⇒ Reimbursement of KPC and Sonatrach LL 426.6 billion
- ⇒ Debt service LL 20.6 billion

► In 2011, treasury transfers to EDL reached LL 2,151 billion, as follows:

- ⇒ Reimbursement of KPC and Sonatrach LL 2,000.1 billion
- ⇒ Payments to EGAS LL 54.9 billion
- ⇒ Debt service LL 95.6 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			2,151
Debt service, of which:	2.0	14.3	0.5	19.9	1.7	3.9	17.9	14.4	0.5	20.6			95.6
• 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			55.7
– Principal payments	1.3	11.6	0.3	0.9	1.3	3.6	14.2	11.9	0.3	0.9			46.3
– Interest payments	0.7	2.7	0.2	0.1	0.3	0.3	2.4	2.5	0.2	0.1			9.4
• BDL Guaranteed Loan payments	0.0	0.0	0.0	19.0	0.0	0.0	1.3	0.0	0.0	19.6			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			2,055.0
• KPC & SPC	92.5	240.6	153.6	215.2	151.4	81.0	95.0	182.9	361.4	426.6			2,000.1
• 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 625 billion higher than the 2010 level

Transfers in January-October 2011 registered an amount LL 625 billion higher than that of 2010, which stood at LL 1,526 billion. This is due to an increase in payments for fuel and gas oil purchases by LL 569 billion and a bulk payment of LL 55 billion payment 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)	Oct 2010	Oct 2011	2010	2011	Change	% Change
EDL, of which:	275	447	1,526	2,151	625	41%
Debt Service, of which:	18	21	94	96	1	1%
• C-Loans and Eurobonds, of which:	1	1	61	56	-5	-8%
– Principal Repayments	1	1	50	46	-4	-8%
– Interest Payments	0	0	11	9	-1	-12%
• BDL-Guaranteed Loan Payments ¹	17	20	33	40	6	19%
Reimbursement for purchase of gas and fuel	257	427	1,431	2,055	624	44%
• KPC & SPC	257	427	1,431	2,000	569	40%
• 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 569 billion higher than their 2010 level

The component “Reimbursement of KPC and Sonatrach Agreements” reached LL 2,000 billion in 2011. The significant 40 percent increase in payments primarily pertains to two

reasons: (a) higher international oil prices associated with the 2011 payments and (b) higher volumes of gas oil over the period under consideration.

- From a price perspective, the average oil price according to which the 2011 payments were made is 27 percent higher than that pertaining to 2010. In fact, the 2010 payments reflect consumption over the period May 2009 – May 2010, when the international crude oil price averaged US\$ 73 per barrel. The January-October 2011 payments reflect consumption over the period June 2010 – May 2011, when crude oil price averaged US\$ 93/barrel.
- From a quantity perspective, payments to the two oil suppliers in 2011 reflect around 14 percent higher quantities of gas oil and 5 percent lower quantities of fuel oil, respectively, during the period under consideration.

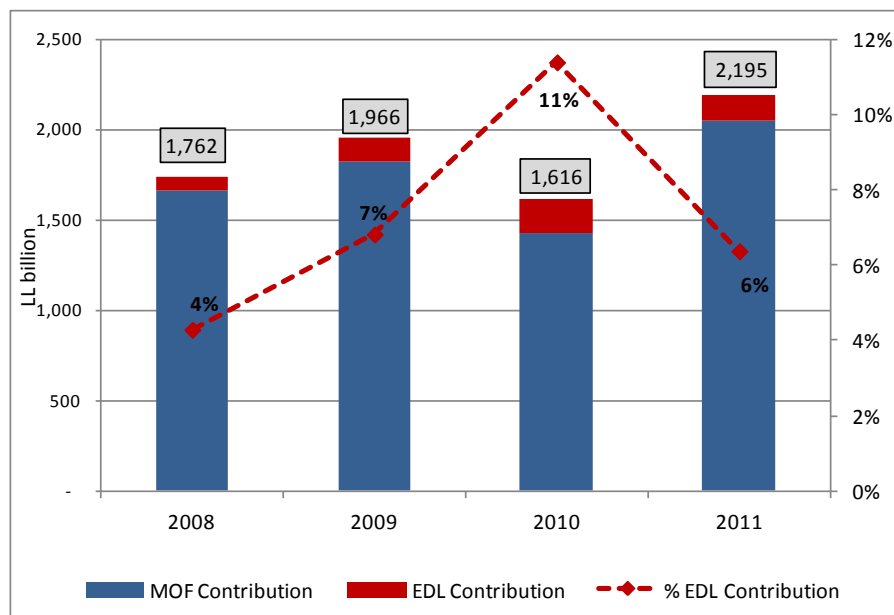
► *Payments to EGAS for provision of natural gas*

Treasury payments to cover for the provision of natural gas amounted to LL 42 billion in May 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 2,195 billion paid in 2011, of which a treasury payment of LL 2,055 billion for “Reimbursement of KPC, Sonatrach and EGAS”, EDL contributed 6.4 percent to this bill compared to 11.4 percent contribution in 2010 out of a smaller oil bill of LL 1,616 billion. EDL’s 2011 contribution, however, is more in line with that of 2009.



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

► *Transfers to EDL constituted 24 percent of primary expenditures in 2011*

With primary expenditures at LL 9,079 billion in January-October 2011, the share of transfers to cover EDL’s oil bill reached 23.7 percent, registering the second highest share in the last

five years, following that of 2008. The share was much lower in 2010, at 17 percent of primary expenditures, due to much lower transfers to EDL.

Figure 1: Transfers to EDL out of primary expenditures between 2007-2011

