

AFRICA RISK CONSULTING

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Algeria recalls Said Moussi, the country's ambassador to France, on 8 February for consultations with immediate effect in what appears to be the latest diplomatic spat between Algeria and France. Algeria accuses France of orchestrating the escape of rights activist Amira Bouraoui, whom Algeria wanted to arrest. Russian soldiers carry out military exercises with Algerian soldiers at the end of January in Bechar province, 50km from Algeria's border with long-time rival and neighbour Morocco. The drills could potentially complicate relations with Western partners. Italian prime minister Giorgia Meloni (2022-present) arrives in Algiers on 22 January for a two-day official visit as the two countries work to build a strategic partnership amidst Italy's efforts to wean itself off Russian energy. An interior ministry document indicates that the government is planning to ease access to international passengers, a sign it is starting to tap its potential tourism sector.

Algeria recalls envoy to France as new rift erupts...

Algeria recalled **Said Moussi**, the country's ambassador to **France**, on 8 February for consultations with immediate effect after accusing France of orchestrating the escape of **Amira Bouraoui**, a rights activist Algeria wanted to arrest.¹ State-owned news publication **Algeria Press Service (APS)** published on 8 February that Algeria recalled Moussi after Bouraoui allegedly crossed into **Tunisia** illegally after evading Algerian judicial surveillance.²

APS published a statement from the presidency noting that President **Abdelmadjid Tebboune** (2019-present) and Algeria are "*strongly protested against the clandestine and illegal exfiltration*" of Bouraoui "*whose physical presence on the national territory is proscribed by Algerian justice.*"³ Bouraoui was arrested during the 2019 mass protests in Algeria and released from detention in 2020. She recently fled to **Tunisia** but was arrested upon her arrival on 7 February and faced an extradition hearing, however, a Tunisian court ordered her to be freed and she was subsequently permitted to leave the country on 8 February.⁴ Bouraoui's release and flight to Paris were reportedly due to French diplomatic pressure on Tunisia.⁵

French deputy foreign ministry spokesman **Francois Delmas** said on 9 February that **France** will continue to work to deepen bilateral relations with Algeria despite its accusations.⁶ Delmas, speaking to the media, declined to comment on the specific allegations, however, he said that Bouraoui, a Franco-Tunisian citizen, benefitted from consular protection like all French nations.⁷

¹ Bloomberg, 8 Feb 2023

² Morocco World News, 8 Feb 2023

³ Algeria Press Service, 8 Feb 2023

⁴ News24, 9 Feb 2023

⁵ News24, 9 Feb 2023

⁶ News24, 9 Feb 2023

⁷ News24, 9 Feb 2023

Analysts say that Algeria's reaction could trigger a new diplomatic crisis between the two countries after months of increasingly warm relations. French President **Emmanuel Macron** (2017-present) visited **Algiers** last year on a trip that was meant to resolve years of difficult relations. French interior minister **Gerald Darmanin** stated via a **Twitter** post on 18 December that **Paris** had resolved visa issues with Algeria stemming from a decision to reduce visa quotes, and announced a return "to a normal consular relationship" with Algeria and an "extremely strong relationship" between Paris and Algiers (see *ARC Briefing Algeria Jan 2023*).⁸

With visa tensions and issues of the colonial rule laid to rest, it was hoped that French-Algerian relations would form a renewed partnership, however, tensions started to simmer again. Tebboune said on 31 December that France must set itself free from its "coloniser complex" for diplomatic relations to be reshaped between the two countries.⁹ Macron responded on 11 January that he does not intend to "ask for forgiveness" over France's colonisation of Algeria and its role in the war of independence.¹⁰ The row over Bouraoui's departure has now complicated matters even more.

France has historically been Algeria's and the region's most important diplomatic relationship given the colonial history.¹¹ However, strained relations between the two countries can impact immigration, as was the case with the visa rift, and can have security repercussions as seen in 2021 when Algeria blocked French access to its airspace en route to its regional army bases. Energy will however not be a major factor in the relationship as France only relies on gas for 20% of its energy needs, of which Algerian gas constitutes 8%.¹²

Tebboune is scheduled to travel to France in May, to return Macron's trip to Algeria last year, in what was shaping up as a widening reconciliation between the two countries but this recent spat has observers keenly watching if this will be the case.¹³ A local analyst told **Africa Risk Consulting Briefing (ARC Briefing)** that Algeria-French relations are never constant:

*"It is a yo-yo type of relationship. In a single year, Algeria and France can break relations and make up several times. They will eventually resolve this issue and then find a new issue to fight about."*¹⁴

Russian soldiers carry out exercises in Algeria...

Russian soldiers joined their Algerian counterparts to carry out military exercises at the end of January in **Bechar** province, 50km from Algeria's border with long-time rival and neighbour **Morocco**.¹⁵ Despite reports by major news publications such as **United States (US)**-based **Bloomberg** on 17 November that Algeria and Russia conducted their first joint military exercises between 16 and 28 November, local media publications including **Algerie Part** claim that they were cancelled by the Algerian defence ministry (see *ARC Briefing Algeria Dec 2022*).¹⁶ Analysts speculate that the recent drills could be the same ones originally scheduled for November but only delayed.¹⁷

⁸ Africa News, 19 Dec 2022

⁹ Almayadeen, 31 Dec 2022

¹⁰ Politico, 11 Jan 2022

¹¹ Middle East Monitor, 6 Dec 2022

¹² AA, 26 Aug 2022

¹³ Bloomberg, 8 Feb 2023

¹⁴ ARC Sourcee, Local Analyst

¹⁵ Algerie Part, 9 Feb 2023

¹⁶ Bloomberg, 17 Nov 2022; Morocco World News, 11 Feb 2023

¹⁷ Morocco World News, 11 Feb 2023

Algerie Part reported on 9 February that the military drills, which continued until the beginning of February, were carried out under secrecy with a stringent blockade of information to prevent the news from leaking but that it could substantiate the news after several checks.¹⁸ Algerian authorities reportedly withheld information from the local media for national security reasons, however, many local observers speculate that the real reason behind the government's secrecy was to avoid rattling the country's **Western** partners as Algiers continues its growing rapprochement with Russia.¹⁹ Algeria has been gradually growing its ties with Russia over the past year despite the war in **Ukraine**, which could potentially complicate relations with Western partners.

These partners have been raising concerns over the last several months including a bipartisan group of 27 members of the **United States (US)** Congress raising concerns to US secretary of state **Antony Blinken** on 29 September about Algeria's growing ties with Russia, calling for sanctions against officials in the Algerian government for arms deals with Moscow (*see ARC Briefing Algeria Dec 2022*).²⁰ Prior to this, senator **Marco Rubio** called for President **Joseph Biden's** (2021-present) administration to issue sanctions against Algeria. Seventeen members of the **European Parliament** (MEPs) also renewed their concerns over Algeria's growing support for Russia and their arms deals on 17 November. The MEPs also expressed "*astonishment*" over Algeria abstaining from voting for resolutions condemning Russia's acts of war against Ukraine.²¹

However, it is unclear how far Western partners could sanction Algeria given that the developing Algeria-Russia alliance comes amidst the backdrop of European countries, particularly **Italy**, turning to Algeria as an energy partner following the imposing of sanctions on Russia. The US will also not want relations with Algeria to deteriorate further - as seen during former US president **Donald Trump's** (2016-2020) tenure when the US recognised Moroccan sovereignty over **Western Sahara**, a position long resisted by Algiers - as the two benefit from counterterrorism cooperation that has been in place since 2001, as well as limited economic and political cooperation that has developed in recent years.²²

Italian PM travels to Algeria to boost energy ties...

Italy's prime minister **Giorgia Meloni** (2022-present) arrived in Algiers on 22 January for a two-day official visit as the countries work to build a strategic partnership amid Italy's efforts to wean off Russian energy supplies.²³ Meloni was welcomed by Algerian prime minister **Aimene Benabderrahmane** and met with president Tebboune on 23 January. Both countries want to build on Meloni's predecessor, **Mario Draghi's** successful efforts last year to boost Algerian energy supplies to Italy. Algeria's ambassador to Italy, **Abdelkrim Touahria**, said on 21 January that the partners want to "*push beyond that*" and that Algeria wants Italy to become a European hub for Algerian gas and route for other EU countries."²⁴

Draghi visited Algiers twice in 2022 and signed a deal that Algeria says will boost gas exports to Italy by 50%.²⁵ An initial agreement negotiated by Draghi added 9 billion cubic meters of gas by 2023-2024 to be exported via the **Trans-Mediterranean** pipeline. Months later, in July, a \$4 billion deal between Italian energy company **Eni**, US energy company **Occidental Petroleum**

¹⁸ Algerie Part, 9 Feb 2023

¹⁹ Morocco World News, 11 Feb 2023

²⁰ Morocco World News, 29 Sep 2022

²¹ Africa News, 17 Nov 2022

²² Arab Centre, 25 Jan 2023

²³ Africa News, 25 Jan 2023

²⁴ Intellinews, 25 Jan 2023; Africa News, 25 Jan 2023

²⁵ Africa News, 25 Jan 2023; Bloomberg, 20 January 2023

and French oil giant **Total** was concluded to export gas from Algeria (see *ARC Briefing Algeria Aug 2022*).²⁶

The chief executive of Eni, **Claudio Descalzi**, said in January that Italy will have enough gas to make it through the 2023-2024 winter season without any disruptions if it can source more imports from Algeria.²⁷ Descalzi had previously commented that Algeria will supply 38% of the country's gas needs this year, which is as much Russia supplied before it cut flows to Europe in retaliation against sanctions for its invasion of Ukraine.²⁸ Before the conflict in Ukraine, Algeria was Europe's largest gas supplier after Russia and **Norway**, and provides both liquefied natural gas and piped flows to the continent.²⁹ However, despite being Italy's largest energy supplier and having some of **Africa's** largest energy reserves, Algerian production has long been held back by mismanagement and a lack of investment.

Algeria seeks to tap into the tourism sector ...

Government is planning to ease access to international passengers in a major positive development.³⁰ After **Saudi Arabia** reopened its doors to holidaymakers, Algeria is one of the last **Arab** countries to remain largely closed off to foreign tourists. Travellers to Algeria may reportedly be issued with tourist visas on arrival, as opposed to the usual procedure of embarking on a lengthy and often fruitless process before travel.³¹ Local observers expect the move to make it easier for tourists to visit Africa's largest country and bring much-needed revenue to the local tourism sector which is usually dominated by locals and the diaspora.³² Though the decision by the government is expected to be effective soon, the country's tourism season typically runs over the cooler months starting in October. Therefore, it may take months before Algeria reaps any benefits of the new policy change. However, **Mohamed Amine Berredjem**, the president of the Algerian **National Association of Travel Agencies**, told the media:

*"Thank God! We are pleased with this decision that will certainly have a positive impact on the tourism sector and on the country."*³³

However, the government's decision will only allow international travellers to visit the south of the country covering the **Sahara Desert**. That means it will be more difficult for visitors to travel to the ancient capital of Algiers, the Mediterranean coastline, and winter ski in the **Atlas Mountains**.³⁴ A document from the interior ministry also shows that travellers must book their holidays through an approved local travel agency and be accompanied by a police escort.

Despite the stringent regulation, the move represents a major policy change for a country that traditionally never sought to become a major tourist hotspot like regional neighbours **Egypt** and Morocco.³⁵ While the government was building new hotels and ramping up campaigns to attract mass tourism in the 1990s, the country was engulfed in a brutal civil war with **Islamic** militants, and subsequent leaders of Algeria since then looked inward and relied on oil resources to fund the state.³⁶

²⁶ Africa News, 25 Jan 2023

²⁷ Bloomberg, 20 January 2023

²⁸ Bloomberg, 20 January 2023

²⁹ Bloomberg, 20 January 2023

³⁰ Bloomberg, 21 Jan 2023

³¹ Bloomberg, 21 Jan 2023

³² BNN Bloomberg, 21 Jan 2023

³³ BNN Bloomberg, 21 Jan 2023

³⁴ Bloomberg, 21 Jan 2023

³⁵ BNN Bloomberg, 21 Jan 2023

³⁶ Bloomberg, 21 Jan 2023

The local tourism industry contributes only 1.5% of gross domestic product (GDP), compared to its much smaller neighbour Tunisia with 14%.³⁷ Algeria also lags in terms of hotel infrastructure, with 127,000 beds at the end of 2020 compared to 230,903 in Tunisia. More than a million Algerians also cross into Tunisia each summer holiday where prices are more affordable, and the offering is more varied. To catch up with Tunisia and regional neighbours, the government is encouraging foreign investors to fund and build tourist complexes and a framework deal has been signed between Algeria's state-owned **HTT** and **Qatar's Retaj Hotels and Hospitality** for the mobilization of capital.³⁸ Retaj is expected to provide management services to HTT's 73 hotels across the country, but major doubts remain whether the transformation will be smooth as promised by the government. Also, the decision by the government to permit tourists to only visit the south could backfire as it is not a region that they would typically visit. The region may prove unappealing to tourists, who may also not appreciate being tailed by police as they holiday.

Planner

2023 **Moscow (Russia)** President **Abdelmadjid Tebboune** to visit Moscow;
 4-6 March 2023 **Algiers (Algeria)** **Ugandan** president **Yoweri Museveni** to visit Algeria;
 May 2023 **Paris (France)** President **Abdelmadjid Tebboune** to visit Paris;

Chronology

11 Feb 2023 **Algeria (Algiers)** *Middle East Monitor*. Media sources report that authorities held 200 **Tunisian** cars at the border between the two countries in reaction to the Tunisian authorities' decision to deport Algerian political activist **Amira Bouraoui**. Some consider this the beginning of a diplomatic crisis between the two countries;

10 Feb 2023 **Algeria (Algiers)** *Middle East Monitor*. Opposition parties in **Tunisia** have criticised President **Kais Saied** after the **French** press confirmed that he granted Algerian activist, **Amira Bouraoui**, permission to travel after pressure from **Paris**;

10 Feb 2023 **Algeria (Algiers)** *Middle East Monitor*. Government says it will provide \$45m in financial aid to **Turkey** and **Syria** after the devastating earthquake that struck the two countries on 6 February;

9 Feb 2023 **Algeria (Algiers)** *Energy Capital Power*. Algeria, as a member of the **Gas Exporting Countries Forum (GECF)**, is set to host the headquarters of the organisation's **Gas Research Institute (GRI)** following the signing of an agreement between the government and the GECF;

9 Feb 2023 **Algeria (Algiers)** *Middle East Monitor*. The **Sidi M'Hamed** court in **Algiers** convicts the brother of the late Algerian president **Abdelaziz Bouteflika** and his special adviser, **Said Bouteflika**, issuing a 12-year enforceable prison sentence against him and a fine of eight million dinars (\$56,000);

9 Feb 2023 **Algeria (Algiers)** *Reuters*. Algeria regains its place as **Spain's** main supplier of natural gas in January, providing a quarter of monthly demand;

³⁷ BNN Bloomberg, 21 Jan 2023

³⁸ Bloomberg, 21 Jan 2023

9 Feb 2023 **Algeria (Algiers)** *Wall Street Journal*. A group of Algerian rescue workers join search efforts in **Syria** four days after powerful earthquakes hit the region;

8 Feb 2023 **Algeria (Algiers)** *Human Rights watch*. Global human rights group **Amnesty International** says authorities should reverse the decision to dissolve the **Ligue Algérienne des Droits de l'Homme (LADDH)** over politically motivated allegations and allow it to operate freely and legally;

7 Feb 2023 **Algeria (Algiers)** *Bloomberg*. Algeria hopes to conclude negotiations with **United States (US)** automotive company **Chevron Corp** this year as the US firm seeks to explore energy in the country;

4 Feb 2023 **Algeria (Algiers)** *Morocco World News*. **Russian** foreign minister **Sergey Lavrov** confirms that Algeria's rapprochement with Russia, as the latter's war in **Ukraine** continues approaches the end of its first year;

31 Jan 2023 **Algeria (Algiers)** *Middle East Monitor*. President **Abdelmadjid Tebboune** and his **Russian** counterpart **Vladimir Putin** agree to enhance cooperation in the field of global energy;

31 Jan 2023 **Algeria (Algiers)** *Morocco World News*. Government reportedly held a "council of war" on 30 January to discuss a potential "direct confrontation" with **Morocco**;

31 Jan 2023 **Algeria (Algiers)** *North Africa Post*. **French** car company, **Renault's** factory in **Oran** province has come to a halt after authorities banned imports of key parts from **Spain**, highlighting that the Algerian regime is ready to pursue political goals at the expense of the economy;

30 Jan 2023 **Algeria (Algiers)** *Morocco World News*. Moroccan delegation attending the 17th conference of the parliamentary union of the member states of the **Organization of Islamic Cooperation (OIC)** condemns some quarters continued manoeuvres to challenge Morocco's territorial integrity, likely meaning Algeria;

29 Jan 2023 **Algeria (Algiers)** *Anadolu Agency*. Industry ministry says Algeria and **Russia** have discussed strengthening bilateral industrial and economic cooperation, especially in the fields of mechanical, pharmaceutical and railway industries;

26 Jan 2023 **Algeria (Algiers)** *North Africa Post*. Foreign affairs ministry announces that **France** has promised to speed up the handover of its colonial archives to Algeria and to clean up the sites where it conducted nuclear tests in the **Sahara Desert** in the 1960s;

25 Jan 2023 **Algeria (Algiers)** *North Africa Post*. Army chief general **Said Chengriha** holds talks with his French counterpart **Thierry Burkhard** to discuss ways of enhancing military and security cooperation;

24 Jan 2023 **Algeria (Algiers)** *Afrik21*. President **Abdelmadjid Tebboune** is activating the "water police", instituted within the framework of law n°05-12 August 2005, as Algeria faces the threat of water stress and aims to ration the use of available water resources in the country;

22 Jan 2023 **Libya (Tripoli)** *Anadolu Agency*. Foreign minister **Ramtane Lamamra** holds talks with the chairman of **Libya's** presidency council, **Mohamed Menfi**, on political developments and plans to hold **Libya's** stalled elections;

21 Jan 2023 **Algeria (Algiers)** *Middle East Monitor*. Government dissolves the oldest human rights association in Algiers, the **Ligue Algérienne des Droits de l'Homme (LADDH)**, which it accuses of cooperation with international rights groups;

18 Jan 2023 **Algeria (Algiers)** *Reuters*. The chief executive of state-owned energy company **Sonatrach** says that Algeria will raise hydrocarbons output to around 200 million tonnes of oil equivalent (TOE) this year, a figure it has not managed since 2010;

16 Jan 2023 **Algeria (Algiers)** *Asharq Al-Awsat*. Government announces a new draft law on human trafficking, which included penalties of up to 20 years imprisonment, in response to observations in annual reports of the **United States (US)** State Department on human trafficking, which criticised 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.

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