

Algeria

Trilemma Rank  
# 69

Trilemma Score  
63.9

Balance Grade  
CBD

There has been little change in Algeria's performance across the three Trilemma dimensions in the past decade with its overall scores remaining fairly steady and average. Like most oil and gas producers, Algeria scores well on Energy Security and is able to meet all domestic demand while energy subsidies and high levels of energy and clean cooking access make for a very high Energy Equity score. Sustainability is one of the weak links in the Trilemma as the North African country has been slow to take full advantage of its abundant renewable energy resources. Algeria gets a balance grade of CBD and its global rank is 69.

Population  
41.3 (millions)

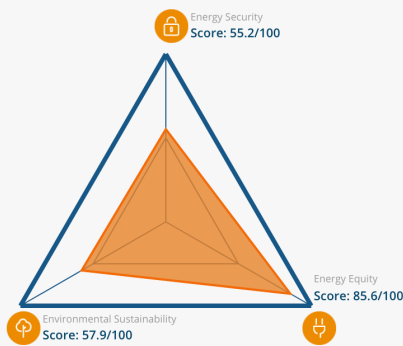
Land Area  
2,381.7 (thousand sq. km)

GDP Per Capita  
4,115 (PPP US\$)

Industrial Sector  
39.6 (% of GDP)

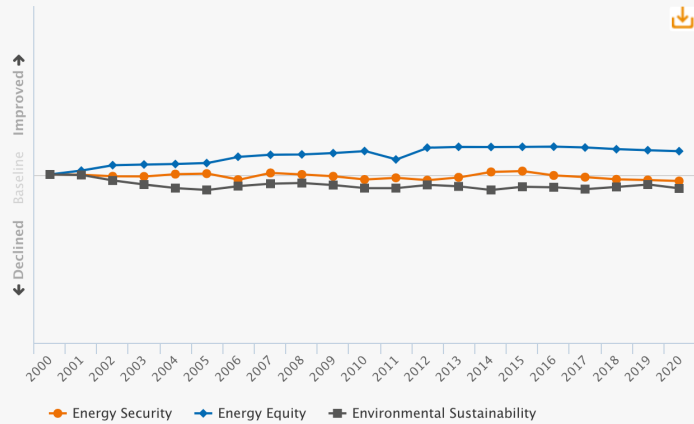
GDP Growth  
1.4 (annual %)

Balance



Historical Trilemma Scores

Trend lines track the country's performance in each dimension, beginning with a baseline of 100 in the year of 2000



Trends and Outlook

Algeria's economy has suffered from oil and gas price weakness in 2019 as its economy relies heavily on revenues from hydrocarbon exports. The rise in US oil and gas production over the last decade led to the loss of the US market for Algerian LNG and crude oil, forcing Algeria to seek markets further afield, including in Asia, where it faces stiff competition from other oil and gas exporters with a foothold in the Asian growth market. Algeria exports more than 85% of its gas to Europe by pipeline with Italy and Spain its largest customers. However, because its gas contracts are linked to crude oil prices, oil price weakness means lower earnings from gas sales to Europe. Algeria's oil production capacity has been stagnant during the last decade due to the lack of sufficient investment in new upstream capacity. Although new gas developments are due to come on stream as part of the Southwest Gas Project, it will not be enough to offset declines from existing fields. Gas production in 2019 was down by 8% over 2018 levels.

A new hydrocarbon law came into effect in January 2020 that the government hopes removes bureaucratic hurdles that have shackled the industry and encourage the international oil companies to return to Algeria. The country needs foreign investment as it is running a budget deficit for over a decade and the demand slump caused by COVID-19 and historic low oil and gas prices at the start of the year will deliver another blow to the country's fiscal position.

This over-reliance on hydrocarbon exports is a vulnerability for Algeria, where penetration of renewables is still low despite its solar and wind potential. Current renewables capacity is 448MW of solar PV, mostly off-grid, 10MW of wind and 276MW of hydro, according to renewable energy agency Irena. Bureaucratic delays and unfavourable commercial terms have deterred investors in the sector. Only 50MW of a planned 150MW of solar capacity was awarded in 2019. Algeria plans to bring online 4GW of solar capacity by 2024.

Key metrics

Metrics are determined relative to other countries, with a full bar representing a score of 100.

