

## I. Treasury Transfers to EDL in June 2020

► In June 2020, treasury transfers to EDL reached LL 46.49 billion, as follows:

- ⇒ Reimbursement of KPC and Sonatrach LL 45.94 billion
- ⇒ Debt Service LL 0.55 billion

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

| (LL billion)                               | Jan           | Feb         | March         | April         | May          | June         | Total         |
|--|---------------|-------------|---------------|---------------|--------------|--------------|---------------|
| <b>EDL of which:</b>                       | <b>286.35</b> | <b>7.61</b> | <b>161.09</b> | <b>127.72</b> | <b>24.41</b> | <b>46.49</b> | <b>653.67</b> |
| Debt service (C-Loans and Eurobonds):      | 1.31          | 0.00        | 0.28          | 0.00          | 0.30         | 0.55         | 2.43          |
| • Principal payments                       | 0.94          | 0.00        | 0.25          | 0.00          | 0.29         | 0.50         | 1.99          |
| • Interest payments                        | 0.36          | 0.00        | 0.03          | 0.00          | 0.004        | 0.05         | 0.44          |
| Reimbursement for purchase of gas and fuel | 285.04        | 7.61        | 160.81        | 127.72        | 24.11        | 45.94        | 651.24        |
| • KPC & SPC                                | 285.04        | 7.61        | 160.81        | 127.72        | 24.11        | 45.94        | 651.24        |

Source: Ministry of Finance

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

► Transfers to EDL in Jan-June 2020 were LL 427.74 billion lower than the Jan-June 2019 level

Transfers in Jan-June 2020 were LL 427.74 billion lower than the amount paid in Jan-June 2019, which stood at LL 1081.41 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-June 2019  | Jan-June 2020 | Change         | % Change      |
|--|----------------|---------------|----------------|---------------|
| <b>EDL, of which:</b>                      | <b>1081.41</b> | <b>653.67</b> | <b>-427.74</b> | <b>-39.6%</b> |
| Debt Service (C-Loans and Eurobonds):      | 2.21           | 2.43          | 0.23           | 10.4%         |
| -Principal Repayments                      | 1.71           | 1.99          | 0.28           | 16.5%         |
| -Interest Payments                         | 0.49           | 0.44          | -0.05          | -10.8%        |
| Reimbursement for purchase of gas and fuel | 1079.20        | 651.24        | -427.97        | -39.7%        |
| • KPC & SPC                                | 1079.20        | 651.24        | -427.97        | -39.7%        |

► Payments to the two oil suppliers in Jan-June 2020 were LL 427.97 billion lower than their level during Jan-June 2019.

The component “Reimbursement of KPC and Sonatrach Agreements” reached LL 651.24 billion in Jan-June 2020, a fall from LL 1079.20 billion in Jan-June 2019. This 39.7 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: 23.86% ▼
  - % Change in Quantity of Gas Oil imported: 12.10% ▼
- **From a price-effect viewpoint:**

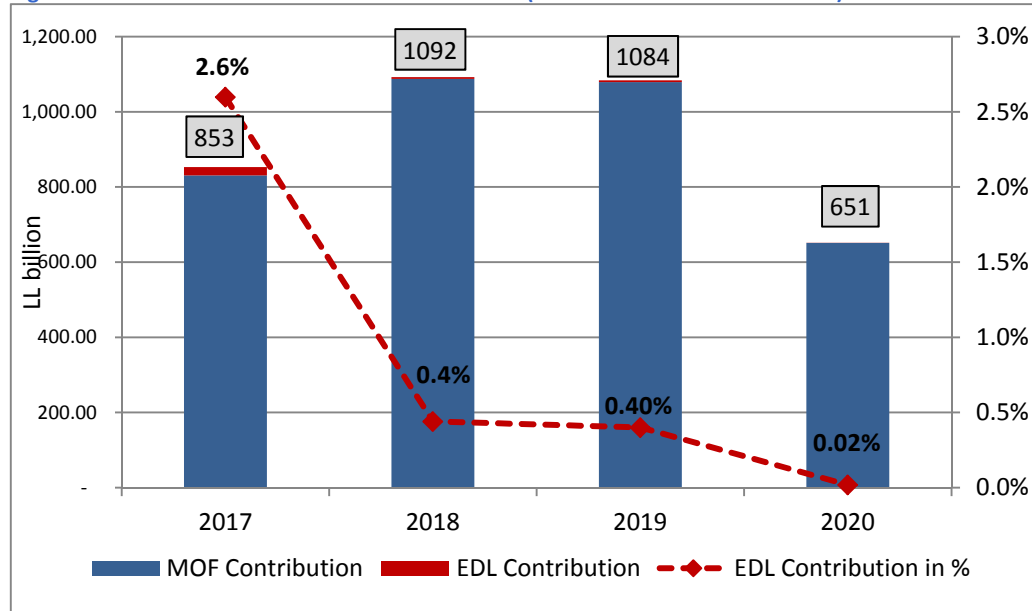
|   | Jan-June 2019 Bill | Jan-June 2020 Bill |
|---|--------------------|--------------------|
| Average Price/Barrel                            | US\$ 66.79         | US\$ 39.58         |
| % Change in weighted average price of crude oil |                    | 40.73% ▼           |

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

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

From a total oil bill of LL 651 billion in Jan-June 2020, EDL contributed by around 0.02 percent to the cost of gas oil and fuel oil purchase<sup>1</sup>. This figure was higher at 0.40 percent during the same period of 2019, out of a higher bill of LL 1084 billion. In nominal terms, EDL’s contribution was lower in Jan-June 2020, amounting to LL 0.12 billion, compared to LL 4.33 billion during the same period in 2019.

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

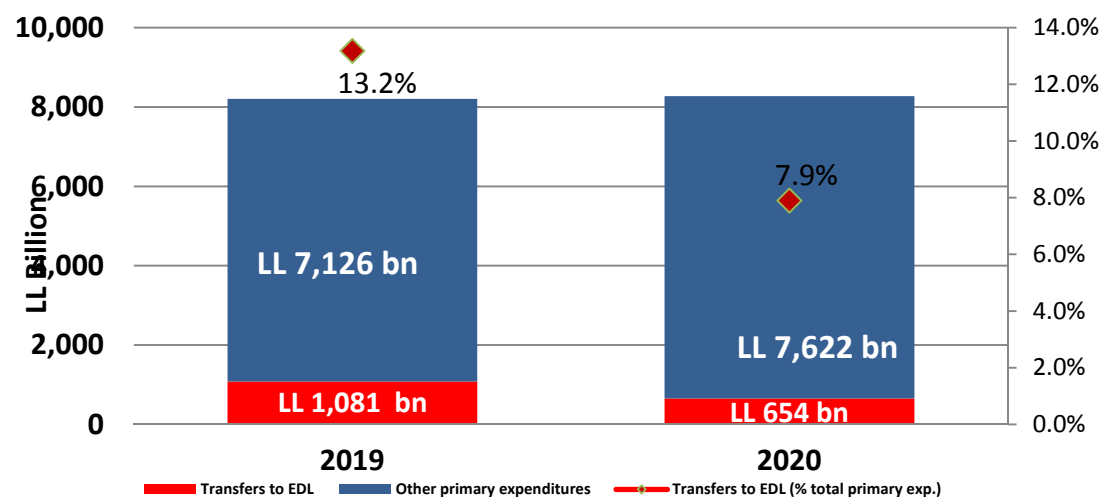


### IV. Shares of “Transfers to EDL” out of Expenditures

▶ *Transfers to EDL constituted 7.9 percent of primary expenditures in Jan-June 2020*

With primary expenditures at LL 8,276 billion, the share of transfers to EDL reached 7.9 percent in Jan-June 2020. This share was higher at 13.2 percent in Jan-June 2019.

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



The Treasury transferred around LL 653.67 billion to cover EDL’s deficit in Jan-June 2020. Out of this amount, around LL 651.24 billion represented the Treasury transfer to purchase gas oil and fuel oil (as shown in Table 2). However, the total oil bill for Jan-June 2020 amounted to LL 651.35 billion, which correspond to LL 651.24 billion of Treasury transfers plus LL 0.12 billion of payments made by EDL.