

Algeria aims for \$2.6bn increase in energy investment next year

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Opec member Algeria plans to increase investment in its oil and gas sector by \$2.6bn next year to boost production by 8.9 million tonnes of oil equivalent, Prime Minister Ayman Benabderrahmane said on Monday, 13 September.



Fuel storage tanks are pictured in Algiers, Algeria. Reuters/Ramzi Boudina

Oil and gas investment in 2022 will total \$10bn, up from \$7.4bn this year, aiming to increase output to 195.9 million tonnes of oil equivalent from 187 million tonnes of oil equivalent, Benaberrahmane told parliament as he presented his government action plan.

Algeria, which relies heavily on the energy sector, last year halved planned investment spending in oil and gas to \$7bn to cope with financial pressure caused by a fall in global crude oil prices due to the pandemic.

The government expects energy export earning to rise to \$33bn this year from \$20bn in 2020 after a rise in oil prices in international market.



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The action plan includes reforms to improve the investment climate mainly in the non-energy sector to help to reduce Algeria's reliance on oil and gas which account for more than 90% of total export earnings and 60% of the state budget.

The plan also included a commitment to keep the government's subsidy policy unchanged to avoid social unrest. It currently subsidizes almost everything from basic foodstuffs to housing, medicine and fuel.

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