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President Abdelmadjid Tebboune (2019-present) arrives in China on 17 July for a five-day state visit closely followed by Beijing's rivals in Europe and the United States (US). The highlight of the trip is Beijing's landmark \$36-billion agreement to invest in Algeria across multiple sectors including agriculture, manufacturing, transport, new technology and knowledge economy. President Tebboune declares on 5 August that Algeria "categorically rejects any military intervention" and the ultimatum issued by the Economic Community of West African States (ECOWAS) against the new military junta in its southern neighbour, Niger, with which it shares a 1,000 kilometre border, along with human and historical ties. Energy and mines minister Mohamed Arkab announces on 5 August that in addition to a cut of 48,000 barrels per day (bpd) made in June, Algeria has decided to voluntarily reduce its oil production by a further 20,000 bpd to reach 940,000 bpd during August. The decision is made to comply with the agreement made by the Organization of Petroleum Exporting Countries+ (OPEC)+ to voluntarily cut oil production until the end of 2024.

Tebboune seals \$36 billion agreement in China visit ...

President **Abdelmadjid Tebboune** (2019-present) arrived in **China** on 17 July for a five-day state visit that was closely followed by **Beijing's** rivals in **Europe** and the **United States (US)**, who consider **Algeria** a pivotal energy supplier.¹ Tebboune spent two days in **Qatar** before arriving in China, and centered his visit to China on energy and security matters, as well as Algeria's candidacy to join the **BRICS (Brazil, Russia, India, China, South Africa)** bloc.² A large delegation accompanied him, seeking to strike several cooperation deals with Chinese entities. Tebboune met with China's President **Xi Jinping** (2013-present) on 18 July and was treated to the full state pageantry that Beijing affords to all visiting leaders.³ In Tebboune's opening remarks in his talks with Xi, he emphasised the closeness between the two countries by noting that "*China is our most important friend*".⁴

Key economic, security, energy and diplomatic-related discussions featured in Tebboune and Xi's talks. The highlight was Beijing's landmark \$36-billion agreement to invest in Algeria across multiple sectors including agriculture, manufacturing, transport, new technology and the knowledge economy.⁵ The two leaders issued a joint statement following their meeting containing veiled references to China's security priorities in its autonomous north-western province of **Xinjiang**, particularly a commitment from both countries to "*fight extremist terrorist organisations within their borders*".⁶ In terms of energy, the two countries signed 19 memoranda of understanding (MoU) geared towards nuclear energy development, renewable power, petrochemicals, ICT and aerospace.⁷ While Algeria is not a major supplier of oil to China, Beijing

¹ China Global South Project, 19 Jul 2023

² Reuters, 18 Jul 2023

³ Global Times, 19 Jul 2023

⁴ Global Times, 19 Jul 2023

⁵ Reuters, 20 Jul 2023

⁶ Reuters, 18 Jul 2023

⁷ Sada Elbalad, 18 Jul 2023

is interested in its huge natural gas reserves.⁸ On the diplomatic front, Tebboune thanked Xi for his support of Algeria's bid to join the BRICS group and the **Shanghai Cooperation Organization (SCO)**.⁹ Both Chinese-led multilateral institutions are increasingly becoming popular among developing countries that see them as viable alternatives to Western-led institutions.¹⁰ To underline his commitment to joining the BRICS group, Tebboune announced that his country had submitted a request to be a shareholder in the **BRICS Bank** and pledged to provide \$1.5 billion to the institution.¹¹ While deepening China's energy engagement in Algeria was the priority, talks between Tebboune and Xi focused on a wide range of topics, including infrastructure development.¹²

Tebboune's visit to Beijing follows his state visit in June to Russia, a longtime military ally and arms supplier, where he sought to solidify bilateral ties despite Algeria officially remaining neutral in **Moscow's** conflict in **Ukraine**.¹³ Tebboune's clear enthusiasm to further align Algeria with Beijing's international priorities come amid worsening relations with **France**. In June the **Élysée Palace** indefinitely postponed an invitation for Tebboune to visit **Paris** and meet with President **Emmanuel Macron** (2017-present).¹⁴ Tebboune's visit to Paris, which was scheduled for 16 June, was postponed under pressure from key French political forces who argued that the Algerian leader did not meet the criteria of a state visit, citing Algeria's human rights violations under its all-powerful military regime.¹⁵

China has no such issues with Algeria. In many ways, Beijing has found an ideal geopolitical partner in Algiers, with several factors accounting for China's choice of Algeria as a key partner. Algeria is geographically close to European markets and offers Chinese manufacturers an important gateway to Europe. Algeria also allows China to deepen its roots in francophone **Africa**, while its increasingly antagonistic relationship with Western countries aligns with Beijing's worldview. As a majority Muslim country, Algeria has validated China's policies in Xinjiang.¹⁶ While China's \$36-billion investment deal may have raised eyebrows across the West, for Tebboune the visit to China lays the groundwork for Algeria to meet key economic and diplomatic priorities. Algeria can raise its global profile by joining Chinese-led multilateral institutions and become less dependent on gas by engaging in several economic opportunities with China.

China remains Algeria's leading trading partner and the main source of Algerian imports since 2013, overtaking France, which has historically been Algeria's and the region's most important diplomatic relationship given its colonial history.¹⁷ China has been involved in many projects in Algeria and since 2014, has been a strategic partner to Algeria with both countries deepening their cooperation in economy, trade, energy, health and space.¹⁸ Whether deliberately or by coincidence, Algeria finds itself in a grey zone, where it is a major energy supplier to Western countries but also deeply allied with China and Russia. If it avoids antagonising both sides, Algeria could benefit immensely. A local analyst told **Africa Risk Consulting and Briefing (ARC Briefing)** that Western countries have been "*too distracted*" with Algeria's ties with Russia to realise that,

⁸ National News, 18 Jul 2023

⁹ China Global South Project, 19 Jul 2023

¹⁰ Le Monde, 17 Jul 2023

¹¹ China Global South Project, 29 Jul 2023

¹² China Global South Project, 19 Jul 2023

¹³ Africa News, 17 Jul 2023

¹⁴ Atalayar, 8 Jun 2023

¹⁵ Atalayar, 8 Jun 2023

¹⁶ China Global South Project, 19 Jul 2023

¹⁷ Middle East Monitor, 6 Dec 2022

¹⁸ Africa News, 17 Jul 2023

“Of all its international partners, China is the one Tebboune is courting the most because it has the resources to help Algeria attain both its economic and diplomatic goals and will not ask about human rights.”¹⁹

... as Algeria rejects military intervention in Niger...

President Tebboune declared on 5 August that his country “*categorically reject any military intervention*” and the ultimatum issued by the **Economic Community of West African States (ECOWAS)** against the new military junta in its southern neighbour **Niger**, with which it shares a 1,000 kilometre border, along with human and historical ties.²⁰ Tebboune stressed that while his government is critical of the coup in Niger, it opposes military intervention as it could exacerbate security challenges facing Algeria.²¹ A segment of the Nigerien military calling themselves the **Conseil National pour la Sauvegarde de la Patrie (CNSP)** (national council for safeguarding the country), on 26 July detained Niger’s democratically elected president, **Mohamed Bazoum** (2021-2023), due to “*deteriorating security situation and bad governance*”.²²

A week-long deadline set by ECOWAS for the CNSP to return Bazoum to power expired on 6 August. The economic bloc had pledged to intervene militarily in Niger if the deadline was not met. **West African** governments in **Nigeria, Benin, Ivory Coast** and **Senegal** have all voiced their willingness to send troops into Niger as part of an ECOWAS force should the regional bloc endorse the decision to reinstate Bazoum.²³ However, two of Niger’s neighbours, **Mali** and **Burkina Faso**, as well as **Guinea Bissau**, all led by military rulers, expressed their strong support for the military junta in Niger.²⁴ The decision by the three countries to back Niger’s junta splits the ECOWAS position and weakens the probability of military intervention in Niger.²⁵

Speaking a few hours after the ECOWAS ultimatum expired on 5 August, Tebboune emphasised that any intervention in Niger would be “*a direct threat to Algeria*” because “*the entire Sahel will go up in flames*”.²⁶ He stressed that any military action would result in Algeria being the “*main ones affected*” because of the large border it shares with Niger.²⁷ Algeria is concerned that military intervention in Niger could result in major insecurity and instability in Algeria, as already seen in Mali and **Libya**.²⁸ Algeria also argues that its military and security services are facing immense pressure from jihadi groups and smugglers, as well as struggling with illegal immigration networks.²⁹ Tebboune said that while Algeria would not use military force against its neighbours, there can be “*no solution*” without Algeria either.³⁰

While rejecting any military intervention in Niger, Algeria is calling for a return to constitutional legitimacy. Tebboune called for “*an immediate end*” to the coup in Niger, which he described as an “*unacceptable attack on the constitutional order*”.³¹ Government sources added that Bazoum was the legitimate president of Niger. The Algerian government expressed its willingness to assist but did not divulge any plans to help restore political stability in Niger.³² Algeria has not

¹⁹ ARC Source, Local Analyst

²⁰ Reuters, 6 Aug 2023; DW, 8 Jul 2023

²¹ DW, 8 Jul 2023

²² Aljazeera, 26 July 2023

²³ Anadolu Agency, 9 Aug 2023

²⁴ Anadolu Agency, 9 Aug 2023

²⁵ Anadolu Agency, 9 Aug 2023

²⁶ Le Monde, 9 Aug 2023

²⁷ Le Monde, 9 Aug 2023

²⁸ Reuters, 6 Aug 2023; DW, 8 Jul 2023

²⁹ Anadolu Agency, 9 Aug 2023; DW, 8 Jul 2023

³⁰ Reuters, 6 Aug 2023

³¹ Reuters, 6 Aug 2023; DW, 8 Jul 2023

³² DW, 8 Jul 2023

communicated with the junta in Niger, nor has it taken any major measures such as suspending flights, commercial transactions and closing borders.³³

A major reason for Algeria's opposition to the ECOWAS ultimatum on military intervention is because it would strain relations with Russia, its strategic partner and main supplier of weapons.³⁴ While the military regime in Niger has not publicly expressed its alignment with Russia, it is widely reported that it has a close affinity with Moscow, which is reportedly backing it through its paramilitary force, the **Wagner Group**.³⁵ **United Kingdom**-based think tank **Menas Associates** reported on 27 June that following his visit to Russia, Tebboune committed Algeria's support in helping Moscow in the Sahel (*see ARC Briefing Algeria Jul 2023*).³⁶ This comes despite Tebboune's previous criticism of the Wagner Group's activities in Mali. The Menas report indicates that the strong implications of Algeria's new strategic partnership with Russia is that it will support Moscow's security and political interests in Mali, Niger and the wider Sahel.³⁷ However, since the decision to not back an ECOWAS intervention carries the risk of straining ties with its Western partners, Algeria has taken the middle ground by condemning the coup but simultaneously drawing a line at supporting or joining a major military intervention.³⁸

... and cuts oil production by a further 20,000 barrels per day

Energy and mines minister **Mohamed Arkab** announced on 5 August that in addition to a cut of 48,000 barrels per day (bpd) made in June, Algeria has decided to voluntarily reduce its oil production by a further 20,000 bpd to reach 940,000 bpd during August.³⁹ The decision, announced during Arkab's participation in the virtual **Organization of Petroleum Exporting Countries+ (OPEC+) Joint Ministerial Monitoring Committee (JMMC)**, was made to comply with the agreement made by OPEC+ at a meeting in **Vienna (Austria)** on 4 June to voluntarily cut oil production until the end of 2024, extending the previously agreed upon date of the end of 2023 (*ARC Briefing Algeria Jun 2023*).⁴⁰ The decision was reportedly made in the face of flagging oil prices and a looming oversupply impacting OPEC+ member countries, which include the world's largest oil producers, **Saudi Arabia, Iraq** and Russia.⁴¹ Arkab stated that:

*"The decisions we made in OPEC+, collectively and individually, led to reversing the downward trend in oil prices, reducing volatility and restoring stability in the global oil market."*⁴²

The voluntary cuts made by OPEC+ members this year are in addition to a mandatory cut of 1.4 million barrels per day (bpd), which will begin in early 2024 and continue for the full year.⁴³ OPEC+ countries produce around 40% of the world's crude, which means that its policy decisions have a major impact on oil prices. Global oil supply was already expected to tighten in the second half of this year with the current OPEC+ production policy in place; however, the new cuts will lower supply levels even further.⁴⁴ Algeria and OPEC+ members will most likely see some increase in oil revenues as a result of the production cuts.

³³ DW, 8 Jul 2023

³⁴ DW, 8 Jul 2023

³⁵ BBC, 8 Aug 2023

³⁶ Menas Associates, 27 Jun 2023

³⁷ Menas Associates, 27 Jun 2023

³⁸ DW, 8 Jul 2023

³⁹ Middle East Monitor, 5 Aug 2023

⁴⁰ Middle East Monitor, 5 Jun 2023

⁴¹ The Guardian, 4 Jun 2023

⁴² Middle East Monitor, 5 Jun 2023

⁴³ The Guardian, 4 Jun 2023; Middle East Monitor, 5 Jun 2023

⁴⁴ Reuters, 5 Jun 2023

In a major boon for Algeria, skyrocketing energy prices – a consequence of Russia’s war in Ukraine – have already shored up the country’s foreign reserves, giving the government more scope to cushion citizens against increasing living costs and ward off social unrest (*see ARC Briefing Algeria Jan 2023*).⁴⁵ The director general of foresight at Algeria’s energy ministry, **Miloud Medjelled**, announced on 15 December that gas exports hit a record 56 billion cubic metres (bcm) in 2022 and are likely to increase in 2023.⁴⁶ The expected increase in oil prices will benefit Algeria even further. The OPEC+ JMMC will convene again on 4 October to examine compliance with its commitment to reduce production and assess the international market situation.⁴⁷

Planner

4 Oct 2023 **(Virtual)** The OPEC+ JMMC convene;
 2023 **Paris (France)** President **Abdelmadjid Tebboune** to visit Paris;
 Dec 2024 **(Algeria)** Presidential elections;

Chronology

15 Aug 2023 **Algiers (Algeria)** *Africa News*. Algeria has banned the screening of the **United States (US)**-produced film **Barbie** nearly three weeks after its release in cinemas across the country because it “*promotes homosexuality and transsexuality*”;

14 Aug 2023 **Tindouf (Algeria)** *Zawya*. Algeria is planning to pump \$7-10 billion into a project to develop a giant mine in the western **Tindouf** province with a targeted production of 40 million tonnes of iron;

12 Aug 2023 **Algiers (Algeria)** *Xinhua*. A landmark Algerian highway built to connect 17 provinces has been completed with **China's CITIC Construction** delivering its final 84-km segment;

9 Aug 2023 **Washington D.C. (United States)** *United States State Department*. **Algeria’s** foreign minister, **Ahmed Attaf**, meets with United States secretary of state **Antony Blinken** in Washington D.C.;

8 Aug 2023 **Algiers (Algeria)**. *Middle East Monitor*. Algerian military chief of staff **Al-Said Chengriha** says the military forces are ready to face any danger, in explicit reference to the **Niger** coup, which Algeria fears could have security and humanitarian repercussions on the region;

6 Aug 2023 **Algiers (Algeria)**. *Anadolu Agency*. Algeria and the **European Union (EU)** call for unifying political and diplomatic pressures to ensure a return of the “*constitutional order*” in **Niger**;

4 Aug 2023 **Algiers (Algeria)** *Algeria Press Service*. Foreign minister **Ahmed Attaf** receives the special envoy of Nigeria, **Baba Gana Kingibe**;

3 Aug 2023 **Algiers (Algeria)** *Algeria Press Service*. President **Abdelmadjid Tebboune** conducts a partial reshuffle among the presiding judges of the courts and general prosecutors at the courts of justice;

⁴⁵ Bloomberg, 20 Oct 2023

⁴⁶ Radio Algeria, 15 Dec 2022

⁴⁷ Middle East Monitor, 5 Jun 2023

29 Jul 2023 **Algiers (Algeria)**. *Middle East Monitor*. French-language Algerian newspaper **Le Soir d'Algerie** reports that the **United Arab Emirates (UAE)** may have played a role in the attempted coup against **Niger's** President **Mohamed Bazoum**;

26 Jul 2023 **Rabat (Morocco)**. *North Africa Post*. Morocco expresses condolences to **Algeria** on the deaths caused by wildfires, saying it follows with pain and regret the blazes across the country;

25 Jul 2023 **Algiers (Algeria)**. *Middle East Monitor*. Algeria calls for a development strategy to solve irregular migration in the region;

24 Jul 2023 **Algiers (Algeria)**. *Morocco World News*. The interior ministry reports that a devastating wildfire outbreak has struck the mountainous provinces of **Bejaia** and **Bouira**, claiming the lives of at least 15 people;

20 Jul 2023 **Algiers (Algeria)**. *Reuters*. Algeria strongly criticises **Israel's** recognition of **Moroccan** sovereignty over the disputed **Western Sahara** region, saying the move is a violation of international law.

About Africa Risk Consulting:

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