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The ruling Front de Liberation National (FLN) publicly declares its support for a fifth mandate for President Abdelaziz Bouteflika (1999-present) in the 2019 presidential elections. Continued social tensions spread to teachers' and doctors' unions, leading Bouteflika to reshuffle the cabinet. The Centre National de l'Informatique et des statistiques des Douanes (CNIS) (national centre of customs information and statistics) publishes its report on Algerian external trade, showing a reducing trade deficit from January to February compared to the same period in 2017. Spain's prime minister, Mariano Rajoy, visits Algiers and signs eight agreements. Rajoy also discusses the production and importation of Algerian natural gas. The European Union trade commissioner accuses Algeria of favouring trade and economic relations with China, and dismissing its association agreement with Europe.

Fifth presidential mandate seems increasingly likely...

The **Front de Liberation Nationale (FLN)** officially called on President **Abdelaziz Bouteflika** (1999-present) on 9 April to run for a fifth mandate in the presidential election scheduled for April 2019.¹ If the now 81-year-old Bouteflika accepts, it is highly unlikely that there will be substantial opposition in the race to the elections, maintaining power in the hands of a few beneficiaries from the FLN who have been running state matters since the president's debilitating stroke in April 2013.² The FLN's demand was carefully scheduled the day before Bouteflika's planned visits to various construction sites in **Algiers**.³ However, Bouteflika's public appearance had the opposite effect: he seemed highly impaired, spurring indignation throughout social media, with the spread of the hashtag "*Kheloul yertah*" (let him rest).⁴

Bouteflika had addressed the country on 19 March through **Moudjahidine** minister **Tayeb Zitouni**, stating the necessity of a diverse political scene with different programmes, ahead of the 2019 presidential elections.⁵ The message triggered strong reaction from opposition parties, which called for the establishment of institutions to ensure a fair electoral contest.⁶ **Soufiiane Djilali**, president of the opposition **Jil Jadid** party and presidential candidate during the 2014 election until Bouteflika decided to run again, claimed that Bouteflika's message illustrated the government's fear of a general boycott of a fifth mandate.⁷ **Faycel Hardi**, representative of the **Talaie El Hourriyet** party, underlined the lack of an independent institution to manage elections and that opposition parties have no access to the most important public media, as well as the interdictions and pressures exercised on unions

¹ El Watan, 9 Apr 2018

² El Watan, 9 Apr 2018.

³ El Watan, 9 Apr 2018

⁴ El Watan, 9 Apr 2018.

⁵ El Watan, 21 Mar 2018.

⁶ El Watan, 21 Mar 2018.

⁷ El Watan, 21 Mar 2018.

and other associations.⁸ **Yacine Aissiouene**, communication head of the opposition **Rassemblement pour la Culture et la Democratie (RCD)**, has also demanded the creation of an independent body to supervise elections.⁹

... as social discontent leads to growing demonstrations ...

Increasing political and social tensions are spreading discontent to Algeria's teachers' and doctors' unions, and have led to a cabinet reshuffle. Education minister **Nouria Benghabrit** met imam **Ali Aya**, former militant of the now-defunct **Front Islamique du Salut (FIS)**, and **Assemblée Populaire de Wilaya (APW)** member **Nadjib Bitam** on 13 March, in order to address the teachers' labour action.¹⁰ The teachers' union, the **Conseil National Autonome du personnel Enseignant du Secteur Tertiaire de l'Education (CNAPESTE)**, launched a strike on 30 January to demand improved working conditions for teachers.¹¹ Benghabrit, having fired over 500 teachers since 26 November, refused to meet CNAPESTE representatives as long as they pursued strike action, which failed to appease involved unions.¹² However, the meeting with Aya was controversial as many interpreted it as a growing involvement of religion in the social and political spheres. Aya was one of the founding fathers of the banned FIS, which was involved in the outbreak of the black decade of the 1990s.¹³ He has assumed a more public role recently, launching fatwas on diverse subjects such as the veil or women's responsibility in the context of sexual aggressions.¹⁴ Aya and Bitam both expressed their willingness to help resolve the crisis.¹⁵

Adding to an already tense social context, the **Collectif Autonome des Internes en Médecine Algerien (CAIMA)** (autonomous collective of Algerian medical interns) announced on 20 March that they would boycott the internship programme with immediate effect until the government addressed their demands.¹⁶ They underlined the precarious situation of medical interns as well as the growing insecurity during shifts. Their demands ranged from the application of laws regarding the status of the intern, insurance coverage by hospitals, and a revision of their pay.¹⁷ The CAIMA marked its solidarity with resident doctors, on strike for the fourth month, denouncing the intimidation and illegal arrests of resident doctors.¹⁸ Around 85% of candidates to the **Diplôme d'Etudes médicales spécialisées (DEMS)** (specialised medical studies diploma) exam boycotted the test and announced the further boycott of 67 exams from 19 March to 19 April. Superior education minister **Tahar Hadjar** gave assurances on 17 March that exams would unfold as usual.¹⁹ The **Collectif autonome des médecins spécialistes algériens (CAMSA)** (autonomous collective of specialist doctors), announced a two-day strike from 27 March onwards after authorities forbade a general meeting following an official demand to the representatives of the wilaya of **Tipaza**.²⁰

⁸ Atlas Info, 21 Mar 2018.

⁹ Atlas Info, 21 Mar 2018.

¹⁰ Jeune Afrique, 16 Feb 2018

¹¹ Jeune Afrique, 16 Feb 2018

¹² El Watan, 20 Mar 2018.

¹³ El Watan, 20 Mar 2018.

¹⁴ El Watan, 20 Mar 2018.

¹⁵ El Watan, 20 Mar 2018.

¹⁶ Maghreb Emergent, 20 Mar 2018.

¹⁷ Maghreb Emergent, 20 Mar 2018.

¹⁸ Maghreb Emergent, 20 Mar 2018.

¹⁹ El Watan, 20 Mar 2018.

²⁰ Maghreb Emergent, 20 Mar 2018.

Chafaa Bouaiche, head of the **Front des Forces Socialistes (FFS)** parliamentary grouping, warned on 20 March of the dangerous social situation in Algeria and the lack of efficiency of governmental institutions.²¹ Bouaiche intervened during the presentation of a law reform project regarding the penal code in the **Assemblée Populaire Nationale (APN)**, emphasising a paralysed governance unable to address the ongoing social conflicts.²²

Louisa Hanoune, general secretary of the opposition **Parti Travailleuseur**, reacted to Bouteflika's statement on 27 March, blaming the government's economic policy for Algeria's current challenges.²³ Hanoune said the government needed to reform the 2018 finance law and address criminalised fiscal evasion and corruption. She also expressed reservations about the hydrocarbons law, which is expected to be finalised in June. Hanoune said that if the rumours about concessions are true, they would be followed by social actions.²⁴

... and a cabinet reshuffle

The prime minister, **Ahmed Ouyahia**, made a public appearance on 26 March at a regional conference in **Algiers** on the new economy, organised by the ministry of finance, the **World Bank** and the **Arab Monetary Fund**.²⁵ With rumours of his potential dismissal growing the week before the event, Ouyahia seemed to be demonstrating his willingness to re-establish his place in the political landscape and defend achievements under his administration. Ouyahia highlighted the importance of government expenditure in education and training, reaching more than \$10 billion annually, as well as the development of a national fibre optic grid of 120,000 kilometres.²⁶

Bouteflika put rumours of Ouyahia's dismissal to rest as he reshuffled positions in four ministries on 4 April, leaving the prime minister's place secure.²⁷ The president appointed **Mohamed Hattab**, current wali of **Bejaia**, as youth and sports minister, replacing **El Hadi Ould Ali**.²⁸ This represents the government's attempt to diffuse tension by appointing an official from a region that has been the theatre of frequent demonstrations against austerity. Ould Ali's reputation was damaged following a conflict with **Mustapha Berraf**, the president of Algeria's Olympic committee.²⁹ **Said Djellab**, former director of external trade under the **Abdelmajid Tebboune** administration (May-August 2017), replaced **Mohamed Benmeradi** as trade minister, inheriting a department under high tension following the imposition of import restrictions.³⁰ A reason for Benmeradi's dismissal could be his call in January and February to devalue the dinar, contrary to the official position adopted by the government, monetary authorities as well as the finance ministry and central bank, in favour of stabilising the official value of the dinar during the next three years.³¹ **Abdekader Benmessaoud**, former wali of **Tissemsilt** and originally from **Tamanrasset**, replaced **Hassen Marmouri** from **Djanet** as tourism minister.³² Bouteflika's decision to replace a minister from the south

²¹ Maghreb Emergent, 20 Mar 2018.

²² Maghreb Emergent, 20 Mar 2018.

²³ Atlas Info, 21 Mar 2018.

²⁴ TSA, 27 Mar 2018.

²⁵ TSA, 5 Apr 2018.

²⁶ TSA, 5 Apr 2018.

²⁷ TSA, 4 Apr 2018.

²⁸ TSA, 4 Apr 2018.

²⁹ TSA, 4 Apr 2018.

³⁰ TSA, 5 Apr 2018.

³¹ TSA, 4 Apr 2018.

³² TSA, 4 Apr 2018.

with another from the same region showed a willingness to maintain a regional balance.³³ Bouteflika also replaced **Tahar Khaoua**, parliamentary relations minister, with **Mahdjoub Bedda**.³⁴

The cabinet reshuffle gives reveals Bouteflika's attempt to give the illusion of political change while not giving in to growing pressures around Ouyahia's dismissal.³⁵ The new appointments are not likely to disrupt current government policies and the prime minister's secured position implies a continuation of the economic programme of import bans and non-conventional financing.³⁶

First results of imports reductions show an improving trade balance...

The **Centre National de l'Informatique et des statistiques des Douanes (CNIS)** (national centre of customs information and statistics) published on 20 March its latest study of external trade in Algeria.³⁷ The CNIS report showed a 25% growth in exports to reach 7.1 billion dinar (\$61.9m) from January to last February with a simultaneous contraction of imports.³⁸ This led the trade deficit to decrease by 2.23 billion dollars to \$97m during January and February compared to \$2.33 billion at the same time in 2017.³⁹

The reduction of imports has mainly been driven by a decrease in energy products, dropping from \$255m last year to \$154m end of February.⁴⁰ The value of almost all imported product categories decreased, with the exception of semi-finished products, which grew by 16%, reaching \$1.88 billion against \$1.62 billion last year.⁴¹ Equipment for the agriculture sector decreased by 35.14%, industrial equipment dropped by 22.56%, while food products imports were reduced by 3.46% and non-food products imports by 16.53%.⁴²

Export statistics showed that hydrocarbons represented 94% of sales abroad, reaching \$6.6 billion between January and February 2018, representing a \$1.27 billion increase compared to the same months in 2017, following improving global oil prices.⁴³ Non-hydrocarbon exports amounted to \$400m, posting 65% growth compared to the same months in 2017.⁴⁴ The CNIS listed **Spain**, followed by **Italy**, **France** and the **United States** as Algeria's main trade partners, while **China** remains the leading supplier, followed by France, Italy and Spain.⁴⁵

.... as Algeria tries to intensify activities with trade partners ...

Eight agreements were signed on 3 April in Algiers between Algeria and Spain, during the visit of the prime minister of Spain, **Mariano Rajoy**.⁴⁶ The agreements concern the industry, agricultural insurance, professional training, universities, scientific research and civil

³³ TSA, 4 Apr 2018.

³⁴ TSA, 4 Apr 2018.

³⁵ Le Courrier de l'Atlas, 4 Apr 2018.

³⁶ Source, Analyst, London.

³⁷ El Watan, 21 Mar 2018

³⁸ El Watan, 21 Mar 2018

³⁹ Jeune Afrique, 3 Apr 2018.

⁴⁰ Jeune Afrique, 3 Apr 2018.

⁴¹ Jeune Afrique, 3 Apr 2018.

⁴² Jeune Afrique, 3 Apr 2018.

⁴³ Jeune Afrique, 3 Apr 2018.

⁴⁴ Jeune Afrique, 3 Apr 2018.

⁴⁵ Jeune Afrique, 3 Apr 2018.

⁴⁶ Jeune Afrique, 3 Apr 2018.

protection sectors.⁴⁷ However, the key themes approached by both administrations revolved around Spanish gas consumption, of which 50% is supplied by Algeria, and the controversial topic of illegal migration.⁴⁸

Many projects link Spain to Algeria, namely the **Groupement gazier de Timimoun (GTIM)** in **Hassi Barouda** in the south-west of the country, inaugurated on 27 March for the production of gas.⁴⁹ The GTIM resulted from the partnership between state-owned oil company **Sonatrach** (51%), Spain-based multinational oil and gas company **Cepsa** (11.25%), and France-based oil company **Total** (37.75%).⁵⁰ In addition, the gas infrastructure **Reggane Nord**, one of the first gas projects developed in the south-west of Algeria, following the association of Sonatrach, Spain-based oil company **Repsol**, Germany-based **RWE-DEA**, and Italy-based **Edison**, was inaugurated in December.⁵¹

The Spain-based **Corporación de Reservas Estratégicas de Productos Petrolíferos (CORES)** (corporation for strategic oil reserves) published on 9 April key figures on Spanish-Algerian natural gas trade.⁵² Algerian gas exports to Spain decreased by 2.7% in February compared to the same month in 2017, reaching 19,582 gigawatts-hour (Gwh).⁵³ This decrease is not specific to Algeria as Spanish natural gas imports from countries ranging from **Nigeria**, **Qatar** and **Peru** all decreased by 25%, amounting to 28,538 Gwh.⁵⁴ Algeria is the leading natural gas supplier for Spain with 59.7% of the market, followed by Nigeria (13.4%), **Norway** (9.3%) and Qatar (6.5%).⁵⁵ Sonatrach CEO **Abdelmoumen Ould Kaddour** mentioned at the end of 2017 the possibility of the company increasing gas transfer through the **Medgaz** pipeline in **Beni Saif** (region of **Ain Temouchent**), to reach an additional two billion cubic meters per year.⁵⁶ The current gas transfer capacity of the pipeline to Spain and the rest of **Europe** reaches eight billion cubic meter per year.⁵⁷ Algeria aims to increase its gas production to 141.3 billion cubic meters this year, ranking as the second largest gas supplier to Europe, after Russia.⁵⁸

... but tensions grow with European partners over trade with China

The **European Union**, through its trade commissioner, **Cecilia Mamstrom**, accused Algeria on 11 April of favouring trade and economic relations with China and dismissing its association agreement with Europe.⁵⁹ China led in terms of exports to Algeria from 2012 to 2017 (see above), reaching \$7 billion in 2017, representing more than 19% of total Algerian imports.⁶⁰ The imported goods are mainly consumer goods but also equipment and material linked to industrial production.⁶¹

⁴⁷ Jeune Afrique, 3 Apr 2018.

⁴⁸ Jeune Afrique, 3 Apr 2018.

⁴⁹ Jeune Afrique, 3 Apr 2018.

⁵⁰ Jeune Afrique, 3 Apr 2018.

⁵¹ Jeune Afrique, 3 Apr 2018.

⁵² El Watan, 10 Apr 2018.

⁵³ El Watan, 10 Apr 2018.

⁵⁴ El Watan, 10 Apr 2018.

⁵⁵ El Watan, 10 Apr 2018.

⁵⁶ El Watan, 10 Apr 2018.

⁵⁷ El Watan, 10 Apr 2018.

⁵⁸ El Watan, 10 Apr 2018.

⁵⁹ El Watan, 12 Apr 2018.

⁶⁰ El Watan, 12 Apr 2018.

⁶¹ El Watan, 12 Apr 2018.

The Chinese-Algerian relationship fits into the general dynamic of Chinese economic expansion in Africa. Chinese companies also rapidly adjusted to the 51/49% rule, which requires that foreign partners retain a maximum share of 49% of the capital, favouring majority ownership for local players. Chinese companies also participated to a greater extent than other foreign companies in the public private partnerships with Algerian players, benefiting from fiscal advantages regarding investments.⁶² Over one thousand Chinese companies benefitted from the public investment programmes launched by the Algerian government, acquiring most of the deals, especially in the construction sector, such as the commercial harbour under construction in **Tipasa** with \$3.3 billion of Chinese financing.⁶³

Planner

April 2019: Scheduled presidential elections;

Chronology

14 Apr 2018 **(Algeria)** *Reuters*. Prime minister **Ahmed Ouyahia** states that the economy is set to improve as energy exports recover;

12 Apr 2018 **(Algeria)** *Reuters*. An **Algerian** military plane crashes near **Algiers**, killing 250 people including refugees from **Western Sahara**;

11 April 2018, **(Algeria)** *El Watan*: The **European Union** accuses Algeria of favouring trade and economic relations with **China** and dismissing its association agreement with **Europe**;

10 Apr 2018 **(Algeria)** *Reuters*. An appearance by President **Abdelaziz Bouteflika** fuels speculation he will run for a fifth term in 2019, despite appearing frail and wheelchair-bound;

9 Apr 2018 **(Algeria)** *El Watan*. The ruling **Front de Liberation Nationale (FLN)** officially calls on President Abdelaziz Bouteflika to run for a fifth mandate during the presidential election of April 2019.

9 Apr 2018, **(Algeria)** *El Watan*: Spain-based **Corporación de Reservas Estratégicas de Productos Petrolíferos (CORES)** figures on Spanish-Algerian natural gas trade show Algerian gas exports to Spain decreased by 2.7% in February 2018 compared to the same month last year;

4 Apr 2018, **(Algeria)** *TSA*. President Abdelaziz Bouteflika reshuffles the cabinet, replacing the youth and sports, tourism and handcraft, parliamentary relations, and trade ministers;

3 Apr 2018, **(Algiers) (Algeria)** *Jeune Afrique*. Eight agreements are signed between Algeria and **Spain**, during the visit of the prime minister **Mariano Rajoy**, concerning the industry, agricultural insurance, professional training, universities, scientific research and civil protection sectors;

⁶² El Watan, 12 Apr 2018.

⁶³ El Watan, 12 Apr 2018.

26 Mar 2018 (**Algeria**), *TSA*: Prime minister **Ahmed Ouyahia** makes his first public appearance following President **Abdelaziz Bouteflika's** intervention on liberalisation rumours;

20 Mar 2018 (**Algeria**), *El Watan*: The **Centre National de l'Informatique et des statistiques des Douanes (CNIS)** report on external trade shows 25% growth in exports to reach DZD7.1 billion (\$61.9m) from January to February, and a contraction of imports;

20 Mar 2018 (**Algeria**), *El Watan*: The **Collectif Autonome des internes en medicine Algerien (CAIMA)** announces the start of a boycott of the internship programme;

19 Mar 2018 (**Algeria**), *El Watan*: The industry and mines ministry announces that the first spinning plant of the **Relizane** textile complex started production on 15 March;

13 Mar 2018 (**Algeria**), *Jeune Afrique*: Education minister **Nouria Benghabrit** meets imam **Ali Aya** and lawyer **Nadjib Bitam**, to address the teachers' labour action;

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