



Since March 25, 2020

Confederation of International Contractors' Associations (CICA)

Strategic Watch: COVID-19 Overview by country and region (situation at February 15, 2021)

Based on FIEC's COVID-19 Construction Observatory, FIIC's, CIAN's and MEDEFI's and IFAWPCA's data

For more information go to the CICA Website: <http://www.cica.net/cica-covid-19-overview/> and Dropbox: <https://www.dropbox.com/home/Observatory%20COVID-19>

Algeria

Country/Region	General Facts & Measures	Facts & Measures for Construction
ALGERIA		
Lockdown	Algeria established partial containment measures and extended its first lockdown until May 30, 2020.	
Economic outlook	<p>The World Bank estimates the contraction of the Algerian GDP at 6.5% in 2020, before a rebound of 3.8% in 2021. Public and external accounts - already largely in deficit in 2019 - would also have deteriorated sharply in 2020, with the public deficit reaching -15.1% of GDP and the current account deficit reaching -13.4% of GDP (cf. La lettre d'Algérie) (January 2021).</p> <p>As an oil producing country, it has been struggling with the severe drop in oil prices. The average price of a barrel of Algerian oil Sahara Blend amounted to 42 USD in 2020, against 65 USD in 2019.</p> <p>Algeria announced not to have recourse to external debt or non-conventional financing. The government excluded an aid from the IMF or the World Bank as it fears that their debt levels might undermine national sovereignty (15 May).</p>	<p>According to GlobalData, the Covid-19 outbreak halted the Algerian construction industry's growth, with output declining by 3.4% in real terms in 2020. Low oil prices further worsened the situation, as the country generates 70% of its revenue from oil and gas exports. However, with the recovery in the global economy and the slowdown in Covid-19 infections, oil prices are expected to recover this year, leading to an increase in the government's ability to spend on major infrastructure projects. GlobalData expects the construction industry to grow by 3% in 2021 (cf. GlobalData) (January 2021).</p>
Recovery	<p>The rebound in growth is estimated at +3.8% in 2021 and +2.1% in 2022. According to the World Bank, this rebound is nevertheless conditional on a reduction in the country's macroeconomic imbalances, a recovery in domestic demand and an increase in hydrocarbon production, with private consumption, investment and</p>	<p>Prior to the Covid-19 outbreak, the government was focusing on tourism, retail, and other commercial infrastructure with an aim to diversify the economy and to reduce its dependence on the oil sector. Once the Covid-19 situation stabilizes, the government is expected to continue its efforts at diversification to boost the economy and create employment opportunities. This should create</p>

	<p>exports as the main levers of growth. However, the recovery could be constrained in the event of a drop in the price of hydrocarbons, new waves of coronavirus infection, or a depreciation of the dollar against the euro and/or the yuan (the bulk of the country's exports are in dollars, with the bulk of imports coming from the European Union and China).</p> <p>In addition, the Bank estimates that Algeria will face the challenge of rebalancing its public and external accounts while releasing liquidity to finance a recovery, maintaining monetary stability and protecting purchasing power, which will require "decisive actions" by the government (cf. La lettre d'Algérie) (January 2021).</p>	<p>growth opportunities for the construction industry, with the industry expected to rebound and grow by 3% in 2021.</p> <p>The government's efforts to enhance regional connectivity through the development of the country's rail and port infrastructure, coupled with efforts to boost the residential construction market, will support the industry's growth over the forecast period. In addition, the government's aim to expand renewable energy resources is expected to attract investments in energy infrastructure projects, which will in turn fuel growth in the industry (cf. GlobalData) (January 2021).</p>
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Other overviews

- Download here: [Further information on the impact of Covid-19 on the African economy by the African Union.](#)