

**AFRICA RISK CONSULTING****Algeria Monthly Briefing July 2019**

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**Algeria Summary 26 July 2019**

*Weekly demonstrations continue over the month and during Independence Day but victory in the 2019 Africa Cup of Nations final by the national football team brings thousands of people to the streets in unity, rather than in protest against the government. Interim president Abdelkader Bensalah (2019-present) sets up a six-member panel to oversee a national dialogue and hold a presidential election, which was postponed until the end of the year. Government corruption probes continue with the arrest of tourism and craft industry minister Abdelkader Benmessaoud. Italy-based oil and gas multinational Eni SpA agrees to extend its Algerian gas import deal with state-owned oil company Sonatrach until 2028.*

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**Can football success bring national unity?**

Interim president **Abdelkader Bensalah** (2019-present) set up a six-member panel on 25 July to oversee a national dialogue and hold a presidential election, which was previously planned for 4 July, aimed at ending months of political crisis.<sup>1</sup> After another month of political bickering, national protests and corruption probes, **Algerians** cross their fingers that their national football team's **2019 Africa Cup of Nations** victory on 19 July will help unite a nation in turmoil – as was the case for former president **Nelson Mandela's** (1994-1999) **South Africa** after winning the **1996 Africa Cup of Nations**, as well as the **1995 Rugby World Cup**.

Bensalah's announcement of the establishment of a national dialogue panel came after Algerian authorities cancelled the previously planned 4 July presidential election. Authorities claim an insufficient number of candidates applied – although the only two candidates who had submitted bids were disqualified. A new presidential election date is yet to be announced.

Former parliament speaker **Karim Younes** will lead the panel. He will be joined by **Fatiha Benabbou**, **Smail Lalmas**, **Bouزيد Zahari**, **Abdul Wahab bin Jalloul** and **Izz al-Din bin Isa** – two politicians, two experts in law, and an economic expert respectively.<sup>2</sup> Bensalah told the panel:

*"The dialogue will cover all aspects related to the organisation of this election, its necessary conditions...and the date of the election...The dialogue must be inclusive of the whole political class, national figures and civil society."<sup>3</sup>*

Pro-democracy weekly protests, which began in February, continued on Algeria's streets throughout the month. The protests forced former president **Abdelaziz Bouteflika** (1999-2019) to step down on 2 April after 20 years in power (see *ARC Briefing Algeria April 2019*).

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<sup>1</sup> Aljazeera, 25 Jul 2019

<sup>2</sup> Asharq Al-Awsat, 26 Jul 2019

<sup>3</sup> Aljazeera, 25 Jul 2019

Protesters are demanding the removal of the ruling elite and the prosecution of people suspected of corruption and calling for free elections within six months.<sup>4</sup>

Tens of thousands of protesters took to the streets to celebrate **Independence Day** on 5 July.<sup>5</sup> Citizens amassed on the streets of **Algiers** to mark Algeria's 1962 liberation from **French** rule. Demonstrations were also held in at least a dozen other cities. Protesters expressed their concern over the arrests of several activists brandishing **Berber** emblems and of **Lakhdar Bouregaa**, a veteran of Algeria's independence war. Authorities accused the activists of threatening Algeria's unity by celebrating Berber identity. Algeria's Berbers are protesting that the government has not done enough to promote Tamazight, their native tongue, which Algeria recognised as a third official language in 2002.<sup>6</sup> Islamists defend Arabic as the dominant language, pointing out that it is the language of the Quran, while reformists say promoting Tamazight is key to preserving the country's Berber identity and fostering multiculturalism, individual rights and decentralisation.<sup>7</sup> In Algiers, authorities deployed an unusually large number of police, who confiscated Berber flags from protesters entering the city. Police surrounded the plaza at the central post office that has been a nucleus of the revolt. The state's campaign against the Berber identity is aimed at stoking divisions by appealing to protesters' nationalistic feeling.<sup>8</sup>

The army is now the main player in Algerian politics, and its chief of staff, Lieutenant General **Ahmed Gaid Salah**, has repeatedly urged for the holding of an election as soon as possible. Gaid Salah wants to hold a presidential poll, but protesters and opposition politicians want an overhaul of the entire political system. During a public speech in Algiers on 6 July, Gaid Salah warned protesters against calling for a civilian, not a military state.

*"These are poisonous ideas that have been dictated to them [protesters] by circles hostile to Algeria and its constitutional institutions."<sup>9</sup>*

On 10 July, Gaid Salah reaffirmed his support for interim president Abdelkader Bensalah's offer to hold a national dialogue conference as a way out of the current political crisis. Salah said:

*"We consider presidential elections to be key to building a strong state...a state that the army command is resolved to achieving despite the obstacles it has faced."<sup>10</sup>*

However, protesters have called for Gaid Salah himself to step down, along with other top figures they argue are tainted by their allegiance to Bouteflika during his 20-year rule. Algerian analyst **Zine Labidine Ghebouli** said:

*"Gaid Salah represents the voice of the military junta that has historically ruled the country...This junta went back to its old, repressive methods once it felt its political privileges were threatened, including intimidation...They are pushing for elections to regenerate the civilian facade and it is now clear that they won't be making any further concessions."<sup>11</sup>*

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<sup>4</sup> Aljazeera, 6 Jul 2019

<sup>5</sup> Aljazeera, 5 Jul 2019

<sup>6</sup> Arab Weekly, 25 Nov 2018.

<sup>7</sup> Arab Weekly, 25 Nov 2018.

<sup>8</sup> Source, analyst, London

<sup>9</sup> Aljazeera, 10 Jul 2019

<sup>10</sup> Aljazeera, 10 Jul 2019

<sup>11</sup> Zine Labidine Ghebouli quoted in Aljazeera, 10 Jul 2019

In the past month, authorities under Gaid Salah have arrested dozens of protesters and blocked news websites. **Carnegie Middle East Centre** resident scholar **Dalia Ghanem-Yazbeck** said:

*"There is a new assertiveness from the military and from the police that we haven't seen since the beginning of the protests. The military, and at their head Gaid Salah, are toughening the tone and sending a message to the protesters which is 'we have already given you concessions'."*<sup>12</sup>

On 3 July, Abdelkader Bensalah pledged to hold talks without the involvement of the state or the military to pave the way for elections.<sup>13</sup> During the televised speech, Bensalah said:

*"This dialogue...will be led freely and with total transparency by independent national figures who have credibility and who are not linked to any party...The state in all its components, including the military, will not be party to this dialogue and will remain neutral throughout."*<sup>14</sup>

Parliamentary president **Mouad Bouchareb** resigned on 2 July after prolonged demands for his removal by protesters, who saw him as a pillar of the ruling elite.<sup>15</sup> Legislators elected **Islamist El Bina (El Bina)** opposition member **Slimane Chenine** as the speaker of parliament on 11 July.<sup>16</sup> Chenine is the leader of a parliamentary alliance of three small Islamist parties, El Bina, **Front de libération Nationale (FLN)** and **Rassemblement national démocratique (RND)**. Bouchareb was a member of the FLN, the party led by former president Bouteflika. Chenine is a writer and journalist, a member of the **Association of Parliamentarians for al-Quds in Jerusalem (Israel)**, and one of the founders of the **Free General Union of Students** in Algeria. It is the first time in the history of the Algerian parliament that a deputy of an opposition party has been elected as parliament speaker.

### Government ramps up corruption investigations

Minister of tourism and craft industry, **Abdelkader Benmessaoud**, was arrested on 16 July in connection with corruption charges.<sup>17</sup> The **Police judiciaire de la Gendarmerie nationale d'Alger** (judicial police of the national gendarmerie of Algiers) launched investigations into Bouteflika-era public figures in May, leading to the temporary detention of former prime ministers **Ahmed Ouyahia** and **Abdelmalek Sellal**, as well as former commerce minister **Amara Ben Younis** and former national security chief **Abdelghani Hamel** and two of his sons. The ramping up of corruption investigations by army chief Gaid Salah is in response to unabating anti-government protests.<sup>18</sup>

Judicial sources told **Middle East Eye** that Benmessaoud answered questions regarding charges brought against businessman **Mohieldin Tahgout** and his associates involving senior officials. The **Parquet Général près la Cour d'Alger** (public prosecution's office at the court of Algiers) has said that the case involves current and former ministers as well as senior officials including former prime minister **Ahmed Ouyahia** (2017-2019).

<sup>12</sup> Dalia Ghanem-Yazbeck quoted in FT, 18 Jul 2019

<sup>13</sup> Aljazeera, 3 Jul 2019

<sup>14</sup> Aljazeera, 4 Jul 2019

<sup>15</sup> Middle East Eye, 2 Jul 2019

<sup>16</sup> Aljazeera, 11 Jul 2019

<sup>17</sup> Middle East Eye, 17 Jul 2019

<sup>18</sup> Source, analyst, London

The Algerian supreme court on 7 July ordered the former secretary-general of the ruling FLN, **Djamel Ould Abbas**, to be held in custody pending investigation on charges of corruption.<sup>19</sup> Ould Abbas voluntarily waived his parliamentary immunity as a member of the **Assemblée Nationale** (national assembly) after the chamber began procedures to strip him of immunity at the request of the judiciary. Ould Abbas was charged with squandering public funds, illegally signing deals, and falsifying official documents when he was a government minister during Bouteflika's first term.<sup>20</sup> Ould Abbas is a close associate of the former presidential circles and has led several ministries.

Prime minister Bedoui suspended the head of the state-owned grain company, **Office Algérien Interprofessionnel des Cereales (OAIC)** (Algerian interprofessional cereals office), **Mohamed Belabdi**, during a government meeting on 15 July and closed 45 mills as part of a corruption probe.<sup>21</sup> The move created uncertainty for traders who supply one of the world's biggest cereal importers.<sup>22</sup> Belabdi is accused of "*inflating bills and making false statements*".<sup>23</sup> The OAIC has a monopoly over wheat imports and purchases 7-8 million tonnes of the cereal annually through international tenders to supply flour mills. French supplies usually account for the majority of Algeria's wheat imports, making the **North African** country the top export destination for French wheat. **European** traders said it was too early to tell if the corruption probe would alter the functioning of the OAIC.

The Algerian judiciary announced in May that it is investigating over 50 cases of corruption.<sup>24</sup> The following month the Algiers public prosecution office announced the referral of several public figures to the supreme court to investigate corruption charges relating to facilities that have allegedly been offered to businessman **Mahieddine Tahkout**.<sup>25</sup>

### Sonatrach extends supply agreement with Eni

**Italy**-based oil and gas multinational **Eni SpA** on 26 June agreed to extend its Algerian gas import deal with the state-owned oil company, **Société nationale pour la recherche, la production, le transport, la transformation et la commercialisation des hydrocarbures (Sonatrach)**, until 2028.<sup>26</sup> On 12 June Sonatrach extended an agreement with **Portugal**-based **Galp** to continue gas exports for 10 more years.<sup>27</sup>

The deals will boost government revenues and investor confidence in the country's weighty oil and gas export sector, which produces 130 billion cubic meters of natural gas annually, 50 billion of which is for export.<sup>28</sup> Sonatrach employs 120,000 people and oil and gas exports make up 95% of Algeria's export income.<sup>29</sup> Algeria secures 14% of the **European Union's** natural gas needs.

Army chief Gaid Salah fired the former head of Sonatrach, **Abdelmoumen Ould Kaddour**, in April amid Algerian courts calling on senior businessmen and officials to testify about alleged

<sup>19</sup> Middle East Eye, 8 Jul 2019

<sup>20</sup> APS News, 7 Jul 2019

<sup>21</sup> Reuters, 15 Jul 2019

<sup>22</sup> Source, analyst, London

<sup>23</sup> Reuters, 15 Jul 2019

<sup>24</sup> Reuters, 26 May 2019

<sup>25</sup> Jeune Afrique, 10 Jun 2019

<sup>26</sup> Middle East Eye, 26 Jun 2019

<sup>27</sup> Xinhua, 11 Jun 2019

<sup>28</sup> Source, analyst, London

<sup>29</sup> The Arab Weekly, 5 May 2019

corruption (see above). Sonatrach's production and exploration head, **Rachid Hachichi**, replaced Kaddour.<sup>30</sup>

The CEO of another state-owned power utility company, **Sonelgaz's Chahar Boulakhras**, said on 24 July that his company would seek foreign loans to finance its development plan.<sup>31</sup> Boulakhras said:

*"External debt is an option, which is being examined in order to find the most comfortable and least restrictive conditions...Foreign indebtedness becomes a necessity. We need funding for our development plans."*

This will make Sonelgaz the first company in the **Middle East** to look for foreign funds in decades. Boulakhras' moves are part of the government's damage limitation strategy following a significant drop in crude oil prices in mid-2014. Boulakhras said Sonelgaz is prioritising renewable energy in its development plans, with a "*particular focus on solar energy*".<sup>32</sup>

### Planner

13-15 Oct 2019 **Cic D'Alger (Algeria)** Algeria Future Energy Summit & Exhibition;  
19-21 Nov 2019 **Sidi M'Hamed (Algeria)** Algeria Oil & Gas Summit;  
2019 **(Algeria)** Trade ministry diversification strategy for exports for 2019-2023;

### Chronology

24 Jul 2019 **Algiers (Algeria)** *Aljazeera*. Interim president **Abdelkader Bensalah** sets up a six-member panel to oversee a national dialogue and hold a presidential election;

24 Jul 2019 **Algiers (Algeria)** *Business Recorder*. State power utility **Sonelgaz's CEO Chahar Boulakhras** says Sonelgaz will seek foreign loans to finance its development plan;

19 Jul 2019 **Cairo (Egypt)** *Aljazeera*. Algeria's football team beats **Senegal's** national football team to win the **2019 Africa Cup of Nations**;

16 Jul 2019 **Algiers (Algeria)** *Middle East Monitor*. Former cabinet minister, **Abdelkader Benmessaoud**, appears before the **Supreme Court of Algiers** on corruption charges;

15 Jul 2019 **Algiers (Algeria)** *World Grain*. The government suspends **Mohamed Belabdi**, head of the state-owned grain company, **Office Algerien Interprofessionnel des Cereales**, and closes 45 mills as part of a corruption probe;

15 Jul **Algiers (Algeria)** *Hotel Management*. **United States-based Radisson Hotel Group** signs deal to open the **Radisson Hotel La Baie d'Alger** in Algiers, the company's second hotel in Algeria;

11 Jul 2019 **Algiers (Algeria)** *Aljazeera*. Legislators elect Islamist opposition figure

<sup>30</sup> Oil and Gas Middle East, 25 Apr 2019

<sup>31</sup> Reuters, 24 Jul 2019

<sup>32</sup> Reuters, 24 Jul 2019

**Slimane Chenine** as speaker of parliament;

10 Jul 2019 **Algiers (Algeria)** *Aljazeera*. Army chief **Gaid Salah** warns protesters against calling for a civilian, not a military state, during a public speech in Algiers;

7 Jul 2019 **Algiers (Algeria)** *Aljazeera*. Senator **Djamel Ould Abbas** arrested on corruption charges;

6 Jul 2019 **Algiers (Algeria)** *Aljazeera*. Protesters and opposition parties demand free elections within six months;

5 Jul 2019 **Algiers (Algeria)** *Aljazeera*. Tens of thousands of protesters take to the streets to celebrate **Independence Day**;

3 Jul 2019 **Algiers (Algeria)** *Aljazeera*. Interim president **Abdelkader Bensalah** pledges to hold talks without the involvement of the state or the military to pave the way for elections;

2 Jul 2019 **Algiers (Algeria)** *Middle East Eye*. Parliamentary president **Mouad Bouchareb** resigns after prolonged demands for his removal by protesters;

26 Jun 2019 **Algiers (Algeria)** *Middle East Eye*. **Italy**-based oil company **Eni** agrees to extend its Algerian gas import deal with state-owned oil company **Sonatrach** to 2028;

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