

## **China-Algeria partnership: reality – prospects**

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### ***Résumé***

*Cette étude vise à comprendre les relations géopolitiques que l'Algérie développe avec ses partenaires, y compris la Chine. Le partenariat entre la Chine et l'Algérie s'est considérablement développé ces dernières années, axé sur le commerce, les infrastructures, l'énergie et la coopération politique. La Chine est l'un des plus grands partenaires commerciaux de l'Algérie, avec un commerce dépassant les 10 milliards de dollars grâce aux exportations de pétrole et de gaz algériens. Les entreprises chinoises ont activement participé à des projets d'infrastructure,*

notamment des routes, des chemins de fer et le développement urbain, dans le cadre de l'Initiative la Ceinture et la Route (BRI). De plus, les deux pays ont coopéré dans le secteur de l'énergie, en particulier dans les projets pétroliers, gaziers et d'énergies renouvelables. Malgré ces développements, le partenariat fait face à des défis tels que la dépendance excessive aux exportations d'énergie, les déséquilibres commerciaux, l'augmentation de la dette et la participation limitée de la main-d'œuvre locale dans les projets dirigés par la Chine. Les tensions géopolitiques et les préoccupations environnementales représentent également des risques pour la durabilité de cette relation. Pour garantir un succès à long terme, les deux pays doivent relever ces défis en diversifiant l'économie de l'Algérie et en s'assurant que les bénéfices de la coopération profitent à l'ensemble de la population.

**Mots-clés :** Algérie, Initiative la Ceinture et la Route, Chine, défis économiques, partenariat économique.

## **Partenariat Chine-Algérie : réalité - perspectives**

### **Abstract:**

*This study aims to understand the geopolitical relations that Algeria is building with its partners, including China. The partnership between China and Algeria has developed significantly in recent years, focusing on trade, infrastructure, energy, and political cooperation. China is one of Algeria's largest trading partners, with trade exceeding \$10 billion due to Algerian oil and gas exports. Chinese companies have been actively involved in infrastructure projects, including roads, railways, and urban development, as part of the Belt and Road Initiative (BRI). In addition, the two countries have cooperated in the energy sector, particularly in oil and gas and renewable energy projects. Despite these developments, the partnership faces challenges such as overreliance on energy exports, trade imbalances, increasing debt, and limited local labour participation in Chinese-led projects. Geopolitical tensions and environmental concerns also pose risks to the sustainability of the relationship. To ensure long-term success, both countries must address these challenges by diversifying Algeria's economy and ensuring cooperation benefits reach the wider population.*

**Keywords:** Algeria, Belt and Road Initiative, China, economic challenges, economic partnership.

## **Introduction**

The partnership between China and Algeria has witnessed remarkable growth over the past few decades, evolving from traditional diplomatic relations to a comprehensive economic and strategic alliance. As Algeria seeks to diversify its economy and modernise its infrastructure, China has become a key partner, offering financial investment and technological expertise. The cooperation spans various sectors, including trade, energy, infrastructure, and cultural exchanges. China's Belt and Road Initiative (BRI) has significantly enhanced this bilateral relationship through large-scale construction projects and energy investments. However, despite the mutual benefits, this partnership has challenges. Algeria's over-reliance on oil and gas exports, trade imbalances, rising debt, and limited local employment opportunities in Chinese-led projects raise concerns about the long-term sustainability of this alliance. This paper aims to explore the realities of the China-Algeria partnership, analyse the opportunities it presents, and address the challenges that both nations must navigate to ensure the success of their cooperation moving forward. The central question is: How far will economic relations between China and Algeria reach under the Belt and Road strategy?

### **1. Research objectives and importance**

The research on the Algeria-China partnership is essential for gaining a comprehensive understanding of the current and future dynamics between the two countries. It holds significant value in examining the relationship's economic, strategic, and political dimensions and exploring how this

partnership can evolve to address emerging global challenges and opportunities.

## **2. Method and tools**

We have adopted an analytical approach in this study, which will provide a comprehensive understanding of the economic, political, and social dynamics. We will use modern tools such as geographic information systems and data visualisation, making the study accessible to various stakeholders interested in understanding the implications of this growing partnership.

## **3. Previous studies**

The evolving nature of China–Algeria relations has been analysed through various lenses, including trade, infrastructure, and SME development. Alden and Aggad-Clerx (2012) provided early insight into the employment effects of Chinese investments in Algeria, emphasising the mixed outcomes of these engagements regarding local job creation. Expanding on this, Pairault (2015) described China’s economic presence in Algeria as strategic and long-term, underpinned by infrastructure agreements and state-level cooperation. Calabrese (2017) further noted that while the relationship holds potential for transformation, institutional inefficiencies in Algeria have limited the partnership’s depth.

From the SME perspective, Bouazza (2015) and Mosbah and Debili (2014) highlighted the critical role of SMEs in Algeria’s economic development yet underscored structural barriers such as inadequate financing and limited integration into global markets. Brahim and Nourredine (2017) added that weak corporate governance among Algerian SMEs further constrains their capacity to benefit from foreign-led initiatives like the BRI. Senadjki et al. (2020) directly

addressed this intersection, showing that while the BRI creates new trade opportunities, Algerian SMEs struggle with competitiveness due to dominance by Chinese enterprises and insufficient local support mechanisms.

In the broader context, Eisenman and Shinn (2018) discussed China's strategy in Africa, describing the BRI as both an opportunity and a source of concern due to rising debt and dependency. This is echoed by Hurley et al. (2019), who examined the potential debt implications of BRI projects in developing countries, including Algeria. Moreover, recent empirical studies (e.g., Jia et al., 2020; Yu et al., 2020) have quantitatively assessed the impact of BRI infrastructure on Algeria's trade logistics and connectivity, revealing significant but uneven benefits.

These studies demonstrate that while the China-Algeria partnership has made tangible progress in trade and infrastructure, its developmental outcomes—particularly for SMEs—remain contingent on domestic reforms and inclusive economic policies. In further analysing the China-Algeria economic partnership, recent literature emphasises its transformative role in supporting Algeria's developmental goals. Zemouri and Belkacemi (2017) examined the historical progression and strategic expansion of Sino-Algerian relations, arguing that Chinese investment now plays a leading role in advancing Algeria's long-aspired economic emergence. Their work highlights the importance of leveraging Chinese financial flows to stimulate key sectors of the Algerian economy. In a more data-driven analysis, Bellahmar (2023) conducted a longitudinal study of trade and economic cooperation from 2000 to 2020, concluding that substantial material and human resources underpinned the Algerian-Chinese partnership. He argued that China's commercial

ambitions in Africa are evident through initiatives such as the Forum on China–Africa Cooperation (FOCAC), which has supported Algeria's regional integration and export capacities. Complementing these findings, Belaa (2023) analysed the multidimensional nature of Sino-Algerian relations, concluding that the partnership has moved beyond economics and politics to include social and cultural exchanges. Using a descriptive and analytical approach, she identified the relationship as a comprehensive and dynamic alliance with significant development potential for Algeria.

These studies confirm that the China–Algeria partnership has evolved into a multifaceted strategic relationship with immediate and long-term implications for Algeria's growth trajectory.

To learn about the topic, the research was divided into four main axes:

## **4. Sino-Algerian relations.**

### **4.1. The History of Sino-Algerian Relations**

The relationship between China and Algeria has undergone a significant transformation over the decades, shaped by historical, economic, and geopolitical factors. The roots of Sino-Algerian relations date back to the mid-20th century, with both countries sharing a commitment to anti-colonial struggles and a mutual desire to strengthen South-South cooperation. Below is an overview of the key phases and developments in the history of Sino-Algerian relations (Belaa, 2023, pp. 60–61).

#### ***4.1.1 Early Years: Anti-Colonial Solidarity (1950s-1960s)***

The foundations of Sino-Algerian relations were laid during the Algerian War of Independence (1954-1962) when Algeria sought to free itself from French colonial rule. At this

time, China, under the leadership of the Communist Party, was emerging as a global power with a strong anti-colonial stance. Both countries found common ground in opposing imperialism, particularly French colonialism, and supported each other's political causes (Zellagui & Boutora, 2020, p. 218).

**1950s-1960s:** During this period, Algeria was fighting for its independence, while China had already undergone its revolution in 1949 and sought to establish itself as a leader of the global anti-colonial movement. China expressed solidarity with Algeria's struggle, offering moral and material support, particularly to the Algerian National Liberation Front (FLN).

**1962:** When Algeria gained independence in 1962, the Chinese government was among the first to recognise the new state, establishing formal diplomatic relations shortly thereafter. Algeria's post-independence leaders, including President Ahmed Ben Bella, were sympathetic to China's revolutionary ethos and policies (Djendi, 2022, p. 633).

#### ***4.1.2. The Early Diplomatic Relationship (1960s-1970s)***

After Algeria gained independence, Sino-Algerian relations strengthened politically and diplomatically. China and Algeria found common ground in their support for the newly independent states of the Global South and their shared commitment to socialism and anti-imperialism.

**1960s-1970s:** Throughout the 1960s and 1970s, Algeria and China cooperated within the Non-Aligned Movement (NAM) framework, which sought to maintain neutrality in the Cold War rivalry between the U.S. and the Soviet Union. Both countries were part of the broader movement advocat-

ing for the rights of developing nations to choose their political and economic systems free from foreign intervention.

**1971:** One of the significant milestones in Sino-Algerian relations was Algeria's support for China's admission to the United Nations in 1971. Algeria's vote was pivotal in gaining China's seat at the UN, signalling their deepening political cooperation.

**1970s:** During this period, China provided technical and financial assistance to Algeria in infrastructure development. One notable example is the construction of the iconic *Tizi Ouzou* dam and other large-scale infrastructure projects, which were part of China's efforts to build strong ties with African nations through economic cooperation (Djendi, 2022, p. 633).

#### ***4.1.3. Period of Divergence and Realignment (1980s-1990s)***

The 1980s and 1990s witnessed a shift in Sino-Algerian relations as both countries faced internal challenges and global political changes. Algeria's political landscape was marked by a period of instability, and China underwent economic reforms under Deng Xiaoping, shifting its focus towards modernisation and market-oriented reforms.

**1980s:** During this decade, Algeria was grappling with economic challenges, including the decline in oil prices, which affected its economy. Meanwhile, China was undergoing a significant transformation as it shifted from a centrally planned economy to one that integrated elements of the market system. As a result, while diplomatic relations remained cordial, economic ties between the two countries were less significant compared to the earlier period.

**1990s:** The 1990s saw political turmoil in Algeria, including a violent civil war (the "Black Decade") and a transition to a more liberalised economy. During this period, China

was more focused on its internal economic reforms and the integration of its economy into the global market. Despite this, both nations maintained diplomatic ties, and China's growing role in Africa would later contribute to a resurgence of economic and political engagement with Algeria (Zellagui & Boutora, 2020, p. 219).

#### *4.1.4. Strengthening Economic and Strategic Ties (2000s-Present)*

The early 21st century marked a period of revitalisation in Sino-Algerian relations, driven by mutual economic interests, particularly in the energy sector, and China's growing influence in Africa. By the 2000s, China had become a significant economic power, and Algeria, with its vast oil and gas reserves, was an attractive partner for Chinese investment and trade.

**2000s:** The 2000s marked a significant turning point in Sino-Algerian relations. China's growing demand for oil and gas coincided with Algeria's need for foreign investment to develop its energy infrastructure. China's state-owned oil companies, such as Sinopec and the China National Petroleum Corporation (CNPC), entered Algeria's energy sector, signing major oil exploration and production contracts.

**2004:** In 2004, China and Algeria signed a strategic partnership agreement, which laid the foundation for increased trade and cooperation in various sectors, including energy, infrastructure, and manufacturing. Algeria, in turn, became one of China's key partners in Africa, mainly due to its wealth of natural resources.

**2006-2008:** During this period, China invested heavily in infrastructure projects in Algeria, including road construction, housing, and energy facilities. Chinese companies were

involved in some of Algeria's most ambitious infrastructure projects, such as constructing the East-West Highway, a major highway network spanning the country's length.

**2010s-Present:** In the 2010s, trade between the two countries expanded dramatically, with China becoming one of Algeria's largest trading partners. China's investments in Algeria also diversified beyond energy and infrastructure, with growing interest in telecommunications, agriculture, and manufacturing sectors. By the 2020s, the partnership had evolved into a comprehensive strategic and economic collaboration, with China playing an increasingly important role in Algeria's development. (Zellagui & Boutora, 2020, p. 220).

Sino-Algerian relations have followed almost the same pattern as Sino-African relations. Initially, they were marked by their ideological and political character, but after the 1970s, they took other forms based essentially on trade and investment. Algeria is particular in the Sino-African partnership; Chinese companies present themselves as effective partners with know-how whose implementation costs are advantageous. However, the financing component of the various projects is mainly provided by Algeria, unlike many African countries that borrow from China to finance their development projects. China offers several types of credit lines for African countries whose repayment is made in the medium and long term; it even offers credits backed by raw materials (credits guaranteed by natural resources). At maturity, if the debt is not cancelled and the state finds itself difficult, repayment is made with raw materials or by granting privileges to Chinese companies (Bouabbache & Laiche, 2022, p. 557).

## 4.2. Belt and Road Initiative (BRI):

China's Belt and Road Initiative (BRI) has been a key feature of the partnership in the 21st century. Algeria joined the BRI, and many large-scale infrastructure projects in Algeria, such as roads, railways, and ports, have been financed by Chinese investments. These projects aim to enhance Algeria's connectivity within Africa and with global markets, positioning the country as a key hub for trade and transport.

To consolidate bilateral relations, the two countries signed last November the second five-year plan for comprehensive strategic cooperation for the period 2022-2026, which aims to continue intensifying communication and cooperation in all fields, including economy, trade, energy, agriculture, science and technology, space, health, human and cultural communication, in addition to enhancing the alignment between the development strategies of the two countries (Djendi, 2022, p. 634).

China's growing presence in Africa has drawn mixed reactions from academics and the media. It has been argued that China is draining Africa's industrialisation potential and extracting Africa's resources without any significant benefits for Africa. China is thus seen as contributing to Africa's underdevelopment and deindustrialisation. However, some have seen China as a development partner for Africa. They argue that China's presence in Africa benefits both China and Africa. As a result, there is no consensus on whether China's growing presence in Africa is sustainable for Africa or whether the relationship is unsustainable (Ogbe & Orhero, 2023, p. 1038).

China engages in two main types of "partnership diplomacy" in the MENA region: strategic partnerships (SPs) and comprehensive strategic partnerships (CSPs).<sup>10</sup> According

to Georg Strüver's study of Chinese partnership diplomacy, relations between partner countries under an SP have the following four characteristics:

- 1) They go beyond typical diplomatic relations, involving consistent meetings between government officials and agencies to develop communication and trust.
- 2) They do not fall within the confines of treaty-based alliances or coalitions.
- 3) They are more "goal-driven" than "threat-driven," typically focusing on economic cooperation, culture, security, and technology.
- 4) An emphasis on behaviour and institutional processes characterises them (**Adel & annal, 2020, p. 3**).

## **5. The reality of the Sino-Algerian partnership**

The Sino-Algerian partnership has significantly deepened in recent years, encompassing various sectors like energy, infrastructure, and trade. China has become Algeria's largest trading partner, with bilateral trade exceeding \$10 billion in 2023. Key projects include the construction of 6,000 km of railway lines in Algeria and cooperation in aerospace and energy. Both nations view this partnership as crucial for their respective development strategies.

The Sino-Algerian partnership has grown significantly in recent years, encompassing various sectors like energy, infrastructure, and trade.

In the economic field, the pace of the bilateral partnership is witnessing a continuous acceleration through the completion of many projects of strategic importance to the Algerian economy, such as the central port of Cherchell, the exploitation of phosphate and iron, and the development of the railway network, which is likely to raise the level of Chinese

investments in Algeria (Zemouri-Belkacemi, 2017, pp. 502-503).

Algeria launched a raft of significant infrastructure projects mainly to build low-cost government housing (a central political issue for successive governments in Algeria), extend the railway network, and embark on the mega East-West highway project, estimated at US\$ 11.2 billion.<sup>39</sup> Besides some contracts for natural resource exploration, Chinese companies have benefited from many infrastructure contracts. By the end of 2002, Algeria had signed 198 labour contracts with China, totalling a contractual value of US\$1.898 billion and a business turnover of US\$902.48 million.<sup>40</sup> By 2007, the value of the contracts signed between Chinese state-owned companies and Algeria was the highest in Africa and the fifth in the world, making Algeria China's most important contract provider (Alden & Aggad-Clerx, 2012, p. 8).

## **6. Energy Cooperation:**

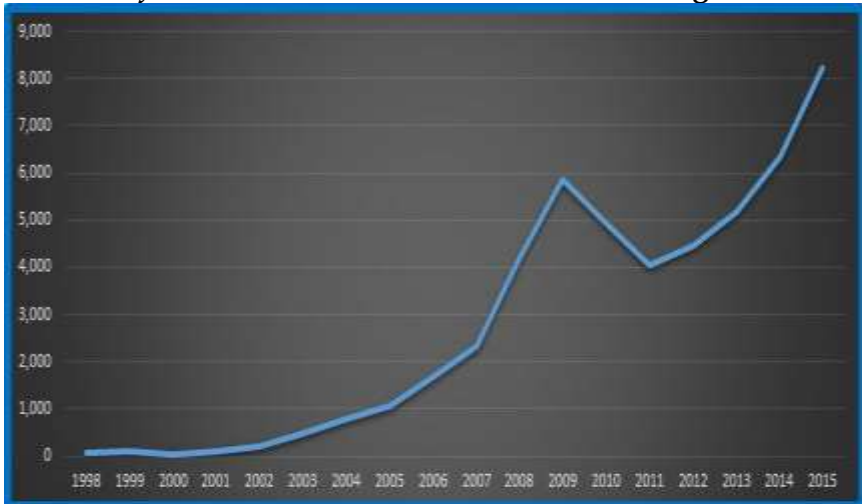
**Algeria as a Key Energy Supplier:** Algeria is a significant oil and natural gas supplier to China, and this energy trade forms a crucial part of their economic relationship. **Chinese Involvement in Algerian Energy Projects:** Chinese companies, such as CNPC and Sinopec, are actively involved in various aspects of Algeria's energy sector, including:

**Exploration and Production:** Chinese companies participate in oil and gas exploration and production activities within Algeria (Bellahmar, 2023, pp. 693-694).

## 7. Infrastructure Development:

Figure1

*Number of Chinese Construction Contracts in Algeria*



*Source: <https://www.mei.edu/publications/sino-algerian-relations-path-realizing-their-full-potential>*

The graph above demonstrates a significant increase in the number of Chinese construction contracts in Algeria from 1998 to 2015. Starting with a slow rise, the graph shows a sharp spike around 2009, followed by continued growth until 2015. This upward trend may reflect China's expanding role in Algeria's infrastructure development, possibly due to increasing bilateral agreements or policy shifts favouring foreign investment. The sharp peak in 2009 could indicate a key milestone or change in the volume of contracts. Chinese companies contribute to developing Algeria's energy infrastructure, such as pipelines and refineries.

Benefits for Algeria:

- **Access to the Chinese Market:** Energy exports to China provide Algeria with a significant resource market.

- **Investment and Technology Transfer:** Chinese involvement brings investment and technology transfer to Algeria's energy sector, potentially enhancing its capabilities.

Work is underway to strengthen the Algerian-Chinese partnership in the fields of new and renewable energies, especially solar photovoltaic energy, hydrogen, wind energy, and geothermal energy, as well as equipment manufacturing and the exploitation of mineral resources used in renewable energy industries.

## 8. Infrastructure Development:

Algeria has been undertaking significant infrastructure development projects recently, aiming to modernise the country and improve connectivity. Here are some key areas:

### 8.1 Transportation:

- **Roads:** Significant focus has been on constructing and upgrading roads, including the crucial East-West Highway. This highway aims to improve connectivity between different regions of the country.

- **Railways:** Efforts are underway to modernise and expand the national railway network, improving passenger and freight transport.

- **Ports:** The development and modernisation of Algerian ports are crucial for enhancing maritime trade and economic activity.

### 8.2. Energy:

- **Power Generation and Transmission:** Investments have been made to expand power generation capacity and improve the national electricity grid.

- **Renewable Energy:** Algeria is developing renewable energy sources, such as solar and wind power, to diversify its energy mix.

### 8.3. Telecommunications:

**Broadband Infrastructure:** Efforts are underway to expand broadband internet access nationwide, improving connectivity and digital inclusion.

### 8.4. Water Resources:

**Dam Construction:** The construction of new dams is a priority to improve water management and ensure water security.

## 9. Challenges:

**9.1 Funding:** Securing adequate funding for large-scale infrastructure projects can be challenging.

**9.2 Implementation:** Delays and cost overruns are common challenges in infrastructure projects (Zemouri-Belkacemi, 2017, p. 509).

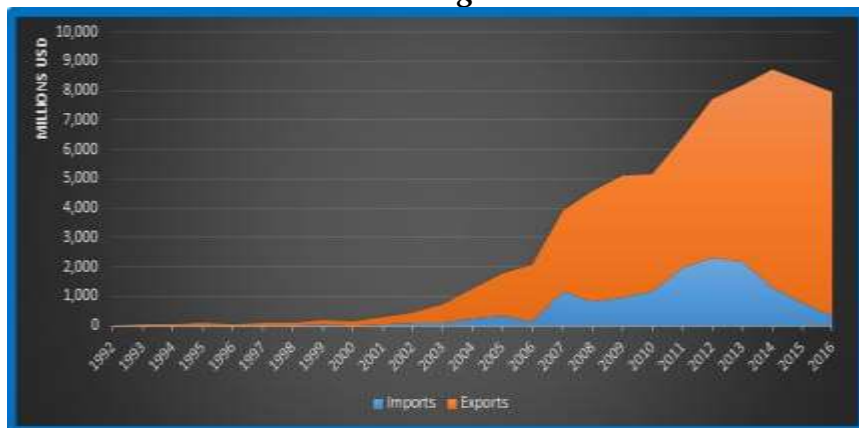
**9.3 Maintenance:** Ensuring infrastructure's long-term maintenance and upkeep is crucial for its sustainability (Zemouri-Belkacemi, 2017, p. 510).

**9.4 Trade:** China has become Algeria's largest trading partner, surpassing France in recent years. Chinese exports to Algeria include electronics, machinery, and textiles, while Algeria exports primarily oil and gas to China (Bellahmar, 2023, p. 697)

**9.5 Free Trade Agreement:** China and Algeria also discuss increasing trade cooperation and plans to deepen ties under the Belt and Road Initiative (BRI).

**Figure 2**

*China's Bilateral Trade with Algeria*



*Source:* <https://www.mei.edu/publications/sino-algerian-relations-path-realizing-their-full-potential>

The graph above shows the trend in imports and exports between China and Algeria from 1992 to 2016. Initially, imports and exports were relatively low, but from the mid-2000s onward, there was a sharp rise, with exports (orange line) increasing more significantly than imports (blue line). By 2015-2016, exports surged to around 8,000 million USD, while imports remained much lower, hovering around 2,000 million USD. This suggests a growing trade imbalance favouring China, possibly driven by China's increasing exports to Algeria, likely in the form of machinery, technology, and infrastructure-related goods.

## **10. Belt and Road Initiative (BRI):**

Algeria is an important partner in China's Belt and Road Initiative, which aims to improve infrastructure and trade links between China and countries across Asia, Africa, and Europe. China has committed to financing and building critical infrastructure projects in Algeria as part of the BRI.

### **10.1 Financial Sector:**

Chinese banks have been increasingly involved in financing projects in Algeria, helping facilitate the smooth flow of investments. Some central Chinese banks, including the Export-Import Bank of China, have extended loans to Algeria for infrastructure and energy projects.

### **10.2 Challenges:**

**10.2.1 Local Economy:** While the influx of Chinese investments has benefited Algeria's development, it has also led to concerns over the dominance of Chinese firms in key sectors, especially in construction and energy. Some local businesses have raised concerns about competition.

**10.2.2 Political Dynamics:** Algeria's political landscape is complex, and changes in government or economic policies can affect the flow of foreign investments, including from China.

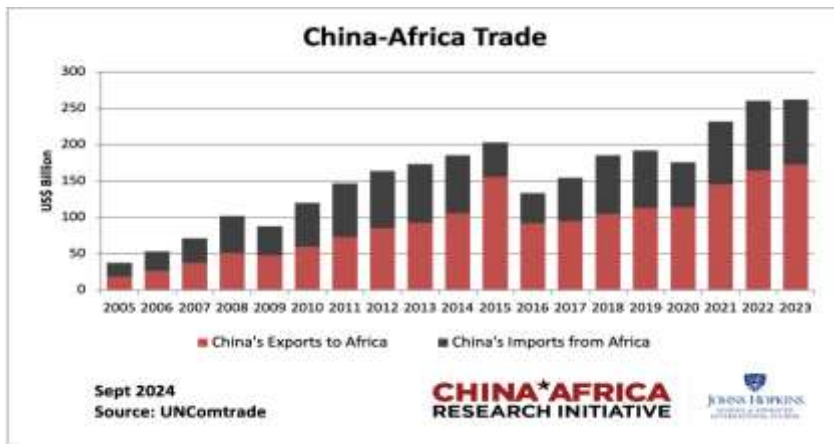
**10.2.3 Environmental and Social Issues:** Large-scale infrastructure projects funded by China have occasionally been criticised for their environmental impact and the working conditions of local labour.

### 10.3 The Chinese-Algerian Economic Relationship

The Chinese-Algerian economic relationship is robust, with significant infrastructure, energy, manufacturing, and technology investments. As part of the broader China-Africa partnership, Algeria is a crucial player in China's Belt and Road Initiative. While there are challenges, the long-term outlook for Chinese investments in Algeria remains positive, contributing to the country's modernisation and economic growth.

- ✓ As of 2023, China is Algeria's largest trading partner. Bilateral trade between the two countries has grown steadily.
- ✓ 2022 Trade Volume: Algeria and China's trade volume reached approximately \$10.5 billion in 2022, up from around \$8.5 billion in 2021. This reflects a steady increase in trade over the past decade.
- ✓ Exports from Algeria to China: Algeria primarily exports oil and natural gas to China, along with minerals and some agricultural products. Oil and gas account for about 80% of Algeria's exports to China.
- ✓ Imports from China: Algeria imports various goods from China, including machinery, electronics, construction materials, and automobiles. China's exports to Algeria were valued at approximately \$4.5 billion in 2022.

**Figure 3**  
*China-Africa Trade*



*Source:* <http://www.sais-cari.org/data-china-africa-trade>

Figure 3 shows the trade dynamics between China and Africa from 2005 to 2023. The graph reveals a consistent upward trend in China's exports to Africa (represented by the red bars) and imports from Africa (represented by the black bars). However, China's exports to Africa have been larger than its imports each year, with a significant growth rate observed in both categories, especially after 2010. By 2023, exports and imports have reached substantial levels, reflecting the increasing economic engagement between China and Africa.

### 10.4 Investment

Chinese investment in Algeria has expanded across energy, construction, and manufacturing sectors (Belaa, 2023, p. 62).

### **10.4.1 Key Areas of Chinese Investment in Algeria:**

#### 10.4.1.1 Infrastructure Development:

- **Construction and Engineering:** Chinese companies have significantly influenced Algeria's infrastructure development. For instance, China State Construction Engineering Corporation (CSCEC) has been building roads, bridges, and housing projects. A high-profile example is the construction of the Algiers Metro system, which was primarily funded and built by Chinese companies.
- **Railways and Transport:** China has also been heavily involved in modernising and expanding Algeria's railway system, including upgrading rail tracks and stations. The China Railway Construction Corporation (CRCC) has been a key player in these projects.

#### 10.4.1.2 Energy and Oil Sector:

- **Oil and Gas:** Algeria, one of Africa's largest oil and gas producers, has attracted significant Chinese investments in its energy sector. Chinese companies, such as Sinopec and China National Petroleum Corporation (CNPC), have invested in oil exploration and production in Algeria.
- **Renewable Energy:** In recent years, China has also begun to invest in Algeria's renewable energy sector, especially solar power, which is seen as a key area for Algeria's future energy diversification.

#### 10.4.1.3 Manufacturing and Industry:

- **Chinese investments** have expanded into Algeria's manufacturing sector, particularly cement production, textiles, and electronics. For example, Chinese

companies have invested in cement plants, crucial for supporting Algeria's construction sector.

- **Technology:** Chinese firms, particularly in telecommunications, such as Huawei, have invested in Algeria's technology infrastructure. Huawei has built networks and provided equipment for Algeria's telcoms.

### **10.5 Chinese Investment in Algeria (2018-2022)**

- 2018: \$2.5 billion
- 2019: \$3.0 billion
- 2020: \$3.2 billion
- 2021: \$3.5 billion
- 2022: \$4.0 billion (Bellahmar, 2023, p. 699)

## **11. The Implications of Sino-Algerian Relations for Development in Algeria in Light of the Belt and Road Strategy**

China's Belt and Road Initiative (BRI), also known as the Silk Road Economic Belt and the 21st Century Maritime Silk Road, is a global infrastructure and development strategy launched in 2013 by President Xi Jinping. The initiative aims to enhance global trade and stimulate economic growth across Asia, Africa, and Europe by developing trade routes resembling the ancient Silk Road (Zellagui & Boutora, 2020, p. 225).

### **11.1 Key Aspects of China's Belt and Road Strategy:**

#### ***11.1.1 Infrastructure Development:***

One of the BRI's core goals is to build and upgrade infrastructure – such as roads, railways, ports, airports, and energy pipelines – across participating countries. These projects foster better connectivity between countries and regions,

making trade more efficient and facilitating economic growth.

China has invested heavily in construction projects, leveraging its state-owned companies and financing mechanisms to build critical infrastructure in partner countries.

### ***11.1.2 Trade Expansion:***

The BRI aims to increase trade flows between China and partner countries by improving logistics and reducing trade barriers. By improving infrastructure and connectivity, the initiative seeks to reduce transportation costs and time, making it easier to exchange goods.

The initiative also fosters regional economic cooperation, with China seeking to enhance its role as a trading hub in Asia and globally (Zellagui & Boutora, 2020, p. 226).

### ***11.1.3 Investment and Financing:***

China provides significant loans and investments to partner countries to finance BRI projects. The China-led Asian Infrastructure Investment Bank (AIIB) and the Silk Road Fund are key financial institutions supporting the BRI.

These investments help developing countries build critical infrastructure but have also raised concerns over the sustainability of debt for some participating countries, leading to debates about the long-term financial implications.

### ***11.1.4 Geopolitical Influence:***

The BRI is part of China's broader geopolitical strategy to extend its global influence. By financing and building infrastructure in developing countries, China aims to strengthen bilateral ties and enhance its strategic position in key regions.

The initiative is seen as a way for China to engage with countries in Asia, Africa, and Europe, promoting regional stability and increasing its influence in global trade.

## **11.2. Africa:**

The BRI has a growing footprint in Africa, where China is involved in building major infrastructure projects such as railways, ports, and airports. Notable projects include the Mombasa-Nairobi Railway in Kenya, the Addis Ababa-Djibouti Railway in Ethiopia, and the Lamu Port-South Sudan-Ethiopia Transport Corridor.

Investments also focus on resource extraction, including mining and energy projects, which align with China's broader economic and strategic interests in the continent (Messaoudi & Kheladi, 2024, p. 492).

## **11.3. Algeria's Position in China's Belt and Road Strategy**

### ***11.3.1 Geopolitical and Strategic Importance:***

Algeria is located in North Africa, with access to the Mediterranean Sea and the broader African continent. This makes it an important gateway for trade between China and other countries in the Maghreb, Sub-Saharan Africa, and even parts of Europe. As a large country with significant natural resources (especially in oil and natural gas), Algeria holds strategic value for China as a resource supplier and a potential hub for distributing goods to other regions. (Bellahmar, 2023, pp. 692–693)

### ***11.3.2. Energy Cooperation***

One of the key areas of cooperation between China and Algeria within the framework of the BRI is the energy sector. Algeria is a major oil and natural gas exporter, and China has invested heavily in these sectors.

Chinese companies like Sinopec and China National Petroleum Corporation (CNPC) have been involved in oil and gas exploration and production in Algeria. This ties into China's broader energy strategy to secure energy resources for its growing economy.

Under the BRI, developing energy infrastructure, such as pipelines and energy transport networks, is essential for securing energy flows from Algeria to China and other markets.

### ***11.3.3. Infrastructure Development:***

Like many African countries, Algeria has benefited from Chinese investment in critical infrastructure as part of the BRI. China has built and upgraded roads, railways, ports, and housing projects.

In the past few years, Chinese companies have built and expanded ports, including the Hamdaniya Port (which could serve as a vital point in facilitating trade with Europe and Asia), and have also helped modernise Algerian railways.

China has invested in key infrastructure projects that enhance connectivity within Algeria and with neighbouring countries, boosting the flow of goods and services. This is central to the BRI's vision of improving trade routes.

### ***11.3.4. Trade and Investment:***

China is Algeria's largest trading partner, and the BRI has helped cement these economic ties. Algeria's exports to China mainly consist of oil, natural gas, and minerals, while imports from China include machinery, electronics, and construction materials.

The BRI framework is designed to improve trade connectivity between China and Algeria by improving infrastructure and reducing trade barriers, such as logistical inefficiencies.

Additionally, Chinese companies have increasingly invested in Algeria's manufacturing sector, especially in cement production, textiles, and electronics.

### ***11.3.5 Transportation and Connectivity:***

The BRI seeks to improve land and maritime connectivity. For Algeria, this means enhancing infrastructure that can facilitate the movement of goods to China and beyond.

Key projects include the China-Algeria railway initiatives, which could be linked to broader Trans-African rail networks, and efforts to expand port capacities to improve trade routes along the Mediterranean and Asia.

Algeria's strategic location allows it to serve as a regional hub, connecting China with other African countries and facilitating goods and energy flows between China and Europe.

### ***11.3.6 Cultural and People-to-People Exchanges:***

The BRI also includes initiatives to improve cultural exchange and people-to-people ties. Algeria has seen an increase in Chinese scholarships, academic exchanges, and cultural events, which contribute to strengthening bilateral relations.

Increased trade and investment have fostered closer business and governmental ties between the two countries.

### ***11.3.7 Regional Influence:***

Algeria's participation in the BRI aligns with its broader goals of enhancing its regional influence and economic de-

velopment. Partnering with China can attract investments and improve infrastructure, boosting Algeria's regional competitiveness.

Algeria is also strategically positioned as a partner for China in the North African and Mediterranean regions, which are important for China's global trade networks.

#### 11.4 The Djebilet mine

The Djebilet mine is an iron ore mining site located in Algeria, specifically in the southern part of the country. This mine gains importance because it contains large iron ore deposits that form part of Algeria's efforts to diversify its economy and reduce its dependence on oil and gas exports. The Djebilet mine has long been a major player in Algeria's mining sector (Farid, Malek, & Nabil, 2022, p. 74)

##### *11.4.1 Key details about the Djebilet mine:*

- **Iron ore reserves:** The Djebilet mine is known for its extensive iron ore reserves, with estimates indicating that it contains over 100 million tons of iron ore. These reserves make it an essential part of Algeria's mining industry. The iron ore extracted from Djebilet is of high quality, making it attractive for domestic use and export.
- **Chinese investment:** Over the past years, China has shown interest in Algeria's mining sector, including the Djebilet mine. Chinese companies, known for their expertise in mining technology, have invested in developing and modernising mining operations in Algeria. Chinese companies have also been involved in projects to improve the efficiency and scale of mining operations in Algeria.

- **Expansion Plans:** There have been efforts to expand the capacity of the Djebilet mine, upgrade its infrastructure, and increase production. This includes upgrading processing facilities and expanding rail or transportation lines to deliver extracted ore to local markets or export terminals.

## **11.5 Hamdaniya Port**

Hamdaniya Port is a port on the Mediterranean Sea in Algeria. It is part of Algeria's broader effort to improve its trade infrastructure and increase the volume of goods transported via maritime routes, especially as part of its economic diversification goals (Djouadi, 2016, p. 400).

### ***11.5.1 Strategic Importance:***

The port's location makes it strategically important for the export of goods, particularly minerals, oil, and gas, and for the import of various industrial and consumer products. It is part of Algeria's broader strategy to enhance its maritime infrastructure, which will contribute to economic diversification beyond the oil and gas sector.

### ***11.5.2 Economic Role:***

The port facilitates trade between Algeria and other countries, particularly in Europe and the Mediterranean. The port also supports local industries, including mineral processing, agriculture, and manufacturing, by helping to supply raw materials and receive finished products from overseas.

## **12. Obstacles and Prospects for Sino-Algerian Relations:**

Sino-Algerian relations have evolved significantly over recent decades, primarily driven by trade, investment, and geopolitical considerations. However, despite the promising

growth, several obstacles can hinder the full realisation of this partnership. On the other hand, the potential prospects for a deeper and more diversified relationship remain substantial.

## **12.1 Political and military relations between China and Algeria**

Algeria and China's political and military relationship has evolved significantly in recent years.

- **Strengthening Political Ties**

The relationship has deepened beyond economic cooperation, moving towards a more comprehensive strategic partnership. Regular high-level visits and exchanges between leaders have fostered closer political ties.

- **Growing Military Cooperation**

China has become a significant supplier of military equipment to Algeria, including arms and defence technology. This military cooperation contributes to Algeria's defence capabilities and regional influence.

- **Alignment on Global Issues**

Both countries share similar views on global issues, such as non-interference in internal affairs and the need for a multipolar world order.

They have collaborated on various international platforms, including within the United Nations.

## **12.2 Factors Driving the Shifts**

### ***12.2.1 Shared Interests:***

Both countries share common interests in combating terrorism, promoting regional stability, and developing their economies.

### ***12.2.2 China's Growing Global Influence:***

China's increasing global influence has made it an attractive partner for many countries, including Algeria.

### ***12.2.3 Diversification of Partnerships:***

Algeria seeks to diversify its international partnerships to reduce dependence on traditional Western allies (Yahia, 2022, p. 64).

## **12.3 The Future of the International System**

The future of the international system is determined by the actors in the international arena. This scientific paper has demonstrated that efforts to revitalise Algerian foreign policy impose a change and reform of the traditional ideological pattern regarding principles and foundations on which to adopt a new, effective strategy that contemplates the changes in the international environment. Whatever the case, the impact of Chinese policy in Africa cannot be seen as merely an economic phenomenon. From the Chinese perspective, there are narrow economic considerations in addition to the long-term strategic goals of ensuring the provision of essential energy sources. From the Algerian perspective, direct economic interests are represented in The returns on direct trade, in addition to political and strategic considerations, represented by the call to go east to create new opportunities alternative to the Western imperialist powers (Boulal, 2022, p. 211).

## **13. Future Prospects**

In recent years, Sino-Algerian relations have been characterised by strong economic collaboration, political cooperation, and challenges in certain areas. While China's investments continue to play a central role in Algeria's develop-

ment, there have been concerns over these investments' social and economic impacts, such as labour disputes and debt sustainability. Additionally, geopolitical factors—such as Algeria's relationships with European powers, the United States, and Russia— influence its engagement with China.

Despite these challenges, both countries remain committed to enhancing their partnership. China's growing influence in Africa and Algeria's desire to diversify its economy beyond oil and gas makes for a promising future, with potential areas of collaboration in renewable energy, technology, and green infrastructure (Hicham et al., 2025).

The history of Sino-Algerian relations reflects a dynamic and evolving partnership rooted in shared anti-colonial ideals, economic cooperation, and geopolitical alignment. From the early days of anti-colonial solidarity to today, the relationship has deepened and diversified, particularly in trade, investment, and infrastructure development. While challenges must be addressed, the future of Sino-Algerian relations looks promising, particularly as both countries navigate a rapidly changing global environment.

#### **14. Obstacles in Sino-Algerian Relations**

- **Economic Overdependence on Energy Exports:**

Obstacle: The Algerian economy relies heavily on oil and gas exports, making the economic relationship with China largely centred around energy. While China is a significant consumer of Algerian oil and gas, the narrow focus on this sector limits the scope for broader economic cooperation.

- **Bureaucratic and Governance Challenges:**

Obstacle: Algeria's complex bureaucratic system and regulatory environment can significantly hinder the smooth execution of projects and investments. The country's admin-

istrative inefficiencies and lack of transparency can discourage foreign investors, including Chinese companies.

- **Debt Burden from Chinese Investments:**

Obstacle: Many infrastructure projects in Algeria are financed through loans from China, part of China's Belt and Road Initiative (BRI). This has led to growing concerns about Algeria's mounting debt, which could become a burden in the future, especially if the returns from these projects do not meet expectations.

- **Cultural and Social Tensions:**

Obstacle: Chinese companies often bring their workers to Algeria for large infrastructure projects. While this is common in many countries, it has led to tensions in Algeria, where local populations may feel sidelined. Cultural differences and a lack of local employment opportunities can generate resentment.

- **Geopolitical Competition:**

Obstacle: Algeria has long-standing relationships with other global powers, such as France and Russia, which are also key players in Algeria's energy and military sectors. This geopolitical complexity can make it difficult for Algeria to fully align itself with China on all issues, especially when China's interests conflict with those of other global actors.

- **Environmental and Sustainability Concerns:**

Obstacle: Infrastructure projects, especially those driven by the BRI, often face environmental scrutiny. Chinese companies are sometimes criticised for not meeting international environmental standards in their projects, which can cause backlash from local communities and environmental groups.

15. Prospects for Sino-Algerian Relations.

### **15.1 Infrastructure Development and Investment**

Prospect: Algeria's infrastructure needs are vast, ranging from transportation networks (roads, railways, ports) to energy facilities and housing. As a leading investor and contractor, China has the expertise and financial capacity to meet these needs. This could lead to large-scale projects that enhance Algeria's industrial and economic development.

### **15.2 Renewable Energy Cooperation**

Prospect: Algeria has significant solar and wind energy potential as the world transitions toward renewable energy. With China's technological prowess in green energy, there is a substantial opportunity for cooperation in the renewable energy sector. China's expertise in solar panel manufacturing and wind turbine technology could be pivotal for Algeria's energy transition.

### **15.3 Economic Diversification**

Prospect: China can assist Algeria in diversifying its economy by investing in sectors beyond oil and gas, such as manufacturing, agriculture, and technology. For example, Chinese companies could invest in Algerian industrial parks, helping develop the country's manufacturing base.

### **15.4 Trade Growth**

Prospect: China is Algeria's largest trading partner, and the potential for trade growth is significant. Algeria exports natural resources to China, while China provides manufactured goods, machinery, and electronics to Algeria. Both countries benefit from expanding this trade beyond energy and raw materials.

## **15.5 People-to-People and Educational Ties**

Prospect: As part of strengthening bilateral relations, China and Algeria have the potential to strengthen their people-to-people ties through cultural exchanges, educational programs, and language learning. China's Confucius Institutes and scholarships can increase the number of Algerians studying in China, leading to a more sophisticated understanding of each other's cultures and business practices.

## **16. Strategic Partnership in Africa**

### **16.1 Prospect**

A strategic partnership in Africa is a collaborative relationship between African nations and external powers (such as China, the United States, the European Union, or other global players) to achieve mutual benefits in economic development, security, technology, and diplomacy. Africa's growing geopolitical and economic significance has made it a focal point for such partnerships. Below is an analysis of the prospects for strategic partnerships in Africa.

As a key player in North Africa, Algeria can help China enhance its regional presence and influence. By strengthening bilateral ties, China can use Algeria as a gateway for further expansion into other African markets, particularly in energy, infrastructure, and development projects.

## **Conclusion**

The **China-Algeria partnership** is a robust and multifaceted relationship with significant potential for growth. While the partnership has already yielded substantial benefits in infrastructure development, trade, and diplomatic support, there are opportunities to deepen cooperation in areas like

renewable energy, technology, and healthcare. However, both countries must address trade imbalances and debt sustainability challenges to ensure a mutually beneficial and sustainable partnership. With strategic planning and collaboration, the China-Algeria partnership can serve as a model for South-South cooperation in the 21st century. The Algerian-Chinese partnership offers significant opportunities for both countries. However, Algeria must carefully manage this relationship to maximise benefits while mitigating potential risks. This includes:

- ✓ **Diversifying the Economy:** Reducing over-reliance on energy exports and diversifying its economic base.
- ✓ **Promoting Local Content:** Encouraging greater local participation in Chinese-funded projects to maximise job creation and technology transfer.
- ✓ **Negotiating Fair Terms:** Ensuring fair and equitable terms in all agreements with China to protect Algerian interests.
- ✓ **Addressing Social and Environmental Concerns:** Prioritising sustainable development and mitigating potential negative social and environmental impacts of Chinese investment projects.

By carefully navigating these challenges and leveraging the opportunities presented by the partnership, Algeria can maximise the benefits of its relationship with China while ensuring sustainable and equitable development for its people.

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