

I. Treasury Transfers to EDL in December 2013

► In December 2013, treasury transfers to EDL reached LL 226.26 billion, as follows:

- ⇒ Payments for purchase of gas and fuel oil LL 225.5 billion
- ⇒ Debt service payment LL 0.76 billion

Table 1: Monthly Treasury transfers to EDL in Jan-Dec 2013

(LL billion)	Jan	Feb	Mar	Apr	May	June	July	Aug	Sep	Oct	Nov	Dec	Total
EDL of which:	204.92	230.86	426.56	229.86	219.62	107.98	409.26	446.69	265.62	166.93	121.09	226.26	3,055.66
Debt service, of which:	9.11	9.81	-	20.01	1.49	-	11.87	9.59	0.36	0.91	1.47	0.76	65.39
• C-Loan, of which:	1.71	9.81	-	1.29	1.49	-	8.26	9.59	0.36	0.91	1.47	0.76	35.66
- Principal payments	1.02	8.12	-	1.16	1.29	-	6.80	8.08	0.30	0.87	1.31	0.64	29.59
- Interest payments	0.69	1.70	-	0.13	0.19	-	1.46	1.51	0.05	0.05	0.17	0.12	6.07
• BDL Guaranteed Loan payments	7.39	-	-	18.73	-	-	3.61	-	-	-	-	-	29.72
Reimbursement for purchase of gas and fuel	195.81	221.05	426.56	209.85	218.14	107.98	397.39	437.09	265.26	166.02	119.62	225.50	2,990.28
• KPC & SPC	195.81	221.05	426.56	209.85	218.14	107.98	397.39	437.09	265.26	166.02	119.62	225.50	2,990.28

Source: Ministry of Finance

II. Treasury Transfers to EDL in 2013 in comparison with 2012

► Transfers to EDL in January-December 2013 were LL 352.64 billion lower than their January-December 2012 level

Transfers to EDL amounted to LL 3,055.66 billion in January-December 2013, declining by LL 352.64 billion from the LL 3,408.3 billion paid in January-December 2012. This was a result of the four following factors:

- ⇒ Decrease in payments to KPC and Sonatrach by LL 86.12 billion
- ⇒ Decrease in debt service payments by LL 46.51 billion
- ⇒ Treasury advance for VAT payments made in Oct-Dec 2012 by LL 40 billion
- ⇒ Treasury advance for payments to Karpowership made in Nov 2012 by LL 180 billion

Table 2: Treasury Transfers to EDL

(LL billion)	Dec 2012	Dec 2013	Jan- Dec 2012	Jan- Dec 2013	Change	% Change
EDL, of which:	104.60	226.26	3,408.30	3,055.66	352.64-	-10%
Debt Service, of which:	5.00	0.76	111.90	65.39	46.51-	-42%
• C-Loans, of which:	5.00	0.76	46.60	35.66	10.94-	-23%
-Principal Repayments	4.60	0.64	39.00	29.59	9.41-	-24%
-Interest Payments	0.40	0.12	7.60	6.07	1.53-	-20%
• BDL-Guaranteed Loan Payments	-	-	65.30	29.72	35.58-	-54%
Reimbursement for purchase of gas and fuel	80.60	225.50	3,076.40	2,990.28	86.12-	-3%
• KPC & SPC	80.60	225.50	3,076.40	2,990.28	86.12-	-3%
Treasury Advance-Contract with Karpowership	-	-	180.00	-	180.00-	-100%
Treasury Advance for VAT payment	19.00	-	40.00	-	40.00-	-100%

Source: Ministry of Finance

► Payments to the two oil suppliers in January-December 2013 were LL 86.12 billion lower than their level during the same period in 2012

Payments to KPC and Sonatrach reached LL 2,990.28 billion in January-December 2013, down from LL 3,076.4 billion in January- December 2012. This 3 percent decrease was driven by two factors:

- Decline in the total volume of energy imports
- Lower average crude oil prices

➤ **From a quantity-effect viewpoint:**

	<i>Period covered in Jan-Dec 2012 Bill</i>	<i>Period covered in Jan-Dec 2013 Bill</i>	<i>% Change in Quantity Imported</i>
Gas Oil	May 2011-June 2012	May 2012-June 2013	4% ▲
Fuel Oil	July 2011-June 2012	July 2012-September 2013	6% ▼

➤ **From a price-effect viewpoint:**

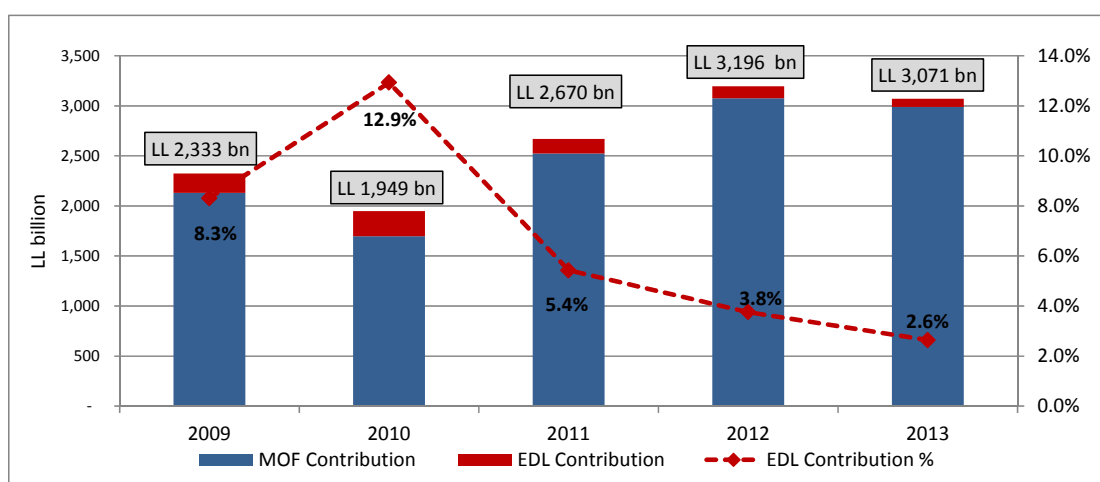
	<i>Jan-Dec 2012 Bill</i>	<i>Jan-Dec 2013 Bill</i>
Consumption Period	May 2011-June 2012	May 2012-September 2013
Average Price/Barrel	US\$ 113	US\$ 108.69
% Change in average price of crude oil		4% ▼

III. Contribution of EDL out of the total oil bill

➤ **EDL contributed by 2.6 percent of the total oil bill in January-December 2013**

From a total oil bill of LL 3,071 billion, EDL contributed by 2.6 percent to the cost of gas oil and fuel oil purchase in January-December 2013¹. This figure was higher at 3.8 percent during the same period of 2012, out of a higher bill of LL 3,196 billion. In nominal terms, EDL's contribution was lower in January-December 2013, amounting to LL 81 billion, compared to LL 120 billion during the same period in 2012 and LL 145 billion or 5.4 percent of a LL 2,670 billion oil bill in January-December 2011.

Figure 1: Contribution of EDL (Jan/Dec 2009 – Jan/Dec 2013)



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

¹ The Treasury transferred around LL 3,055.66 billion to cover EDL's deficit in Jan-Dec 2013. Out of this amount, around LL 2,990.28 billion represented the Treasury transfer to purchase gas oil and fuel oil (as shown in Table 2). However, the total oil bill for Jan-Dec 2013 amounted to LL 3,071 billion, which correspond to LL 2,990 billion of Treasury transfers plus LL 81 billion of payments made by EDL.

► *Transfers to EDL constituted 21 percent of primary expenditures in January-December 2013*

With primary expenditures at 14,562 billion in January-December 2013, the share of transfers to EDL reached 21 percent. The share of transfers out of primary expenditures was higher in January-December 2012, at 23.8 percent.

Figure 2: Transfers to EDL out of primary expenditures (Jan/Dec 2011 – Jan/Dec 2013)

