

I. Treasury Transfers to EDL in July 2019

► In July 2019, treasury transfers to EDL reached LL 182.92 billion, as follows:

- ⇒ Reimbursement of KPC and Sonatrach LL 181.59 billion
- ⇒ Debt Service LL 1.32 billion

Table 1: Monthly Treasury transfers to EDL in Jan-July 2018

(LL billion)	Jan	Feb	Mar	April	May	June	July	Total
EDL of which:	99.27	276.70	66.65	321.24	149.14	168.41	182.92	1264.33
Debt service (C-Loans and Eurobonds):	1.35	0.00	0.00	0.28	0.00	0.57	1.32	3.53
• Principal payments	0.94	0.00	0.00	0.25	0.00	0.51	0.94	2.65
• Interest payments	0.41	0.00	0.00	0.03	0.004	0.05	0.38	0.88
Reimbursement for purchase of gas and fuel	97.92	276.70	66.65	320.96	149.14	167.84	181.59	1260.80
• KPC & SPC	97.92	276.70	66.65	320.96	149.14	167.84	181.59	1260.80
Transfers to Electricity Syria	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

Source: Ministry of Finance

II. Treasury Transfers to EDL in Jan-July 2019 in comparison with Jan-July 2018

► Transfers to EDL in Jan-July 2019 were LL 169.71 billion lower than the Jan-July 2018 level

Transfers in Jan-July 2019 were LL 169.71 billion lower than the amount paid in Jan-July 2018, which stood at LL 1434.04 billion. This was mainly a result of lower payments to KPC and Sonatrach for fuel oil purchases, lower debt service and no transfers to Electricity Syria.

Table 2: Comparison of Treasury Transfers to EDL

(LL billion)	Jan-July 2018	Jan-July 2019	Change	% Change
EDL, of which:	1434.04	1264.33	169.71-	-11.8%
Debt Service (C-Loans and Eurobonds):	7.84	3.53	4.31-	-55%
-Principal Repayments	6.75	2.65	4.10-	-60.7%
-Interest Payments	1.10	0.88	0.22-	-20%
Reimbursement for purchase of gas and fuel	1407.09	1260.80	146.29-	-10.4%
• KPC & SPC	1407.09	1260.80	146.29-	-10.4%
Transfers to Electricity Syria	19.10	0.00	19.10-	-100%

► Payments to the two oil suppliers in Jan-July 2019 were LL 146.29 billion lower than their level during Jan-July 2018.

The component "Reimbursement of KPC and Sonatrach Agreements" reached LL 1260.80 billion in Jan-July 2019, a fall from LL 1407.09 billion in Jan-July 2018. This 10.4 percent decrease was mainly driven by lower average prices of crude oil and lower quantity of fuel oil.

- **From a quantity-effect viewpoint:**
 - % Change in Quantity of Fuel Oil imported: 15.68% ▼
 - % Change in Quantity of Gas Oil imported: 2.59% ▼
- **From a price-effect viewpoint:**

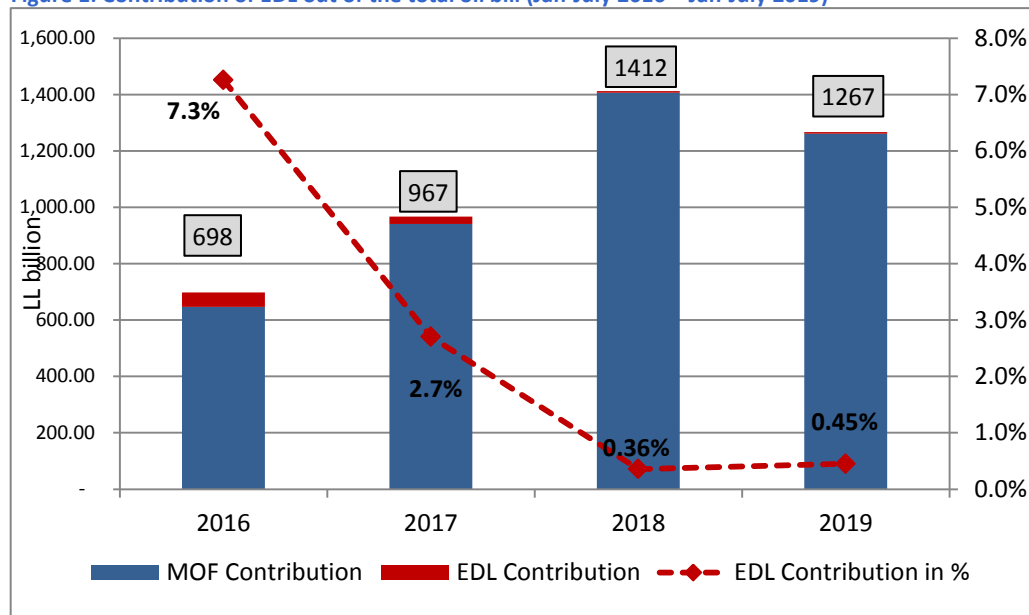
	Jan-July 2018 Bill	Jan-July 2019 Bill
Average Price/Barrel	US\$ 71.17	US\$ 66.45
% Change in weighted average price of crude oil		6.63% ▼

III. Contribution of EDL out of the total oil bill

► *EDL contributed 0.45 percent of the total oil bill in Jan-July 2019*

From a total oil bill of LL 1267 billion in Jan-July 2019, EDL contributed by around 0.45 percent to the cost of gas oil and fuel oil purchase¹. This figure was higher than to that related to the same period of 2018, out of a higher bill of LL 1412 billion. In nominal terms, EDL’s contribution was lower in Jan-July 2019, amounting to LL 5.70 billion, compared to LL 5.03 billion during the same period in 2018.

Figure 1: Contribution of EDL out of the total oil bill (Jan-July 2016 – Jan-July 2019)

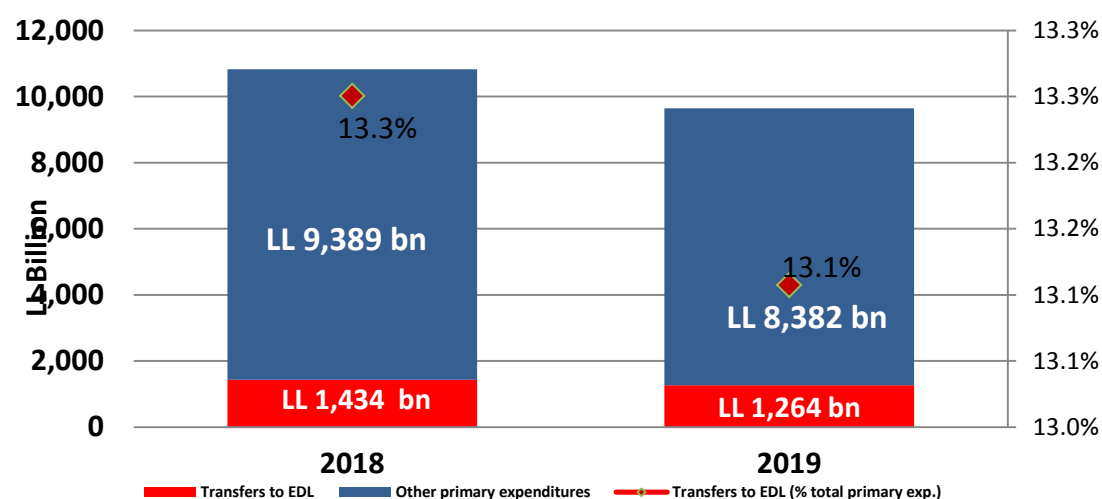


Shares of “Transfers to EDL” out of Expenditures

► *Transfers to EDL constituted 13.1 percent of primarily expenditures in Jan-July 2019*

With primarily expenditures at LL 9,646 billion, the share of transfers to EDL reached 13.1 percent in Jan-July 2019. This share was higher at 13.3 percent in Jan-July 2018.

Figure 2: Transfers to EDL out of primary expenditures (Jan-July 2018 – Jan-July 2019)



¹ The Treasury transferred around LL 1264.32 billion to cover EDL’s deficit in Jan-July 2019. Out of this amount, LL 1260.80 billion represented the Treasury transfer to purchase gas oil and fuel oil (as shown in Table 2). However, the total oil bill for July 2019 amounted to LL 1266.50 billion, which correspond to LL 1260.80 billion of Treasury transfers plus LL 5.70 billion of payments made by EDL.