



The Algerian Mirage

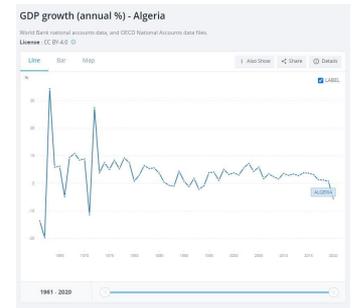
Economic Analysis: The Plundering Of an Inherited Fortune



<https://ri-se.org/>

Graphs and slides by Farida Bouattoura

Data collected from IMA, World Bank, CIA Database, Our World Data, and UN
Nov 30, 2021



Algerian Economic Background



“Hydrocarbons have long been the backbone of the economy, accounting for roughly 30% of GDP, 60% of budget revenues, and nearly 95% of export earnings. Algeria has the 10th-largest reserves of natural gas in the world - including the 3rd-largest reserves of shale gas - and is the 6th-largest gas exporter. It ranks 16th in proven oil reserves. Hydrocarbon exports enabled Algeria to maintain macroeconomic stability, amass large foreign currency reserves, and maintain low external debt while global oil prices were high. With lower oil prices since 2014, Algeria’s foreign exchange reserves have declined by more than half and its oil stabilization fund has decreased from about \$20 billion at the end of 2013 to about \$7 billion in 2017, which is the statutory minimum.”

CIA Database

<https://www.cia.gov/the-world-factbook/countries/algeria/#economy>

Real GDP, Growth, and Budget

This entry gives the gross domestic product (GDP) or value of all final goods and services produced within a nation in a given year.

<u>Real GDP (purchasing power parity)</u>	\$468.4 billion note: data are in 2017 dollars (2020 est.)	\$495.56 billion note: data are in 2017 dollars (2019 est.)	\$491.63 billion note: data are in 2017 dollars (2018 est.)	note: data are in 2017 dollars	<u>country comparison to the world: 42</u>
<u>Real GDP growth rate</u>	1.4% (2017 est.)	3.2% (2016 est.)	3.7% (2015 est.)		<u>country comparison to the world: 157</u>
<u>Industrial production growth rate</u>	0.6% (2017 est.)				<u>country comparison to the world: 164</u>
<u>Budget</u>	revenues: 54.15 billion (2017 est.) expenditures: 70.2 billion (2017 est.)				
<u>Budget surplus (+) or deficit (-)</u>	-9.6% (of GDP) (2017 est.)				<u>country comparison to the world: 207</u>
<u>Public debt</u>	27.5% of GDP (2017 est.)	20.4% of GDP (2016 est.)			

Exports & Imports

<u>Exports</u>	\$38.32 billion note: data are in current year dollars (2019 est.)	\$44.39 billion note: data are in current year dollars (2018 est.)
<u>Exports - partners</u>	Italy 13%, France 13%, Spain 12%,	United States 7%, United Kingdom 7%, India 5%, South Korea 5% (2019)
<u>Exports - commodities</u>	crude petroleum, natural gas, refined petroleum, fertilizers, ammonia (2019)	
<u>Imports</u>	\$54.26 billion note: data are in current year dollars (2019 est.)	\$60.05 billion note: data are in current year dollars (2018 est.)

Reserves of Foreign Exchange and Gold

Reserves of foreign exchange and gold
 \$97.89 billion (31 December 2017 est.)

\$114.7 billion (31 December 2016 est.)

country comparison to the world: 26

21	<u>United States</u>	\$123,300,000,000	31 December 2017 est.
22	<u>Iran</u>	\$120,600,000,000	31 December 2017 est.
23	<u>Poland</u>	\$113,300,000,000	31 December 2017 est.
24	<u>Turkey</u>	\$107,700,000,000	31 December 2017 est.
25	<u>Malaysia</u>	\$102,400,000,000	31 December 2017 est.
26	<u>Algeria</u>	\$97,890,000,000	31 December 2017 est.
27	<u>United Arab Emirates</u>	\$95,370,000,000	31 December 2017 est.
28	<u>Canada</u>	\$86,680,000,000	31 December 2017 est.

Poverty headcount ratio at national poverty lines (% of population)

Only 5.5% Below poverty(2011)

No information since 2011

Poverty headcount ratio at national poverty lines (% of population)

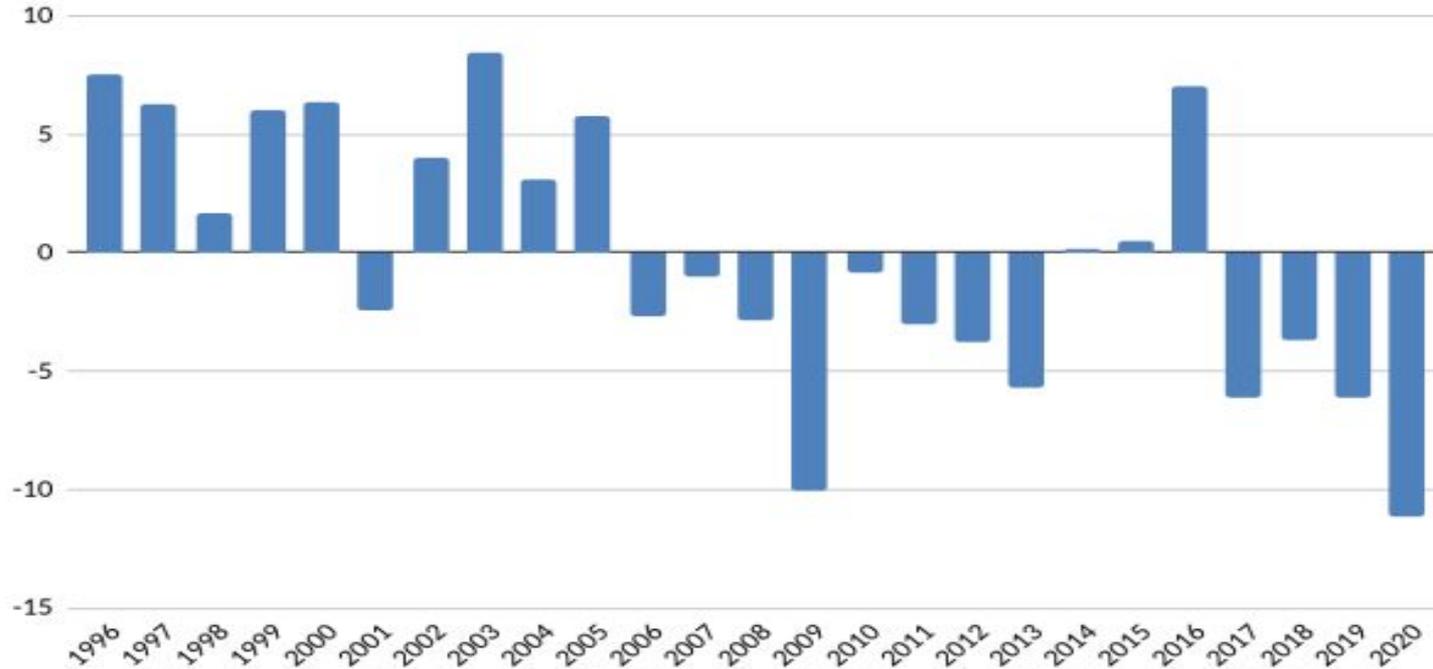
National poverty headcount ratio is the percentage of the population living below the national poverty line(s). National estimates are based on population-weighted subgroup estimates from household surveys. For economies for which the data are from EU-SILC, the reported year is the income reference year, which is the year before the survey year.

Poverty headcount ratio at \$1.90 a day (2011 PPP) (% of population)

Poverty headcount ratio at \$1.90 a day is the percentage of the population living on less than \$1.90 a day at 2011 international prices. As a result of revisions in PPP exchange rates, poverty rates for individual countries cannot be compared with poverty rates reported in earlier editions.

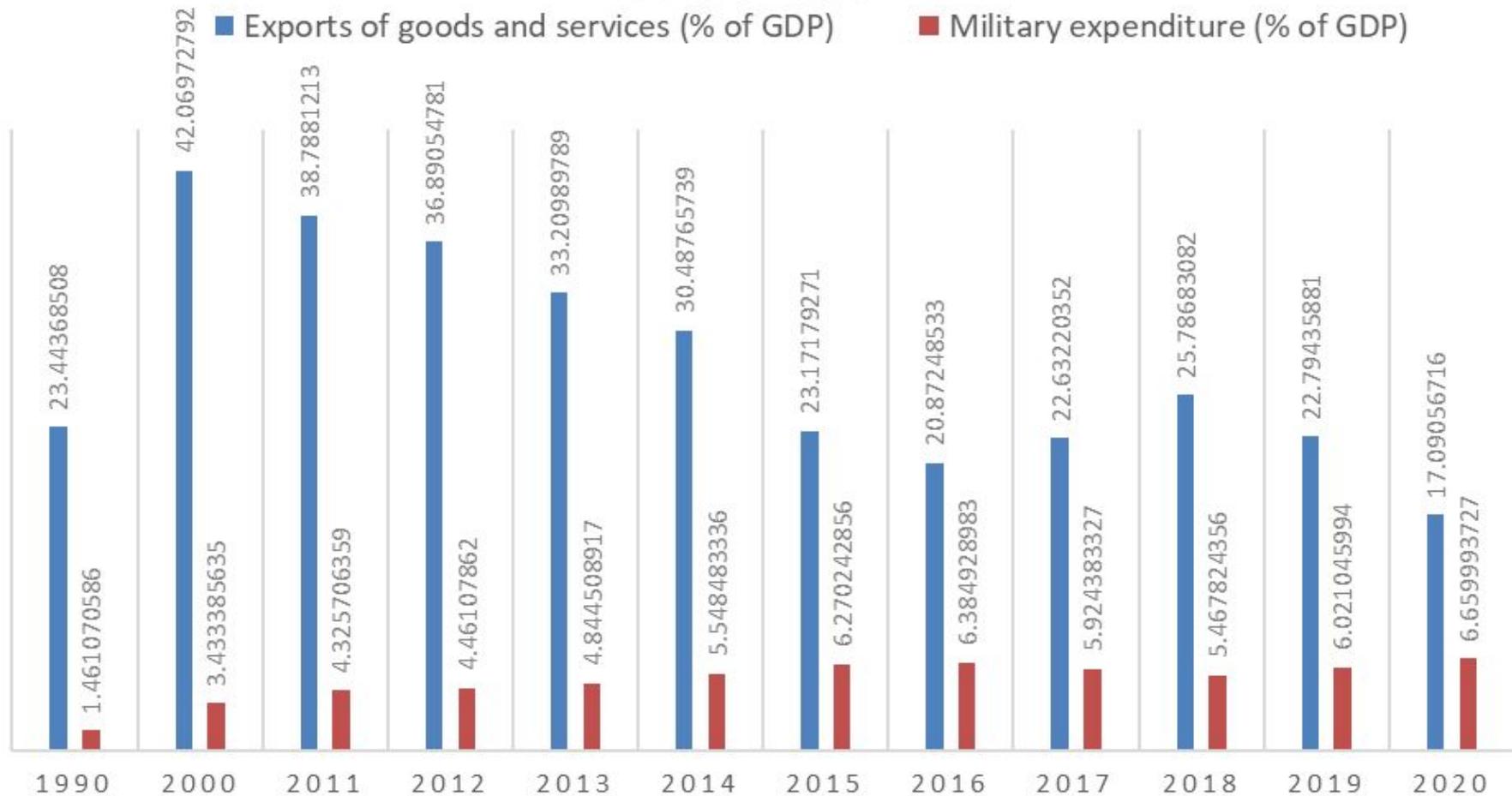
<https://databank.worldbank.org/reports.aspx?source=2&country=DZA>

Exports of goods and services (annual % growth) Algeria Data from database: World Dev Indicators Last Updated: 11/23/2021

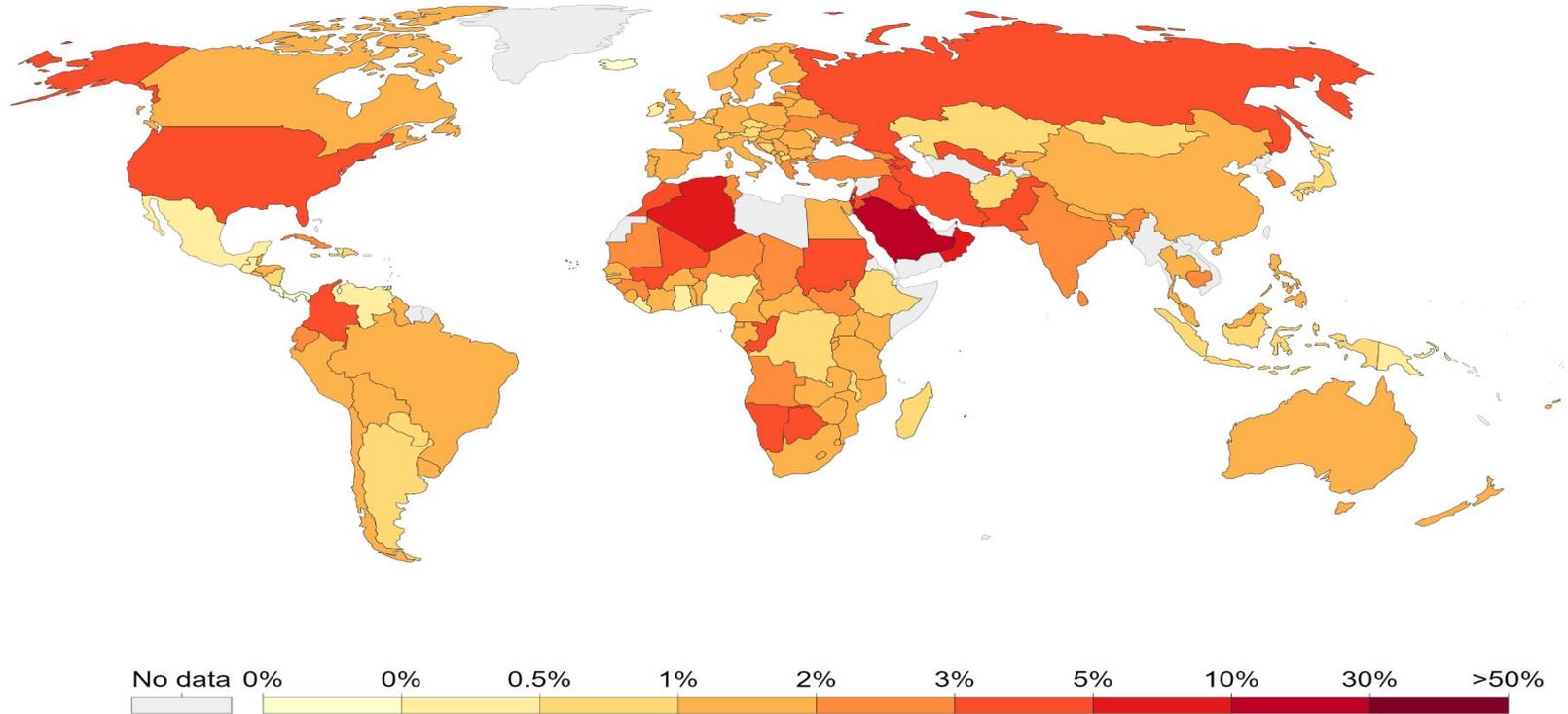


% OF GDP

■ Exports of goods and services (% of GDP) ■ Military expenditure (% of GDP)



Military expenditure as share of GDP, 2017

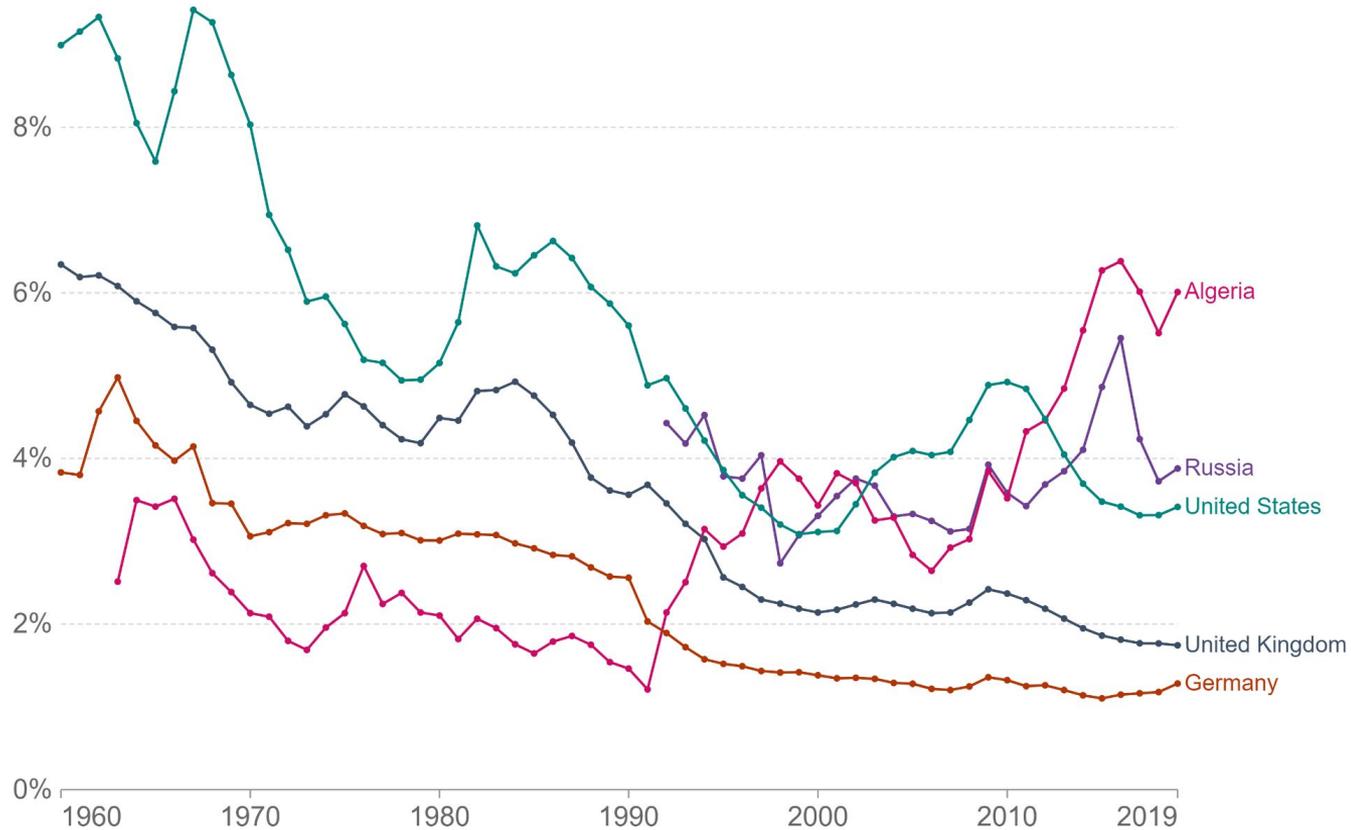


Source: Stockholm International Peace Research Institute (via World Bank)

OurWorldInData.org/military-spending/ • CC BY

<https://ourworldindata.org/grapher/military-expenditure-as-share-of-gdp?country=USA~RUS~DEU~GBR~DZA>

Military expenditure as share of GDP, 1960 to 2019



Source: Stockholm International Peace Research Institute (via World Bank)

OurWorldInData.org/military-spending/ • CC BY

Resources



Natural gas - exports	53.88 billion cu m (2017 est.)	<u>country comparison to the world: 7</u>
Natural gas - proved reserves	4.504 trillion cu m (1 January 2018 est.)	<u>country comparison to the world: 10</u>
Natural gas - production	93.5 billion cu m (2017 est.)	<u>country comparison to the world: 10</u>
Refined petroleum products - exports	578,800 bbl/day (2015 est.)	<u>country comparison to the world: 15</u>
Crude oil - proved reserves	12.2 billion bbl (1 January 2018 est.)	<u>country comparison to the world: 15</u>
Crude oil - exports	756,400 bbl/day (2015 est.)	<u>country comparison to the world: 15</u>
Refined petroleum products - production	627,900 bbl/day (2015 est.)	<u>country comparison to the world: 29</u>

Energy Usage



Electricity - from fossil fuels	96% of total installed capacity (2016 est.)	<u>country comparison to the world: 36</u>
Electricity - from nuclear fuels	0% of total installed capacity (2017 est.)	<u>country comparison to the world: 34</u>
<u>Electricity - from hydroelectric plants</u>	1% of total installed capacity (2017 est.)	<u>country comparison to the world: 144</u>
<u>Electricity - from other renewable sources</u>	2% of total installed capacity (2017 est.)	<u>country comparison to the world: 129</u>

At The Edge Of A Crisis



UN Publication: World Economic Situation and Prospects 2020 Energy transition and the global economy:

“For fossil-fuel producers, revenues from current fossil-fuel sales must be carefully managed to provide a buffer against potential losses, to ensure that funds are available to support the adaptation and transition process, and to invest in a diverse portfolio of long-term assets. The majority of long-term oil and gas producers, including Algeria” (p 95)

“The dependence of public finances on fossil-fuel-related revenue must be reduced by expanding and diversifying the tax base. At least 14 fossil-fuel exporters around Many developing countries have recently discovered new fossil-fuel resources The policy framework for winding down fossil-fuel activities should develop along five fronts Box II.5 (continued) 96 World Economic Situation and Prospects 2020 the world continue to rely on fossil-fuel sales to fund more than half of their fiscal spending (see figure II.6). Unless major diversification efforts are undertaken, there is a risk of a dramatic shortfall in public services as this revenue source dwindles.” (p 96)

“Economic diversification—especially into industries that produce and use clean energy—should be encouraged through targeted investments in technology, infrastructure, training and skill development.” (p 96)

It was predicted even before Covid-19: “GDP growth in Algeria is projected to be only 2.0 per cent in 2019 and 2.3 per cent in 2020 amid subdued private consumption and investment demand” (p 122)

“In many countries, fiscal accounts are weak and volatile and are subject to fluctuations in commodity prices, especially oil. It is imperative for hydrocarbon exporters such as Algeria” (p 125)“In North Africa, youth unemployment rates exceed 25 per cent in Algeria, Egypt and Tunisia.” (p 128)

Resource

https://www.un.org/development/desa/dpad/wp-content/uploads/sites/45/WESP2020_FullReport.pdf

Sources

- <https://www.imf.org/en/Countries/DZA#>
- <https://www.cia.gov/the-world-factbook/countries/algeria/>
- <https://databank.worldbank.org/reports.aspx?source=2&country=DZA>
- <https://ourworldindata.org/grapher/military-expenditure-as-share-of-gdp?country=USA~RUS~DEU~GBR~DZA>
- https://www.un.org/development/desa/dpad/wp-content/uploads/sites/45/WESP2020_FullReport.pdf