

I. Treasury Transfers to EDL in July 2021

- In July 2021, treasury transfers to EDL reached LL 126.77 billion, for Reimbursement of KPC and Sonatrach.

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

(LL billion)	Jan	Feb	March	April	May	June	July	Total
EDL of which:	43.23	66.49	218.08	59.33	31.09	99.60	126.77	644.59
Debt service (C-Loans and Eurobonds):	0.00	0.00	0.29	0.00	0.00	0.58	0.00	0.87
• Principal payments	0.00	0.00	0.27	0.00	0.00	0.54	0.00	0.80
• Interest payments	0.00	0.00	0.02	0.00	0.00	0.04	0.00	0.07
Reimbursement for purchase of gas and fuel	43.23	66.49	217.79	59.33	31.09	99.02	126.77	643.72
• KPC & SPC	43.23	66.49	217.79	59.33	31.09	99.02	126.77	643.72

Source: Ministry of Finance

II. Treasury Transfers to EDL in Jan-July 2021 in comparison with Jan-July 2020

- Transfers to EDL in Jan-July 2021 were LL 162.17 billion lower than the Jan-July 2020 level

Transfers in Jan-July 2021 were LL 162.17 billion lower than the amount paid in Jan-July 2020, which stood at LL 806.76 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-July 2020	Jan-July 2021	Change	% Change
EDL, of which:	806.76	644.59	-162.17	-20.1%
Debt Service (C-Loans and Eurobonds):	2.43	0.87	-1.57	-64.3%
-Principal Repayments	1.99	0.80	-1.19	-59.8%
-Interest Payments	0.44	0.07	-0.37	-84.9%
Reimbursement for purchase of gas and fuel	804.32	643.72	-160.60	-20%
• KPC & SPC	804.32	643.72	-160.60	-20%

- Payments to the two oil suppliers in Jan-July 2021 were LL 160.60 billion lower than their level during Jan-July 2020.

The component “Reimbursement of KPC and Sonatrach Agreements” reached LL 643.72 billion in Jan-July 2021, a fall from LL 804.32 billion in Jan-July 2020. This 20 percent decrease was mainly driven by lower quantities of fuel and gas oil.

- **From a quantity-effect viewpoint:**
 - % Change in Quantity of Fuel Oil imported: 7.20% ▼
 - % Change in Quantity of Gas Oil imported: 54.23% ▼
- **From a price-effect viewpoint:**

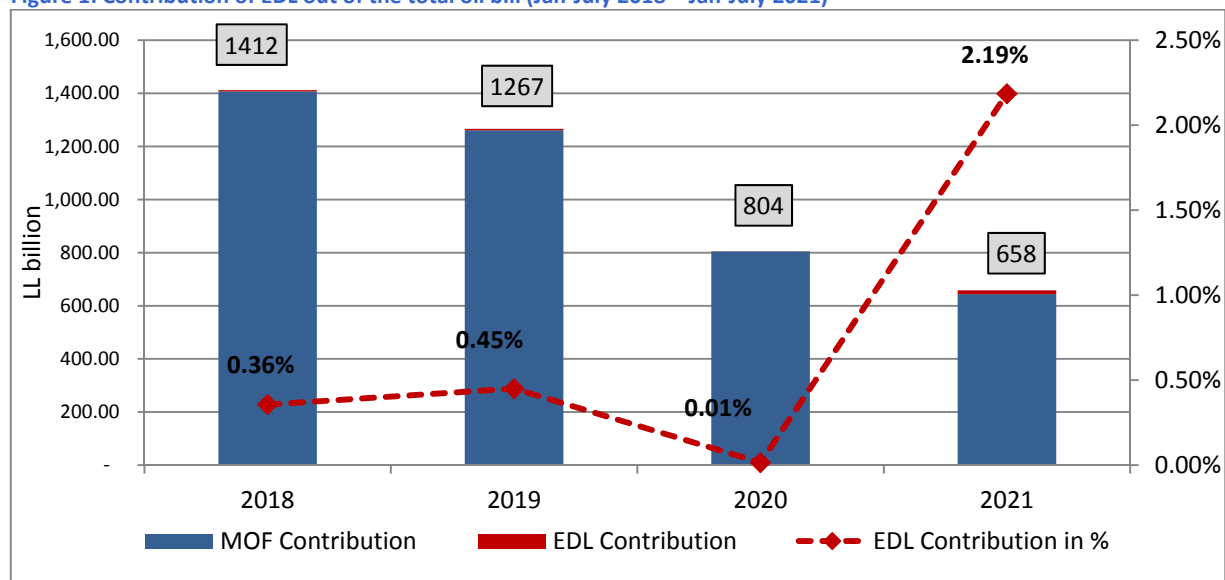
	Jan-July 2020 Bill	Jan-July 2021 Bill
Average Price/Barrel	US\$ 40.32	US\$ 67.31
% Change in weighted average price of crude oil		67.36% ▲

III. Contribution of EDL out of the total oil bill

▶ *EDL contributed 2.19 percent of the total oil bill in Jan-July 2021*

From a total oil bill of LL 658 billion in Jan-July 2021¹, EDL contributed by around 2.19 percent to the cost of gas oil and fuel oil purchase. This figure was lower at 0.01 percent during the same period of 2020, out of a higher bill of LL 804 billion. In nominal terms, EDL’s contribution was only LL 0.12 billion during the same period in 2020.

Figure 1: Contribution of EDL out of the total oil bill (Jan-July 2018 – Jan-July 2021)

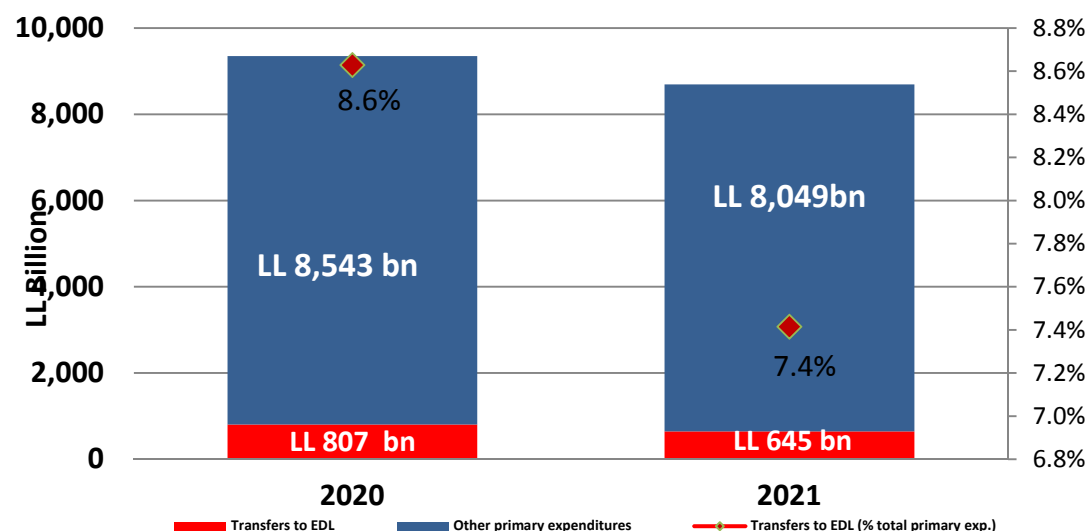


IV. Shares of “Transfers to EDL” out of Expenditures

▶ *Transfers to EDL constituted 7.4 percent of primary expenditures in Jan-July 2021*

With primary expenditures at LL 8,694 billion, the share of transfers to EDL reached 7.4 percent in Jan-July 2021. This share was higher at 8.6 percent in Jan-July 2020.

Figure 2: Transfers to EDL out of primary expenditures (Jan-July 2020 – Jan-July 2021)



¹ The Treasury transferred around LL 644.59 billion to cover EDL’s deficit in Jan-July 2021. This entire amount represented the Treasury transfer to EDL (as shown in Table 2). However, the total oil bill for Jan-July 2021 amounted to LL 658.11 billion, which correspond to LL 643.72 billion of Treasury transfers plus LL 14.38 billion of payments made by EDL.