

I. Treasury Transfers to EDL in May 2020

► In May 2020, treasury transfers to EDL reached LL 24.41 billion, as follows:

- ⇒ Reimbursement of KPC and Sonatrach LL 24.11 billion
- ⇒ Debt Service LL 0.30 billion

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

(LL billion)	Jan	Feb	March	April	May	Total
EDL of which:	286.35	7.61	161.09	127.72	24.41	607.18
Debt service (C-Loans and Eurobonds):	1.31	0.00	0.28	0.00	0.30	1.89
• Principal payments	0.94	0.00	0.25	0.00	0.29	1.48
• Interest payments	0.36	0.00	0.03	0.00	0.004	0.39
Reimbursement for purchase of gas and fuel	285.04	7.61	160.81	127.72	24.11	605.29
• KPC & SPC	285.04	7.61	160.81	127.72	24.11	605.29

Source: Ministry of Finance

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

► Transfers to EDL in Jan-May 2020 were LL 305.82 billion lower than the Jan-May 2019 level

Transfers in Jan-May 2020 were LL 305.82 billion lower than the amount paid in Jan-May 2019, which stood at LL 913 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-May 2019	Jan-May 2020	Change	% Change
EDL, of which:	913	607.18	-305.82	-33.5%
Debt Service (C-Loans and Eurobonds):	1.64	1.89	0.25	15.2%
-Principal Repayments	1.20	1.49	0.30	24.7%
-Interest Payments	0.44	0.39	-0.05	-10.5%
Reimbursement for purchase of gas and fuel	911.36	605.29	-306.07	-33.6%
• KPC & SPC	911.36	605.29	-306.07	-33.6%

► Payments to the two oil suppliers in Jan-May 2020 were LL 306.07 billion lower than their level during Jan-May 2019.

The component “Reimbursement of KPC and Sonatrach Agreements” reached LL 605.29 billion in Jan-May 2020, a fall from LL 911.36 billion in Jan-May 2019. This 33.6 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: 29.31% ▼
 - % Change in Quantity of Gas Oil imported: 3.62% ▼
- **From a price-effect viewpoint:**

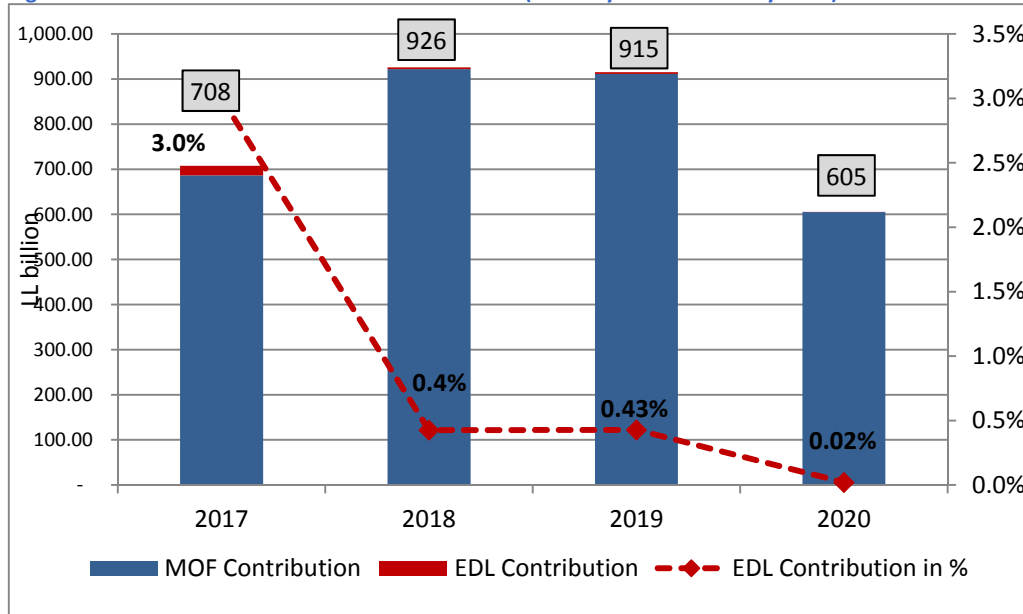
	Jan-May 2019 Bill	Jan-May 2020 Bill
Average Price/Barrel	US\$ 67.21	US\$ 39.47
% Change in weighted average price of crude oil		41.269% ▼

III. Contribution of EDL out of the total oil bill

▶ *EDL contributed 0.02 percent of the total oil bill in Jan-May 2020*

From a total oil bill of LL 605 billion in Jan-May 2020, EDL contributed by around 0.02 percent to the cost of gas oil and fuel oil purchase¹. This figure was higher at 0.43 percent during the same period of 2019, out of a higher bill of LL 915 billion. In nominal terms, EDL’s contribution was lower in Jan-May 2020, amounting to LL 0.12 billion, compared to LL 3.91 billion during the same period in 2019.

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

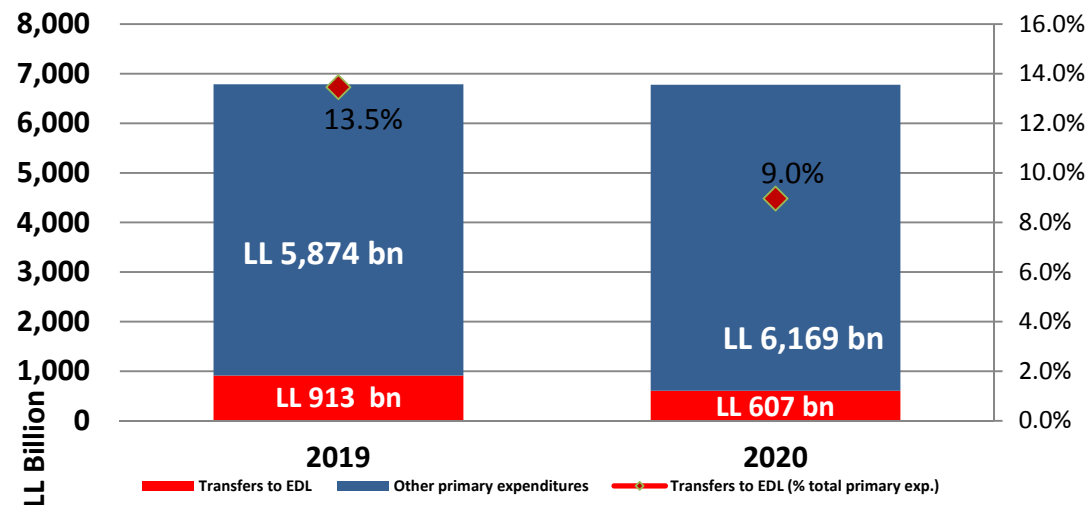


IV. Shares of “Transfers to EDL” out of Expenditures

▶ *Transfers to EDL constituted 9 percent of primary expenditures in Jan-May 2020*

With primary expenditures at LL 6,776 billion, the share of transfers to EDL reached 13.5 percent in Jan-May 2020. This share was higher at 13.5 percent in Jan-May 2019.

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



¹ The Treasury transferred around LL 607.18 billion to cover EDL’s deficit in Jan-May 2020. Out of this amount, around LL 605.29 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 2020 amounted to LL 605.41 billion, which correspond to LL 605.29 billion of Treasury transfers plus LL 0.12 billion of payments made by EDL.