

## **ANALYSIS OF HYDROCARBONS IN ALGERIA'S APPROACH TO BRICS MEMBERSHIP 2024**

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### **ABSTRACT**

Algeria's hydrocarbon sector dominates more than 90% of the country's income and is the second largest GDP in North Africa. Most of Algeria's hydrocarbon resources come from old mines with two-thirds of Algeria's territory has not been explored. Even though hydrocarbon resources are non-renewable energy, research estimates that more than 100 discoveries in Algeria can still be developed. Algeria recently wants to join the political and economic cooperation group of developing countries rich in natural resources that covers 40% of world's population and contributes around 28% of total world GDP. This article aims to examine the strength of the hydrocarbon sector as Algeria begins its economic relationship with BRICS, using Complex Interdependence Theory by Keohane and Joseph Nye, and the Bandwagoning Concept by Kenneth Waltz. The results of this research are that Algeria has very high hydrocarbon reserves compared to other prospective African countries such as Ethiopia

and Egypt which want to join BRICS. Furthermore, Egypt is strengthened by the attractiveness of the tourism and industrial sectors, and Ethiopia is supported by agriculture and investment. It is believed that Algeria's dependence on hydrocarbons will eventually run out.

Key Words: Algeria, BRICS, Economy, Hydrocarbon

### **ABSTRAK**

*Sektor hidrokarbon Aljazair mendominasi lebih dari 90% dari pendapatan negara dan merupakan PDB terbesar kedua di Afrika Utara. Aljazair merupakan salah satu negara dengan cadangan gas alam dan minyak terbesar di dunia. Sebagian besar sumber daya hidrokarbon Aljazair berasal dari tambang tua sekitar dua pertiga wilayah Aljazair belum dieksplorasi. Meski sumber daya hidrokarbon merupakan energi tak terbarukan, penelitian memperkirakan lebih dari 100 penemuan di Aljazair masih bisa dikembangkan. Aljazair baru-baru ini memiliki keinginan untuk bergabung dengan kelompok kerja sama politik dan ekonomi negara-negara berkembang yang kaya sumber daya alam yang mencakup 40% dari populasi dunia dan mempunyai kontribusi sekitar 28% terhadap total dari PDB dunia. Artikel ini bertujuan untuk mengkaji kekuatan dari sektor hidrokarbon ketika Aljazair memulai hubungannya dengan BRICS, dengan menggunakan Teori Saling Ketergantungan Kompleks oleh Keohane dan Joseph Nye, dan Konsep Bandwagoning oleh Kenneth Waltz. Hasil dari penelitian ini adalah Aljazair yang memiliki cadangan hidrokarbon yang sangat tinggi dibandingkan dengan calon negara Afrika lainnya seperti Ethiopia dan Mesir yang juga ingin bergabung dengan BRICS. Di sisi lain, Mesir yang diperkuat oleh daya tarik sektor pariwisata dan industri, dan Ethiopia yang didukung oleh pertanian dan investasi. Ketergantungan Aljazair terhadap hidrokarbon ini diyakini pada akhirnya akan sewaktu waktu.*

*Kata Kunci: Aljazair, BRIC, Ekonomi, Hidrokarbon*

### **INTRODUCTION**

The largest country in Africa and the Mediterranean, Algeria, is also the second-largest economy in North Africa derived from the hydrocarbons sector. Hydrocarbon refers to hydrogen and carbon as organic compounds in natural resources such as gas, crude oil, and coal. Natural resources play a crucial role in the sustainable development of nations as it generates economic benefit to help fund the process (Shao & Razzaq, 2022). Algeria's economy highly depends on non-renewable energy from gas and oil production. Hydrocarbon endowment is dominated by its larger natural gas reserves compared to crude oil. The sector has a large market size which contributes approximately 95% of exports and 60% of national budget revenue (Aimen, 2019). Sonatrach, as a state-owned company, manages the majority of productions in Algeria and has control over 80 percent of hydrocarbon production. Algeria has the tenth-largest natural gas reserves globally and is the fourth-largest gas exporter. It also has the third-largest untapped shale gas resources. Additionally, it ranks sixteenth in

proven oil reserves and exports sixty percent of its production (U.S. Department of Commerce, 2023). Steadily, Algeria's national Gross Domestic Product (GDP) gradually rises each year through the high contribution of the hydrocarbon sector.

Algeria has just experienced a critical stage in its history, citizens from all social backgrounds participating in a mass movement demanding significant political reforms. The movement is known as Hirak, leading to the resignation of President Abdelaziz Bouteflika in 2019 after two decades of ruling (Haden & Harr-Siebenlist, 2023). It somehow affected the national economy which had decreased at the time. The government then initiated the exploration of a new gas supply in the southwest region as the key role in stabilizing economic development. In early 2018, Sonatrach had a new objective strategy to double annual output of new discoveries to 20 billion cubic meters (Bcm) in 2023 and 70 Bcm in 2040. This company also strengthened its cooperation with India by signing the EPC (Engineering, Procurement, and Construction) contract with the field's total output estimated at four Bcm per year (Ouki, 2019). The US Energy Information Administration (EIA) estimates that Algeria possesses 20,000 Bcm of shale gas resources that have the potential to be technically extracted. Currently, Algeria is still in the stage of economic development which is expected to increase over the next decade.

Since its independence, Algeria has joined some international organizations such as the United Nations (UN), the Arab League, and the African Union. In terms of economic cooperation, Algeria has been a member of the Organization of Petroleum Exporting Countries (OPEC), the Organization of Arab Petroleum Exporting Countries (OAPEC), and the latest one is the Gas Exporting Countries Forum (GECF). Algeria is more actively involved in economic cooperation with European countries as its biggest economic partner or with other countries bilaterally. Recently, the country showed its interest in joining an intergovernmental organization of developing countries, BRICS. The BRICS itself is an acronym that refers to its member states comprising Brazil, Russia, India, China, and South Africa. The economic goals of BRICS align with the World Bank and IMF, which aim to promote balanced international trade, high employment levels, and the development of productive resources for all member countries (Mugarura, 2023). In the beginning of its second decade, the group has made remarkable contributions to the world economy. BRICS, responsible for 31.7% of worldwide

GDP through purchasing power parity, is recognized as a formidable influence due to its establishment of a bank and promotion of trade within its member states (Siddiqui, 2023). Algeria applied for BRICS membership in 2022 to enhance their national economy. The membership status will reinforce relations with member states, especially Russia and China, while bolstering its international position as part of a strong economic group (Rahmouni, 2023). Unfortunately, many contend that Algeria's reliance on hydrocarbons will lead to its rejection of membership. Compared with Russia which has nearly forty percent revenue from oil and gas, Algeria derives two-thirds of its revenue from this sector (Pulyaeva et al., 2020). Furthermore, Algeria frequently invests in the environment and underdeveloped banking system, which lacks profitable prospects. The government was also accused of being only interested in worldwide profits, while its economy was deemed unfit due to its reliance on oil and gas (North Africa Post, 2023).

This paper will examine the economic power of Algeria which actually has started an economic transition to renewable energy while its high production of hydrocarbons. Besides, some research conducts explanations about the positive and negative impact of natural resources depending on the types of resources rented —oil, gas, or coal (Wang & Razzaq, 2022). Increasing revenue from natural resources is advantageous in promoting economic and sustainable development. Furthermore, Algeria's hydrocarbon reserves always meet its demand, which remains constant for sectors like industries, power stations, and public gas distribution. In this case, the Theory of Complex Interdependence will help to explain the demand of natural resources in terms of international cooperation. The Bandwagoning Concept will be used to analyze Algeria's objectives as one of the countries that are interested in joining BRICS.

## **ANALYTICAL FRAMEWORKS**

### **Theory of Complex Interdependence**

To analyze how Algeria is trying to become a new member of BRICS 2024, the author uses complex interdependence theory to explain it. Complex interdependence theory is a theory developed by two international relations experts, namely Robert Keohane and Joseph Nye. Complex interdependence is actually the main component of the neoliberal perspective and has been widely used in analyzing international politics in order to understand the

willingness of countries to cooperate with each other in conditions of anarchy or dependency. Keohane and Nye argue that in this era of interdependence the basic nature of international relations has changed and the world is more dependent on everything, especially in the economic field. Dependence means a state of being determined or significantly affected by external forces. Interdependence, most simply defined, means mutual dependence. Interdependence in world politics refers to situations characterized by reciprocal effects among countries or among actors in different countries (Keohane & Nye, 1978). As the name suggests, namely interdependence, in the current era it is clearly impossible for a country to exist and live without establishing relations with other countries. The existence of globalization makes countries in the world dependent on each other to ensure the survival of their people. Including dependence on the economic sector which aims to gain large profits and meet the needs of the country. As is done by Algeria, where this country is one of the largest oil and gas producing countries, it collaborates with countries that need oil and gas. Coupled with Russia's invasion of Ukraine where they imposed oil embargo sanctions on Russia which then also resulted in European countries having difficulty finding a replacement country for Russia as the largest oil importer in the European region, so more and more European countries wanted to switch to buying oil in Algeria which previously they bought oil and gas from Russia. Apart from collaborating with these European countries, Algeria also has good cooperation with Russia, where Russia is the largest arms supplier to Algeria. However, when Russia invaded Ukraine, this made Moscow unable to sell weapons and equipment to Algeria as a form of international sanctions against Russia. Military cooperation between Algeria and Russia has been established for a long time, which can be said that Algeria depends on Russian military equipment and expertise (Rome MED Dialogues, 2024).

### **Bandwagoning Concept**

The concept of Bandwagoning is a phenomenon that exists in international relations where a country will tend to join or go with the flow with a country or group that has greater or dominant power, rather than having to make allies or alliances to fight them. In this concept, the country carrying out bandwagoning will feel that joining with a larger power will provide benefits and protection against threats. Kenneth Waltz in his book entitled "Theory of International Politics" discusses the concept of Bandwagoning. In his book, Waltz presents the basics of structural realism theory. Waltz said that in an anarchy system, countries tend to

bandwagon with great power as a form of response in the face of a threat (Schweller, 1994). This is the same as what Algeria does, where this country prefers to collaborate with countries that have greater power than its own country so that later Algeria can gain benefits if it forms a coalition with countries that are equal to its own and fights against other countries.

## **RESEARCH METHODS**

In this research we used descriptive qualitative methods. Descriptive qualitative methods are research used to understand and explain an event or phenomenon in depth without having to carry out quantitative or statistical measurements. Descriptive qualitative research methods focus on observation, analysis and descriptive interpretation of data in describing the characteristics of an event or phenomenon. Therefore, the author chose to use this qualitative method to describe how Algeria, as one of the countries in Africa, is trying to join as a new member of BRICS 2024. Then the collection technique used in this research is literature study or literature study. Literature study or literature study is a data collection technique that can be sourced from anywhere, such as journals, books, research reports, dictionaries, magazines, and articles that are relevant to the topic to be discussed.

## **DISCUSSIONS**

### **Algeria's Application to BRICS**

Algeria has submitted its application to join the BRICS organization and continues its application to become a shareholder member of the BRICS fund with a total value of \$1.5 billion USD. During President Tebboune's visit to China, he said that Algeria wanted to join BRICS to open up opportunities in the economic sector. Algeria is a country located in North Africa and has oil and gas resources that are able to compete in diversifying its economy and maintaining its partnerships with countries such as China (Reuters, 2023). In the meeting that occurred between the presidents of BRICS member countries at the end of March 2023, they discussed estimates of launching a new currency to equalize the hegemony of the US dollar (The Cradle, 2023b).

Furthermore, President Teboune also said that he was ready to play actively and deepen economic relations with China. It is known that Algerian imports from China increased from \$400 million in 2003 to \$8 billion in 2022. President Tebboune also carried out a

development plan with development in the economic sector for the next 12 years, by increasing investment, human development and advanced export structure are needed to meet the requirements to join BRICS membership (The Cradle, 2023a).

Algeria's efforts to join BRICS is a part of its strategy to align with China to avoid pressure from the West, especially France. Algeria is also one of the few African countries that rejects military intervention in Niger. Joining the BRICS alliance will strengthen Algeria's ties with China and Russia and open up opportunities for foreign investment and alternative financing. After applying to join the developing group BRICS last year, Algeria is now finalizing its pending membership (Siddiqui, 2023). In the application process to join as a BRICS member country, Algeria certainly has a lot of huge investment results that have been obtained from various fields. It is known that during President Tebboune's term of office, he only had a few achievements and contributions to the country, the reason being the impact of COVID-19 which occurred at the end of 2020 and until the end of 2022. So that in order to return to a stable situation as head of state, President Tebboune made diplomatic plans to try to win back public opinion and elections to be held in 2024. According to President Tebboune, his plan to join BRICS membership can provide and increase investment, trade, and technology opportunities as greater economic diversification and new export markets for other member countries.

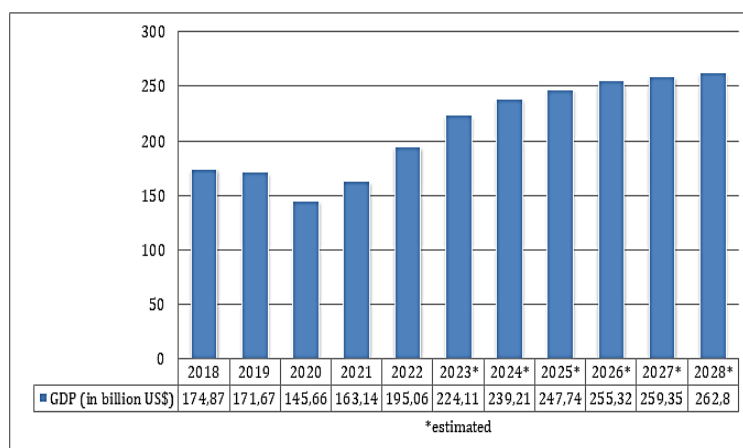
In the Economic sector Algeria relies on BRICS membership for the simple reason that, according to Algeria, there will be only one country in the North African region that can carry and channel trade in the organization and is able to provide sufficient natural resources to maintain industry and guarantee income and be financially stable. Another benefit is also expected from Algeria joining BRICS, namely strengthening relations between Russia and Algeria as the largest energy source actors in the world and their influence in the hydrocarbon sector so that they can benefit from the formation of OPEC+, especially in OPEC gas (Khariief, 2023). This situation is similar to the bandwagoning concept which analyzes that when a country like Algeria makes an alliance with a stronger enemy country, one of which is Moscow, they then gain disproportionate benefits that can be obtained together. This indicates that the strategy implemented by Algeria, with the weakening of the economy and the stability of the country during the COVID-19 period and the recovery period for two years, is to look for stronger allies and offer the natural resources owned by the country.

In fact, the BRICS countries have a reliable role in the global economic and financial system. This can be seen when the BRICS countries have abundant natural resources and oil reserves which continue to increase. In order to achieve sustainable development goals, BRICS has carried out an increasing energy agenda by looking for countries that have at least stable natural resources. However, with the achievements of these countries, it is not surprising that the resource curse produced by countries rich in natural resources often experiences instability within the country. Previously it was known that in 2012 Algeria became the country with the third largest oil reserves in the world and had around 12.2 billion barrels of oil reserves. Apart from that, in the natural gas sector, Algeria is the eighth country to supply gas to the EU. With this stable economic growth sector, Algeria will influence oil and gas prices in the world, however, instability, weak institutions and increasing corruption in the country actually have an impact on growth in various sectors (Benramdane & Boumediene, 2022).

**Algeria’s GDP in Current Prices 2018 to 2028**

Algeria’s Gross Domestic Product (GDP) shows gradual increasing years after the political disruption ended in 2019. Following the elucidation of the Hirak movement in the preceding section, it is apparent that the national income experienced a substantial decline, plummeting from US\$ 171.67 billion to US\$ 145.66 billion. The country's GDP estimate will undergo a progressive surge, ultimately attaining a figure of US\$ 262.8 billion by the year 2028 as seen in Figure 1 (O’Neill, 2023a).

Figure 1. Algeria’s GDP 2018-2028 (Estimated)



Source: Statista.com (data processed by the authors)



## **Other African Potential Member Countries to Join BRICS**

### **Egypt**

Through the BRICS Summits held in 2017 and 2022, Egyptian President Abdel Fattah al-Sisi attended the last BRICS Summit at the invitation of Chinese President Xi Jinping. Cairo expressed interest in joining the BRICS group, emphasizing improving the economic status of the BRICS countries and Egypt, as well as developing key economic and commercial capabilities in the region. Good relations with BRICS members align Egypt's economy and manufacturing industry with the needs of the BRICS group, while parties such as Russia support Egypt's efforts to join the alliance. Egypt, along with South Africa, is considered the gateway to the African continent. Egypt's economic challenges include a weak currency, including a 50% devaluation of the Egyptian pound last year, high inflation (40% in 2022), and a 13% increase in Egypt's foreign debt to \$163 billion, about \$20 billion. This includes dollar withdrawals, foreign investment, rushed implementation of important projects, and excessive borrowing led to Egypt's economic downturn in 2022 (Bonesh, 2023a).

This country has suffered severe damage from EU policies stemming from the Ukraine conflict, which led to soaring energy prices and the confiscation of Ukraine's wheat crop (usually sold to Egypt and Asian countries) by the EU. Bread was a reliable staple food in Egypt, and for several months there were severe food shortages throughout the country. This, in turn, leads to an overly pessimistic view of the EU's future efforts to exchange products as a trading partner as global demand increases. However, some international organizations' positive assessment of Egypt's economic indicators, is clear prospects, increased exports and foreign investment, growth rate increasing to 5.3% in 2023-2024, and external debt reduction plans remain optimistic goals (Bonesh, 2023b).

BRICS group investment statistics in Egypt show that there was a significant increase from \$610.9 million in 2020-2021 to \$891.2 million in 2021-2022, with a growth rate of 45.9%. This investment is expected to continue to grow, making Egypt a gateway between Africa, Asia, and South America with exports to Europe and America through free trade agreements (Zain, 2023).

## **Ethiopia**

In mid-2023 Ethiopia officially expressed interest in joining the BRICS. According to the Ethiopian Ministry of Foreign Affairs, Abiy Ahmed said, Ethiopia's entry would provide positive and clear hope and enable broader cooperation with other international organizations in order to protect Ethiopia's national interests. According to the International Monetary Fund, Ethiopia has the second largest population in Africa and is one of the countries in Africa with the fastest growing economy on the continent. Ethiopia, with the second highest population in Africa, is one of the continent's fastest growing economies. Additionally, according to the latest World Economic Outlook, Ethiopia's GDP in 2021 increased from \$126 billion to \$156.1 billion. However, this still makes Ethiopia a small country among the BRICS countries (Tekle, 2023).

Additionally, Ethiopia's anticipated GDP growth rate in 2023 is 7.5% GDP PPP of \$290 USD billion, and GDP per capita PPP of approximately \$2,519 USD. In this case, it can be seen that the Ethiopian government has been able to overcome inflation and the GDP debt ratio. Furthermore, Prime Minister Abiy Ahmed also considers that with his government's ability to reduce the inflation rate and GDP debt ratio by 2024 this could be an extraordinary moment for the country of Ethiopia to soon become an official member of BRICS. In line with the increase in production and exports since the decline of the COVID outbreak and the Ukraine conflict which has disrupted barley and wheat imports in Ethiopia by reducing rice imports in the agricultural sector by around 50%, BRICS membership is believed to be able to improve and overcome food problems in the country. Advanced technological know-how in the agricultural sector from BRICS member countries can help modernize Ethiopia's food production such as grains and fertilizers from Russia. Another goal is that renewable development will help Ethiopia's foreign loans which are known to be limited by foreign exchange reserves and the inflow of foreign currency in the country (Bonesh, 2023b).

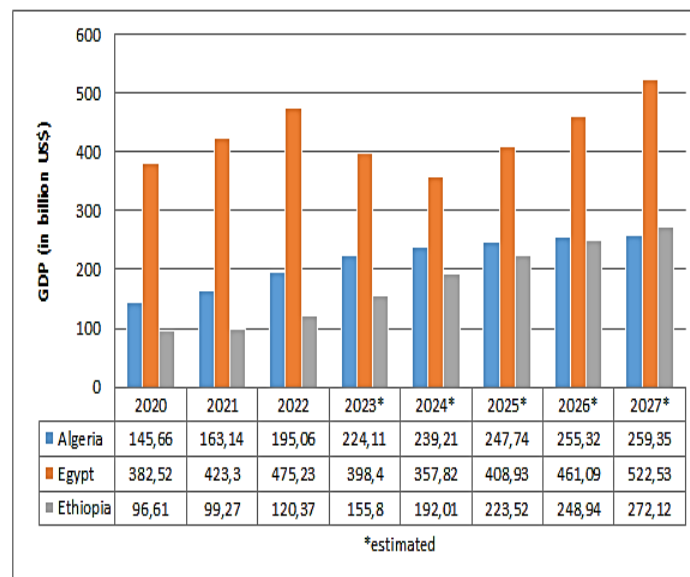
The presence of BRICS in Ethiopia can accelerate economic growth, open new export markets, new trade agreements and bring in direct foreign capital or FDI. As a BRICS member, Ethiopia wants to increase trade with its currency, the US dollar, reduce costs and develop e-commerce. The positive influence of BRICS members can help

Ethiopia use the expertise of BRICS members to carry out economic reforms, increase employment and promote Ethiopian exports, create macroeconomic change and access a healthier economy. Ethiopia's development goals and prospects, growth and increase in tourism in large and emerging BRICS countries are some of the impacts of BRICS membership. Ethiopia's official accession to the BRICS group will strengthen the country's economic position in the Horn of Africa and accelerate the implementation of the goals of the 2063 African Development Agenda and the African Continental Free Trade Agreement (ACFTA) going forward (Bonesh, 2023b).

### Algeria, Egypt, and Ethiopia GDP in Current Prices from 2020 to 2027

The data provided below illustrates the GDP of three African nations that have sought membership in the BRICS alliance (See Figure 2). Egypt emerged as the leading contender in terms of GDP, achieving an average of US\$ 415.32 billion between the years 2020 and 2027 (O'Neill, 2023b). In contrast, Algeria and Ethiopia showcased a relatively minor disparity between their average GDPs and incomes, amounting to US\$ 216.19 billion and US\$ 176.08 billion, respectively (O'Neill, 2023c).

Figure 2. Algeria, Egypt, and Ethiopia GDP 2020-2027 Comparison

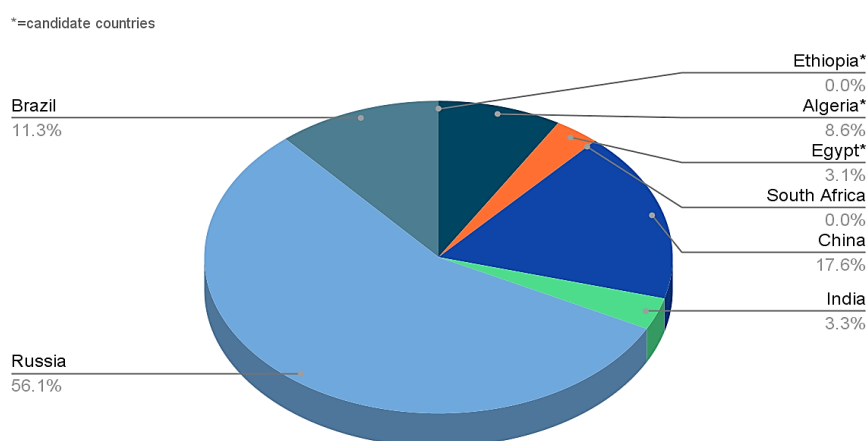


Source: Statista.com (data processed by the authors)

### BRICS Members Crude Oil Reserves Percentage

The member nations of BRICS are renowned as emerging economies with substantial reserves of natural resources. A study conducted in 2016 revealed that the petroleum reserves of the BRICS countries amounted to a staggering 126,060,012,000 barrels, with a majority of these reserves located in Russia (British Petroleum, 2022). Algeria, Egypt, and Ethiopia, as aspiring African nations endeavoring to accede to the BRICS alliance, possess substantial reserves in considerable measure. Algeria, for instance, boasts an abundant endowment of approximately 12.2 billion barrels. Similarly, Egypt's oil reserves are estimated at approximately 4.4 billion barrels, while Ethiopia possesses a more modest 428,000 barrels in reserve. This statistical evidence unequivocally demonstrates that Algeria boasts the highest petroleum reserves among these three nations (See Figure 3).

Figure 3. BRICS Crude Oil Reserves by Country



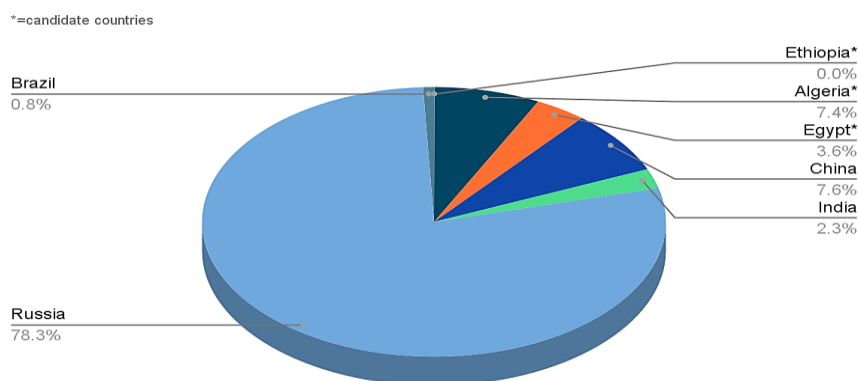
Source: British Petroleum Global (data processed by the authors)

### BRICS Countries Natural Gas Reserves Percentage

In the same research, the natural gas reserves of BRICS members amount to 1,918,757,000 million cubic feet (MMcf), with Russia holding two-thirds of this total. Conversely, Algeria possesses natural gas reserves of 159,054,000 MMcf, whereas Egypt boasts reserves of 77.2 million MMcf. Ethiopia, on the other hand, possesses 880,000 MMcf of reserves (EIA, 2022). Based on this examination, it can be concluded that Algeria has greater reserves

of natural resources in comparison to other African countries that are being considered as potential competitors for BRICS membership.

Figure 4. BRICS Natural Gas Reserves by Country



Source: United States Energy Information Administration (data processed by the authors)

### **Hydrocarbon's Algeria to Reinforce Algeria's Economic Relations to BRICS, is Renewable Energy Needed?**

Algeria's economy has returned to pre-pandemic levels, but economic growth was largely driven by rising hydrocarbon prices, especially in Europe, and declined slightly in early 2023. It is expected that GDP growth will remain at around +3% this year, slightly above GDP growth regional average, and then will slow to around +2 percent in 2024 due to the assumption of fluctuating energy prices in the market. The production of hydrocarbons represents 96% of total exports and 40% of domestic revenues. So under current conditions, due to rising oil prices and increasing liquidity, the government may not fulfill much-needed structural reforms, including long-term plans to diversify the economy away from the hydrocarbon sector. In addition, Algeria's trade balance is experiencing a structural deficit due to high import costs such as increased hydrocarbon production which has reduced Algeria's fiscal pressure in recent quarters, and the budget deficit is expected to widen from 3% of GDP in 2023 to 4-5% of GDP in 2024 (Moneta, 2022).

Algeria, a major producer of natural gas and liquefied natural gas, has a dynamic renewable energy program committed to expanding its energy resources and supporting sustainable development. The Algerian government is focused on attracting foreign

investment and advanced energy technology partners to become a global competitor in the renewable energy market. The government is encouraging the development of new renewable energy sources, such as solar energy, wind energy, biomass, geothermal energy and hydropower, as part of the implementation of an energy exchange roadmap based on the development of new energy sources and better energy efficiency. Also Algeria's target is to have an electricity generation capacity based on renewable resources of 15,000 megawatts (MW) by 2035, with a growth rate of 1,000 MW/year. In addition, approximately 1,000 MW of off-grid renewable energy facilities are expected to be operational by 2030. The project is divided into several parcels with capacities of 50 to 200 MW each. The aim is to attract independent power producers (IPPs) to develop renewable energy sources, of which solar energy is the most common.

For these projects, Algeria has welcomed investment and changed a number of regulations to encourage foreign investment, one of which is allowing majority ownership by foreign companies. In addition, investors must meet several local content requirements, including the use of Algerian-made equipment, mostly solar panels and mounting structures and that there is already a factory producing solar panels in the Buherana Industrial Zone in the Ouargla region. Algeria's renewable solar energy potential is very large, containing around 60 solar power plants, concentrated solar power plants, wind farms, and planned hybrid power plants. Due to its location in the Sahara desert, Algeria has huge solar power potential, estimated at 14 TWh per year. The collaboration between Sonatrach, a company from Algeria and the Italian oil and gas company Eni has been building a 10 MW solar power plant since 2017. In addition, it is estimated that by 2030, around 30 to 40 percent of the electricity produced for household consumption will come from solar energy (International Energy Forum, 2021).

Thus necessary factor that can strengthen relations between Algeria and the countries in the BRICS, is to use a complex interdependence analysis in which the relations carried out by these transnational actors are considered interdependent, as Algeria wants to out of the influence of the dominant of the US dollar and use a more reliable currency stable and BRICS countries that need natural resources such as gas, oil and other renewable energy in Algeria. This interdependence complex analysis triggers risks to each other's actions and needs which can bring the countries who are involved into it (Rana, 2015).

## **CONCLUSION**

Algeria is one of the countries with the largest economy in North Africa that originates from the country's hydrocarbons, oil and gas reserves. Algeria's economy is heavily dependent on gas and oil production, as their GDP continues to increase every year due to the increasing contribution of the sector as the main income. Algeria joined several international economic organizations that control the global market of the resources, now the country has become a member of OPEC, OAPEC, and GECF. In fact, Algeria is more active in collaborating with European countries as its economic partners in terms of organizational cooperation, as the country is the main supplier of gas needs for countries in the region. Even now Algeria is showing interest in joining BRICS in the hope of improving the country's economy. This is because BRICS is a new developing organization with great potential, picturing the magnitude of the results provided by an organization that covers half of the world's population. Besides, if Algeria succeeds in becoming a new member of BRICS, it will strengthen Algeria's relations with China and Russia. It also can open up opportunities for the country's foreign investment and alternative financing.

However, joining BRICS seems difficult. Even though Algeria is one of the countries with the largest economy in North Africa, this is not enough for its country to easily qualify as a new member of BRICS, especially since Algeria's economy only depends on the hydrocarbon sector. Although Algeria's hydrocarbon energy reserves are quite large, those are non-renewable resources that will run out over a certain period of time. In the African continent itself, Egypt and Ethiopia are also running to become new members of BRICS 2024. If compared with Egypt's GDP, it is clear that Algeria is still below Egypt's. This makes Egypt a strong competitor for Algeria. On the other hand, if compared to Ethiopia's economy, these two countries have a small disparity between their average GDP, so Ethiopia is not a strong competitor for Algeria in terms of national income. Based on the data above, Algeria has abundant hydrocarbon reserves, namely around 12.2 billion barrels, which proves that Algeria has the highest oil reserves among the three African candidates. Although Egypt and Ethiopia have lower hydrocarbon reserves compared to Algeria, if we look at other sectors, Egypt has an important tourism sector and a growing industry, as well as Ethiopia with economic growth driven by a large agricultural sector and investment in the sector of industry and infrastructure. So even though Algeria has the largest hydrocarbon reserves and relying solely on these, it

will cause excessive dependence on the energy sector which can make the Algerian economy vulnerable to fluctuations in oil and natural gas prices on the global market which results in economic instability and difficulties in managing the state budget. In this way, Algeria should not underestimate Egypt and Ethiopia which have other sectors apart from the energy sector.

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