

## I. Treasury Transfers to EDL in May 2015

► In May 2015, treasury transfers to EDL reached 129.11 LL billion, as follows:

|                                      |                   |
|--------------------------------------|-------------------|
| ⇒ Reimbursement of KPC and Sonatrach | 127.81 LL billion |
| ⇒ Debt Service                       | 1.30 LL billion   |

Table 1: Monthly Treasury transfers to EDL in Jan-May 2015

| (LL billion)                                      | Jan           | Feb           | Mar           | Apr           | May           | Total         |
|---------------------------------------------------|---------------|---------------|---------------|---------------|---------------|---------------|
| <b>EDL of which:</b>                              | <b>187.83</b> | <b>126.43</b> | <b>161.30</b> | <b>106.98</b> | <b>129.11</b> | <b>711.65</b> |
| Debt service, of which:                           | 1.56          | 8.69          | 0.28          | 0.89          | 1.30          | 12.73         |
| - Principal payments                              | 0.97          | 7.77          | 0.24          | 0.87          | 1.22          | 11.07         |
| - Interest payments                               | 0.59          | 0.92          | 0.04          | 0.02          | 0.08          | 1.65          |
| <b>Reimbursement for purchase of gas and fuel</b> | <b>186.28</b> | <b>117.74</b> | <b>161.02</b> | <b>106.09</b> | <b>127.81</b> | <b>698.93</b> |
| • KPC & SPC                                       | 186.28        | 117.74        | 161.02        | 106.09        | 127.81        | 698.93        |

Source: Ministry of Finance

## II. Treasury Transfers to EDL in 2015 in comparison with 2014

► Transfers to EDL in Jan-May 2015 were 711.25 LL billion lower than the Jan-May 2014 level

Transfers in Jan-May 2015 were 711.25 LL billion lower than the amount paid in Jan-May 2014, which stood at 1,422.90 LL billion. This was mainly a result of lower payments to KPC and Sonatrach for fuel oil and gas oil purchases.

Table 2: Treasury Transfers to EDL

| (LL billion)                                         | Jan-May 2014    | Jan-May 2015(3) | Change         | % Change      |
|------------------------------------------------------|-----------------|-----------------|----------------|---------------|
| <b>EDL, of which:</b>                                | <b>1,067.01</b> | <b>711.65</b>   | <b>355.36-</b> | <b>-33%</b>   |
| <b>Debt Service (C-Loans and Eurobonds):</b>         | <b>13.90</b>    | <b>12.72</b>    | <b>1.18-</b>   | <b>-8.5%</b>  |
| -Principal Repayments                                | 11.66           | 11.07           | 0.59-          | -5%           |
| -Interest Payments                                   | 2.23            | 1.65            | 0.58-          | -25.9%        |
| <b>Reimbursement for purchase of gas and fuel</b>    | <b>1,053.12</b> | <b>698.93</b>   | <b>354.19-</b> | <b>-33.6%</b> |
| • KPC & SPC <sup>(1)</sup>                           | 1,053.12        | 698.93          | 354.19-        | -33.6%        |
| • Adjusted 2014 KPC & SPC <sup>(2)</sup>             | 1,409.00        | 698.93          | 710.07-        | -50.4%        |
| <b>Total adjusted Transfers to EDL<sup>(2)</sup></b> | <b>1,422.90</b> | <b>711.65</b>   | <b>711.25-</b> | <b>-50.0%</b> |

Notes:

(1) Figures of 2014 as published previously in PFM and EDL snapshot May 2014

(2) Year 2014 adjusted Transfers to EDL calculated on cash basis for comparison reasons

(3) Year 2015 Transfers to EDL are calculated on cash basis and published in the May 2015 PFM

Source: Ministry of Finance

► Payments to the two oil suppliers in Jan-May 2015 were LL 710.07 billion lower than their level during Jan-May 2014.

The component "Reimbursement of KPC and Sonatrach Agreements" reached LL 698.93 billion in Jan-May 2015, down from LL 1,409.00 billion in Jan-May 2014. This 50.4 percent decrease was mainly driven by lower average prices of crude oil and lower quantity of fuel and gas oil purchases.

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

- % Change in Quantity of Fuel Oil imported: 14.64% ▼
- % Change in Quantity of Gas Oil imported: 6.48% ▼

➤ **From a price-effect viewpoint:**

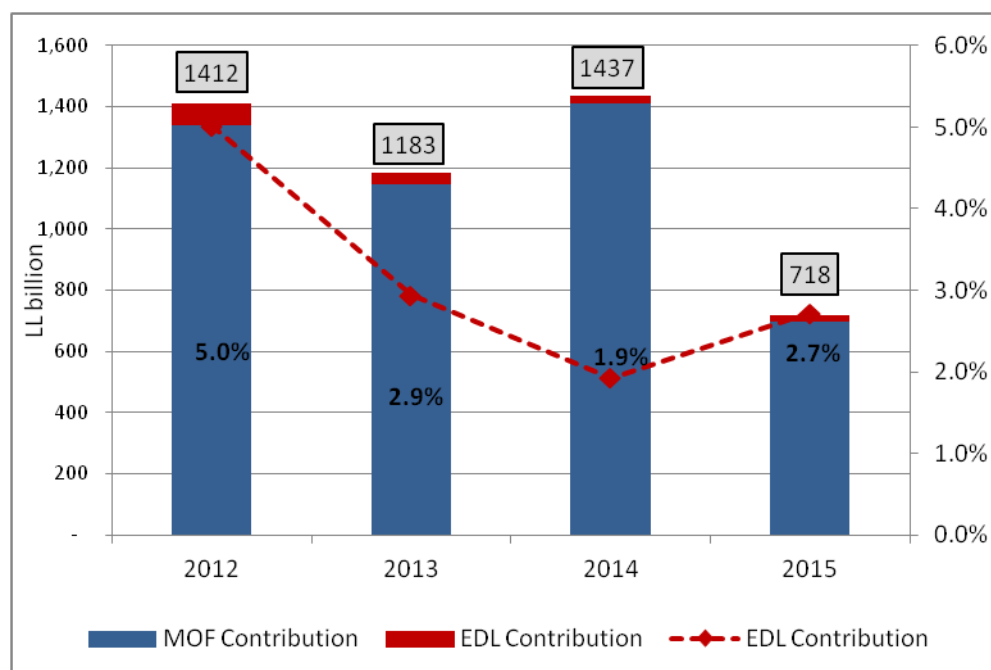
|                                                 | <i>Jan-May 2014<br/>Bill</i> | <i>Jan-May 2015<br/>Bill</i> |
|-------------------------------------------------|------------------------------|------------------------------|
| Average Price/Barrel                            | US\$ 108.31                  | US\$ 56.26                   |
| % Change in weighted average price of crude oil |                              | 48.05% ▼                     |

### III. Contribution of EDL out of the total oil bill

➤ *EDL contributed by 2.7 percent of the total oil bill in Jan-May 2015*

From a total oil bill of LL 718 billion in Jan-May 2015, EDL contributed by 2.7 percent to the cost of gas oil and fuel oil purchase<sup>1</sup>. This figure was at 1.9 percent during the same period of 2014, out of a higher bill of LL 1,437 billion. In nominal terms, EDL's contribution was lower in Jan-May 2015, amounting to LL19 billion, compared to LL 28 billion during the same period in 2014..

Figure 1: Contribution of EDL (Jan-May 2012 – Jan-May 2015)



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

➤ *Transfers to EDL constituted 12.3 percent of primary expenditures in Jan-May 2015*

With primary expenditures at LL 5,803 billion, the share of transfers to EDL reached 12.3 percent. This share was higher at 24.8% in Jan-May 2014.

Figure 2: Transfers to EDL out of primary expenditures (Jan-May 2014 – Jan-May 2015)

<sup>1</sup> The Treasury transferred around LL 711.65 billion to cover EDL's deficit in Jan-May 2015. Out of this amount, around LL 698.93 billion represented the Treasury transfer to purchase gas oil and fuel oil (as shown in Table 2). However, the total oil bill for Jan-May 2015 amounted to LL 718 billion, which correspond to LL698.93 billion of Treasury transfers plus LL 19 billion of payments made by EDL.

