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FEATURES OF ALGERIA'S ENERGY SYSTEM

Algeria's energy sector occupies a leading position in the Algerian economy, with hydrocarbons alone accounting for 60% of budget revenues and 98% of export revenues. In 2021, Algeria was ranked 17th in oil production, 10th in natural gas production, and ranked 7th among natural gas exporters in the world. Algeria ranks 15th in the world in terms of oil reserves, and 5th in natural gas. More than 99% of energy production and consumption, in particular in electricity, consists of carbohydrates.

However, today the state is beginning to consider environmental solutions by investing in renewable energy sources. According to Algeria's 2012 Program for the Development of Renewable Energy and Energy Efficiency (PENREE), Algeria aims to have an installed renewable energy capacity of 22,000 MW by 2030. But a decade after that plan, progress is pretty modest, with solar generating just 0.8% of the country's electricity in 2021, and wind generating 0.01%. Hydrocarbons account for 60% of budget revenues and 98% of export revenues.

Unfortunately, the rentier model forces the country to import everything it needs, to the point of reducing the manufacturing industry to 5% of GDP. Imports rose from \$9 billion in 1990 to \$60 billion in 2016, while exports, halved since 2014 due to falling oil and gas prices, are also beginning to decline in volume due to a lack of investment in new fields; shale gas will not be able to save the situation, given its very low profitability in the Sahara.

In the early 1920s, Algeria began to develop shale gas, although many Algerians opposed and oppose this exploitation, arguing that shale gas poses a great danger to the environment.

Unfortunately, according to experts, shale gas cannot solve Algeria's economic difficulties; the country's real problem is national consumption per capita, very high due to subsidies, which reduces the portion of production available for export. In addition, the recent reforms of the legislation on hydrocarbons have scared away foreign investors so much that the latest tenders for the issuance of development permits did not take place [1].

The energy efficiency program corresponds to Algeria's desire to promote a more responsible use of energy and explore all ways to conserve resources and systematize useful and optimal consumption.

This program envisages the introduction of energy efficiency measures in the construction, transport and industrial sectors, as well as encouraging the creation of a local industry for the production of high- efficiency lamps, solar water heaters, heat insulators by attracting local or foreign investment.

1. Banque mondiale. (2020). Data. <https://data.worldbank.org/indicator/EN.ATM.CO2E.KD.GD?locations=IQ>

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