

I. Transfers to EDL in 2011

► In September 2011, treasury transfers to EDL reached LL 362 billion, as follows:

- ⇒ Reimbursement of KPC and Sonatrach LL 361.4 billion
- ⇒ Debt service LL 0.5 billion

► In 2011, treasury transfers to EDL reached LL 1,703 billion, as follows:

- ⇒ Reimbursement of KPC and Sonatrach LL 1,573.6 billion
- ⇒ Payments to EGAS LL 54.9 billion
- ⇒ Debt service LL 75 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				1,703
Debt service, of which:	2.0	14.3	0.5	19.9	1.7	3.9	17.9	14.4	0.5				75.0
• C-Loans and Eurobonds, of which:	2.0	14.3	0.5	1.0	1.7	3.9	16.6	14.4	0.5				54.7
– Principal payments	1.3	11.6	0.3	0.9	1.3	3.6	14.2	11.9	0.3				45.4
– Interest payments	0.7	2.7	0.2	0.1	0.3	0.3	2.4	2.5	0.2				9.3
• BDL Guaranteed Loan payments	0.0	0.0	0.0	19.0	0.0	0.0	1.3	0.0	0.0				20.3
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				1,628.5
• KPC & SPC	92.5	240.6	153.6	215.2	151.4	81.0	95.0	182.9	361.4				1,573.6
• 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 453 billion higher than the 2010 level

Transfers in January-September 2011 registered an amount LL 453 billion higher than that of 2010, which stood at LL 1,250 billion. This is due to an increase in payments for fuel and gas oil purchases by LL 399 billion and a bulk payment of LL 55 billion payment for natural gas provided by EGAS. Payments to cover for debt service dropped by LL 1 billion over this period.

Table 2: Transfers to EDL

(LL billion)	Sep 2010	Sep 2011	2010	2011	Change	% Change
EDL, of which:	124	362	1,250	1,703	453	36%
Debt Service, of which:	11	0	76	75	-1	-1%
• C-Loans and Eurobonds, of which:	11	0	60	55	-5	-9%
– Principal Repayments	8	0	49	45	-4	-8%
– Interest Payments	3	0	11	9	-1	-12%
• BDL-Guaranteed Loan Payments	0	0	16	20	4	25%
Reimbursement for purchase of gas and fuel	113	361	1,174	1,628	454	39%
• KPC & SPC	113	361	1,174	1,574	399	34%
• EGAS	0	0	0	55	55	-

Source: Ministry of Finance

► Payments to the two oil suppliers in 2011 were LL 399 billion higher than their 2010 level

The component “Reimbursement of KPC and Sonatrach Agreements” reached LL 1,574 billion in 2011. The significant 34 percent increase in payments primarily pertains to two

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

- From a price perspective, the average oil price according to which the 2011 payments were made is 26 percent higher than that pertaining to 2010. In fact, the 2010 payments reflect consumption over the period May 2009 – February 2010, when the international crude oil price averaged US\$ 72 per barrel. The January-September 2011 payments reflect consumption over the period June 2010 - April 2011, when crude oil price averaged US\$ 90/barrel.
- From a quantity perspective, payments to the two oil suppliers in 2011 reflect around 11 percent and 2 percent higher quantities¹ of fuel oil and gas 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 6.8 percent of the total oil bill in 2011*

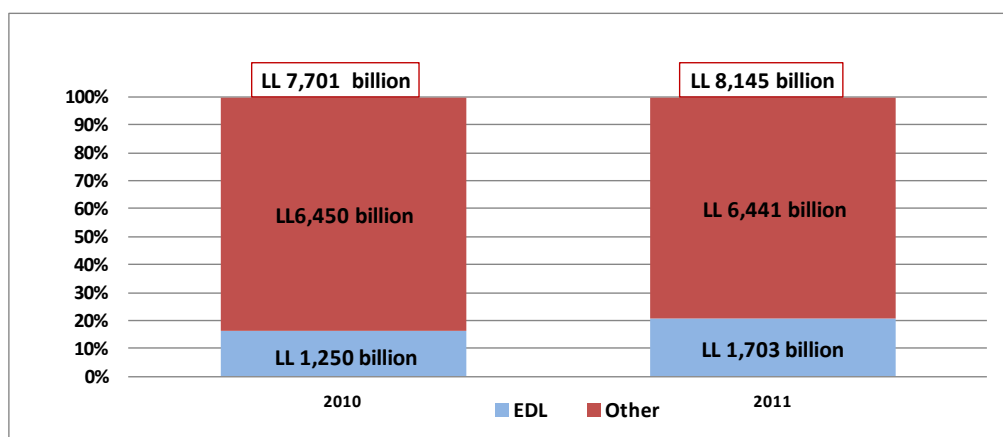
With a total oil bill of LL 1,1689 billion paid in 2011, of which a treasury payment of LL 1,574 billion for “Reimbursement of KPC, Sonatrach and EGAS”, EDL contributed 6.8 percent to this bill compared to 11.4 percent contribution in 2010 out of a smaller oil bill of LL 1,325 billion. The 2010 and 2011 contributions, however, are higher than those of 2009 and 2008, which represented 6.4 percent and 4.4 percent, respectively, out of higher oil bills.

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

▶ *Transfers to EDL constituted 21 percent of primary expenditures in 2011*

With primary expenditures at LL 8,145 billion in 2011, the share of spending on EDL reached 20.9 percent. The share was lower in 2010, at 16.2 percent of primary expenditures, due to lower transfers to EDL.

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.