

AFRICA RISK CONSULTING

Algeria Monthly Briefing June 2021

Algeria Summary 21 June 2021

Legislative elections on 12 June see a low turnout of 30%. The Front de Libération Nationale (FLN) wins 105 seats, falling far short of the 204 seats needed for an absolute majority in parliament. Independent candidates win 78 seats, while the Islamist Mouvement de la Société pour la Paix (MSP), formerly known as Hamas, wins 64 seats and the Rassemblement National Démocratique (RND) 57 seats. The government cancels France-based satellite news channel France24's accreditation, accusing it of clear and repeated hostility towards Algeria and its institutions. Oil prices surpass the \$70 per barrel mark for the first time since October 2018. The OPEC+ nations' compliance in reducing oil supply has enabled market prices to stabilise amid expected growth in oil demand. Algeria's land borders remain closed but commercial flights have resumed with Air Algérie operating flights to Paris and Marseille in France, Barcelona in Spain, Tunisian capital Tunis, and Istanbul (Turkey).

FLN wins most seats in legislative elections but no majority ...

Algeria has a new parliament following legislative elections on 12 June. The **Front de Libération Nationale (FLN)** won the highest number of seats at 105, far below the 204 seats needed to command a parliamentary majority.¹ In the 2017 elections, the FLN won 164 seats, and thanks to its alliance with the **Rassemblement National Démocratique (RND)**, which won 97 seats in the last elections, held a majority in parliament.² In these elections, the RND ran separately and won 57 seats.³ A significant difference from previous elections was the much larger number of independents winning seats in parliament (78). Islamists retained roughly the same share of the vote with the **Mouvement de la Société pour la Paix (MSP)**, formerly known as **Hamas**, taking 64 seats.⁴

The 2021 elections had the lowest turnout in the last 20 years. Electoral commission chief **Mohamed Chorfi** said just 30.2% of the roughly 24 million Algerians eligible to vote cast a vote to elect members of the **Assemblée Nationale** (national assembly) for a five-year term.⁵ The 2017 legislative elections saw a turnout of 35.7% of registered voters⁶ while only 23.7% of eligible voters turned out to cast a vote in the 2020 constitutional referendum.⁷

The low turnout for the 2021 elections is ascribed to the success of the **Hirak** movement in calling for an election boycott. Hirak has spearheaded anti-government protests calling for fundamental changes to Algeria's political system since former president **Abdelaziz Bouteflika** (1999-2019) launched his bid for a fifth term in office in 2019. Hirak protesters claimed the majority of the candidates in the most recent elections were from Bouteflika's "old regime".⁸ Many Algerians believe the army and security forces continue to wield the real power in the country, expecting most of the elected members of parliament to support President **Abdelmajid Tebboune's** (2019-present) programme,

¹ Aljazeera, 15 Jun 2021

² Aljazeera, 5 May 2017

³ Reuters, 15 Jun 2021

⁴ Aljazeera, 15 Jun 2021

⁵ Aljazeera, 12 Jun 2021

⁶ Aljazeera, 12 Jun 2021

⁷ France 24, 1 Nov 2020

⁸ Urdupoint.com, 20 May 2021

including economic reforms.⁹ Hirak movement supporters claim the government's actions do not show a desire to usher in the changes they demand.

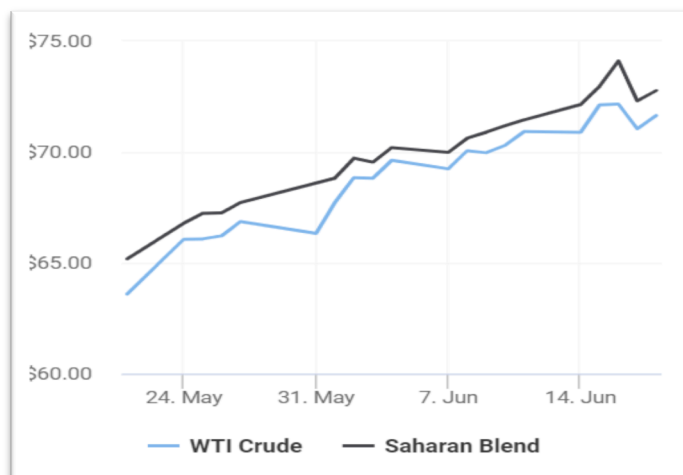
Police arrested seven prominent protest movement figures, including leading opposition figure **Karim Tabbou**, on 10 June, while police on 11 June deployed heavily in the capital, **Algiers**, blocking any bid by the Hirak movement to hold anti-government protests.¹⁰ Speaking to **Qatar**-based news outlet **Al Jazeera**, Hirak activist **Sofiane Haddadji** said:

*"Elections in Algeria have always proved that they are not the solution. The solution lies in democratic transition, it also lies in a dialogue around a table to solve the crisis."*¹¹

In a further sign of government intolerance of criticism of its policies and actions, communications minister **Ammar Belhimer** on 13 June cancelled the accreditation of **France**-based satellite news channel **France24**, a day after the parliamentary elections.¹² Belhimer said the move was due to the channel's "clear and repeated hostility towards our country and its institutions". Belhimer had issued a statement on 13 March describing France 24's coverage of protests and marches on 12 March as "biased" towards banned groups in Algeria.¹³ The statement served as a final warning to the broadcaster before the communications ministry would permanently withdraw its accreditation. France24 director **Marc Saikali** defended the outlet, saying its reporters were "doing their job" and respected the rules in place.¹⁴ In its 2020 **World Press Freedom Index, Reporters Without Borders (RSF)** ranked Algeria 146 out of 180 countries and territories, noting that both foreign and local journalists in Algeria often face bureaucratic and unclear procedures to obtain permission to work.¹⁵

Oil surpasses \$70 mark ...

The **WTI** price of oil surpassed the \$70 per barrel benchmark on 6 June for the first time since October 2018.¹⁶ The higher price is a result of confidence in oil demand and tightness of oil supply resulting from the cutbacks set by the **OPEC+** countries.¹⁷ **Saharan Blend** has traded at a premium from May to June, boosting Algeria's recovery plans. **Oilprice.com** shows the trend in the figure below:¹⁸



⁹ Aljazeera, 12 Jun 2021; 15 Jun 2021

¹⁰ Aljazeera, 12 Jun 2021

¹¹ Aljazeera, 12 Jun 2021

¹² Arab News, 13 Jun 2021

¹³ Cpj.org, 16 Mar 2021

¹⁴ Arab News, 13 Jun 2021

¹⁵ Arab News, 13 Jun 2021

¹⁶ World Oil, 8 Jun 2021, Bloomberg, 6 Jun 2021

¹⁷ World Oil, 8 Jun 2021

¹⁸ Oilprice.com, 18 June 2021

Compliance from OPEC+ countries has kept the glut in oil supply in check as demand increases amid global easing of **Covid-19** restrictions and vaccination rollouts. The OPEC+ nations plan to increase supply by 2 million barrels per day at an unspecified date in the future, according to market conditions.¹⁹

The increase in oil prices is a boost for the Algerian economy, which is heavily dependent on oil revenues. Oil contributes 20% to Algeria's GDP, with the country's current budget deficit estimated at more than 3,310 billion dinars (\$24.87 billion). However, in its **World Economic Outlook 2021** for June, the World Bank underlines that the rise in oil prices has not been enough to improve prospects for all oil exporters, including Algeria, given the weakness of the private sector and lack of public investment.²⁰ Algeria is expected to post economic growth of 3.6% in 2021 and 2.3% in 2022.²¹

Commercial flights resume in Algeria.....

Algeria has opened its air borders to allow a limited number of flights to enter the country. The first flight of national carrier **Air Algérie** took off for **Paris** (France) on 1 June, returning to Algeria's capital, Algiers, the same day.²² So far, the number of destinations is limited to five cities: Paris and **Marseille** in France, **Barcelona** in Spain, the **Tunisian** capital of **Tunis**, and **Istanbul** (Turkey).

Although the government revised its plans to reopen land borders on 1 June, it has eased other domestic measures, including restrictions on most non-essential businesses.²³ Construction companies, real estate agencies, travel agencies, markets, bakeries, car rental companies, government institutions, restaurants, cafes, hotels and mosques have reopened in most provinces.²⁴ Public transport is operating in all 58 of the nation's provinces. Taxis and app-based ride-sharing services are also working, albeit under capacity limitations. A ban on public and private vehicle traffic between provinces remains in place on weekends. Freight transport continues to run normally.²⁵ However, in response to the fight against Covid-19, the 23:59-04:00 curfew has been extended to 5 July across 19 provinces, including Algiers, **Oran**, **Tebessa**, and **Constantine**.²⁶

Algeria continues to experience a significant decrease in the number of cases of Covid-19 recorded daily, in tandem with its Covid-19 vaccination rollout.²⁷ As of 7 June, only 2 million Algerians had been vaccinated, due to the low number of doses procured from outside the country.²⁸ The government aims to import an additional 4 million vaccine doses before the end of June and vaccinate 20 million people by the end of 2021. Algeria expects public group **Saidal**, in partnership with the **Russian** manufacturer of the **Sputnik V** Covid-19 vaccine to begin production in September.²⁹

As of 21 June, Algeria had recorded a total of 135,281 cases of Covid-19 in its population of roughly 44 million, with 94,571 recoveries and 3,631 Covid-19 related deaths.³⁰

¹⁹ Opec.org, 1 Jun 2021

²⁰ El Watan, 9 Jun 2021

²¹ El Watan, 9 Jun 2021

²² Africa News, 2 Jun 2021

²³ Africa News, 2 Jun 2021

²⁴ GARDAWORLD, 3 Jun 2021

²⁵ GARDAWORLD, 3 Jun 2021

²⁶ GARDAWORLD, 3 Jun 2021

²⁷ Worldometers, 21 Jun 2021

²⁸ Asharq Al-Awsat, 7 Jun 2021

²⁹ APS, 7 Apr 2021

³⁰ Worldometers, 21 Jun 2021

Planner

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

Chronology

17 Jun 2021 **Algiers (Algeria)** *APS*. The ministry of digitisation and statistics launches the **National Statistics Council**, whose mandate is to provide accurate data in taking appropriate economic and social decisions;

16 Jun 2021 **Algiers (Algeria)** *El Watan*. The **World Bank** expects Algeria's growth to be slow in 2021 as a result of five consecutive years of slowdown in GDP growth (2015-2019), and advises Algeria to diversify its sources of revenue to promote employment and reduce the level of government spending;

15 Jun 2021 **Algiers (Algeria)** *African News*. The **Front de Libération Nationale (FLN)** wins 105 seats in parliamentary elections, failing to obtain the 204 seats necessary for an absolute majority in parliament; independent candidates win 78 seats; Islamist **Mouvement de la Société pour la Paix (MSP)** (formerly known as **Hamas**) takes 64 seats and **Rassemblement National Démocratique (RND)** wins 57 seats;

13 Jun 2021 **Algiers (Algeria)** *Arab News*. Algeria cancels **France24** accreditation saying the **French** outlet showed clear and repeated hostility towards the country and its institutions;

12 Jun 2021 **Algiers (Algeria)** *Aljazeera*. Algeria's parliamentary elections see low turnout as 70% of the electorate heeds the call to boycott;

9 Jun 2021 **Algiers (Algeria)** *El Watan*. The **World Bank** publishes its **World Economic Outlook** for June, underlining that the rise in oil prices has not been enough to improve the prospects for all oil exporters, including Algeria, which is expected to post a growth of 3.6% this year and 2.3% next year;

9 Jun 2021 **Algiers (Algeria)** *Nasdaq*. Finance ministry says it expects the economy to grow by 4.2% in 2021, revising up a 4% forecast announced late last year;

8 Jun 2021 **Algiers (Algeria)** *World Oil*. **WTI** crude closes above \$70 for the first time since October 2018 as **Saharan Blend** trades at a premium to the WTI, boosting Algeria's recovery plans;

2 Jun 2021 **Algiers (Algeria)** *Opec.org*. **Oil Petroleum Exporting Countries (OPEC)** hosts first **Energy Dialogue with Africa**, which includes discussions with the **African Energy Commission (AFREC)**, the **African Petroleum Producers Organization (APPO)**, and **African Refiners and Distributors Association (ARDA)** focusing on joint efforts to promote continent-wide energy cooperation initiatives;

2 Jun 2021 **Algiers (Algeria)** *African News*. Algeria partially reopens its borders with **Air Algérie** currently flying to five destinations including **Paris** and **Marseille** in **France**, the **Spanish** city of **Barcelona**, the **Tunisian** capital, **Tunis**, and **Istanbul (Turkey)**;

31 May 2021 **Algiers (Algeria)** *Reuters*. Three sources say that energy giants **United Kingdom-**headquartered **BP** and **Italy-based Eni** are in talks over the future of their oil and gas assets in **Algeria** as the two groups increase efforts to refocus their businesses to tackle falling margins, rising debt and climate pressures;

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