

## AFRICA RISK CONSULTING

### Algeria Monthly Briefing August 2021

---

#### Algeria Summary 20 August 2021

*Wildfires spread through more than 17 Algerian provinces, killing dozens of people including 33 soldiers. El Tarf, Bejaia, Jijel and Tizi Ouzou are the worst affected areas. The government accuses arsonists linked to Morocco and Israel of starting the fires, and police have arrested 22 people in connection with the fires. Police have also arrested members of a mob accused of killing a man they suspected of starting the fires. Algeria strengthens ties with Turkey and Greece, hosting Turkey's foreign minister Mevlut Cavusoglu while energy and mines minister Mohamed Arkab discusses ways to strengthen cooperation between Algeria and Greece in the field of energy. The exploitation project of Gara Djebilet (Tindouf) iron mine could start in September, subject to the reports submitted by a Chinese consortium. The price of Saharan Blend oil appreciates by 4.2% in July. Algeria acquires 3 million Covid-19 vaccines from China to help reach its target of vaccinating at least 60% of the population. Longer curfew hours take effect in 40 provinces to help curb the spread of the coronavirus.*

---

#### Forest fires cause havoc and inflame tensions between Algeria and Morocco ...

Dozens of fires raging through forest areas across northern **Algeria** since 9 August have killed scores of people and caused severe damage to property. The government blames the fires on two groups it recently designated as "terrorist" organisations, claiming that **Morocco** and **Israel** backed one of the groups.<sup>1</sup> Algerian authorities have accused the **Rashad** group and **MAK** independence movement of the mainly **Berber** region of **Kabylie**, of being behind the fires.<sup>2</sup> Accusations against Morocco have inflamed tensions between Morocco and Algeria; Algeria recalled its ambassador to **Rabat** in July after a Moroccan diplomat in **New York (United States)** called for self-determination rights for the Kabylie people.<sup>3</sup> President **Abdelmadjid Tebboune** (2019-present) said in a speech on 18 August that:

*"The incessant hostile acts carried out by Morocco against Algeria have necessitated the review of relations between the two countries."<sup>4</sup>*

The fires began in the mountain forests and villages east of the capital, **Algiers**, on 9 August, and spread across the Berber region, ravaging homes, orchards and livestock.<sup>5</sup> Algerian authorities sent soldiers to get the fires under control and assist citizens with evacuation.<sup>6</sup> From 9-16 August, roughly 74 fires raged across 17 provinces, intensified by a heat wave and high winds.<sup>7</sup> As of 16 August, the death count stood at 90 people, including 33 soldiers.<sup>8</sup> President Tebboune on 18 August announced three days of national mourning for the dead and the arrest of 22 people in connection with the fires.<sup>9</sup> **El Tarf, Bejaia, Jijel** and **Tizi Ouzou** are the worst affected areas.<sup>10</sup>

---

<sup>1</sup> Agence France-Presse, 11 Aug 2021

<sup>2</sup> Aljazeera, 19 Aug 2021

<sup>3</sup> Aljazeera, 19 Aug 2021

<sup>4</sup> Aljazeera, 19 Aug 2021

<sup>5</sup> The New York Times, 11 Aug 2021

<sup>6</sup> Reuters, 11 Aug 2021

<sup>7</sup> Reuters, 11 Aug 2021

<sup>8</sup> EWN, 16 Aug 2021

<sup>9</sup> Agence France-Presse, 11 Aug 2021

<sup>10</sup> Reuters, 11 Aug 2021

Police have also arrested at least 60 people accused of lynching an artist whom they suspected of starting the fires in the Berber region. Artist **Djamel Ben Ismail** had reportedly travelled to the area to help fight the fires, but turned himself in at a police station in the Tizi Ouzou region after hearing he was suspected of involvement in starting the fires.<sup>11</sup> A mob got hold of Ben Ismail in the **Larbaa Nath Irathen** police station where he was being held for protection, dragged him into the main square of the town, beat him and set him on fire.<sup>12</sup> **United Kingdom**-headquartered human rights organisation **Amnesty International** has called on Algerian authorities to investigate the death, to “send a clear message that this violence won’t go unpunished”.<sup>13</sup>

Civil protection official Colonel **Farouk Achour** says the majority of wildfires “no longer represent a danger for residents”.<sup>14</sup>

### ... as Algeria strengthens economic ties with Turkey, Greece and China

While accusing Morocco and Israel of starting the deadly countrywide fires in northern Algeria, the government is strengthening relations with **Turkey, Greece** and **China**. Foreign affairs minister **Ramtane Lamamra** hosted his counterpart, **Mevlut Cavusoglu**, in a two-day official visit to Algiers on 14 August.<sup>15</sup> Cavusoglu commended Lamamra’s efforts to promote peace and stability in the region, stressing that Turkey aims to increase the volume of bilateral trade between the two countries to \$5 billion.<sup>16</sup> Cavusoglu noted that more than 1,300 Turkish companies are active in Algeria.<sup>17</sup> The two foreign ministers reported a convergence of views on issues such as developments in **Libya, Western Sahara, Tunisia** and the **Sahel** states, stressing the need for cooperation and unifying efforts to achieve stability in the region.<sup>18</sup>

Energy and mines minister **Mohamed Arkab** received Greece’s ambassador to Algeria, **Niki Ekaterini Kotrako**, on 18 August to discuss ways to strengthen and expand cooperation between Algeria and Greece in the field of energy.<sup>19</sup> Kotrako expressed Greece’s willingness to collaborate in energy production, including renewable energy, and to establish a mutually beneficial partnership.<sup>20</sup> Arkab has also announced the possibility beginning a project to exploit the **Gara Djebilet** (Tindouf) iron mine in September based on the results of the studies conducted by a China-based consortium.<sup>21</sup> The project aims to secure the supply of raw materials to national steel and metallurgy plants and the promotion of non-hydrocarbon incomes.<sup>22</sup> The **Enterprise National de Fer et de L’Acier (FERAAL)** signed a memorandum of understanding (MoU) in March with a consortium of three Chinese companies specialising in the steel industry, namely, **China International Water & Electric Corp, Heyday Solar**, and iron and steel manufacturer **Metallurgical Corp of China**.<sup>23</sup> The MoU provides for co-financing of the project by the Chinese consortium, with an investment cost up to \$2 billion. The Ghar-Djebilet iron mine has reserves of 3.5 billion tons of iron (high concentration of phosphorus). The first phase targets mining of the western part of the mine, which has reserves of 1.7 billion tons.<sup>24</sup> The launch of the implementation work will create nearly 3,000 jobs.<sup>25</sup>

<sup>11</sup> The Guardian, 18 Aug 2021

<sup>12</sup> The Guardian, 18 Aug 2021

<sup>13</sup> The Independent, 16 Aug 2021

<sup>14</sup> The Independent, 16 Aug 2021

<sup>15</sup> Morning Express, 14 Aug 2021

<sup>16</sup> Morning Express, 14 Aug 2021

<sup>17</sup> Morning Express, 14 Aug 2021

<sup>18</sup> Morning Express, 14 Aug 2021

<sup>19</sup> DZBreaking, 18 Aug 2021

<sup>20</sup> DZBreaking, 18 Aug 2021

<sup>21</sup> APS, 9 Aug 2021

<sup>22</sup> DZBreaking, 31 Mar 2021

<sup>23</sup> DZBreaking, 31 Mar 2021

<sup>24</sup> DZBreaking, 31 Mar 2021

<sup>25</sup> DZBreaking, 31 Mar 2021

### ... as oil prices dip after June, July rally

After rallying in June and July (see *ARC Briefing Algeria July 2021*), oil prices have been declining globally due to the rise in **Covid-19** cases as a result of the so-called “*Delta variant*”.<sup>26</sup> The declining oil price puts pressure on the Algerian economy, which was hit in 2020 by Covid-19’s negative impact on the prices of crude oil, with oil accounting for 9% of its total export revenue and 60% of the state budget.<sup>27</sup>

Global benchmarks have declined in August with the **West Texas Intermediate (WTI)** at \$67.66 per barrel and **Brent** at \$69.36 as of 18 August due to weaker **Asian** demand.<sup>28</sup> The monthly average price of Algerian crude rose from \$72.31 per barrel in June 2021 to \$75.34 per barrel in July, an increase of 4.2%.<sup>29</sup> **United States** president **Joseph Biden** (2021-present) on 11 August urged the **OPEC+** nations to further increase their output after a July agreement to increase supply by 400,000b/pd.<sup>30</sup> So far, there is no indication that the OPEC+ nations will agree to a further increase in oil supply.<sup>31</sup>

### Algeria acquires 3 million Covid vaccines from China

The Algerian government has acquired a further shipment of Covid-19 vaccines from China, which it hopes will boost its ailing economy, suffering under the effects of the Covid-19 pandemic. A military transport plane landed on 16 August at **Boufarik** airbase (**Blida**) from China with 3 million doses of China’s **Sinopharm** Covid vaccine.<sup>32</sup> China also donated 200,000 doses of the Sinopharm vaccine to Algeria in February.<sup>33</sup>

The recent vaccine acquisition is in line with the government’s aim to vaccinate at least 60% of the Algerian population by the end of 2021. So far, the health ministry has administered over 4 million doses of Covid vaccines, enough to have vaccinated about 4.8% of the population with two doses.<sup>34</sup> Vaccine rollout data reports the number of doses administered rather than the number of people who are vaccinated since most vaccines require two doses.<sup>35</sup> As of 18 August, Algeria had confirmed 188,663 cases of Covid-19 in its population of roughly 44 million, with 4,867 Covid-19 related fatalities and 127,276 recoveries.<sup>36</sup>

Algeria has opened its air borders to allow a limited number of flights to enter the country. Although the government has eased some domestic measures, including restrictions on most non-essential businesses, curfew hours have been extended in 40 provinces to help curb the spread of the virus. Curfew is in effect from 8pm to 6am for 15 days from 15 August for Adrar, Laghouat, Oum El Bouaghi, Batna, Bejaia, Biskra, Béchar, Blida, Bouira, Tebessa, Tlemcen, Tizi-Ouzou, Algiers, Jijel, Sétif, Saïda, Skikda, Sidi Bel Abbes, Annaba, Guelma, Constantine, Mostaganem, M’Sila, Mascara, Ouargla, Oran, El Bayadh, Bumerdes, El Tarf, Tindouf, Tissemsilt, El Oued, Khenchela, Souk Ahras, Tipaza, Naâma, Ain Temouchent, Ghardaia, Relizane and Ouled Djellal.<sup>37</sup> However, the areas affected by forest fires and citizens who take part in suppression, solidarity and rescue operations are not affected by these measures.<sup>38</sup>

<sup>26</sup> CNBC, 16 Aug 2021

<sup>27</sup> Reuters, 21 Aug 2021

<sup>28</sup> CNBC, 16 Aug 2021

<sup>29</sup> ElWatan, 14 Aug 2021

<sup>30</sup> CNBC, 16 Aug 2021

<sup>31</sup> CNBC, 16 Aug 2021

<sup>32</sup> APS, 16 Aug 2021

<sup>33</sup> Daily News, 25 Feb 2021

<sup>34</sup> Reuters, 18 Aug 2021

<sup>35</sup> Reuters, 18 Aug 2021

<sup>36</sup> Worldometer, 18 Aug 2021

<sup>37</sup> DZBreaking, 15 Aug 2021

<sup>38</sup> DZBreaking, 15 Aug 2021

Construction companies, real estate agencies, travel agencies, markets, bakeries, car rental companies, government institutions, restaurants, cafes, hotels, and mosques have reopened in most provinces.<sup>39</sup> 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.<sup>40</sup>

## Planner

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

## Chronology

18 Aug 2021 **Algiers (Algeria)** *APS*. Energy minister **Mohamed Arkab** receives **Greece's** ambassador to Algeria to discuss collaboration between both countries;

17 Aug 2021 **Algiers (Algeria)** *APS*. Algerian authorities arrest 25 additional suspects in the murder case of **Djamel Bensmail** in **Larbaa Nath Irathen (Tizi Ouzou)**. Djamel ben ismail was a young melian artist the from Wileya Province. He came to help the survivors of the flames that ravaged the city of Tizi-Ouzou last Monday. He was lynched and then burned to death;

16 Aug 2021 **Algiers (Algeria)** *Middle East Online*. Algerian authorities detain 36 people in the mob killing of **Djamel Ben Ismail** by a crowd who suspected him of starting dozens of wildfires that devastated 17 provinces;

16 Aug 2021 **Algiers (Algeria)** *APS*. The "EU solidarity response to Covid-19 in Algeria" project launched by the **United Nation Development Programme (UNDP)**, Algeria and the **European Union (EU)** announces the acquisition of 1,500 oxygen concentrators for the benefit of Algerian public health structure;

16 Aug 2021 **Algiers (Algeria)** *APS*. An Algerian Air Force military cargo aircraft lands at **Boufarik (Blida)** air base with a shipment of 3 million doses of **Covid-19** vaccines from **China**;

15 Aug 2021 **Algiers (Algeria)** *APS*. Foreign minister **Ramtane Lamamra** discusses various issues, including **Western Sahara**, with his **Turkish** counterpart, **Mevlut Cavusoglu**;

14 Aug 2021 **Algiers (Algeria)** *GARDAWORLD*. Partial lockdown hours increase to 8pm-6am in 40 provinces for 15 days, including **Blida, Algiers, and Tindouf**;

14 Aug 2021 **Algiers (Algeria)** *El Watan*. Oil markets remains volatile with Algerian oil appreciating by \$3.03 for July, from \$72.31/barrel in June to \$75.34 in July, a 4.2% increase;

13 Aug 2021 **Algiers (Algeria)** *APS*. **Algerian Red Crescent (ARC)** intensifies efforts to help families affected by the unprecedented wildfires in **Tizi-Ouzou**;

11 Aug 2021 **Algiers (Algeria)** *The New York Times*. Multiple wildfires in Algeria have killed more than 60 people, including at least 28 soldiers;

9 Aug 2021 **Algiers (Algeria)** *APS*. Energy and mines minister **Mohamed Arkab** says possible exploitation of the **Gara Djebilet (Tindouf)** iron mine project will be decided in September, based on the results of studies conducted by a **Chinese** group;

3 Aug 2021 **Algiers (Algeria)** *APS*. Algeria's **Chamber of Commerce and Industry** and **Ethiopia's Chamber of Commerce** sign an agreement for the creation of the **Algeria-Ethiopia Business Council** aimed at fostering business relations and cooperation between both nations;

<sup>39</sup> GARDAWORLD, 14 Aug 2021

<sup>40</sup> GARDAWORLD, 14 Aug 2021

28 Jul 2021 **Algiers (Algeria) APS**. The trade ministry reports that Algeria's non-hydrocarbon exports increased by 95.55% and reached \$2.03 billion in the first half of 2021;

22 Jul 2021 **Algiers (Algeria) The Times of Israel**. Public prosecutor orders investigation into media reports that **Algeria** was target of **Pegasus** malware;

### 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](http://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](http://www.africariskconsulting.com)

### Getting in touch

Please contact us by email [info@africariskconsulting.com](mailto:info@africariskconsulting.com) or call + 44 (0) 20 7078 4080 Follow us on Twitter: [@ARCBriefing](https://twitter.com/ARCBriefing)