

I. Treasury Transfers to EDL in August 2020

- ▶ *In August 2020*, treasury transfers to EDL reached LL 145.06 billion, for reimbursement of KPC and Sonatrach.

Table 1: Monthly Treasury transfers to EDL in Jan-August 2020

(LL billion)	Jan	Feb	March	April	May	June	July	August	Total
EDL of which:	286.35	7.61	161.09	127.72	24.41	46.49	153.09	145.06	951.82
Debt service (C-Loans and Eurobonds):	1.31	0.00	0.28	0.00	0.30	0.55	0.00	0.00	2.43
• Principal payments	0.94	0.00	0.25	0.00	0.29	0.50	0.00	0.00	1.99
• Interest payments	0.36	0.00	0.03	0.00	0.004	0.05	0.00	0.00	0.44
Reimbursement for purchase of gas and fuel	285.04	7.61	160.81	127.72	24.11	45.94	153.09	145.06	949.38
• KPC & SPC	285.04	7.61	160.81	127.72	24.11	45.94	153.09	145.06	949.38

Source: Ministry of Finance

II. Treasury Transfers to EDL in Jan-August 2020 in comparison with Jan-August 2019

- ▶ *Transfers to EDL in Jan-August 2020 were LL 561.20 billion lower than the Jan-August 2019 level*

Transfers in Jan-August 2020 were LL 561.20 billion lower than the amount paid in Jan-August 2019, which stood at LL 1513.01 billion. This was mainly a result of lower payments to KPC and Sonatrach for fuel oil and gas oil purchases.

Table 2: Comparison of Treasury Transfers to EDL

(LL billion)	Jan-August 2019	Jan-August 2020	Change	% Change
EDL, of which:	1513.01	951.82	561.20-	-37.1%
Debt Service (C-Loans and Eurobonds):	3.53	2.43	1.10-	-31%
-Principal Repayments	2.65	1.99	0.66-	-24.8%
-Interest Payments	0.88	0.44	0.44-	-49.8%
Reimbursement for purchase of gas and fuel	1509.48	949.38	560.10-	-37.1%
• KPC & SPC	1509.48	949.38	560.10-	-37.1%

- ▶ *Payments to the two oil suppliers in Jan-August 2020 were LL 560.10 billion lower than their level during Jan-August 2019.*

The component “Reimbursement of KPC and Sonatrach Agreements” reached LL 949.38 billion in Jan-August 2020, a fall from LL 1509.48 billion in Jan-August 2019. This 37.1 percent decrease was mainly driven by lower quantity of fuel and gas oil.

- **From a quantity-effect viewpoint:**
 - % Change in Quantity of Fuel Oil imported: 13.82% ▼
 - % Change in Quantity of Gas Oil imported: 15.38% ▼
- **From a price-effect viewpoint:**

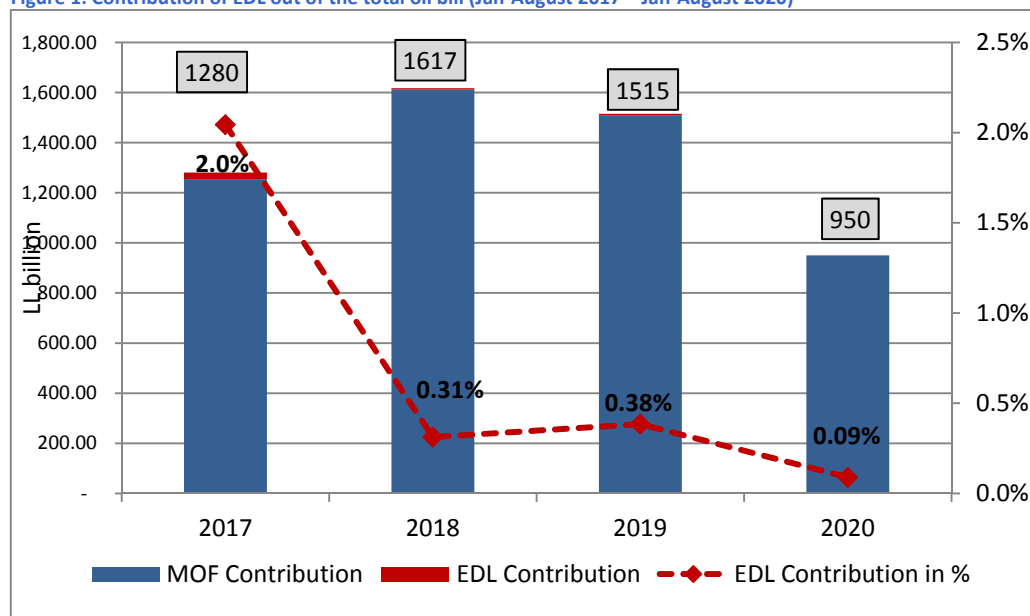
	Jan-August 2019 Bill	Jan-August 2020 Bill
Average Price/Barrel	US\$ 65.20	US\$ 41.01
% Change in weighted average price of crude oil		37.11% ▼

III. Contribution of EDL out of the total oil bill

► *EDL contributed 0.09 percent of the total oil bill in Jan-August 2020*

From a total oil bill of LL 950 billion in Jan-August 2020, EDL contributed by around 0.09 percent to the cost of gas oil and fuel oil purchase¹. This figure was higher at 0.38 percent during the same period of 2019, out of a higher bill of LL 1515 billion. In nominal terms, EDL’s contribution was lower in Jan-August 2020, amounting to LL 0.85 billion, compared to LL 5.82 billion during the same period in 2019.

Figure 1: Contribution of EDL out of the total oil bill (Jan-August 2017 – Jan-August 2020)

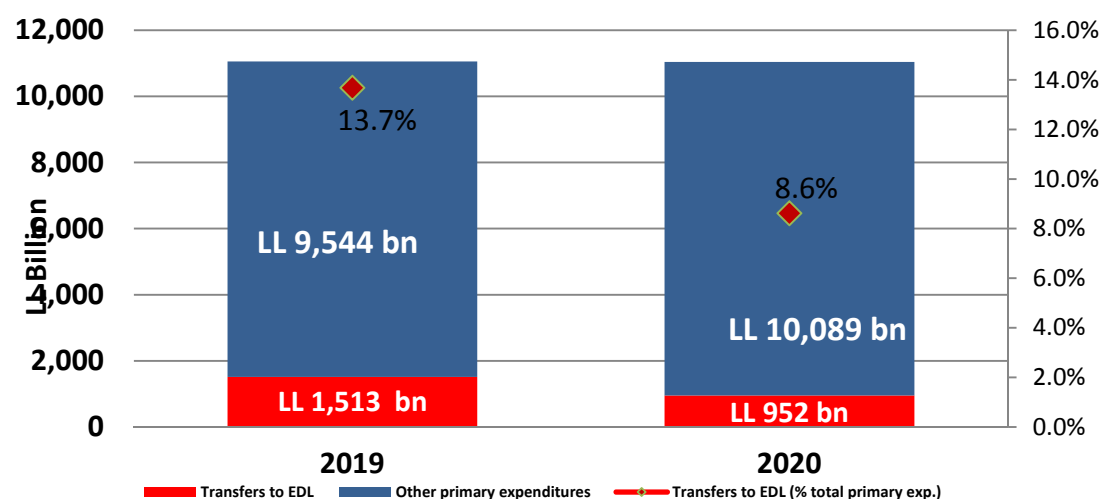


IV. Shares of “Transfers to EDL” out of Expenditures

► *Transfers to EDL constituted 8.6 percent of primary expenditures in Jan-August 2020*

With primary expenditures at LL 11,041 billion, the share of transfers to EDL reached 8.6 percent in Jan-August 2020. This share was higher at 13.7 percent in Jan-August 2019.

Figure 2: Transfers to EDL out of primary expenditures (Jan-August 2019 – Jan-August 2020)



¹ The Treasury transferred around LL 951.82 billion to cover EDL’s deficit in Jan-August 2020. Out of this amount, around LL 949.38 billion represented the Treasury transfer to purchase gas oil and fuel oil (as shown in Table 2). However, the total oil bill for Jan-August 2020 amounted to LL 950.23 billion, which correspond to LL 949.38 billion of Treasury transfers plus LL 0.85 billion of payments made by EDL.