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Energising EU-Algerian relations

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Introduction

Algeria's relationship with the European Community (EC) and its successor the European Union (EU) has traditionally been of a tumultuous nature. Decision-makers in Algiers and Brussels have struggled to find an optimal policy and institutional configuration that would both reflect and harness the dyad's interests and potential. For almost all the wrong reasons, EU-Algerian relations have been dubbed *sui generis*. Right from the outset of European integration in 1957, Algeria has by default found it difficult to dovetail with the moulds of the EC/EU's foreign policies in the Mediterranean. As a result, in Europe, it has carried the reputation of being the most awkward "partner" in North Africa. However, from Algiers' vantage point, the EU's share of the blame in this situation of sub-optimality lies in its persistent failure to attain a fair appreciation of Algeria's interests and specificities.

The opportunity cost of this state of affairs in terms of reforms, economic development and regional integration has been significant. In times of both stability and turmoil, the EU has been unable to accompany Algeria's chequered process of political reform and help dissipate the stultifying perceptual hangovers from the colonial period, which have tended to pervade attitudes on both sides of the Mediterranean. Furthermore, Algeria has consistently made too timid an effort to avail itself of the institutional and market opportunities offered by the EU and solidly anchor its stalling economic diversification programme to European policies. Besides penalising bilateral ties between the EU and Algeria, these repeated hiccups have also passively militated against the broader projects of (sub-) regional integration in the Maghreb and Mediterranean writ large. However, amid these failures, energy has conspicuously been the only area where EU-Algerian relations have known continued stability and interdependence. Although driven almost exclusively by market forces, the net complementarity characterising EU-Algerian relations in the energy sector has encouraged the development of a relevant bilateral cooperation of sorts.

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Yet, relative to its importance, energy remains one of the most under-institutionalised policy areas in EU-Algeria relations.

This paper argues that, for a more positive outlook, EU-Algerian relations need to be injected with a new and explicit focus on energy. This entails capitalising on the opportunity of negotiating a "strategic energy partnership" to redefine EU-Algerian relations along the enhanced bilateralism approach the EU now advocates in its neighbourhood. The paper starts by providing an overview of the evolution of EU-Algerian relations since 1995, before delving into the energy dimension and its potential to optimise the relationship.

State of play

In the early days of European integration, the EC's external trade arrangements did not apply to Algeria, which was still under French occupation. Until 1962, Algerian goods benefitted from a regime of intra-Community trade that granted it member state-like treatment. However, soon after Algeria's independence, the existing provisions became untenable, especially following the turn that political events took in the country in 1965.[2] It was not until the introduction by the EC in 1972 of a more "Global Mediterranean Policy", which replaced the existing patchwork of limited trade agreements with Southern Mediterranean Countries (SMCs) by broader cooperation agreements, that the formal contractualisation of EC-Algerian relations took place. Indeed, a cooperation agreement was signed in 1976, but the results it yielded, as was the case for the EC's relations with most other SMCs, were largely deemed to have been disappointing. Even the Revised Mediterranean Policy of 1989 failed to address the shortcomings of its predecessor to any meaningful degree.

The relative improvement in the regional political context following the Oslo Accords and the entry into force of the Maastricht Treaty in 1993 both contributed to consolidate EU's foreign policy competences to formulate more ambitious policy frameworks for a more effectual institutionalisation of its relations with SMCs. Beginning with the Euro-Mediterranean Partnership (EMP) in 1995, the resulting institutional architecture governing "North-South" relations in the Mediterranean has acquired increasing density with the European Neighbourhood Policy (ENP) of 2003 and the more recent Union for the Mediterranean (UfM). By contrast, EU-Algerian relations have evolved along a less linear pattern, reflecting for the most part a lack of compatibility between these European policies and the idiosyncrasies of Algeria's foreign policy.

The EMP. While regional politics were witnessing a marked improvement in the early 1990s, Algeria descended into a situation of domestic chaos as a result of the political and economic crisis that had engulfed the country. By 1995, Algeria was feeling the chill of its growing international isolation, which had a debilitating effect not only on domestic affairs but also on the confidence of decision-makers and their corresponding behaviour in foreign relations. They were desperate for support from western powers, but at the same time suspicious of the dubious roles

[2] The coup d'état of Houari Boumédiène inaugurated a new era for Algeria's foreign policy, which did not necessarily militate in favour of improved political relations with the West.

that many countries may have played with respect to assisting the Islamist insurgency.[3] In this context, the introduction of the EMP brought fresh diplomatic hopes to Algiers and looked likely to complement the Algerian regime's domestic normalisation efforts.[4]

Upon its inauguration in 1995, the EMP met with unprecedented enthusiasm in Algeria. It provided a diplomatic window of opportunity for a regime that was keen on demonstrating the international nature of the terroristic violence it was facing and on canvassing sympathy for its struggle against it. In this vein, not only did the Algerian government hope for improved bilateral relations with the EU, but it also sought to unify Arab ranks for more efficient regional action. Accordingly, Algeria took the decision to engage in earnest negotiations for the conclusion of a new-generation Association Agreement (AA) with the EU, regardless of the economic costs involved and the widespread opposition amongst civil society organisations. For decision-makers, potential political gains far outweighed other considerations.

However, in the face of the EU's timid support for the regime's strategy to counter the Islamist insurgency, Algeria's hopes soon faded and AA negotiations hit the sand in 1997. It was not until the coming to power of Abdelaziz Bouteflika in 1999, and the sending of global shock waves by the events of 11 September 2001 (9/11) that Euro-Algerian interest in enhanced relations was renewed. In the meantime, the intensity and nature of EU-Algerian interaction within the EMP were dictated by the evolution of the Algerian drama.[5] However, within a year of the resumption of talks in 2000, EU and Algerian negotiators reached an agreement on the AA, paving the way for its signing in April 2002. Since then, EU-Algerian relations have markedly improved at the political level, mainly as a result of closer security cooperation. But the economic record outside the hydrocarbon sector remains subdued.

This is now Algeria's main source of grievance against the EU, which often stands accused by policymakers in Algiers of not doing enough by way of encouraging productive investment into the country. Indeed, European investment trends in Algeria have conspicuously been limited to commercial ventures in the consumer goods industry, standing in stark contrast to FDI from Middle Eastern and Asian operators. The disappointment of the Algerian government with the carmaker Renault's 2008 decision to build its first regional factory in neighbouring Morocco instead of Algeria is reflective of these broader grievances, which have arguably led to the recent tightening of foreign investment terms.[6] In fact, the twists and turns of Algeria's economic policy of late are an indication of the limited impact interaction with the EU in the framework of the EMP has had on the convergence of the dyad's preferences in this area. No sooner had President

[3] Algeria's relations with countries like Iran, Sudan, Saudi Arabia and Morocco deteriorated markedly during the 1990s.

[4] These consisted of the return to constitutional rule through presidential and other elections. The pluralist election of Liamine Zeroual to the presidency in November 1995 was meant to kick-start this process.

[5] A number of high-profile political visits were initiated by the EU in response to the atrocious developments that marked the Algerian crisis from 1997. While this activism may have aimed at assuaging growing criticism from European public opinion, it contributed very little to a better understanding let alone the resolution of the crisis.

[6] In summer 2009, a series of new legislative provisions were enacted by the government with a view to curbing "commercial" foreign investments, whose impact on the country's imports bill had become increasingly burdensome, and encourage a more meaningful involvement of national entrepreneurs in economic development. Foreign car dealers were among the main targets of these policy changes.

Bouteflika abandoned the liberal pretensions that had served to consolidate his domestic power-base earlier in his tenure than doubts about the economic added value of the AA to Algeria became more pronounced. With ongoing security cooperation with the EU bringing limited geo-strategic dividends for Algeria, this uncertainty risks having a spill-over effect on EU-Algerian political relations.

The ENP. By 2003, Algeria's enthusiasm for EU Mediterranean policies had subtly given way to a more reserved posture. This attitudinal shift was confirmed by the lukewarm reception reserved by Algerian foreign policymakers to the ENP – a policy framework born directly out of the EU's 2004 enlargement process. Notwithstanding the presentation of the ENP by its architects as a policy remedy for the shortcomings of the EMP, Algeria chose to (self-)exclude itself from the new Neighbourhood Policy, becoming the only SMC and the second neighbourhood country after Russia to have done so. EU officials had hoped to see Algeria reverse its decision, but a visit in 2005 to Algiers by former ENP Commissioner Benita Ferrero-Waldner confirmed this was more than a mere knee-jerk policy choice.

The view in Europe was that Algeria's ENP decision was informed by the country's booming foreign currency reserves on the back of rising oil prices and its concomitant aversion to the conditionality of the proposed policy. Besides the fact that this assertion stood in stark contrast to Algeria's growing simultaneous commitment to the normative strictures of the EMP, it set EU policymakers on a wrong explanatory course which did not go down well with their Algerian counterparts. Nevertheless, to drive home their message, Algerian officials presented the EU Commissioner Ferrero-Waldner in 2005 with an "Action Plan"[7] that outlined the various sectoral priorities of the Algerian government in its relationship with the EU. After a few adjustments, the document has been adopted as a "roadmap" for EU-Algerian relations in the short- to medium-term.

What was missing from the EU reactions to Algeria's ENP policy was a realisation that its manifest pro-activism was a reflection of the country's new-found foreign policy assertiveness. Although Algeria's rejection of the ENP was initially couched in a rhetoric that pilloried the Euro-centricity of the initiative and its unilateral conception, its more profound origins can be traced back to the striking incompatibility of the nature of the ENP with Algeria's reinvigorated foreign policy aspirations. In the early years of the Bouteflika presidency, Algeria adopted an explicitly more aggressive foreign policy in the aim of restoring the country's tarnished reputation abroad. The events of 9/11 brought the Bouteflika regime added vindication, when the US-led international community joined Algeria's longer-standing "war on terror", and imbued its foreign policy with a sense of confidence as well as urgency about the need to make up for the lost years of the 1990s. As a result, relations with the EU were to be utilised for this purpose, and doing so meant revising the "terms of engagements" that had codified EU-Algerian interaction since the early 1990s.

The transformation witnessed by the Algerian energy sector in the 2000s as a result of both domestic reforms and shifting international market dynamics was also to reinforce Algeria's

[7] '*Plan d'action pour la mise en œuvre de l'accord d'association*'.

foreign policy. A confluence of record-high energy prices and the national oil company Sonatrach's ambitious expansion programme along the natural gas value chain buttressed Algeria's policy plans vis-à-vis the EU, generating a further drift away from the proposed ENP framework. Indeed, Algeria's self-perception of its strategic assets in the energy sector and the international fight against terrorism has not found resonance within the ENP, which is seen to reduce the concept of "neighbourhood" to a European projection of normative power. And as western reactions to 9/11 comforted Algeria's attachment to (its) "indigenous democracy", participating in the ENP could not be a less of a priority for decision-makers. All in all, as a product of reinvigorated foreign policy, Algeria's ENP policy provides a parallel with Russia's relevant attitude. For almost the same reasons, Russia decided against participating in the ENP, but, by contrast to Algeria, the EU was quick to propose an alternative framework that reflects the strategic character of its relationship with Russia. Algeria had to wait.

The UfM. The EU's latest policy initiative in the Mediterranean, launched in 2008, has fared no better than the ENP as far as Algeria's reaction is concerned. If anything, the Union for the Mediterranean has impressed Algerians much less than its predecessor because it scores poorly on the strategic features they have been looking for since the ENP. The fact that the UfM is a progeny of French diplomacy also meant that it stood little chance of winning Algerian support, let alone significantly changing the course of EU-Algerian ties, especially considering that relations between the French and Algerian establishments have been at a low since 2005.[8]

Algerian scepticism about the UfM has gone beyond the origins of the proposal and the way it was introduced. Unlike other SMCs, Algeria showed no interest in being an active part of the UfM's institutional arrangements. In the fierce deal-making that preceded the setting up of the secretariat, Algerian officials stood as spectators and laid no claim to hosting the new institution or occupying its top executive positions. Undoubtedly, the participation of the state of Israel will have discouraged Algeria from being more proactive, but given the fact that policymakers from both countries sit side-by-side in existing Euro-Med structures, there has got to be more to Algeria's attitude than just an aversion to Israel. This is all the more evident considering Algeria's refusal from the outset to serve as a source of funding for the UfM's selected regional projects, despite the abundance of cash at its disposal and the potential geo-political returns of this policy option. There may have been an element of prudence in this decision, particularly that Algeria has only recently repaid its foreign debt, but there appears to be an underlying political message of assertiveness and differentiation that the Algerians have sought to convey through this disinterest to EU policymakers.

Even the UfM's solar energy ambitions have thus far failed to assuage Algeria's reluctance, despite the country's recognised potential in this field. While most Euro-Mediterranean countries are enthusiastically queuing up for the Mediterranean Solar Plan (MSP) and its DESERTEC industrial twin,[9] Algeria has adopted a more cautious approach, to the frustration of the projects'

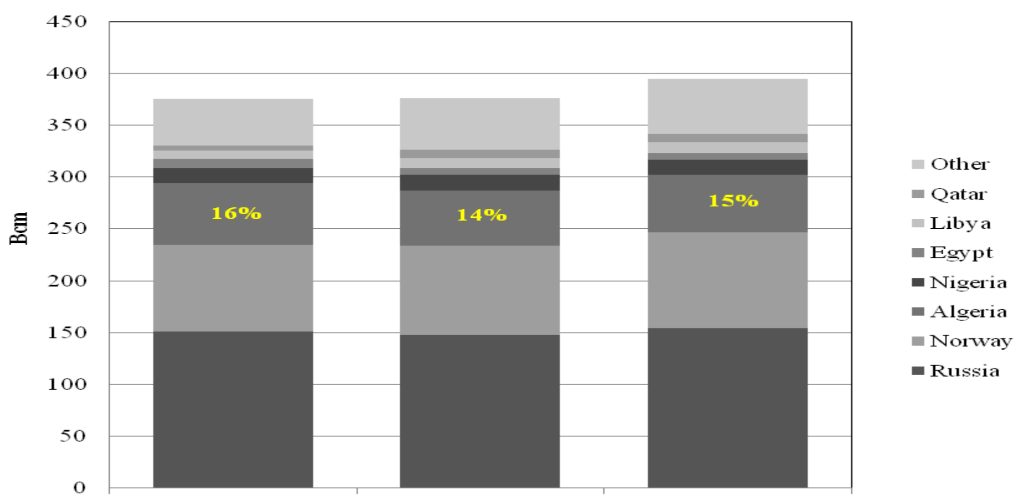
[8] Franco-Algerian relations have notoriously been bumpy, but they have entered a new era of noticeably cold confrontation since the voting in 2005 of a law glorifying "the positive role of French colonialism" and France's refusal to apologise for the crimes it committed during the colonial era (1830-1962).

[9] The basic idea underlying the MSP is the development of renewable, mainly solar, energy systems for power generation in the Mediterranean, with the aim of reaching a capacity of 20 gigawatts/year by 2020 and creating a

advocates. Indeed, although the government has indicated its willingness to develop renewable, mainly solar energy, it is anxious to avoid doing so in a way that leads to the continuation of rent-seeking propensities and dependence on imported technologies within the national economy. Its enunciated goal is also to develop these alternative sources of energy to satisfy, in the first instance, Algeria's growing domestic energy requirements, rather than aim for the export market from the outset. All these preferences point to the need for a more tailored EU-Algeria energy cooperation framework to take account not just of existing trends and patterns in their energy relationship but also its anticipated evolution.

Energy interdependence

Geographical proximity to Europe has naturally led to the development of an interdependent energy relationship between Algeria and European consumers. This interdependence is particularly strong in the gas sector where Algeria's sizeable supplies have contributed to the development of natural gas markets in western Europe and to the satisfaction of their consistently growing requirements since the mid-1960s.[10] Furthermore, as a pioneer in the liquefied natural gas (LNG) industry, Algeria's Sonatrach saw its exports play a crucial role in the development of LNG markets in the Atlantic basin and northern Europe, such as in the US, the UK, France and Belgium. As a result, in the environment of uncertainty that pervades the European gas market today, the importance of Algeria as a reliable supplier is more loudly recognised.



Source: BP (2009)

Figure 1: European gas imports by source
Note: Data for OECD Europe

"Euro-Mediterranean green electricity market". Sharing the same concept as the MSP, the Desertec project is promoted by a consortium of European and southern Mediterranean companies, and aims at raising over $400 billion and supply from North African deserts up to 15 percent of Europe's electricity requirements by 2050.

[10] Italy, France, Spain, UK, Portugal, and Belgium have been Algeria's most important customers in Europe.

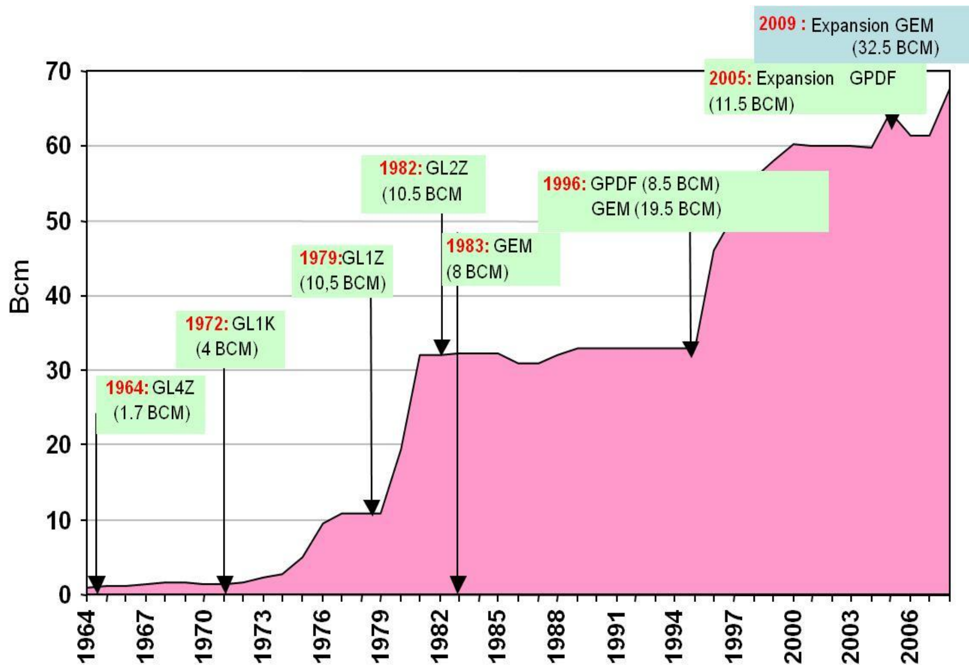
Today, Algeria is the EU's third largest supplier of natural gas after Russia and Norway (figure 1), with annual exports of over 50 billion cubic meters (Bcm). The dependence of some member states such as Italy, Spain, Portugal and France on Algerian gas supplies is even more important (table 1). Deliveries of gas by subsea pipelines connecting Algeria to the southern shores of Italy and Spain have grown consistently since the early 1980s with the laying, and subsequent expansion of, the Trans-Med pipeline through Tunisia and the Maghreb-Europe connection (GME) through Morocco (figure 2).[11] In 2009, the volumes of gas delivered to Europe through these two systems exceeded 30 Bcm, with Italy absorbing more than two thirds of these flows. Moreover, with the coming on stream by 2015 of new LNG and pipeline export capacity (Skikda, Gassi Touil, Medgaz, and Galsi – figure 3) Sonatrach will have the possibility to become Europe's second largest supplier with over 80 Bcm of gas sales per year. This should allow Algeria to continue to play a pivotal role in the anticipated evolution of Europe's gas market and satisfy its growing dependence on outside supplies.

Table 1: Share of Algerian gas in 2008 imports of selected EU member states

Country	**Pipeline**	**LNG**	**Total**
Italy	**32 %**	**100%**	**34%**
Spain	**83%**	**17%**	**35%**
France	**n/a**	**60%**	**16%**
Portugal	**100%**	**n/a**	**42%**

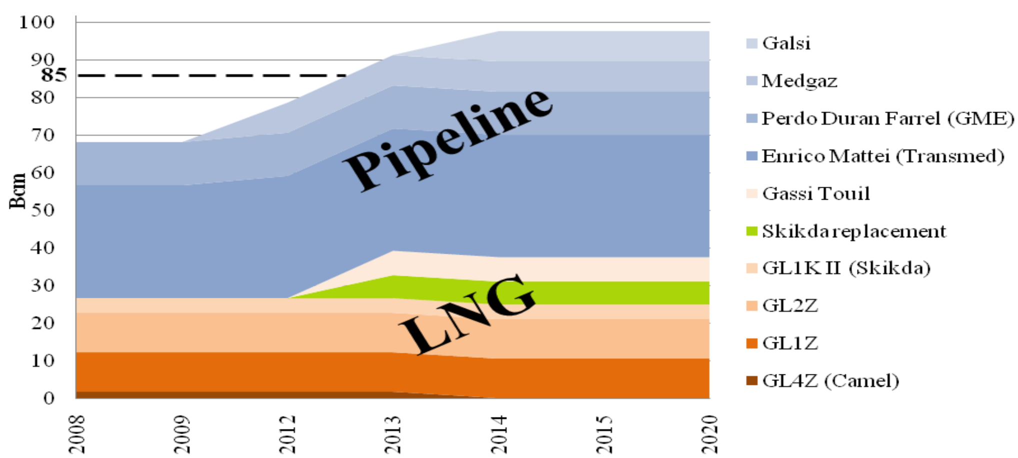
Source: own calculations based on BP (2009)

[11] In 2000, the two pipelines were renamed Enrico Mattei Gas Pipeline and Pedro Duran Farell Gas Pipeline, respectively.



Source: Sonatrach

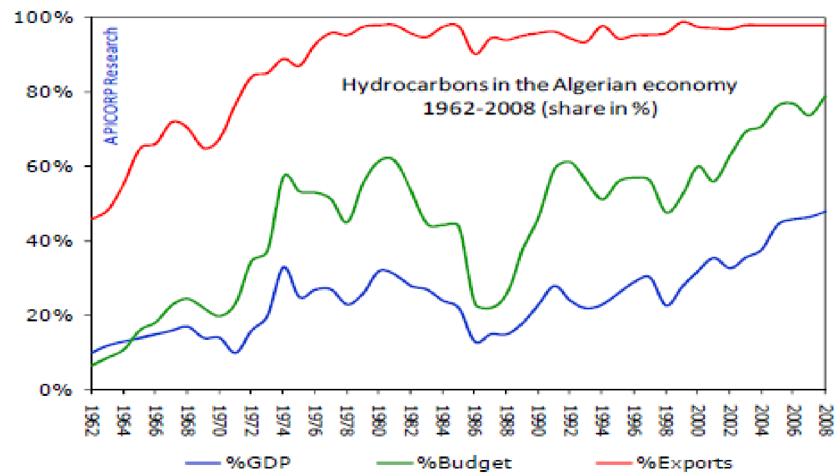
Figure 2: Evolution of Algerian gas export capacity



Sources: Sonatrach and MEES (various issues)

Figure 3: Algeria's planned expansion of gas export capacity

Equally, over 80% of Algeria's gas exports are today absorbed by the European market. What's more, in volume terms, natural gas is Algeria's single most important export commodity, representing over 40% of hydrocarbon exports. Notwithstanding the fluctuations in international prices, its significance for the macro-economic stability of the country is far from negligible, considering that hydrocarbons account for 97% of Algeria's export revenues, 60% of its fiscal receipts and 40% of GDP (figure 4). Additionally, Algeria's current hydrocarbon expansion strategy is overwhelmingly reliant on its natural gas potential, which represents two-thirds of the country total hydrocarbon reserve-base. Sonatrach's concomitant efforts to ramp up gas production, mainly from the underexplored fields southwest of Hassi R'Mel, and to increase exports to at least 85 Bcm by 2015 will only serve to reinforce the share of the European market in overall exports and the vital role of the gas industry in the Algerian economy.



Source: Aïssaoui (2009)

Though solid enough, interdependence between the EU and Algeria has not been immune to shifting market dynamics and changing perceptions of vulnerability on both sides. The weak institutionalisation of this interdependent energy relationship has meant that, in the face of emerging challenges, concerns about security of supply on the one hand and about security of demand on the other are increasingly testing the sustainability of the status quo. From a European vantage point, challenges to the EU's security of supply derive from Algeria's growing confidence in recent years, which has conveyed the impression of a re-emerging "resource nationalism" that seeks to limit foreign involvement in the Algerian energy sector. This is exacerbated by the rising sophistication of Sonatrach as a market player and its avowed plans for vertical integration along the value chain. Impending upstream challenges and booming domestic energy requirements in Algeria are also a source of anxiety in the EU, as they can mean that significantly smaller volumes of gas will be available for exports in the long-term. Lastly, while the current downswing of international gas markets means cheaper supplies for European consumers in the short-term, it may also – if sustained – reinforce the dreaded, currently-flickering drive amongst exporters for the cartelisation of the (emerging) gas market.[12]

Algeria's apparent confidence has only served to disguise its own vulnerabilities in what is increasingly becoming a consumer gas market. Thus far, it has already become evident that the

[12] This refers to the possibility of the existing Gas Exporting Countries Forum – a loose organisation bringing together the world's largest gas producers and exports – turning into some sort of OPEC-like cartel for gas, or a so-called "gas OPEC".

restrictions imposed on non-EU suppliers by the European Commission in the context of its fledging internal gas market liberalisation programme have not been received favourably in Algiers. More specifically, there is increasing concern in Sonatrach about the impact that the "unbundling" and the related "third-party access" provisions of these reforms will have on its ability to market its gas in the EU. Algeria's resulting market share worries are heightened by the EU's energy security policies, particularly the revival of nuclear power and the flagship "20-20-20" targets.[13] The risk of seeing long-term gas contracts and supplies displaced on the European market as a result of the current global LNG supply glut, which originates in the coming online in recent years of new capacity in Qatar and elsewhere as well as the impact of unconventional gas on the US market, is weighing heavily on the minds of energy policymakers in Algeria. In similar vein, the potential development of unconventional gas reserves in Europe can have immeasurable negative repercussions for Sonatrach's interests in the European market and Algeria's energy interdependence with the EU more broadly.

Strategic energy partnership

The first attempt at the formalisation of EU-Algeria energy relations took place in 2006 when Algerian policymakers proposed to their European counterparts the conclusion of a "strategic energy partnership" (SEP). Spurred on by reactions to the first gas transit dispute between Ukraine and Russia, Algeria sought to reassure its European customers over the reliability and stability of its gas supplies and to distance itself from the apparent politicisation of natural gas trade on Europe's eastern border. As the conception of the envisaged cooperation framework was left to the European Commission, the ensuing negotiations have been agonisingly protracted, reportedly as a result of the EU's instinctive emphasis on market regulatory norms being accorded a central role in a future SEP with Algeria. Indeed, the first draft document, which failed to win Algeria's approval, only offered as novelty the convergence of the dyad's regulatory frameworks in the energy field.

However, little enthusiasm has been shown by Algeria for the EU's model of extending its own market regulatory norms as a basis for strategic energy cooperation. The reason for this lack of interest is two-fold. Firstly, Algeria perceives the EU approach as prosaically narrow and obsessed with rules and regulations, whereas its expectation is of a cooperation model that is explicitly more strategic. Little value does the EU's proposed energy cooperation framework add to the existing bilateral deals that member states have been prepared to conclude on the basis of more strategic dividends for Algeria.

Secondly, Algeria's scepticism has been reinforced by the commonly-held view that, while the principles of the EU's market-based external and internal energy policies are well-articulated, in practice a uniform degree of commitment from member states and institutions to these enunciated rules remains elusive. It is indeed no secret that a number of member states, including those with the bigger energy markets, have still to become reconciled to the idea that a

[13] By the year 2020 reduce greenhouse emissions by 20 percent; increase energy efficiency by 20 percent; and raise to 20 percent the share of renewable energy in its energy mix.

consolidated and liberalised internal European energy market is in their national interests. The resistance that the Commission faced from member states like Spain, Germany, France and Italy in relation to its 2007 proposal for the unbundling of the production and distribution segments of European energy incumbents is testimony to the inconsistencies that pervade European energy policy. Added to this is the fact that Algeria saw its protracted efforts to reform its energy sector in the early 2000s receive little or no support from the EU, at a time when the government needed all the support it could obtain to help it deal with fierce domestic opposition to such plans. In the end, the liberalisation programme of the hydrocarbon sector was abandoned, but EU policymakers were the first to subsequently criticise the toughness of upstream investment terms in Algeria.

Algeria's relevant policy pronouncements indicate that it wants its SEP with the EU to take account not just of existing trends and patterns in their energy relationship, but also its anticipated evolution. Beyond oil and gas, Algeria is interested in developing new, "green" technologies to harness its non-hydrocarbon energy potential and be an active part in the incipient climate change policy agenda. Besides ensuring the sustainability of energy ties with the EU, an SEP is seen in Algeria as a potential driving force for broader EU-Algerian relations. The aim is to have the SEP serve as the central pillar of a larger strategic partnership, which covers trade and investment, migration issues and, possibly, enhanced security cooperation. This configuration reflects Algeria's longstanding priorities in its relationship with the EU, notably the promotion of investment and economic diversification, a meaningful visa facilitation regime, and a more comprehensive cooperation in the fight against common threats. However, the EU's response to Algeria's wish-list has continued to be autistic, maintaining its pursuit of the conclusion of an SEP with a heavy normative focus. So long as other SMCs have their relations with the EU upgraded through one formula or another (advanced status, deep free trade, etc.), while Algeria's preferences remain not fully integrated into its own relationship with the EU, the latter will continue to see Algeria be as awkward a "partner" as can be in the context of its existing and future regional policy initiatives.

Conclusion

Failure to optimise EU-Algerian relations has had a significant inhibiting effect on the advancement of the dyad's interests. The main factor accounting for this far from ideal situation originates in the configurations of the policy frameworks that have so far been proposed by the EU. These have tended to fall short of providing for Algeria's interests and satisfying its strategic self-perception. The EMP was introduced in an exceptional context as far as Algeria is concerned and, as a result, its relatively enthusiastic attitudinal response to this framework should (perhaps) also be considered exceptional. Certainly, the failure of the EMP to lead to any meaningful convergence of interests between the EU and Algeria seems to indicate this to be the case. However, what seems to be more disappointing is the EU's reaction to Algeria's proposal to reinvigorate their relationship through a strategic partnership in energy not only to reflect the existing interdependence that characterises their energy ties, but also to encourage a shift of gears in upgrading EU-Algerian relations along the enhanced bilateralism path that most SMCs seem to be benefitting from.

Despite its strong trade links with the EU, Algeria can and has been developing privileged commercial and political relations with other countries and regions of the world. Strategic partnerships with China, Russia, Japan, Brazil, Canada and Turkey have allowed investors from these countries to benefit from lucrative opportunities on the Algerian market in the last 10 years. As a result, of the $200 billion worth of infrastructural projects commissioned by the government since 2000 – including 1 million housing units, 1,200km highway and other transport infrastructure – the largest have been awarded to non-EU companies. In addition to a portfolio of strong relations with other MENA and African countries, these partnerships could soon have a more political cost for the EU as Algeria's priorities continue to drift away. Only a specific framework that capitalises the healthy energy relationship would offer the most positive outlook for EU-Algerian relations.

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