

AFRICA RISK CONSULTING

Algeria Monthly Briefing February 2021

Algeria Summary 18 February 2021

President Abdelmadjid Tebboune (2019-present) returns from Germany after a one-month stay for surgery following post-Covid-19 complications. The first batch of 500,000 doses of Russia's Sputnik V Covid-19 vaccine arrives in Algeria, which aims to vaccinate at least 60-70% of the population by the end of the year. The Banque d'Algérie (central bank) monetary policy operations committee reduces the reserve rate from 3% to 2% in a move to boost the economy. Germany-based NGO Transparency International raises Algeria's score to 36/100 in its 2020 Corruption Perceptions Index (CPI). Algeria ranks 104th out of 180 countries surveyed.

Tebboune returns from Germany

President **Abdelmadjid Tebboune** (2019-present) returned to **Algeria** from **Germany** on 12 February after a one-month stay for surgery following post-**Covid-19** complications.¹ Tebboune had returned to Germany on 10 January to undergo minor surgery for a complication in his foot following treatment for Covid-19 (see *ARC Briefing Algeria January 2021*).² There is speculation that Tebboune may have developed a clot or deep-vein thrombosis (DVT) as a result of long-term immobility during his Covid-19 recovery. He was taken to Germany in October after contracting Covid-19 and returned to Algeria in December.³

Tebboune returned swiftly to work, possibly in an attempt to dispel doubts about his capacity to perform his presidential duties. His health issues have evoked memories of the **Abdelaziz Bouteflika** (1999-2019) era, in which a lack of transparency and a power vacuum ensued when the former president suffered a stroke in 2013, resulting in a loss of confidence in his ability to govern the country.⁴ Tebboune received **Jil Jadid** party president **Soufiane Djileli**; **El-Bina** movement president **Abdelkader Bengrina**, and **El-Moustakbal Front** president **Abdeleziz Beleïd** on 13 February, just a day after his return to Algeria.⁵ The meeting focused on Algeria's political, social, and economic situation, with emphasis on the calendar for the next legislative elections.⁶ Algeria is facing several challenges, including renewed **Hirak** protests demanding political change, an ailing economy as a result of the drop in oil prices, the roll-out of the Covid-19 vaccination plan, preparation of legislative elections, and a possible cabinet reshuffle.^{7 8 9}

Algeria rolls out vaccination plan ...

Algeria received its first batch of 500,000 **Russian**-manufactured **Sputnik V** Covid-19 vaccine doses on 29 January.¹⁰ The vaccine rollout aims to curb the Covid-19 infection rate and deaths, and health minister **Abderrahmane Benbouzid** hopes at least 70% of the population can be vaccinated this

¹ France24, 12 Feb 2021

² The Africa Report, 12 Jan 2021

³ RFI, 19 Jan 2021

⁴ The Africa Report, 9 Nov 2020

⁵ Algérie 360, 13 Feb 2021

⁶ Algérie 360, 13 Feb 2021

⁷ BBC News, 28 Dec 2020

⁸ Algérie 360, 7 Feb 2021

⁹ Reuters, 17 Feb 2021

¹⁰ France24, 30 Jan 2021

year.^{11 12} Benbouzid said Algeria was working to acquire sufficient vaccine doses to eventually immunise the entire nation, reiterating that the process will be carried out in “*phases*” across all regions, “*without exception*”.¹³

The first city to receive the Sputnik V vaccine was **Blida**, the epicentre of Algeria’s Covid-19 outbreak in March 2020.¹⁴ Approximately 8,000 health centres received the first vaccine batch, with priority given to medical workers, the elderly and people with chronic health conditions.¹⁵ The next phase of vaccination targeted security and civil protection personnel, sector workers, religious leaders, politicians, and journalists.¹⁶ Algeria received the first shipment of 50,000 doses of the **British-Swedish AstraZeneca** vaccine on 1 February¹⁷ and has also procured vaccines from **China** and **India**.¹⁸

Lockdown restrictions have been relaxed in Algeria since mid-January, although authorities extended the existing nationwide 8pm-5am curfew in 29 provinces, including **Algiers, Oran, Tipaza, and Constantine**.¹⁹ Non-essential businesses, including salons and appliance stores, are now permitted to remain open until 21:00 daily while sports halls, cultural centres, beaches, and entertainment venues are closed in these areas during the curfew.²⁰ Public transport is operational in all 48 provinces; taxis and app-based ride-sharing services have also resumed operations, albeit under certain capacity limitations.²¹

Algeria has the third-lowest number of Covid-19 confirmed cases in **North Africa**. As of 18 February, the country had recorded 111,247 confirmed cases of Covid-19 in its population of 44.3 million people, with 76,489 recoveries cases and 2,947 deaths.²²

Central bank reduces mandatory reserve rate to 2%

The **Banque d’Algérie’s** (central bank) **Comité des opérations de politique monétaire (COPM)** (monetary policy operations committee) has decided to reduce the reserve requirement rate from 3 to 2%, as of 15 February.²³ Algeria plunged into a recession after Covid-19 and global measures to curb its spread caused a significant drop in the price of oil, which accounts for more than 90% of the country’s export revenue and 60% of its budget.²⁴ Algeria has a fiscal break-even price of \$135 per barrel of crude, and oil and natural gas sales decreased by around 30% in 2020.²⁵ The price of **Brent** crude and the **Organization of the Petroleum Exporting Countries (OPEC)** benchmark surpassed \$60 on 11 February.²⁶

The central bank’s lowering of the reserve rate aims to revitalise the ailing oil-dependent economy and encourage spending. In March 2020, the COPM decided to reduce the required reserve ratio from 10% to 8% and to lower the reserve ratio by 25 basis points to 3.25.²⁷ The value of Algeria’s national currency, the dinar (DZD), reached a new low at the end of 2020, prompting the central bank to devalue the currency (see *ARC Briefing Algeria January 2021*).²⁸

¹¹ Algérie 360, 7 Feb 2021

¹² Corona Tracker, 15 Feb 2021

¹³ France24, 30 Jan 2021

¹⁴ France24, 30 Jan 2021

¹⁵ France24, 30 Jan 2021

¹⁶ France24, 30 Jan 2021

¹⁷ Algérie Presse Service, 1 Feb 2021

¹⁸ France24, 30 Jan 2021

¹⁹ GarwaWorld, 14 Jan 2021

²⁰ GarwaWorld, 3 Feb 2021

²¹ GarwaWorld, 3 Feb 2021

²² Worldometers, accessed 18 Feb 2021

²³ El Watan.com, 9 Feb 2021

²⁴ Bloomberg.com, 8 Feb 2021

²⁵ KPMG Insights on Algeria, 14 Aug 2020

²⁶ OPEC.org, 11 Feb 2021

²⁷ Bloomberg.com, 8 Feb 2021

²⁸ Observ Algérie, 28 Dec 2020

Algeria improves slightly in corruption perception rankings

Algeria saw a one-point increase in its score in **Germany**-based NGO **Transparency International's 2020 Corruption Perceptions Index (CPI)**, published on 28 January.²⁹ The index scores countries and territories according to their perceived levels of public sector corruption and rates countries on a scale of zero (highly corrupt) to 100 (very clean).³⁰ Algeria improved its score from 35 in the 2019 CPI to 36 in the 2020 CPI, while its ranking improved from 105th out of 180 countries surveyed to 104th in this year's CPI. Algeria is far from its best performance in 2015 but has demonstrated its course for fighting corruption in the last two years.

TI CPI Rankings for Algeria ³¹						
	2020	2019	2018	2017	2016	2015
Ranking	104/180	105/180	105/180	112/180	108/176	88/168
Score (out of 100)	36	35	35	33	35	36

The trials and sentencing on charges of corruption of high-ranking officials and businessmen who benefitted from the previous regime are likely to have contributed to the slight improvement of perceptions of corruption in Algeria. Former prime minister **Ahmed Ouyahia** received a 15-year sentence in December 2019 following a conviction on graft charges, while former prime minister **Abdelmalek Sellal** received a 12-year sentence during the same trial.³²

Despite the sentencing of top-ranking officials, Algeria has a long way to go in its fight against corruption. In January, a military court freed three top officials who were jailed in 2019 as well as Algeria's wealthiest businessman, **Issad Rebrab**, after serving just eight months of his one-year sentence in January 2020.^{33 34} Although the 2019 **Hirak** movement brought about a slight improvement in the country's CPI ranking for 2020, but Hirak member **Rachid Hamani** noted Hirak activists are still looking for "*a radical change of the whole regime*".³⁵

Algeria scored lower than its regional counterparts, **Tunisia** (44 points, 69th position) and **Morocco** (40 points, 86th position), but fared better than **Egypt** (33 points, 117th position) and **Libya** (17 points, 173rd position). Both Algeria and Tunisia improved in their 2020 rankings, Tunisia by five places from 74 to 69 while Morocco, Egypt, and Libya fell.³⁶

TI 2020 CPI Rankings Regional Comparison ³⁷					
	Tunisia	Morocco	Algeria	Egypt	Libya
Ranking	69/180	86/180	104/180	117/180	173/180
Score	44/100	40/100	36/100	33/100	17/100

²⁹ 2020 Corruption Perceptions Index, 28 Jan 2021

³⁰ Transparency International's 2020 CPI Report, 28 Jan 2021

³¹ www.transparency.org, 28 Jan 2021

³² Al Arabiya, 10 Dec 2019

³³ DefenceWeb, 4 Jan 2021

³⁴ Arab News, 2 Jan 2021

³⁵ DefenceWeb, 2 Feb 2021

³⁶ 2020 Corruption Perceptions Index, 28 Jan 2021

³⁷ www.transparency.org, 28 Jan 2021

Planner

2021 (TBA) **Algiers (Algeria)** Legislative elections;
 2021 (TBA) **Istanbul (Turkey)** Turkey-Africa Economic and Business Forum;
 2021 (TBA) **Algiers (Algeria)** Algeria Oil & Gas Summit & Exhibition;

Chronology

16 Feb 2021 **Algiers (Algeria)** *Alarayiba News*. Thousands of people demonstrate in the town of **Kherrate**, east of Algiers, marking the second anniversary of the start of the 2019 **Hirak** protest movement;

16 Feb 2021 **Algiers (Algeria)** *VOA*. **Tipaz** court sentences former **Wali** prefect and close ally of former president **Abdelaziz Bouteflika**, **Abdelkader Zoukh** to five years in prison for corruption;

13 Feb 2021 **Algiers (Algeria)** *Algérie 360*. President **Abdelmadjid Tebboune** receives **Jil Djadid** party leader **Soufiane Djilali**, **El Moustakbal Front** president **Abdelaziz Belaïd**, and **El-Bina** movement leader **Abdelkader Bengrina** at presidency headquarters to discuss urgent measures to restore tranquility and the well-being of citizens;

12 Feb 2021 **Algiers (Algeria)** *VOA*. President **Abdelmadjid Tebboune** thanks **Germany's** president, **Frank-Walter Steinmeier**, for the healthcare he received in Germany;

12 Feb 2021 **Algiers (Algeria)** *Al Jazeera*. President **Abdelmadjid Tebboune** returns to Algeria following hospitalisation in **Germany** after contracting **coronavirus**;

8 Feb 2021 **Algiers (Algeria)** *VOA*. Algerian army demands that **France** decontaminate its nuclear test sites;

8 Feb 2021 **Algiers (Algeria)** *Bloomberg*. Algeria's oil and natural gas sales decreased by around 30% in 2020;

8 Feb 2021 **Algiers (Algeria)** *APS*. **Banque d'Algérie** (central bank) **Comité des opérations de politique monétaire (COPM)** (monetary policy operations committee) reduces the reserve requirement rate from 3 to 2%, as of 15 February;

6 Feb 2021 **Algiers (Algeria)** *El Watan*. **Brent** crude surpasses \$60 level for first time since the break-out of **Covid-19** pandemic as **Organization of the Petroleum Exporting Countries (OPEC)** members and allies agree production cuts are the way to restore the market;

4 Feb 2021 **Algiers (Algeria)** *El Watan*. Industry ministry says finalised investment bill, which is awaiting passage to the government council, will include reform around the role of the **Council for State Participation (CPE)**;

4 Feb 2021 **Algiers (Algeria)** *France24*. The trial of 14 suspects in the 2014 beheading of **French** mountaineer **Hervé Gourdel** has been postponed until 18 February, due to main suspect's poor health;

3 Feb 2021 **Algiers (Algeria)** *GARDAWORLD*. Algeria amends nightly curfew in **Algiers Province** and eases restrictions related to **Covid-19**;

4 Feb 2021 **Algiers (Algeria)** *APS*. Trade minister **Kamel Rezig** participates in 107th session of the **Economic and Social Council of the Arab League**, focusing on role of **Greater Arab Free Trade Area (GAFTA)** in increasing the volume of trade and promoting exports between GAFTA member states;

4 Feb 2021 **Algiers (Algeria)** *APS*. National **Chamber of Agriculture** launches electronic portal;

2 Feb 2021 **Vienna (Austria)** *OPEC.org*. **Organization of the Petroleum Exporting Countries**

(OPEC) joint technical committee (JTC) holds its 48th meeting to assess oil market conditions and examine developments and trends;

1 Feb 2021 **Algiers (Algeria)** *BBC News*. Algeria is looking to produce **Russia's Sputnik V Covid** vaccine;

1 Feb 2021 **Algiers (Algeria)** *APS*. First batch of **AstraZeneca Covid** vaccine arrives in Algiers;

31 Jan 2021 **Algiers (Algeria)** *GARDAWORLD*. Algeria extends 8pm-5am curfew in 19 provinces until 15 February due to **coronavirus** activity;

29 Jan 2021 **Algiers (Algeria)** *APS*. State-owned petroleum company **Sonatrach** signs MoUs with **United States**-based petroleum company **Occidental**, **Italy**-based **Eni**, and **France**-based **Total**;

30 Jan 2021 **Algiers (Algeria)** *France24*. Algeria launches its **Covid-19** vaccination campaign;

29 Jan 2021 **Algiers (Algeria)** *African News*. Algiers court upholds 15-year prison sentence for former prime minister **Ahmed Ouyahia** and 12-year sentence for former prime minister **Abdelmalek Sellal** prison sentences after a third trial;

29 Jan 2021 **Algiers (Algeria)** *APS*. Trade minister **Kamel Rezig** receives the **United Nations (UN)** resident coordinator in Algeria, Ambassador **Eric Overvest**, to discuss bilateral cooperation, mainly partnership projects with UN agencies such as the **United Nations Development Programme (UNDP)**;

26 Jan 2021 **Algiers (Algeria)** *Reuters*. State-owned petroleum company **Sonatrach** expects output and sales to increase in 2021;

20 Jan 2021 **Algiers (Algeria)** *Al Jazeera*. **France's** President **Emmanuel Macron** rules out an official apology for colonial abuses in Algeria;

About Africa Risk Consulting:

Africa Risk Consulting (ARC) is a pan-African consulting company that provides timely, relevant information and advice that enables its clients to take informed investment decisions and to safeguard their reputations.

ARC's core consulting services include integrity due diligence and corporate investigations, political advisory and country assessments, opportunity monitoring and reputation risk management. Most relevant to private equity firms is ARC's integrity due diligence and corporate investigations capability. Specifically, ARC offers pre-deal integrity checks to highlight red flags before negotiations start; full detailed multi-jurisdictional reputation due diligence; and supplier and senior hire vetting and repeat due diligence for compliance programmes. ARC is unique in that it offers a 10-day delivery for a routine integrity due diligence. ARC also offers a suite of corporate investigations services from immediate investigation, evidence gathering, e-discovery, forensic accounting and whistleblower support on one end to crisis media management and regular monitoring on the other.

www.africariskconsulting.com

About ARC Briefing:

ARC Briefing is ARC's essential business information service.

Companies at any stage in their Africa expansion, whether building or communicating an Africa strategy, investing directly, expanding current operations, financing other investors, doing the legal leg-work or researching the Africa growth trend, need ARC Briefing.

ARC Briefing is an information service keeping you:

- Up to date with Country Chronologies of business-critical events
- In the know via Country Briefings on political, economic, business and operating trends. Written in-country, ARC experts analyse and comment
- Ahead with Country Planner which details future elections, budgets, regulatory changes etc.

www.africariskconsulting.com

Please contact us by email info@africariskconsulting.com or call + 44 (0) 20 7078 4080

Follow us on Twitter: [@ARCBriefing](https://twitter.com/ARCBriefing)