

I. Treasury Transfers to EDL in June 2019

► In June 2019, treasury transfers to EDL reached LL 168.41 billion, as follows:

- ⇒ Reimbursement of KPC and Sonatrach LL 167.84 billion
- ⇒ Debt Service LL 0.57 billion

Table 1: Monthly Treasury transfers to EDL in Jan-June 2019

(LL billion)	Jan	Feb	Mar	Apr	May	June	Total
EDL of which:	99.27	276.70	66.65	321.24	149.14	168.41	1081.41
Debt service (C-Loans and Eurobonds):	1.35	0.00	0.00	0.28	0.00	0.57	2.21
• Principal payments	0.94	0.00	0.00	0.25	0.00	0.51	1.71
• Interest payments	0.41	0.00	0.00	0.03	0.004	0.05	0.49
Reimbursement for purchase of gas and fuel	97.92	276.70	66.65	320.96	149.14	167.84	1079.20
• KPC & SPC	97.92	276.70	66.65	320.96	149.14	167.84	1079.20
Transfers to Electricity Syria	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-June 2019 in comparison with Jan-June 2018

► Transfers to EDL in Jan-June 2019 were LL 31.79 billion lower than the Jan-June 2018 level

Transfers in Jan-June 2019 were LL 31.79 billion lower than the amount paid in Jan-June 2018, which stood at LL 1113.20 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-June 2018	Jan-June 2019	Change	% Change
EDL, of which:	1113.20	1081.41	31.79-	-2.9%
Debt Service (C-Loans and Eurobonds):	6.47	2.21	4.26-	-65.8%
-Principal Repayments	5.80	1.71	4.09-	-70.5%
-Interest Payments	0.67	0.49	0.18-	-26.9%
Reimbursement for purchase of gas and fuel	1087.63	1079.20	8.43-	-0.8%
• KPC & SPC	1087.63	1079.20	8.43-	-0.8%
Transfers to Electricity Syria	19.10	0	19.10-	100-

► Payments to the two oil suppliers in Jan-June 2019 were LL 8.43 billion lower than their level during Jan-June 2018.

The component “Reimbursement of KPC and Sonatrach Agreements” reached LL 1079.20 billion in Jan-June 2019, a fall from LL 1087.63 billion in Jan-June 2018. This 0.8 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: 7.93% ▼
 - % Change in Quantity of Gas Oil imported: 12.05% ▲
- **From a price-effect viewpoint:**

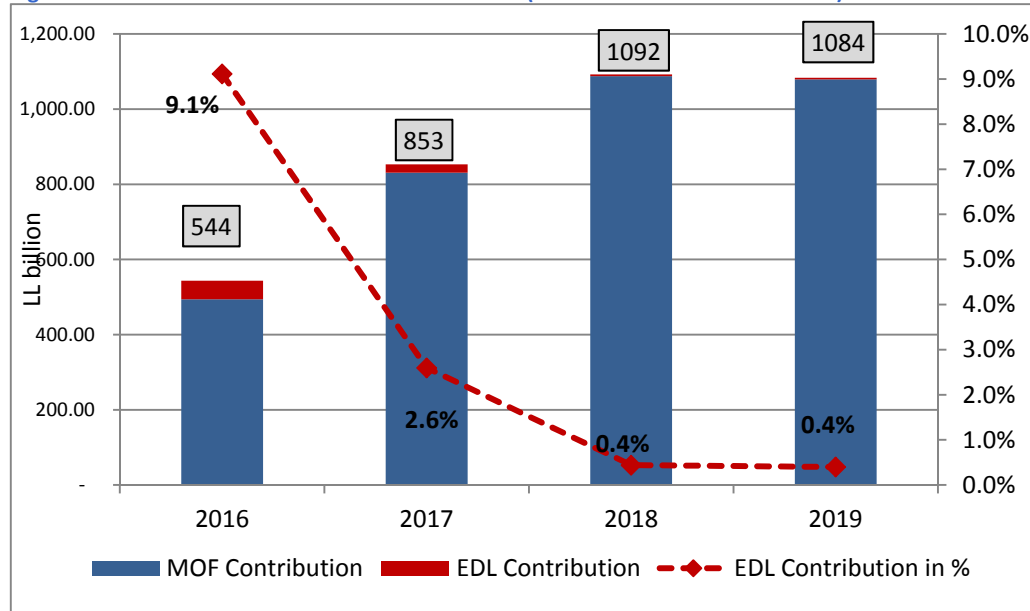
	Jan-June 2018 Bill	Jan-June 2019 Bill
Average Price/Barrel	US\$ 70.33	US\$ 66.79
% Change in weighted average price of crude oil		5.04% ▼

III. Contribution of EDL out of the total oil bill

▶ EDL contributed 0.4 percent of the total oil bill in Jan-June 2019

From a total oil bill of LL 1084 billion in Jan-June 2019, EDL contributed by around 0.4 percent to the cost of gas oil and fuel oil purchase¹. This figure was similar to that related to the same period of 2018, out of a higher bill of LL 1092 billion. In nominal terms, EDL’s contribution was lower in Jan-June 2019, amounting to LL 4.33 billion, compared to LL 4.81 billion during the same period in 2018.

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

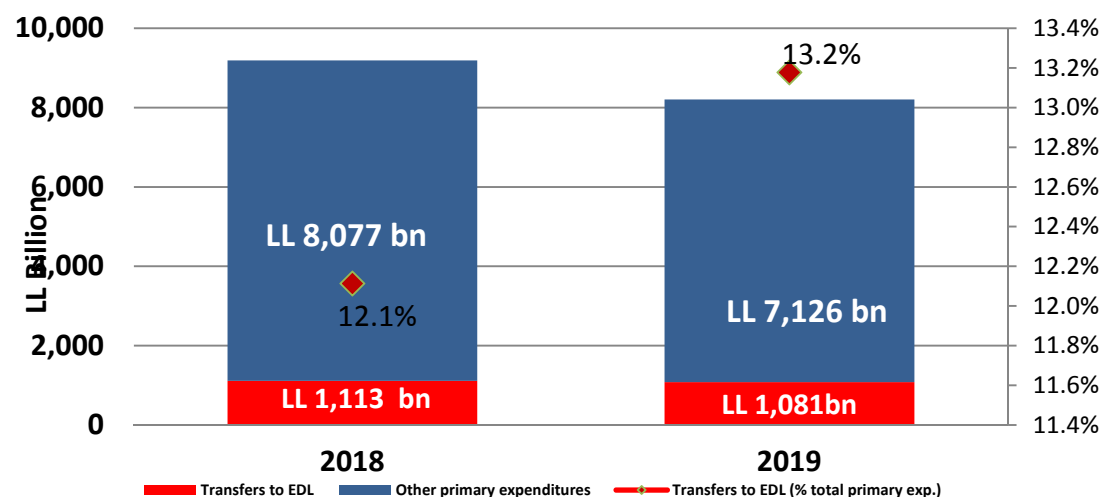


IV. Shares of “Transfers to EDL” out of Expenditures

▶ Transfers to EDL constituted 13.2 percent of primarily expenditures in Jan-June 2019

With primarily expenditures at LL 8,207 billion, the share of transfers to EDL reached 13.2 percent in Jan-June 2019. This share was lower at 12.1 percent in Jan-June 2018.

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



¹ The Treasury transferred around LL 1081.41 billion to cover EDL’s deficit in Jan-June 2019. Out of this amount, LL 1079.20 billion represented the Treasury transfer to purchase gas oil and fuel oil (as shown in Table 2). However, the total oil bill for June 2019 amounted to LL 1083.53 billion, which correspond to LL 1079.20 billion of Treasury transfers plus LL 4.33 billion of payments made by EDL.