

Algerian-American Economic Relations (2020-2025)

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Abstract:

This study highlighted that the economic dimension constitutes one of the most significant pillars of Algerian–American relations, which have traditionally been centered on the energy sector, regarded as the primary driver of economic exchange between the two countries. With the accession of President Abdelmadjid Tebboune, these relations have experienced renewed momentum within the context of international transformations, particularly those linked to political crises at the global level, as well as shifts in the domestic context. In this regard, President Tebboune has adopted an economic cooperation strategy based on the diversification of trade partners and the expansion of cooperation into sectors beyond the traditional hydrocarbons industry. Consequently, this strategy constitutes a turning point toward the establishment of a more diversified economic partnership founded on mutual interests. Through this study, the following findings were reached:

1-Algeria's strategic location and the significance of its energy resources have made it a primary target for the United States in the context of strengthening economic partnership, particularly in the oil and gas sector.

2-President Tebboune's economic policies, which focus on attracting foreign investment and diversifying partnerships beyond reliance on hydrocarbons, enhance the flexibility and resilience of the Algerian economy.

3-The continuity of bilateral relations despite international disagreements, with economic ties remaining robust and both parties committed to deepening trade and investment cooperation.

Keywords: Economic cooperation; trade exchange; foreign investment; the hydrocarbons sector.

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INTRODUCTION

Algerian–American relations witnessed a remarkable development following the end of the Cold War. Several factors contributed to supporting this rapprochement, most notably the rapid pace and increasing intensity of events unfolding in the international arena and the reactions they generate. These developments have imposed upon states the necessity of continuous adaptation in order to preserve their stability and ensure their survival within an evolving international system. The acceleration of international events represents only one manifestation of the broader transformations that characterized the post–Cold War international reality, the most prominent of which was the emergence of what came to be known as the new international order, led by the United States of America.

This transformation prompted Algerian foreign policy to gradually orient itself toward the United States and to recognize the necessity of forging strong relations with it as the major and dominant power on the international scene. Within this context, President Abdelmadjid Tebboune sought to adopt a pragmatic and balanced approach in managing Algeria’s strategic relations with the principal actors in the international system. At one point, it was believed that Algeria might become a “collateral victim” of the U.S. foreign policy doctrine encapsulated in the phrase “whoever is not with me is against me,” particularly after Algeria abstained from voting on draft resolutions submitted to the United Nations General Assembly condemning Moscow for its war against Ukraine. Nevertheless, despite these political divergences, Algeria continued to develop and consolidate its relations with the United States of America.

The Importance of the Study:

The importance of this study stems primarily from the strategic significance of the two parties under examination. Engagement with the United States of America has become an undeniable necessity,

especially following the end of the Cold War and the consolidation of U.S. dominance within the international system. In this context, the United States sought to expand its spheres of influence into regions that had historically constituted vital fields of European colonial presence, particularly Algeria, owing to its geostrategic importance. This importance has rendered Algeria a focal point for numerous international actors seeking to link it to political, security, and economic projects, most notably the United States of America. This growing American interest in Algeria became more pronounced during the presidency of Abdelmadjid Tebboune, a period marked by tensions and disputes in Algerian–French relations, which motivated Algeria to pursue a policy of diversifying its international partners. Accordingly, the importance of this study is further highlighted by its focus on Algerian–American economic relations during a period in which France’s relative position vis-à-vis Algeria declined—an evolution that France traditionally perceived as an infringement upon its sphere of influence and a threat to its vital interests.

In addition, the study gains further significance in light of American dissatisfaction with Algeria’s neutral stance, reflected in its abstention from voting to condemn Russia’s invasion of Ukraine. This position underscored the resilience and depth of Algeria’s economic and military relations with Russia, while simultaneously demonstrating Algeria’s determination to maintain balanced international relations. At the same time, the study highlights Algeria’s strategic desire to diversify its economic partnerships, particularly with the United States of America as one of the largest economies on the international stage. Such cooperation offers Algeria considerable opportunities, especially in the fields of technological investment and renewable energy development.

Objectives of the Study:

This study aims to:

- 1- Examine the extent and nature of Algerian–American economic relations during the presidency of Abdelmadjid Tebboune.

- 2- Clarify the impact of regional and international transformations on Algerian–American relations, particularly in their economic dimension.
- 3- Identify the principal areas of economic cooperation, with particular emphasis on the energy sector, including investments in renewable energy infrastructure and hydrocarbon exploration.
- 4- Analyze areas of cooperation beyond the energy sector, notably in technology, education, and other vital fields.

Methodology of the Study:

1- Descriptive-Analytical method:

This study adopts the descriptive approach as a primary framework for collecting and analyzing data on Algerian–American economic relations during the presidency of Abdelmadjid Tebboune. This approach enables the provision of an accurate and objective overview of these relations by examining various economic sectors, including the energy sector, as well as U.S. investments in infrastructure, renewable energy, and technology.

2- Historical method :

The study also employs the historical method to analyze the evolution of Algerian–American economic relations from their inception up to the presidency of Abdelmadjid Tebboune. This approach facilitates an examination of the historical background that has shaped the nature of this relationship and helps to understand the different phases of economic rapprochement, thereby providing a framework for explaining the factors behind the strengthening of cooperation with the United States.

3- Case Study method:

By adopting Algeria as a case study, this research analyzes the nature of its economic relations with the United States during the presidency of Abdelmadjid Tebboune, with a focus on specific sectors such as energy, technology, and investment. This approach allows for a deeper understanding of the particularities of this relationship within its real-world context.

Problem of the Study:

Since the accession of President Abdelmadjid Tebboune to power, and in light of the economic and political transformations experienced by Algeria, this period has represented a decisive stage in the evolution of Algeria's relations with its traditional allies as well as with major powers influencing the international arena. Algeria sought to diversify its economic partnerships and to open itself to a broader range of international actors. Within this framework, Algerian–American economic relations emerged as one of the central axes of Algeria's foreign and economic policy.

Algeria's substantial energy potential played a key role in overcoming political differences, particularly with the United States of America, and contributed to making Algeria an increasingly attractive destination for American investments during this period. From this standpoint, the study raises the following central question.

Main Research Question:

To what extent has Algeria's orientation toward diversifying its partnerships during the presidency of Abdelmadjid Tebboune influenced the development of Algerian–American economic relations, and how has this been reflected in the volume and diversity of U.S. investments in Algeria?

Sub-Questions:

- 1- Did Algerian–American economic relations emerge at the end of the Cold War, coinciding with the rise of the United States as the dominant power in the international arena?
- 2- What are the most significant areas of economic cooperation between Algeria and the United States?
- 3- How have political differences influenced Algerian–American economic relations?

Hypotheses of the Study :

- 1- There is a positive relationship between Algeria's diversification of its international partnerships and the improvement of economic relations with the United States, as well as an increase

in U.S. investments.

- 2- The energy sector contributes to strengthening and sustaining Algerian–American economic relations, as it represents the most attractive field for U.S. investments.
- 3- Opening up to new sectors beyond hydrocarbons leads to greater diversification of U.S. investments in Algeria in the medium term.

2. The Geostrategic Significance of Algeria

Algeria occupies a distinctive geostrategic position that has long attracted the attention of major global powers. Due to its geographical location and political weight within the Mediterranean region, Algeria has been deeply affected by successive processes of regional restructuring and international realignment. Since the Cold War, and similar to other countries of the Global South, Algeria has increasingly become a focal point of Western interest, particularly from European states and the United States, as it has been perceived as central to their direct and vital strategic interests. Moreover, Algeria has been regarded as a key regional actor in the Arab world in general and in the Maghreb region in particular.

As a result, major powers have attached considerable importance to the role Algeria can play within the Mediterranean basin, given the strategic significance of this region for both European Mediterranean states and the United States of America.

2.1 The Importance of Geographical Location:

Most theoretical approaches in international relations emphasize the close relationship between geography and political behavior. This relationship was notably articulated by Napoleon Bonaparte, who argued that geography plays a decisive role in shaping and directing the policies of nations. From this perspective, the present section seeks to elucidate the various geostrategic characteristics that distinguish Algeria and have contributed to its prominence and attractiveness to major powers within the international system.⁽¹⁾

Geographical factors exert both direct and indirect influences

on a state's foreign policy. Directly, geography shapes a state's capacity to implement its external policies and, consequently, determines its position within the international system. Indirectly, geographical conditions influence the range and nature of strategic options available to decision-makers in the formulation of foreign policy.⁽²⁾

Algeria is located in North Africa and occupies a strategic position overlooking the Mediterranean Sea to the north. It shares land borders with Mali and Niger to the south, Tunisia and Libya to the east, and Morocco and Mauritania to the west. Covering an extensive territory estimated at approximately 2,381,741 square kilometers, Algeria is the largest country in Africa, a characteristic that significantly enhances its geostrategic importance.⁽³⁾

Table 1: Algeria's Total Area and Coastline Length

Area (km ²)	Coastline Length (km)
2.381.741	1200

Source: Prepared by the author based on World Bank data, Land Area (square kilometers), extracted from: <https://data.albankaldawli.org/indicator/AG.LND.TOTL.K2?locations=DZ>

Algeria ranks as the tenth-largest country in the world by total land area and holds the distinction of being the largest state within the Maghreb region.⁽⁴⁾

Algeria's position along the Mediterranean coastline also grants it strategic oversight over maritime traffic, enabling the country to monitor and influence the key sea routes leading to the Strait of Sicily.⁽⁵⁾ Algeria possesses a strategic characteristic that has granted it a prominent position internationally: its integration into multiple, intersecting geopolitical axes at the regional level. This positioning has made the country a focal point for major powers, given the

potential role it can play across these axes, including the Maghreb, Mediterranean, African, Arab, and Islamic spheres.

This multifaceted orientation has enabled Algeria to maintain active participation in numerous international organizations and forums, such as the Arab League, the African Union, the Organization of the Petroleum Exporting Countries (OPEC), the Euro-Mediterranean Partnership, the Atlantic Dialogue, the New Partnership for Africa's Development (NEPAD), and the Euro-Maghreb 5+5 Group. Additionally, Algeria participates as a guest in high-level gatherings, including the G8 and the U.S.-initiated Greater Middle East Initiative.⁽⁶⁾

2.2. Energy Significance:

Algeria's economic potential forms the cornerstone of its national infrastructure, positioning the country to play a pivotal role at both regional and international levels. Algeria is recognized as a leading industrial power within the Maghreb, particularly in heavy industries, including iron and steel, as well as in the petrochemical sector linked to hydrocarbon production. The country's strategic weight is largely derived from its energy resources, which constitute a central factor in shaping Algeria's foreign relations. Indeed, Algeria's domestic and foreign policies are heavily influenced by the hydrocarbon sector, underscoring the critical role of energy in its geopolitical and economic strategy.

The hydrocarbons sector occupies a central position in Algeria's economy, with oil serving as the primary source of energy and the essential raw material for a wide range of advanced industries. Today, this sector represents the backbone of modern industrial development and plays a vital role in everyday life. Hydrocarbon exports, particularly oil and gas, account for approximately 98% of the country's total export revenues, underscoring their critical importance to Algeria's economic stability and international economic influence.⁽⁷⁾

In terms of oil production, Algeria ranks 14th globally,

reflecting its significant position in the international petroleum market. The country also holds a prominent role as an exporter of crude oil, underscoring the strategic importance of its hydrocarbon sector in both regional and global energy dynamics⁽⁸⁾

According to OPEC statistics for 2023, Algeria’s proven crude oil reserves are estimated at approximately 12.2 billion barrels, ranking it seventh among Arab countries. Although these reserves are modest compared to those of Middle Eastern and Gulf states, particularly Saudi Arabia, the United Arab Emirates, and Iraq, Algeria remains an active and disciplined member of OPEC. The country’s continued engagement reflects the growing strategic importance of the organization in the near future. Additionally, Algeria’s national oil company, Sonatrach, maintains a significant presence in the international energy market, further enhancing the country’s global economic profile.

Table 2 illustrates the evolution of Algeria’s oil production capacity, which has increasingly attracted the attention of major global energy companies—not only from the United States but also from Russia, China, Europe, and other regions—positioning Algeria as a promising market for the future.

Table 2 showing Algeria's oil potential)2020–2025)

Year	Crude Oil Production (Thousand Barrels/Day)	Proven Oil Reserves (Billion Barrels at Year-End)	Algeria's Share of Global Crude Oil Production
2020	838.1	12.2	1.1
2021	849.3	12.2	1.2
2022	951.2	12.2	1.8
2023	907.5	12.2	1.3
2024	907.5	12.2	1.3

2025	-	-	-
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Source: Prepared by the researcher based on the Annual Statistical Bulletin of the Organization of the Petroleum Exporting Countries (OPEC) 2024, retrieved from:

<https://opecorg.org/ar/Home/Publications/Reports/Annual-Statistical-report>

When analyzing Algeria's crude oil production and proven reserves between 2020 and 2025, the data indicate a notable increase in crude oil output from 838.1 thousand barrels per day in 2020 to 951.2 thousand barrels per day in 2022, followed by a decline to 907.5 thousand barrels per day in 2023 and 2024. This suggests that fluctuations in production are not indicative of resource scarcity, but are instead related to operational and market factors such as field maintenance, production decisions by Sonatrach, and global oil price volatility. The stability of proven reserves at 12.2 billion barrels throughout this period reflects Algeria's substantial and stable oil stock, indicating that changes in production are driven primarily by production strategies rather than by the availability of resources.

Regarding Algeria's share of global production, it increased from 1.1% in 2020 to 1.8% in 2022 before declining to 1.3% in 2023–2024. This reflects Algeria's temporary influence on the global market due to increased production, which is nonetheless limited by international competition and fluctuations in global demand and prices. Overall, Algeria's oil performance appears to be more closely linked to strategic decisions and global market fluctuations than to resource constraints. The increase in production in 2022 demonstrates Algeria's capacity to respond to global demand, whereas the decline in 2023–2024 reflects production management aimed at sustainability and balancing revenues with operational capacity.

Table (3) showing Algeria's Gas potentials:(2025–2020)

Year	Marketed Natural Gas Production (billion m ³)	Gas Reserves (billion m ³) at Year-End	Algeria's Share of World Marketed Natural Gas (%)
2020	84.6	4504	2.18
2021	105.0	4504	2.59
2022	100.9	4504	2.48
2023	105.2	4504	2.57
2024	-	-	-
2025	-	-	-

Source: Prepared by the researcher based on the Organization of the Petroleum Exporting Countries (OPEC), Annual Statistical Bulletin 2024, retrieved from:

<https://oappec.org/ar/Home/Publications/Reports/Annual-Statistical-report>

The data reveal that Algeria’s natural gas production recorded a significant increase between 2020 and 2021, rising from 84.6 to 105 billion cubic meters, representing an approximate growth of 24%. This increase may be attributed to rising domestic or regional demand, as well as potential expansions in export capacity and investments in gas infrastructure. Despite a slight fluctuation between 2021 and 2022, with production declining to 100.9 billion cubic meters, output recovered in 2023, indicating Algeria’s capacity to adapt to market dynamics and operational challenges, such as field maintenance and fluctuations in global demand. With regard to proven reserves, which remained stable at 4,504 billion cubic meters throughout the period, this stability reflects Algeria’s substantial and sustainable gas endowment. Accordingly, variations in production do not signal resource scarcity but are more closely linked to economic

and technical factors. Furthermore, Algeria's share of the global gas market increased from 2.18% in 2020 to 2.59% in 2021, followed by slight fluctuations. This suggests that Algeria maintains a relatively stable position in the global gas market; however, its capacity to expand its share remains constrained by global production policies and demand volatility in European and Asian markets.

Overall, Algeria's performance in the gas sector appears to be driven more by national strategic choices and international market conditions than by limitations in natural resources. This underscores the importance of investment planning and market-oriented strategies as key determinants for strengthening Algeria's position in the global gas market.

2.3 Mineral Resources:

Regarding the production of other minerals, Algeria is endowed with substantial mineral wealth. The country possesses significant reserves of iron and steel, as well as phosphates, coal, copper, zinc, and lead. These resources have elevated Algeria's strategic importance within the priorities of major global powers, particularly the United States. The following table presents statistical data on these mineral resources over the period 2020–2025.

Table No. (04) showing mineral resources in Algeria (Unit: Ton) (2020–2025)

Year	Crude Iron	Phosphate Rock	Gypsum	Gold (kg)
2020	2237976	1205350	2531352	173.56
2021	1837587	1811800	2056203	173.56
2022	4400000	1800000	2200000	173.56
2023	4400000	1800000	2500000	173.56
2024	4500000	2000000	2500000	173.56

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Source: Prepared by the student based on statistics from the Arab Organization for Industrial Development, Standardization, and Mining, accessed on 02/01/2026 at 21:00, from:

:<https://aidsmo.org/aidsmo-mining-database2.html>

Iron ore production experienced a substantial increase, rising from 1.83 million tons in 2021 to 4.4 million tons in 2022, and subsequently stabilizing at elevated levels. This trend indicates an expansion in mining and production capacities, likely driven by the implementation of large-scale industrial projects, reflecting Algeria's strategic orientation toward strengthening the iron and steel sector for both domestic use and export.

In contrast, phosphate rock production exhibited slight fluctuations but maintained a gradual upward trend, reaching 2 million tons in 2024. This development reflects improved resource management and the sector's responsiveness to both domestic and global demand for fertilizers and agrochemical products.

Gypsum production, after declining in 2021, rebounded to 2.5 million tons during the 2023–2024 period, indicating enhanced resource utilization to support the construction sector and rising industrial demand.

As for gold production, it remained constant at 173.56 kilograms throughout the period, suggesting stability in exploited resources and a limited focus on expansion, likely because gold represents a secondary component of Algeria's mineral output compared to other industrial minerals.

Overall, the data demonstrate that Algeria has succeeded in strengthening the production of strategic minerals such as iron, phosphate, and gypsum, while maintaining stable gold output. Variations in production do not reflect resource scarcity but are instead associated with investment levels, technological development, and

strategic policies within the mining sector. This underscores Algeria's capacity to enhance the economic value of its mineral resources in support of industrial development and export growth.

2.4 Agricultural Potential in Algeria:

The agricultural sector represents a vital component of Algeria's economy. The country possesses extensive arable land, which supports a diverse range of crops and agricultural activities. This sector also makes a significant contribution to the national GDP. The following table presents statistics on the area of arable land (in thousand hectares) and the contribution of the agricultural sector to the GDP (in million U.S. dollars) over the period 2020–2025.

Table 5: Agricultural Potential in Algeria

Year	Arable Land	Agriculture Sector Contribution to GDP
2020	41358,847	20756,16
2021	41316,07	19903,89
2022	41316,07	24498,62
2023	41316,07	24498,62
2024	41316,07	24498,62
2025	-	-

Source: Prepared by the researcher based on statistics from the Arab Organization for Agricultural Development, Annual Agricultural Statistics, Volumes 34–42, accessed on 11/01/2026 at 21:15, from: <https://aoad.org/ASSY41/statbook42Cont.htm>

The data indicate that the area of arable land in Algeria remained relatively stable at approximately 41.3 million hectares throughout the period, suggesting the persistence of agricultural natural resources with limited expansion in cultivated land. This stability may be explained by environmental constraints, urban planning considerations, or a strategic national focus on improving productivity rather than increasing cultivated area.

Despite the stability in land resources, the agricultural sector's contribution to gross domestic product exhibited noticeable fluctuations. It declined from USD 20,756.16 million in 2020 to USD 19,903.89 million in 2021, before increasing significantly to USD 24,498.62 million in 2022 and remaining stable at this level through 2024. This variation may reflect improvements in agricultural productivity, rising agricultural commodity prices, or the impact of government support programs, such as the enhancement of irrigation techniques and the promotion of strategic crops.

Overall, these trends highlight the sector's capacity to adapt to market fluctuations and both domestic and external demand without requiring an expansion of cultivated land.

3. The Origins of Algerian–American Economic Relations

While some may perceive Algerian–American relations as a relatively recent phenomenon, emerging in the late 1980s and early 1990s with the collapse of the Soviet Union and Algeria's adoption of political and economic reforms aimed at opening up to capitalism and the Western world, these ties actually have deeper historical roots. Connections between the two countries can be traced back to the 19th century, when the United States had recently emerged as an independent nation, following its prior status as a British colony and a contentious struggle with France over certain territories.

In 1776, the white settlers who identified themselves as Americans declared their independence from the British Crown, triggering what is historically known as the “American Revolution.” The revolutionaries issued the Declaration of Independence, inspired by the political philosophy of the English thinker John Locke, who emphasized the natural rights and liberties of individuals. Following this declaration, a fierce war ensued against the British Army, ultimately leading to the recognition of the independence of the thirteen American states at that time.⁽⁹⁾

The sultans of Morocco (Al-Aqsa) were the first to recognize the independence of the United States and to initiate diplomatic

relations with the new nation. The strategic significance of North African states in the Mediterranean at that time prompted the United States to conclude a series of agreements with these countries, particularly with Algeria, which was the largest and most powerful among them during that period.⁽¹⁰⁾

According to historians, Algeria was among the first countries to recognize the independence of the United States in 1776, following the American War of Independence against Britain.⁽¹¹⁾

During the colonial period, American merchant ships navigating the Mediterranean were relatively secure from piracy, as they sailed under the British flag and carried passes issued by the Moroccan rulers, who maintained a treaty of friendship with Britain guaranteeing the safety of British shipping and the protection of British subjects. However, following the United States' independence after the Revolutionary War, American vessels lost these privileges, leaving them unprotected and vulnerable to pirate attacks, particularly in the Mediterranean Sea.⁽¹²⁾

During this period, the United States sought solutions to safeguard its trade and shipping. The initial measures taken by Congress involved including provisions in treaties with European powers that would ensure protection against piracy, similar to the guarantees previously afforded by Britain. As part of this effort, the United States concluded treaties of commerce and friendship with the Netherlands and France in 1778 and 1782, respectively. Both treaties contained clauses requiring the intervention of France and the Netherlands to protect American trade and shipping, given their influence over Algeria and other North African states.

A subsequent attempt to include a similar clause in a treaty with Britain proved unsuccessful. Overall, these initial efforts failed, although France pledged its support in facilitating a direct treaty between the United States and Algeria to protect American vessels. After extensive negotiations and diplomatic mediation, the first peace treaty between the United States and Algeria was signed in

November 1795 and ratified by Congress on March 2, 1796.⁽¹³⁾

After the end of the Cold War, U.S. foreign policy lacked a clear strategy or coherent framework regarding North African states, which had historically been within France's sphere of influence. During the Cold War, the United States largely deferred to France in the region, partly due to the geopolitical balance of power and the broader East–West rivalry, including Algeria's relationship with the Soviet Union.

However, shifts in the Maghreb political landscape—particularly the profound political transformations in Algeria and the rise of Islamist movements within the political arena—prompted the United States to reassess and recalibrate its foreign policy in the region. The U.S. administration recognized that engagement in Africa could not bypass its northern gateway, especially Algeria, which emerged as a focal point for American influence across the political, military, and security spheres. This awareness laid the foundation for the development of deeper U.S.–Atlantic relations with Algeria.⁽¹⁴⁾

The United States has demonstrated significant interest in Algeria, often referring to it as a "pivotal state". This term, though not new, has acquired a strategic dimension in recent years, as American policymakers began using it to describe countries that serve as regional anchors for U.S. strategic interests. Algeria was labeled a pivotal state by Robert Chase, Emily Hill, and Paul Kennedy in an article published in *Foreign Affairs*, which focused on countries upon which the United States should rely to implement its comprehensive strategy. Subsequently, American officials adopted this terminology, employing it in speeches during their visits to the Maghreb region.⁽¹⁵⁾

Economic engagement between Algeria and the United States has intensified, particularly following the launch of the "Eizenstat Initiative," an American program designed to promote economic partnerships between the U.S. and North African countries, including

Algeria. U.S. Ambassador to Morocco, Edward Gabriel, summarized the initiative in four key points:

- Conducting a series of intensive dialogues among government officials.
- Implementing increasingly rapid administrative and structural economic reforms within the Maghreb countries.
- Empowering the private sector to play a more significant role.
- Removing internal barriers that hinder trade and investment between the three Maghreb states and the United States.⁽¹⁶⁾

Algeria expressed a positive reception to the U.S. initiative, viewing it as a significant shift in American policy toward the country. The initiative also paved the way for a \$900 million agreement between the U.S.-based oil and gas company, Amoco, and Algeria's national energy firm, Sonatrach. In this context, U.S. Assistant Secretary of State David Welch highlighted the success and strength of bilateral relations between the two nations.⁽¹⁷⁾

Through the “Eisenstat” initiative, the United States aims to break the European monopoly over the region. This does not preclude the possibility of coordination among the three parties. According to the initiative, it is essential to first strengthen trade exchanges among Maghreb countries to establish an integrated market and remove customs barriers. Algeria expressed its willingness to participate in this initiative in May 1999.⁽¹⁸⁾

A decisive shift in U.S.-Algeria cooperation, particularly in the security and economic sectors, occurred following the September 11, 2001 attacks. Relations took a distinctive trajectory toward deeper collaboration. In June 2001, Algeria and the United States signed a trade and investment agreement, which was subsequently complemented by two additional accords addressing double taxation and investment protection. These agreements had a significant positive impact on U.S. investment in Algeria, which surged from \$3.3 billion in 2002 to \$11 billion in 2006.

Algeria also pursued a strategic lobbying campaign in the

United States to attract American investment, leveraging the potential of a promising market exceeding 30 million people. This effort culminated in the establishment of the U.S.-Algeria Business Council in 2002, based in Virginia, which brought together fifty major U.S. and Algerian companies, including Sonatrach, Air Algérie, Boeing, and Anadarko. Additionally, Algeria sought to create a dedicated Algerian Caucus in the U.S. Congress, co-chaired by Republican Representative Ed Royce of California and Democratic Representative Sheila Jackson Lee of Texas, tasked with promoting a higher level of cooperation, partnership, and investment between Washington and Algiers.⁽¹⁹⁾

The motivations behind the United States' pursuit of closer economic ties with Algeria can be summarized as follows: ⁽²⁰⁾

- Ensuring a stable supply of oil and natural gas to the U.S. and its allies at reasonable prices.
- Capitalizing on Algeria's favorable conditions for investment.
- Conversely, the factors driving Algeria to cooperate with the United States include:
- The United States' position as the world's leading economic power and the top producer of goods and services.
- Its significant share in the World Bank and International Monetary Fund (IMF), enabling it to exert considerable influence over the policies of these institutions toward developing countries.

4. The Bilateral Framework of Economic Exchange between Algeria and the United States(2025–2020)

Algeria underwent profound transformations in its political system, culminating in the end of former President Abdelaziz Bouteflika's tenure and the election of Abdelmadjid Tebboune in December 2019. President Tebboune pledged to strengthen Algeria's diplomatic standing by building a "new Algeria" characterized by an active and proactive foreign policy, aimed at diversifying partners and establishing equitable diplomatic relations with major powers in both the East and West. This vision was reflected in the

government's action plan, which emphasized the assessment and reinforcement of relationships with strategic partners, thereby consolidating Algeria's position as a balanced regional and international actor. In line with this approach, Algeria has maintained strong relations with major global powers, including the European Union, the United States, Russia, and China, ensuring continuity and stability in its foreign and economic policy. ⁽²¹⁾

The preamble of the 2020 constitutional amendment emphasizes that Algeria, committed to peace, human rights, and development, directs its foreign policy toward enhancing its presence and influence in international forums through partnerships based on mutual interests. These partnerships are designed to align fully with Algeria's political, economic, social, cultural, and national priorities, while respecting the objectives and principles of the United Nations, the African Union, and the League of Arab States. ⁽²²⁾

One of Algeria's most prominent economic partners is the United States, with bilateral economic relations continuously evolving, driven by the shared commitment to enhancing investment opportunities and deepening trade cooperation. This trend was particularly notable during the presidency of Abdelmadjid Tebboune. However, this period was not without disputes that merit examination to understand their impact on economic relations:

a. Algeria's Position on the Russian War in Ukraine:

On February 24, 2022, Russia launched a military invasion of Ukraine. In response, Algeria, similar to Russia's strategic allies, adopted a cautious stance, refraining from explicitly supporting or condemning Russia in order to safeguard its bilateral relations. Statements from the Algerian Ministry of Foreign Affairs were limited to addressing the situation of Algerian nationals in Ukraine and facilitating their return. Algeria also abstained from voting on the U.S.- and European-backed resolution condemning the military aggression in Ukraine. ⁽²³⁾ Alongside 34 other countries, during the United Nations General Assembly meeting on February 23, 2023,

Algeria reaffirmed its intention to maintain diplomatic and strategic relations with Russia. This position prompted the United States to threaten the potential expansion of the Countering America's Adversaries Through Sanctions Act (CAATSA) to include countries importing Russian weaponry, including Algeria. Members of the U.S. Congress called for Algeria to be considered among the nations subject to the provisions of this law.⁽²⁴⁾

b. U.S. Imposition of Tariffs on Algeria:

During his tenure, President Donald Trump implemented a policy aimed at raising tariffs on numerous countries, including Algeria, by 30%, under the initiative titled "Make America Wealthy Again." This measure was expected to have significant repercussions on bilateral trade, drawing widespread criticism due to its potential impact on the volume of commerce between the two nations and on Algeria's national economy.

Despite these strategic differences, Algeria remains a "natural ally" of the United States. Washington continues to prioritize cooperation with Algeria and to build a strategic security partnership in recognition of Algeria's regional leadership role. President Abdelmadjid Tebboune has repeatedly emphasized that the United States, like Russia and China, is considered a friendly country. In 2022, Algeria designated the United States as the guest of honor at its International Economic Fair, during which Tebboune expressed to U.S. Ambassador Elizabeth Moore Aubin Algeria's desire to establish a robust economic partnership with Washington, particularly in the fields of agriculture and industry.⁽²⁵⁾

The energy sector continues to be a key driver of economic cooperation between Algeria and the United States. Major U.S. companies, such as Chevron and ExxonMobil, have shown growing interest in opportunities within the Algerian market, which has become increasingly attractive for investment. The prospects for bilateral cooperation are notably expanding. Several agreements have been signed between Algerian and U.S. firms, including a May

2024 agreement between Sonatrach and ExxonMobil to explore the development of the Ahnet and Gourara gas fields. This dynamic is not limited to the energy sector. Other areas of increasing interest for U.S. investors include pharmaceuticals, telecommunications, automotive manufacturing, and agriculture. Currently, over 100 U.S. companies operate in Algeria, contributing to job creation and economic growth.

Agricultural cooperation is also expanding. Since 2023, American livestock genetics have been available in Algeria, enabling local farmers to improve herd productivity. In 2024, the ministries of agriculture of both countries approved a certificate facilitating the import of live American dairy cows, a step expected to enhance milk production and strengthen Algeria's food security.⁽²⁶⁾

Trade exchanges between Algeria and the United States have experienced significant growth, with trade volume increasing from \$1.2 billion in 2020 to over \$4.2 billion in 2022 and 2023. This growth reflects the strength of the economic ties between the two countries and opens the door for further development in the future. In 2023, U.S. exports to Algeria amounted to \$1.2 billion, while U.S. imports from Algeria reached \$3 billion. Algerian exports to the U.S. were primarily focused on minerals and refined petroleum products.⁽²⁷⁾

The following provides an overview of the trade exchange between the United States and Algeria, based on figures that outline exports and imports between the two countries, along with the determination of the trade balance for the period from 2020 to 2025.

Table (06) showing U.S. exports and imports with Algeria during the period (2020–2025)

Year	Exports	Imports	Trade Balance
2020	734.9	488.2	246.7
2021	784.4	1,888.0	1,103.7-

2022	1,198.3	3,008.8	1,810.5-
2023	1,201.8	3,029.1	1,827.3-
2024	1,013.8	2,461.6	1,447.8-
2025	926.6	2,019.9	1,093.2-

Source: Prepared by the researcher based on data from the U.S. Census Bureau Foreign Trade Balance:

<https://www.census.gov/foreign-trade/balance/c7210.html>

The data indicate that in 2020, the United States recorded a trade surplus with Algeria amounting to USD 246.7 million. However, this surplus shifted into a significant deficit beginning in 2021 (–USD 1,103.7 million), reaching a peak in 2023 (–USD 1,827.3 million). This trend reflects a substantial increase in U.S. imports from Algeria—particularly hydrocarbons—compared to the relatively modest growth in U.S. exports.

U.S. imports from Algeria rose steadily between 2020 and 2023, increasing from USD 488.2 million to USD 3,029.1 million. This pattern suggests a growing U.S. reliance on Algerian energy imports, especially natural gas and crude oil, to meet rising domestic demand. Following 2023, imports gradually declined, which may be attributed to global price fluctuations or increased domestic energy production in the United States.

On the other hand, U.S. exports to Algeria increased gradually until 2023, rising from USD 734.9 million to USD 1,201.8 million, before declining to USD 926.6 million in 2025. This trend points to challenges in expanding U.S. market presence in Algeria, possibly due to intensified international competition or shifts in Algeria’s economic policies.

The growing U.S. trade deficit with Algeria can therefore be interpreted as a consequence of heavy dependence on Algerian energy imports, coupled with limited growth in U.S. exports. Subsequent fluctuations in the trade balance further reflect the influence of global market dynamics, including price volatility and changes in domestic energy production. Overall, the analysis

demonstrates that bilateral trade relations are closely tied to Algeria's energy sector, while U.S. export performance is shaped by a range of domestic and international economic and political factors.

Regarding investment, U.S. Foreign Direct Investment (FDI) stock in Algeria reached \$963 million in 2022. By 2023, the United States emerged as the leading source of foreign direct investment in Algeria, primarily driven by the energy sector. According to the 2024 World Investment Report published by the United Nations Conference on Trade and Development (UNCTAD), U.S. investments in Algeria represent a significant portion of the total foreign investments in the country. The report states that the overall FDI stock in Algeria by the end of 2023 was approximately \$36.8 billion, with U.S. investments accounting for nearly 29% of this total, which translates to an estimated value of \$10.1 billion. These investments are predominantly concentrated in the sectors of energy, infrastructure, and technology. This reflects the United States' strategic intent to deepen economic relations with Algeria and strengthen the strategic partnership between the two countries.⁽²⁸⁾

Recently, U.S. companies have started exploring other highly profitable sectors, such as technology and telecommunications, in addition to agriculture, which has garnered particular attention. The "Baladna-Algeria" project, aimed at developing the country's dairy production, is among the top priorities. Contracts exceeding \$500 million have been signed between Algerian and U.S. companies, including the major Valmont corporation, which specializes in irrigation works. Through this project, Algeria seeks to position itself as a leading regional player in dairy production by 2026. Additionally, a \$35 million export contract was signed between the Algerian company Techno Cast and the U.S. company Carpathia in the field of high-quality spare parts.⁽²⁹⁾

CONCLUSION:

In conclusion, it can be stated that several factors have contributed to Algeria's foreign policy orientation towards the United

States. Like many other countries, Algeria was influenced by the post-Cold War transformations and sought to improve its relations with the U.S. across all political, economic, and security domains, given the latter's dominant position in the international system. Despite global challenges, especially those related to fluctuations in the global economy and regional issues, efforts from both sides have remained dedicated to enhancing economic cooperation in various sectors.

From this study, the following conclusions have been reached:

- 1- **Algeria's Strategic Position:** Algeria holds a significant position that enables it to play a major role on the international stage. Its geostrategic location, combined with its abundant energy resources, has made it an important focus for major powers, particularly the United States. This is reflected in the swift establishment of a series of agreements with Algeria, centered primarily on economic cooperation, especially in the energy sector.
- 2- **U.S. Interests in Algeria:** The United States has placed considerable emphasis on the role Algeria could play in the Mediterranean and the Maghreb region. This is evident in Algeria being viewed as a pivotal country, particularly in countering terrorism. Algeria's successful experience in combating terrorism has notably strengthened the economic relations between the two countries.
- 3- **Challenges to Algerian-American Relations:** The deepening of U.S.-Algeria ties faces several challenges, the most significant being the presence of European powers, especially France, which is a key competitor in the Maghreb region. Additionally, Russia and China have historically maintained significant influence in the region, further complicating the dynamics of U.S.-Algeria relations.
- 4- **President Tebboune's Economic Policies:** Since President Abdelmadjid Tebboune assumed office, he has actively sought to encourage foreign investment, diversify Algeria's economic partnerships, and avoid relying solely on the hydrocarbon sector as the basis for cooperation with the United States.

- 5- Ongoing Differences and Their Impact on Relations: Despite ongoing differences, particularly regarding Algeria's stance on the Russian invasion of Ukraine and the 30% tariff imposed on Algeria by the administration of President Donald Trump, bilateral relations between the two countries remain cautious but resilient. These differences have not significantly hindered the strengthening of economic ties, as Algeria continues to pursue partnerships with influential global powers, while the U.S. remains committed to deepening its economic presence in Algeria.

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