

AFRICA RISK CONSULTING

Algeria Monthly Briefing April 2022

Algeria Summary 12 April 2022

United States (US) Secretary of State Anthony Blinken meets with Algeria's President Abdelmadjid Tebboune (2019-present) amid calls for Algeria to boost gas exports to Europe. Italy's prime minister, Mario Draghi (2021-present), secures a deal with Algeria to increase gas imports in a move to limit dependence on Russian energy, despite the earlier declaration by state-owned gas and oil company Sonatrach CEO Tawfiq Hakkar that the company was unable to be an alternative supplier of Russian gas for its European partners. The Spanish government claims that Algeria's decision to review gas prices for Spain followed Madrid's official endorsement of Morocco's autonomy plan for the Western Sahara. President Tebboune announces a ban on exports of all consumer products made from raw materials that Algeria imports. Algeria continues to see a significant decline in new cases of Covid-19.

Ukraine conflict continues to put pressure on oil and gas supply ...

Algerian oil and gas have been in the spotlight amid pressure on global supply as a result of **Russia's** ongoing military operations in **Ukraine**. Algeria, **Africa's** largest exporter of natural gas, has faced calls to boost gas exports to **Europe** after prices rose following Russia's invasion of Ukraine on 24 February.¹

United States (US) secretary of state **Anthony Blinken** reportedly used a meeting on 30 March with President **Abdelmadjid Tebboune** (2019-present) and foreign minister **Ramtane Lamamra** as an opportunity to press Algeria into re-establishing the **Maghreb-Europe** pipeline through **Morocco**, in order to assist European partners to reduce their energy reliance on Russia.² **Algiers** terminated its 25-year export deal in October due to a diplomatic rift with **Rabat** (see *ARC Briefing Algeria Nov 2021*).³ Local media reported in early April that the Algerian government had rejected a request by US deputy secretary of state **Wendy Sherman** to re-open the pipeline.⁴ However, the government was quick to deny all media reports discussing US requests for it to reopen the Maghreb-Europe pipeline.⁵

In an official visit to Algiers on 11 April, **Italy's** prime minister, **Mario Draghi** (2021-present), secured a deal with Algeria to increase gas imports to his country, reflecting the push by the **European Union (EU)** to limit its dependence on Russian energy.⁶ Draghi said on 5 April that Italy would "follow the decisions of the **European Union**" on sanctions against **Moscow**, including a possible gas embargo.⁷ Russia is Italy's main supplier of natural gas, representing 40% of total imports, followed by Algeria, which exports about 21 billion cubic metres of gas through the **Trans-Mediterranean (Med-Gas)** pipeline.⁸ Following a meeting with President

¹ Africa News, 30 Apr 2022

² Africa News, 30 Apr 2022

³ Middle East Monitor, 30 Mar 2022

⁴ Africa News, 30 Apr 2022

⁵ Middle East Monitor, 30 Mar 2022

⁶ Africa News, 12 Apr 2022

⁷ NDTV, 7 Apr 2022

⁸ Africa News, 12 Apr 2022

Tebboune on 11 April, Draghi said an agreement to intensify bilateral cooperation with Algeria in the energy sector is key for the “*significant goal*” of quickly replacing Russian supplies.

The new deal between Italy-headquartered oil company **ENI** and Algeria’s state-owned oil and gas company **Sonatrach** is expected to add up to 9 billion cubic metres of gas from Algeria.⁹ ENI noted that the increased gas flows will start in the northern hemisphere autumn.¹⁰

... but Sonatrach says it “cannot replace Russia gas” ...

Despite its latest agreement with ENI, Sonatrach stated on 2 April that it was unable to be an alternative supplier of gas for its European partners.¹¹ In an interview with state-owned news agency **Algeria Press Service**, Sonatrach CEO **Tawfiq Hakkar** said that while Algeria has billions of additional cubic metres of gas, it cannot replace Russian gas.¹² However, he added that Sonatrach would eventually sell more gas to European partners,

“Through the pace of our explorations, our capabilities will double within four years, which indicates promising prospects for our European customers.”¹³

In March, Hakkar backtracked on a promise that Algeria would supply additional gas to the European market, which depends on Russia for more than a third of its gas supplies (see *ARC Briefing Algeria Mar 2022*). Local publication **Liberté-Algérie** quoted Hakkar on 27 February as saying that **Algiers** would be able to pump additional gas. However, a day later Hakkar cast doubt on Algeria’s gas production capacity.¹⁴ Sonatrach lodged a complaint on 28 February against **Liberté-Algérie** with the **Tribunal de Bir Mourad Raïs** (Court of **Bir Mourad Raïs**), claiming that the publication had “*manipulated and distorted*” Hakkar’s statements.¹⁵

A former Sonatrach CEO, speaking anonymously in March, highlighted that Algeria’s production falls far short of Russia’s:

“The quantities of gas that Algeria exports annually to Europe exceed 42 billion cubic metres, while one Russian pipeline can pump these quantities...there is currently no country that can confront Russian production of gas.”¹⁶

Hakkar noted that 2022 will be a promising year for oil discoveries in Algeria. He said that Sonatrach plans to invest \$40 billion in production and exploration between 2022 and 2026.¹⁷ Hakkar said Sonatrach had made three discoveries in the first three months of 2022, one of which has a reserve estimated at one billion barrels.¹⁸

... and Spain expects backlash for support of Morocco

Algeria appears to have strengthened its relations with Italy at **Spain's** expense.¹⁹ Spain may be forced to pay higher prices for the gas it imports from Algeria as a result of a recent flare-up of tensions over the disputed territory of the **Western Sahara**. Algeria is Spain’s main supplier of natural gas through the Med-Gas pipeline, which replaced the Maghreb-Europe pipeline through Morocco effectively terminated by Algiers in October.²⁰ Sonatrach CEO Tawfiq Hakkar refused to rule out an increase in the price of gas exported to Spain, in particular:

⁹ Africa News, 12 Apr 2022

¹⁰ Africa News, 12 Apr 2022

¹¹ Middle East Monitor, 2 Apr 2022

¹² Middle East Monitor, 2 Apr 2022

¹³ Middle East Monitor, 2 Apr 2022

¹⁴ North Africa Post, 1 Mar 2022

¹⁵ Algeria Press Service, 28 Feb 2022

¹⁶ Middle East Monitor, 7 Mar 2022

¹⁷ Middle East Monitor, 2 Apr 2022

¹⁸ Middle East Monitor, 2 Apr 2022

¹⁹ Middle East Monitor, 30 Mar 2022

²⁰ Middle East Monitor, 30 Mar 2022

“Algeria decided since the beginning of the crisis in Ukraine, which led to the explosion of gas and oil prices, to maintain the contractual prices that are relatively appropriate with all its customers. However, we do not rule out revising the prices for our Spanish customer.”²¹

While Hakkar did not provide reasons for Sonatrach’s review of prices of oil exported to Spain, the Spanish government reportedly claims that the Algerian decision to increase gas prices for Spain is in retaliation for its endorsement of Morocco’s autonomy plan for Western Sahara.²² Spanish prime minister **Pedro Sanchez** (2018-present) officially endorsed Morocco’s autonomy plan for the Western Sahara on 18 March as *“as the most serious, realistic and credible basis for settling the dispute”*.²³ Morocco considers the Western Saharan territory as its own; however, the Algeria-backed **Polisario Front** movement demands a sovereign state.²⁴

Following Spain’s announcement of its decision to support Morocco in the Western Sahara dispute, Algeria’s government on 19 March recalled its ambassador to **Madrid** for *“consultations”*.²⁵ Tension between Algeria and Morocco dates back to 1976, after Algiers started supporting the Polisario Front.²⁶ Recent tensions stem from the recognition on 10 December 2020 by the administration of former US president **Donald Trump** (2017-2021) of Moroccan sovereignty over the Western Sahara, when the US became the first country to recognise Morocco’s claim and reaffirmed its proposal to grant limited autonomy to Sahrawis under Moroccan control.²⁷ The Polisario Front on 19 March accused Spain of making a *“grave error”* after it changed its position on the Western Sahara.²⁸ The separatist group decided on 10 April to suspend its contacts with the current Spanish government following its policy change on the issue of Western Sahara.²⁹

Algeria also intends to review its agreement with **France** due to **Paris** reportedly persuading Spain to support Morocco’s autonomy plan for the Western Sahara.³⁰ The Algerian government on 29 March refused to receive French prime minister **Jean Castex** due to developments in the Western Sahara question and the ongoing French election.³¹ Castex had requested a visit to Algiers within the context of the current reconciliation between the two countries, with the visit scheduled to take place in early April.

Algeria bans export of food...

Following a meeting of the council of ministers, president Abdelmadjid Tebboune on 13 March announced that the government had banned the export of *“of all consumer products that Algeria imports, such as sugar, pasta, oil, semolina and all wheat derivatives”*.³² Algerian economic operators are banned from exporting food products manufactured from imported raw materials.³³ Failure to follow the regulations will result in legal action. Tebboune also instructed government to continue its ban on the import of frozen meat and *“encourage the consumption of locally produced meat”*.³⁴

²¹ Middle East Monitor, 2 Apr 2022

²² Morocco World News, 8 Apr 2022

²³ Reuters, 18 Mar 2022

²⁴ Reuters, 18 Mar 2022

²⁵ Middle East Eye, 19 Mar 2022

²⁶ Morocco World News, 9 Sep 2021

²⁷ Al Jazeera, 11 Dec 2020

²⁸ Morocco World News, 20 Mar 2022

²⁹ Algeria Press Service, 10 Apr 2022

³⁰ Middle East Monitor, 30 Mar 2022

³¹ Middle East Monitor, 30 Mar 2022

³² Africa News, 14 Mar 2022

³³ Africa News, 14 Mar 2022

³⁴ Africa News, 14 Mar 2022

The ban came amid concerns that **North Africa's** grain belt is facing its worst drought in over 30 years (see *ARC Briefing Algeria Feb 2022*).³⁵ The drought threatens the grain yield and the expected record low rainfall will deepen the region and Algeria's reliance on imports.³⁶ The concerns echo those of the US **Department of Agriculture**, which on 15 February called the drought "*exceptional*".³⁷ **Covid-19**-induced supply chain disruptions and the Russia-Ukraine conflict are also expected to worsen the trajectory of rising prices of food in Algeria, particularly wheat.

Covid-19 cases continue to fall...

Algeria continues to experience a dramatic decline in new cases of Covid-19. On 11 April, it reported just three new cases of Covid-19, with a seven-day average of five new cases as of the same date.³⁸ Between 29 March and 11 April, the country registered only 86 new cases of Covid-19.³⁹ By comparison, on 24 January, Algeria reported a daily record of 2,215 cases and 13 deaths.⁴⁰ Algeria has reported its first case of the new **BA.2** subvariant of the highly transmissible **Omicron** strain and is still recording infections from both the **Delta** and **Omicron** variants, accounting for about 60% of Covid-19 infections in the country.⁴¹ As of 12 April, Algeria had recorded 265,727 cases of Covid-19 in its population of 44 million, with 6,874 Covid-19-related deaths and 178,323 recoveries.⁴²

The government announced on 18 October the full lifting of nationwide lockdown restrictions amid a significant improvement in the country's Covid-19 situation (see *ARC Briefing Algeria Oct 2021*).⁴³ However, family gatherings, such as weddings and gatherings in public places, remain banned under the pandemic sanitary measures.⁴⁴ In December, the government started requiring vaccine passports to enter many public spaces, seeking to overcome low vaccine uptake that has left millions of vaccine doses unused.⁴⁵ The vaccine pass is necessary for anyone seeking to enter or leave Algeria, and to enter cinemas, theatres, sports facilities, museums, townhalls, and hammams.⁴⁶

³⁵ Morocco World News, 13 Feb 2022

³⁶ Bloomberg, 9 Feb 2022

³⁷ United States Department of Agriculture, 15 Feb 2022

³⁸ Johns Hopkins University Center for Systems Science and Engineering, 12 Apr 2022

³⁹ Johns Hopkins University Center for Systems Science and Engineering, 12 Apr 2022

⁴⁰ AP News, 25 Jan 2022

⁴¹ CGTN, 30 Jan 2022

⁴² Worldometers, accessed 12 Apr 2021

⁴³ Menafn, 19 Oct 2021

⁴⁴ Menafn, 19 Oct 2021

⁴⁵ AP News, 25 Jan 2022

⁴⁶ AP News, 25 Jan 2022

Planner

1-2 Nov 2022 **Algiers (Algeria)** Arab League Summit.

Chronology

11 Apr 2022 **Algiers (Algeria)** *Africa News*. Algeria signs oil deal with **Italy**;

10 Apr 2022 **Algiers (Algeria)** *Reuters*. Algeria is expected to supply **Italy** with an additional 4 billion cubic metres of natural gas per year at the most;

10 Apr 2022 **Algiers (Algeria)** *Algeria Press Service*. The **Polisario Front** has decided to suspend its contacts with the current **Spanish** government, following the position of Spain's prime minister **Pedro Sanchez** on the issue of **Western Sahara**;

9 Apr 2022 **Algiers (Algeria)** *Financial Times*. **Italian** prime minister **Mario Draghi** will visit Algeria on 11 April to sign a new gas supply deal, as **Rome** seeks to reduce its dependence on **Russian** fuel following its invasion of **Ukraine**;

9 Apr 2022 **Algiers (Algeria)** *Algeria Press Service*. President **Abdelmadjid Tebboune** chairs a meeting of the council of ministers devoted to the follow-up of the situation and cereal production forecasts, the implementation of complementary programme for the province of **Khenchela**, and the progress of the phosphate project and other files;

9 Apr 2022 **Algiers (Algeria)** *Algeria Press Service*. The health ministry says six new confirmed cases of Covid-19, one recovery and no deaths have been reported over the last 24 hours in Algeria;

8 Apr 2022 **Bordj Bou Arreridj (Algeria)** *Azer*. The death toll of a gas explosion in eastern Algeria on 7 April, which destroyed a three-storey building in **Bordj Bou Arreridj** province, has risen to 10 as interior minister **Kamel Beldjoud** says an official investigation has been opened to determine the cause of the explosion;

8 Apr 2022 **Algiers (Algeria)** *Morocco World News*. **Spain** reportedly expects a 'moderate increase' in Algerian gas prices after the Spanish government officially endorsed Morocco's autonomy plan for **Western Sahara**;

7 Apr 2022 **Algiers (Algeria)** *Algeria Press Service*. Foreign affairs minister **Ramtane Lamamra** receives **Libyan** counterpart **Najla Al-Mangoush**;

7 Apr 2022 **Algiers (Algeria)** *Algeria Press Service*. Algeria votes against the decision to suspend the **Russia** from the **United Nations Human Right Council**;

7 Apr 2022 **Algiers (Algeria)** *Africa News*. Francophone daily **Liberté** announces it will cease operations on 14 April after 30 years of existence, after its owner, wealthy businessman **Issad Rebrab**, decided to liquidate it;

7 Apr 2022 **Algiers (Algeria)** *Algeria Press Service*. President **Abdelmadjid Tebboune** receives **Libyan** foreign affairs minister **Najla Al-Mangoush**;

7 Apr 2022 **Algiers (Algeria)** *Algeria Press Service*. President **Abdelmadjid Tebboune** discusses bilateral relations with his **Tunisian** counterpart, **Kais Saied**, in a phone call and ways to strengthen them;

7 Apr 2022 **Algiers (Algeria)** *Algeria Press Service*. Speaker of the council **Salah Goudjil** announces the creation of parliament's Upper House, a new parliamentary group devoted to independent senators;

5 Apr 2022 **Warsaw (Poland)** *Algeria Press Service*. **Algeria's** foreign minister, **Ramtane Lamamra**, leads the **Arab Contact Group** in discussions on settlement of the conflict in **Ukraine** with Ukrainian foreign affairs minister **Dmytro Kuleba**;

4 Apr 2022 **Moscow (Russia)** *Algeria Press Service*. **Algeria's** foreign affairs minister, **Ramtane Lamamra** holds a working session with his **Russian** counterpart, **Sergei Lavrov**, and the head of Russia's security council, **Nikolai Patrouchev**, on ways to strengthen cooperation between the two countries;

4 Apr 2022 **Algiers (Algeria)** *Morocco World News*. President **Abdelmadjid Tebboune** announces that "on the occasion of the blessed month of Ramadan, and according to the constitution" he has pardoned 1,076 prisoners and issued "clemency measures" in favour of 70 detainees from the **Hirak Movement**;

3 Apr 2022 **Algiers (Algeria)** *Algeria Press Service*. Prime minister **Aimene Benabderrahmane** receives **Italy**-headquartered hydrocarbon group **ENI** CEO **Claudio Descalzi**;

2 Apr 2022 **Washington (United States)** *CNN*. The **United States (US)** department of defense announces the repatriation of **Sufiyan Barhoumi** from the **Guantanamo Bay** detention facility in **Cuba** to his native county of **Algeria**;

2 Apr 2022 **Algiers (Algeria)** *Middle East Monitor*. State-owned oil and gas company **Sonatrach** CEO **Tawfiq Hakkar** announces that Algeria is currently unable to be an alternative provider of gas for **European** partners;

2 Apr 2022 **Algiers (Algeria)** *Morocco World News*. **Russia** has voiced its support for Algeria's **Western Sahara** position;

31 Mar 2022 **Algiers (Algeria)** *Algeria Press Service*. President **Abdelmadjid Tebboune** receives **Tunisia's** foreign affairs minister **Othman Jerandi**;

30 Mar 2022 **Algiers (Algeria)** *Times of Israel*. **United States (US)** secretary of state **Anthony Blinken** proposes during his state visit to Algeria normalisation of relations with **Israel**, which Algiers opposes;

30 Mar 2022 **Algiers (Algeria)** *Middle East Monitor*. **United States (US)** secretary of state **Antony Blinken** arrives in Algeria on an official visit and announces that **Washington** is aiming for \$6.1 billion worth of trade with Algeria;

30 Mar 2022 **Algiers (Algeria)** *Middle East Monitor*. Algeria reportedly intends to review its agreements with **Spain** and **France** over the issue of **Western Sahara**;

30 Mar 2022 **Algiers (Algeria)** *Nasdaq*. State grains agency **OAIC** begins buying optional-origin milling wheat in an international tender with initial estimates of purchase price around \$448 a tonne;

29 Mar 2022 **Algiers (Algeria)** *Middle East Monitor*. The **France-Algeria** ministerial committee meeting is cancelled for the second time, reportedly due to Algiers' belief that **Paris** had a hand in changing **Spain's** position on the **Western Sahara** issue in support of **Morocco**;

28 Mar 2022 **Algiers (Algeria)** *Algeria Press Service*. President **Abdelmadjid Tebboune** receives **China's** ambassador to Algeria, **Li Lianhe**;

24 Mar 2022 **Algiers (Algeria)** *Algeria Press Service*. President **Abdelmadjid Tebboune** signs a presidential decree appointing **Abdallah Moundji** as minister of transport;

23 Mar 2022 **Algiers (Algeria)** *Middle East Monitor*. Energy minister **Mohamed Arkab** meets with **Turkey**-based energy company **Kalyon Enerji** CEO **Mortada Atta** and discusses strengthening cooperation in the field of energy;

23 Mar 2022 **Algiers (Algeria)** *Middle East Monitor*. **Moroccan** armed forces conduct joint manoeuvres with their **French** counterparts in the east of the country near the border with **Algeria**;

23 Mar 2022 **Algiers (Algeria)** *Algeria Press Service*. President **Abdelmadjid Tebboune** receives **Portugal's** foreign affairs minister, **Augusto Santos Silva**;

22 Mar 2022 **Algiers (Algeria)** *TRT World*. Four **Algerian** and **Chinese** firms have announced a nearly \$7 billion deal to relaunch a phosphate mining project set to produce millions of tonnes of fertiliser annually;

22 Mar 2022 **Pyrénées-Orientales (Algeria)** *Africa News*. About 300 **Harkis** and their descendants gather in front of the **Rivesaltes** camp memorial in the **Pyrénées-Orientales** region requesting the state to restore their honour, beyond the “*pardon*” law, which they compared to “*crumbs*”;

20 Mar 2022 **Algiers (Algeria)** *Algeria Press Service*. Foreign affairs minister **Ramtane Lamamra** and his **Chinese** counterpart, **Wang Yi**, welcome convergence of views on issues of common interest, including the **Western Sahara** issue, and unwavering mutual support for issues inherent to their fundamental interests and concerns;

19 Mar 2022 **Paris (France)** *France24*. **French** president **Emmanuel Macron** commemorates 60 years since the signing of the **Evian Accords**, which ended the Algerian war and paved the way for independence from France, in a ceremony at the **Élysée Palace**;

19 Mar 2022 **Algiers (Algeria)** *Algeria Press Service*. The foreign affairs ministry marks the 60th anniversary of **Victory Day**, chaired by foreign affairs minister **Ramtane Lamamra**;

19 Mar 2022 **Algiers (Algeria)** *Africa News*. Algeria recalls its ambassador from **Madrid** in protest at **Spain's** decision to back **Morocco's** autonomy plan for the disputed former Spanish colony of **Western Sahara**;

19 Mar 2022 **Algiers (Algeria)** *Africa News*. The **Polisario Front** separatist movement accuses **Spain** of making a “*grave error*” after it changed its position and backed **Morocco's** autonomy plan for the disputed **Western Sahara**;

18 Mar 2022 **Algiers (Algeria)** *Middle East Monitor*. In a statement addressing the Algerian people on the 60th anniversary of the 1962 **Evian** peace accords between **France** and Algeria, President **Abdelmajid Tebboune** pledges not to cede his country's rights over French colonialist crimes against Algeria;

13 Mar 2022 **Algiers (Algeria)** *Africa News*. President **Abdelmadjid Tebboune** orders the banning of exports of all consumer products that Algeria imports, including sugar, pasta, oil, semolina and wheat derivatives;

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