

# Algerian Economic Diplomacy and the Imperatives of Regional Integration in Africa: A Study of Border Cooperation Policy (2019–2029)

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## Abstract

*The African orientation of Algerian foreign policy has witnessed a notable shift since 2019, with Algeria prioritizing the activation of economic diplomacy as a key tool for achieving shared development and regional integration. This study aims to analyze the reality of cross-border cooperation between Algeria and its African neighbors as one avenue of economic diplomacy, focusing on existing and anticipated regional integration mechanisms by 2029. The study also seeks to highlight the qualitative shift in Algeria's African approach, where Africa is no longer merely a geographical extension but a strategic space for shared development. In this vision, Algeria combines economic and diplomatic dimensions, making cross-border integration a cornerstone for achieving regional security and shared continental progress. The research paper employs a comparative analytical methodology, combining descriptive approaches with field studies of cross-border projects (such as the Trans-Saharan Highway and logistics zones), to assess their alignment with Algeria's new vision for fostering effective and sustainable African partnerships. The study concludes that the success of this vision depends on activating the shared infrastructure and intensifying field economic diplomacy, so that borders become bridges for integration, not lines of separation, in order to achieve the principle of "development through security and cooperation".*

**Keywords:** *Economic Diplomacy, Border Cooperation, Regional Integration, African Union, Economic Partnerships, Security and Development.*

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## Introduction

Africa is undergoing major economic, political, and security transformations, making it an arena for international competition and an opportunity to strengthen integration among its nations. In this context, Algeria is working to bolster its regional presence through economic diplomacy based on development and cooperation as key pillars of its foreign policy. Algeria has recognized that influence on the continent is no longer solely based on military power, but rather on building economic and developmental partnerships that achieve shared interests and support African security and stability.

Since 2019, Algeria has embarked on a strategic program reflecting a renewed direction in its foreign policy, centered on revitalizing Algeria's African dimension and activating cross-border cooperation mechanisms as a gateway to regional integration. The economic dimension has become a central focus of Algerian diplomacy, through new initiatives and institutions, such as the Algerian Agency for International Cooperation, and the intensification of joint field projects, such as the Trans-Saharan Highway and trade crossings with neighboring African countries like Mali, Niger, and Mauritania, with the aim of transforming borders from marginal areas into spaces for economic interaction and shared development.

This study seeks to analyze the foundations and content of Algerian economic diplomacy during this strategic period, exploring how Algeria utilizes its political and economic tools to strengthen joint African cooperation and achieve regional cross-border integration. It also aims to assess the effectiveness of this diplomacy in the current context and its capacity to address security, financial, and institutional challenges, while anticipating its future prospects up to 2029, with the goal of building an integrated African space based on sustainable development, solidarity, and strategic partnership.

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Within the framework of current regional transformations, Algerian economic diplomacy has emerged as a strategic tool for strengthening cooperation with neighboring African countries through cross-border integration projects and regional economic cooperation. Despite increasing efforts to enhance Algeria's presence in Africa, the effectiveness of this diplomacy in building genuine and sustainable partnerships remains a subject of debate, particularly in light of regional competition and the transformations of the African economy. Therefore, the main research question can be formulated as follows: To what extent has Algerian economic diplomacy, within the framework of the 2019–2029 strategic program, been able to activate cross-border cooperation and regional integration mechanisms, moving from rhetoric to concrete action, and what are the future prospects for this?

#### *The Conceptual Framework of Economic Diplomacy and its African Dimensions:*

Economic diplomacy represents one of the most significant shifts in contemporary diplomatic thought, as states have moved from relying on hard power to employing economic tools to build influence and enhance international cooperation. The importance of this trend has become particularly evident in Africa due to the structural transformations the continent has undergone, which have made trade, investment, energy, and logistics essential elements of regional integration. Given the convergence of security and development challenges, economic diplomacy has become a framework upon which states rely to reshape their relationships according to the logic of mutual benefit. From this perspective, understanding economic diplomacy and its approaches in Africa is a fundamental entry point for interpreting the transformations occurring in the foreign policies of the continent's countries, including the growing shift in Algeria's approach to its African sphere.

#### *Economic Diplomacy in the African Context:*

The concept of economic diplomacy has witnessed a remarkable development in international thought and practice since the mid-twentieth century, as a result of the transformations that affected the nature of power and relations between states. After diplomacy was traditionally practiced within a purely political framework, the trend emerged towards integrating the economy as a fundamental tool in achieving national interests, especially after the Second World War and the emergence of international economic institutions such as the International Monetary Fund, the World Bank, and the General Agreement on Tariffs and Trade (GATT), which made economic cooperation a means of ensuring influence and political stability<sup>3</sup>.

In the context of globalization, economic diplomacy has acquired new dimensions, becoming a strategic concept linking economic and diplomatic power. It has transformed from merely promoting commercial interests into a mechanism for shaping international balances through investment, aid, and energy relations.<sup>4</sup> Recent literature emphasizes that economic diplomacy is no longer the exclusive domain of developed countries, but has become an essential tool for developing nations,<sup>5</sup> including African countries striving to achieve development, attract investment, and expand their regional partnerships through approaches based on mutual benefit and economic integration.<sup>6</sup>

At the continental level, African economic diplomacy is characterized by a set of features that reflect the continent's unique economic structure and political and developmental challenges. It is fundamentally a developmental diplomacy, focusing on achieving sustainable development and reducing the economic gap between African countries. It is often practiced within the framework of South-South relations based on

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<sup>3</sup> - Bayne, Nicholas & Woolcock, Stephen (Eds). *The New Economic Diplomacy: Decision-Making and Negotiation in International Economic Relations*. Routledge. London, 2017, P 1-22.

<sup>4</sup> - Okano-Heijmans, Maaïke. *Economic Diplomacy: Japan and the Balance of National Interests*. Brill Publishers. Leiden, 2013, P 55-83.

<sup>5</sup> - Berridge, G. R. *Diplomacy: Theory and Practice*. Palgrave Macmillan. 2015, P 170-186.

<sup>6</sup> - Saner, Raymond & Yiu, Lichia, *International Economic Diplomacy: Mutations in Post-Modern Times*. Discussion Papers in Diplomacy, Clingendael Institute, The Hague. 2014, P 3-8. See Also Adebajo, Adekeye & Rashid, Ismail (Eds). *The Pan-African Pantheon: Prophets, Poets, and Philosophers*. Oxford University Press, 2022. P 7-20.

solidarity and integration, not dominance, as African countries seek to strengthen their economic independence from traditional powers.

In the same vein, it is worth noting that economic diplomacy is also characterized by its multi-layered nature and the involvement of multiple actors. It is no longer the sole domain of governments, but also includes regional organizations such as the African Union, ECOWAS, and SADC, in addition to the private sector, civil society, and transnational corporations. African economic diplomacy adopts a pragmatic approach based on shared interests<sup>7</sup> as countries seek to attract foreign investment without compromising their economic sovereignty. This is achieved through infrastructure, energy, and communications projects, such as the Programme for Infrastructure Development in Africa (PIDA).<sup>8</sup>

Simultaneously, negotiating flexibility is a key characteristic of African economic diplomacy. Some countries on the continent skillfully navigate international competition among major powers—such as China, the European Union, and the United States—to maximize their gains in finance, technology, and development.<sup>9</sup>

Given that economic considerations have become a central component in shaping and guiding foreign policies in recent years, Algeria, since the end of the second decade of the third millennium, has been particularly influenced by the structural transformations witnessed in both the international system and the national economy. Algeria realized that political influence is inseparable from economic power, and that strengthening its regional and international position requires activating its economic tools in the areas of energy, investment, infrastructure, and trade cooperation.

Under the new direction adopted by President Abdelmadjid Tebboune's program (2019–2029), economic diplomacy has become a key pillar of Algerian foreign policy. This is achieved through diversifying African, Arab, and international partnerships and leveraging strategic resources—particularly in the energy and transport sectors—to strengthen regional integration and South-South cooperation<sup>10</sup>.

New institutions have also emerged to embody this approach, such as the Algerian Agency for International Cooperation for Solidarity and Development<sup>11</sup>, which aims to make the economy a fundamental driver of Algerian diplomacy in its African dimension. In practice, Algeria has adopted a multi-dimensional, interactive approach based on a balance between its historical political principle of non-interference in the internal affairs of states and the economic realities that necessitate engagement with the dynamics of African and Arab markets.

Thus, the economy has shifted from a complementary role to an active instrument in diplomatic decision-making<sup>12</sup>, allowing for a redefinition of Algeria's regional roles according to the logic of "partnership and shared development," rather than the logic of "ideological support" that characterized its foreign policy in previous decades. Therefore, the position of the economy in contemporary Algerian foreign policy reflects

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<sup>7</sup> - Benabdallah, Lina, *Shaping the Future of Power: Knowledge Production and Network-Building in China–Africa Relations*. University of Michigan Press. Ann Arbor, 2020, p 21-25.

<sup>8</sup> - Sidiropoulos, Elizabeth (Ed). *African Economic Diplomacy: Past, Present and Future*. South African Institute of International Affairs (SAIIA). Johannesburg, 2019, p 44-47.

<sup>9</sup> - United Nations Economic Commission for Africa (UNECA), *Economic Report on Africa: Building Africa's Resilience through Trade and Economic Diplomacy*. UNECA, Addis Ababa. 2023, p 32-35.

<sup>10</sup> - Ameer Debaa, *Algerian Economic Diplomacy Towards Africa*. *Al-Naqed for Political Studies* 9, no. 1, 2024. 430–449.

<sup>11</sup> - Zoubir, Yahia H. *Algeria's Foreign Policy in a Changing World: Continuity and Renewal*. *The Journal of North African Studies* 25, no. 4, 2020, p 567–586.

<sup>12</sup> - Ounger, Sam. *Ideology and Pragmatism in Algerian Foreign Policy*. *The World Today: Chatham House Review* 34, no. 3, 1978, p 107–114. See Also Zoubir, Yahia H. *Algeria's African Policy: Toward a New Strategic Engagement?*, in *North Africa in Transition: The Struggle for Democracies and Institutions*, ed. George Joffé, Routledge, London, 2012, 157–179.

a strategic shift towards employing national capabilities in service of an active regional role, which makes Algeria today a pivotal player in shaping a new African economic diplomacy based on cooperation, security, and sustainable development.

### *Regional integration and cross-border cooperation in Africa*

African integration is defined as the process of achieving gradual economic and political integration among African countries, with the aim of promoting sustainable development, strengthening collective bargaining power, and achieving regional security and stability. This concept is based on a historical conviction that arose after the independence of African states: that economic unity is a prerequisite for true independence, and that separate development cannot succeed in the context of geographical fragmentation and the legacy of colonialism.

The concept of integration traces its roots back to the Charter of the Organization of African Unity in 1963. It was later institutionalized through the Abuja Treaty of 1991, which outlined the stages of building the African Economic Community through regional economic communities such as SADC, ECOWAS, COMESA, and the Arab Maghreb Union (UMA). The African Continental Free Trade Area (AfCFTA) agreement, signed in 2018, represents the most recent practical embodiment of the integration concept. It aims to create a unified African market encompassing more than 1.3 billion people and facilitating the free movement of goods, services, and capital.<sup>13</sup>

The objectives of African integration are multifaceted: economic, through boosting intra-African trade, supporting regional value chains<sup>14</sup>, and developing infrastructure.<sup>15</sup> socio-economic, through poverty reduction, improving living standards, and expanding employment opportunities, and political and security, through strengthening regional peace through economic cooperation and reinforcing a unified African position within the international system.<sup>16</sup>

The institutional mechanisms for integration are based on a set of executive and coordinating bodies, foremost among them the African Union and the United Nations Economic Commission for Africa (UNECA), in addition to African banks and financial institutions such as the African Development Bank (AfDB), which finance and implement major regional projects like the Programme for Infrastructure Development in Africa (PIDA)<sup>17</sup>.

African integration is not merely an economic objective, but a strategic project for building a unified continental identity capable of confronting the challenges of globalization and dependency. This makes it

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<sup>13</sup> - Victor A. O. Adetula, *Regional Integration in Africa: An Assessment of Progress and Challenges*, African Journal of Political Science and International Relations 13, no. 3, 2019, 25–41.

<sup>14</sup> -Regional Value Chains (RVCs) are systems of interconnected production activities within a specific geographic area. Several neighboring countries participate in sequential processes, from design or input supply to production, assembly, and distribution within the same region. Leveraging geographical and institutional proximity, such as in production and marketing, RVCs foster economic cooperation and integration among member countries. The goal is to increase the value of products and services by improving efficiency and competitiveness and reducing dependence on external markets. For more information, see:

-Hansel-Weiss, et al. *Global and Regional Value Chains: What Matters and How They Differ?* Research Report No. 427 (April). Vienna Institute for International Economic Studies. Vienna, 2018. p. 9.

<sup>15</sup> - ElGanainy, Asmaa A., et al. *Trade Integration in Africa: Unleashing the Continent's Potential in a Changing World*. IMF Departmental Paper No. 2023/003. DC: International Monetary Fund, Washington, 2023, pp. 9-11.

<sup>16</sup> - Lionel Fontagné et al, *Trade and Infrastructure Integration in Africa*, Policy Research Working Paper No. 10609, DC: World Bank, , Washington, November 2023, p 4.

<sup>17</sup>- African Union Development Agency–NEPAD (AUDA-NEPAD), *Programme for Infrastructure Development in Africa (PIDA): First 10-Year Implementation Report*, AUDA-NEPAD, South Africa: Midrand, 2023, p 2–3, 26, 66–67.

a central focus in the policies of African countries today—including Algeria—which sees it as a tool for strengthening cross-border cooperation and achieving shared development.

- Therefore, African integration represents the overarching framework within which efforts to build a continental economic union converge, and the African Continental Free Trade Area (AfCFTA) is the most prominent practical embodiment of this vision. While integration aims to achieve unity among African countries in various economic, social, and political fields, the free trade area serves as an implementation mechanism that seeks to remove trade barriers and facilitate the flow of goods and services across borders.
- The African Continental Free Trade Area (AfCFTA) entered into force on May 1, 2019, following its signing by a large number of African Union member states. It forms the largest free trade bloc on the continent, encompassing a population exceeding 1.3 billion and an economy estimated at around \$3 trillion. From a strategic perspective, this initiative represents a fundamental shift in the dynamics of intra-African trade, aiming to increase the share of trade between African countries from approximately 14% to around 30–35% by the middle of this century.<sup>18</sup>
- The first phase of the experiment focused on the Guided Trade Initiative, which included eight countries as a pilot program to facilitate exports and develop local value chains. However, the success of the AfCFTA remains contingent on several conditions, most importantly: modernizing border infrastructure, activating mechanisms for the free movement of goods and people, establishing a unified customs system, and removing non-tariff barriers<sup>19</sup>.
- Overall, the AfCFTA experiment represents a significant step towards continental economic integration<sup>20</sup>, but it still faces major challenges, including developmental disparities among member states, weak industrial integration, and inadequate infrastructure. Achieving the initiative's full impact depends on institutional commitment, effective financing, and precise timeline implementation.

The African Continental Free Trade Area (AfCFTA) represents one of the most important economic integration projects in the continent's modern history, embodying a collective will to build a unified trading space based on trade liberalization and the removal of customs barriers. Since its implementation in 2019, the initiative has made significant institutional progress, including the ratification of trade dispute resolution mechanisms, the establishment of a permanent secretariat in Accra, Ghana, and the launch of the Targeted Trade Initiative, which allowed for the commencement of the first intra-African trade transactions under its auspices in 2022<sup>21</sup>.

On the economic front, studies by the UNECA (United Nations Economic Commission for Africa) have shown that effective implementation of the agreement could increase intra-African trade by 52% by 2035 and boost the continent's GDP by more than \$400 billion. However, structural disparities in development and infrastructure among African countries continue to pose a challenge to the full implementation of the agreement, in addition to weak customs coordination, insufficient funding, and security constraints in border areas.

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<sup>18</sup>- International Monetary Fund (IMF), *The African Continental Free Trade Area: Potential Economic Gains and the Acquisition of Trade*, Staff Discussion Note No. 2020/004, DC: IMF, Washington, 2020, p 1-4.

<sup>19</sup>-UNECA, *The AfCFTA: Boosting regional integration through trade*. Addis Ababa, 29 Aug 2023. P 1-4.

<sup>20</sup>- African Union, *Agreement Establishing the African Continental Free Trade Area*, adopted 21 March 2018, entered into force 30 May 2019, pp. 1–16.

<sup>21</sup> - UNECA. *Assessing Regional Integration in Africa IX: Next Steps for the African Continental Free Trade Area*. Addis Ababa, 2019. p 91–86 .

<sup>22</sup> - UNECA. *Economic Report on Africa: Building Africa's Resilience through Trade and Economic Diplomacy*. Addis Ababa, 2021. p 29–27.

Algeria, for its part, has given particular attention to this initiative, viewing it as a new lever for its African economic diplomacy. Algeria's participation in the AfCFTA represents a practical extension of its cross-border cooperation policy with Mali, Niger, and Mauritania. It works to link the Trans-Saharan Highway with continental trade corridors, enabling coastal states to access Mediterranean markets.<sup>23</sup> Algeria has also established permanent economic exhibitions for African products in Algiers and, through the Ministry of Trade, launched the "Algeria: Gateway to Africa" initiative to boost its non-hydrocarbon exports and facilitate trade within the AfCFTA framework.<sup>24</sup>

Despite the challenges associated with complex customs and logistical procedures, Algeria's engagement in the African Continental Free Trade Area (AfCFTA) reflects a strategic awareness of the importance of the African market as an economic and political depth, and contributes to shaping a new model of Algerian economic diplomacy based on integration rather than dependency. However, achieving this ambition remains linked to the ability of African countries, including Algeria, to overcome the structural obstacles imposed by the nature of the African borders themselves. These borders are among the most complex phenomena in the process of building regional integration, as they represent at the same time a field for communication and an opportunity for development, but they are also a source of fragmentation and conflicts that hinder continental integration.

- 2 -Algerian economic diplomacy during ( 2019-2029 )

- Since the election of President Abdelmadjid Tebboune in 2019, Algeria has entered a new phase aimed at redefining its regional and international role by linking economic reforms with a more effective diplomatic vision. This vision is based on the conviction that achieving economic independence through export diversification and the development of industries and infrastructure grants the state greater room for maneuver, and that economic diplomacy can become a powerful source of influence in regional and international partnerships. In recent years, Algerian foreign policy has been characterized by the integration of the economic dimension into its various instruments, whether through multilateral cooperation or the strengthening of bilateral relations, with a focus on trade, investment, infrastructure, and securing energy routes. This shift comes within the framework of an approach that combines economic interests with security considerations, with the aim of enhancing regional stability and consolidating Algeria's role in its region.

#### *New Algerian Foreign Policy Directions*

- President Abdelmadjid Tebboune's program (2019–2029) represents a strategic shift in Algeria's approach to its African relations. It redirected foreign policy towards activating economic and security diplomacy within the African sphere, based on his conviction that the stability and development of Africa are a direct extension of Algerian national security. A key feature of this shift is the move from a historically supportive stance towards liberation movements to a pragmatic approach based on partnership, integration, and sustainable development.

- At the institutional level, Algeria has restructured its African policy implementation mechanisms by establishing or activating new institutions, most notably:

- The Algerian Agency for International Cooperation for Solidarity and Development (AAICID), established in 2020, to coordinate development and humanitarian efforts with neighboring African

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<sup>23</sup> - Cheriet, Boutheina. La diplomatie économique de l'Algérie : enjeux et perspectives africaines. *Revue des Relations Internationales*, Université d'Alger, 2022. p 36–34 .

<sup>24</sup> - Ministère du Commerce et de la Promotion des Exportations (MCPE). *Rapport Annuel sur la Participation de l'Algérie à la ZLECAf*, Alger, 2023, p 12-15.

countries.<sup>25</sup> This initiative translates the shift towards a development-oriented diplomacy by financing small and medium-sized enterprises (SMEs) in neighboring African countries and supporting training programs in agriculture, irrigation, and solar energy<sup>26</sup>.

- The National Agency for the Promotion of Foreign Trade (ALGEX) and the Algerian Investment Promotion Agency (AAPI) are working to open African markets to Algerian exports outside the hydrocarbon sector.<sup>27</sup>

- The Ministry of Trade and Export Promotion launched the "Algeria: Gateway to Africa" program, which encourages Algerian companies to export their products to African markets within the framework of the African Continental Free Trade Area (AfCFTA).<sup>28</sup>

- On the ground, and in terms of infrastructure, the African dimension of the President's program has been embodied in joint cross-border and development cooperation projects, most notably the Trans-Saharan Highway project linking Algeria to five African countries (Niger, Mali, Chad, Nigeria, and Mauritania), in addition to opening southern trade routes and strengthening trade within the framework of the African Continental Free Trade Area AfCFTA<sup>29</sup>. Parallel projects were also launched to upgrade the trade border crossings and open new markets in Tamanrasset and Adrar as logistical bases for African trade. Therefore, these projects are among the most prominent tools for physical integration in Africa, especially since they aim to create a North-South African economic corridor, which facilitates the transfer of goods and capital and promotes continental trade integration<sup>30</sup>.

- In the energy sector, Algeria has worked to strengthen its energy partnerships with Sahel and West African countries through gas pipeline projects (Algeria-Niger-Nigeria) and developing cooperation in renewable energy and knowledge exchange through Sonelgaz. These initiatives are part of a broader vision aimed at transforming Algeria into an African-Mediterranean energy hub, giving it greater economic and geopolitical weight on the continent.

- The new field-oriented approach of Algerian foreign policy reflects a genuine shift in its economic diplomacy. It is no longer limited to rhetoric but is now based on tangible development projects and effective African partnerships. President Tebboune's program (2019–2029) focuses on infrastructure, energy, and regional trade, enabling Algeria to strengthen its position as a pivotal economic player in Africa through modern implementation mechanisms.

- President Tebboune has emphasized on several occasions that the new Algerian diplomacy is based on "placing the economy at the heart of African relations" by investing in energy, transportation, and vocational training, thereby transforming Algeria into a logistical hub between Africa and Europe<sup>31</sup>. This will embody a future vision that seeks to build an economically and security-wise integrated African space

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<sup>25</sup>- Algérie, Décret présidentiel n° 20-42 du 11 février 2020 portant création de l'Agence algérienne de coopération internationale pour la solidarité et le développement, Journal Officiel de la République Algérienne, n° 7, 2020, p 5.

<sup>26</sup>- Ministère des Affaires Étrangères et de la Communauté Nationale à l'Étranger (MAECNE). Rapport annuel sur la politique étrangère et la coopération internationale, MAECNE, Alger, 2021, pp 26–28.

<sup>27</sup>- MCPE Algérie, Rapport Annuel 2023, p 11-14.

<sup>28</sup>- Ibid, pp. 15–18.

<sup>29</sup>- UNECA, Economic Report 2021, p 71-73.

<sup>30</sup>- Ibid, pp. 72–74.

<sup>31</sup>- Cheriet, Boutheina, Op, Cit, p 42-44.

by 2029, in line with the spirit of the African Union's Agenda 2063, which places continental development at the heart of diplomatic efforts<sup>32</sup>.

- Algeria's new diplomacy is based on making the economy a central pillar of its African relations through investment in energy, transportation, and training. The aim is to transform Algeria into a logistics hub connecting the continent to Europe and to build an integrated African space by 2029, in line with the African Union's Agenda 2063<sup>33</sup> ‘This vision is based on the principle of "mutual benefit," representing a shift from a humanitarian aid approach to a balanced development partnership built on shared interests and a "win-win" model<sup>34</sup> ‘ This reflects Africa's transformation from a sphere of political solidarity to a strategic market for integration and shared prosperity.

President Tebboune's African program reveals Algeria's shift from a solidarity-based diplomacy to an integrated development approach that relies on the economy as a key tool for projecting regional influence. Cross-border projects and energy and trade cooperation initiatives have become strategic instruments for repositioning Algeria as a soft power with both developmental and security dimensions. The 2029 horizon represents a test of its ability to transform these initiatives into sustainable institutional partnerships that support cross-border integration and activate economic diplomacy as an entry point to comprehensive African integration.

#### *Border Cooperation as A Tool for Regional Integration*

Border cooperation projects are a key focus of modern Algerian economic diplomacy, as they practically embody the principle of mutual benefit and the border integration policy adopted since 2019. The Trans-Saharan Road project stands out as the most important model of this vision, as it is one of the largest joint African projects in terms of scope and economic dimension.

The Trans-Saharan Highway stretches for 4,800 kilometers, linking Algeria with Niger, Nigeria, Mali, and Chad. Passing through the Algerian border provinces of Tamanrasset, Bordj Badji Mokhtar, and Illizi, it is a strategic project aimed at transforming Algeria into a major northern gateway for African trade<sup>35</sup> ‘This highway is estimated to reduce transportation costs by approximately 30%, facilitate the flow of goods and investments, and contribute to mitigating security vulnerabilities by transforming borders into spaces for economic development rather than isolated areas.<sup>36</sup>

In addition to the Trans-Saharan Highway project, Algeria has worked to strengthen border cooperation by opening organized trade crossings with neighboring African countries. The most prominent of these is the Tindouf-Zouérat crossing with Mauritania, opened in 2021, along with the activation of the Ain Guezzam crossing with Niger and the Bordj Badji Mokhtar crossing with Mali. These crossings are used to facilitate trade and support local development within the framework of the border cooperation program.<sup>37</sup>

In fact, these projects demonstrate that Algeria does not view borders as geographical constraints, but rather as a means to build interconnected economic spaces that contribute to achieving economic and social

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<sup>32</sup>- African Union Commission (AUC), *Agenda 2063: The Africa We Want*, African Union Commission, Addis Ababa, 2015, p 7–9.

<sup>33</sup>- AUC, *Agenda 2063*, Op, Cit, pp. 10–12. See Also Union Africaine. *Rapport sur les corridors de développement et l'intégration frontalière en Afrique*. African Union Commission, Addis Ababa, 2020, pp 23–25.

<sup>34</sup>- MAECNE Algérie, *Rapport annuel 2021*, pp. 30–32.

<sup>35</sup>- Ibid, pp. 86–88.

<sup>36</sup>- Cheriet, Boutheina, Op, Cit, pp 56–57.

<sup>37</sup>- MCPE Algérie, *Rapport Annuel 2023*, pp. 22–23.

security in the Sahel region. In doing so, it is redefining the function of borders in contemporary Africa, transforming them from barriers of separation into bridges for development and continental integration.

The Trans-Saharan Gas Pipeline project, linking Algeria with Niger and Nigeria, is one of the most prominent projects reflecting this approach. It is expected to strengthen Algeria's position as a regional energy hub between Africa and Europe and contribute to achieving sustainable development in transit countries.<sup>38</sup>In the transport sector, Algeria has worked to develop its land and air infrastructure to become an African trade transit center. This includes modernizing the central port (Hamdania) and connecting it to road and rail networks extending into the African interior, in addition to the Trans-Saharan Highway project linking Algeria with the Sahel countries. This highway is considered a cornerstone of the "continental connectivity" policy, which aims to facilitate the flow of goods and capital. The Algerian government also launched integrated logistics programs to enhance multimodal transport (road, rail, and air), thus elevating Algerian economic diplomacy beyond the political sphere to a tangible developmental dimension.

In the supply and intra-regional trade sector, the establishment of distribution and storage centers in the border provinces (Tamanrasset, Bordj Badji Mokhtar, and Tindouf) formed a logistical cornerstone for supplying African markets with Algerian non-hydrocarbon products. Trade supply lines were also established towards Mali, Niger, and Mauritania within the framework of the African Continental Free Trade Area (AfCFTA)<sup>39</sup>, to encourage the export of Algerian agricultural and industrial products and achieve a trade balance based on mutual benefit.

Therefore, these three sectors (energy, transport, and logistics) are not isolated branches, but rather form an interconnected network reflecting the structure of Algeria's new economic diplomacy. This diplomacy views infrastructure and energy and logistics connectivity as essential tools for consolidating Algeria's presence as a pivotal player in Africa and for strengthening its vision of creating an integrated and sustainable economic space by 2029. Algeria has thus shifted from a "border security" approach to one of shared border development, recognizing that stability in Africa can only be achieved through economic integration in the Sahel and Sahara regions. Since 2019, Algeria has adopted a development vision based on transforming borders into engines of regional economic growth through infrastructure, energy, trade, and logistics projects.

This vision is based on the idea that development in border regions is not merely a limited development endeavor, but rather an integrated diplomatic and economic policy aimed at linking the local economies of neighboring countries to Algeria's national development framework. This creates regional exchange networks and reduces security vulnerabilities in the Sahel region.<sup>40</sup> Within this framework, Algeria has supported the establishment of border trade zones in Tamanrasset, Bordj Badji Mokhtar, and Tindouf, serving as platforms for the exchange of goods and products between Algeria, Mali, Niger, and Mauritania. It has also launched cooperation initiatives to finance small and medium-sized enterprises (SMEs) in the agricultural and renewable energy sectors through the Algerian Agency for International Cooperation<sup>41</sup>.

This approach highlights that Algeria seeks not only to secure its borders but also to reshape the border region as a dynamic arena for mutual development, where economic, security, and social interests intersect. By linking infrastructure (such as the Trans-Saharan Highway), development institutions, and trade exchange mechanisms, Algeria contributes to shaping a new African model of border integration, establishing a balanced developmental interaction between the north of the continent and its strategic depth in the African Sahel. This role not only reflects an economic ambition, but also a far-reaching geopolitical vision that sees development as a means to achieve regional security and common stability, which makes

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<sup>38</sup>- UNECA, Economic Report 2021, pp. 90–92.

<sup>39</sup>- MCPE Algérie, Rapport Annuel 2023, pp. 25–27.

<sup>40</sup>- Cheriet, Boutheina, Op, Cit, pp 61–63.

<sup>41</sup>- MAECNE Algérie, Rapport annuel 2021, pp 34–36.

Algeria a pivotal player in re-engineering the common African space according to a sustainable development approach that is in harmony with the African Union's Agenda 2063.

- *3-Prospect for Algerian Economic Diplomacy in Achieving Regional Integration by 2029*

In recent years, Algerian economic diplomacy has emerged as a central tool in repositioning Algeria within Africa, through infrastructure, energy, transportation, and cross-border cooperation projects. This policy has moved from the stage of institutional launch and field projects to a stage of strategic evaluation and future planning. However, it faces institutional, economic, and security challenges that necessitate a thorough review of achievements and obstacles to enhance the effectiveness of economic foreign policy. The success of the Algerian approach will be measured by its ability to generate a sustainable developmental impact both within Algeria and in its regional environment.

Since 2019, Algerian economic diplomacy has undergone a clear structural and institutional transformation, as Algeria has sought to move from a policy of symbolic support to a developmental approach based on actual economic projects and partnerships. In the institutional sphere, the Algerian Agency for International Cooperation for Solidarity and Development (AAICID) was established in 2020 as a key instrument for coordinating Algerian initiatives in the Sahel and supporting infrastructure, education, and health projects. The National Agency for Export Promotion (ALGEX) and the Algerian Investment Promotion Agency (AAPI) were also activated to manage trade and investment cooperation with African countries,<sup>42</sup> allowing for an expanded Algerian presence in West and Central African markets.

On the ground, Algeria has achieved significant progress in cross-border cooperation, energy, and transportation projects. The most prominent of these is the Trans-Saharan Highway, which has become the backbone of Algerian-African economic integration, and the Algeria-Nigeria Gas Pipeline project, which symbolizes a new energy dimension in African relations. The Tindouf-Zouérat border crossing with Mauritania was also opened (2021), and trade was activated through the Ain Guezzam crossing with Niger and the Bordj Badji Mokhtar crossing with Mali,<sup>43</sup> contributing to a nearly 25% increase in intra-African trade over three years.

On the diplomatic front, Algerian efforts resulted in the signing of dozens of bilateral economic and trade agreements with African countries in the fields of energy, education, agriculture, and infrastructure. Furthermore, Algeria's active participation in the mechanisms of the African Continental Free Trade Area (AfCFTA)<sup>44</sup> has earned it a prominent position among the new players in the continental economy.

In parallel, it should be noted that 2025 marked the beginning of a new phase in strengthening Algerian economic diplomacy towards Africa, moving from the stage of launching projects to expanding field networks and activating operational structures. At the beginning of 2025, Algeria reinforced its institutional and economic presence within the African sphere through three key initiatives:

- Shifting from traditional support policies to a more effective and sustainable field-based development diplomacy: Algerian economic diplomacy has undergone a structural transformation in recent years, with the emergence of the Algerian Agency for International Cooperation as an institutional actor leading the new development approach towards Africa. Within this framework, Algeria has begun implementing development programs targeting Sahel countries, particularly Mali and Niger, by funding social and infrastructure projects in fragile regions, in addition to organizing training programs in local development and governance to strengthen the capacities of local personnel.

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<sup>42</sup>- MAECNE Algérie. Rapport Annuel 2021, pp. 40–43.

<sup>43</sup>- MCPE Algérie, Rapport Annuel 2023, pp. 29–35.

<sup>44</sup>- UNECA, Economic Report 2021, pp. 102–107.

- Activating Cross-border Trade Platforms: Algeria, through the Ministry of Trade and Export Promotion, has expanded the activities of the cross-border trade platforms in Tamanrasset and Bordj Badji Mokhtar by integrating a new digital system to track the flow of goods and facilitate transit.<sup>45</sup> This has enabled an estimated 7% increase in trade volume with Niger and Mali during the first quarter of 2025.
- Accelerating the completion of the final sections of the Trans-Saharan Highway towards Nigeria: The beginning of 2025 saw the completion of the infrastructure work on the section linking Ain Guezzam and the Niger border<sup>46</sup>. This is considered a crucial step towards the full operation of the Algiers-Lagos Corridor, which is expected to become the largest land-based logistics hub in West Africa.
- Expanding African air connectivity via Air Algérie: Algeria's air transport policy has witnessed significant expansion as part of its strategy to strengthen African economic integration. At the beginning of 2025, Air Algérie announced the launch of a new air route connecting Algiers to Abuja (Nigeria) via Douala (Cameroon),<sup>47</sup> a move aimed at strengthening the continental connectivity network and boosting the movement of people and economic exchange between Algeria and West and Central African countries. This expansion is part of a broader effort to enable economic actors and investors to access strategic African markets, thus contributing to regional integration within the continent.
- Resumption of consultations on the Algeria-Nigeria gas pipeline project: The Trans-Saharan Gas Pipeline (TSGP) project experienced renewed diplomatic momentum in 2025, following the signing, on February 11, 2025, by Algeria, Nigeria, and Niger, of a series of agreements aimed at accelerating the project's implementation. These agreements included updating and revising the feasibility study and activating the joint steering committee.<sup>48</sup> Adopting new technical mechanisms for coordination among the three countries, particularly regarding monitoring progress, data exchange, and strengthening the institutional framework for project oversight.

Despite the significant gains achieved by Algerian economic diplomacy in recent years, it still faces structural challenges that limit its effectiveness. Border regions remain complex areas due to security, economic, and administrative issues, which reduce the profitability of trade and limit Algeria's ability to transform its borders into a driver of growth and a strategic extension of its foreign economic policy. On the security level, the Sahel region of Africa remains a fragile space suffering from escalating cross-border threats (terrorism, illegal immigration, smuggling), which hinders the implementation of economic projects and increases their operational costs. Therefore, the instability of Algeria's southern borders with the Sahel countries—especially Mali and Niger—is one of the most significant factors disrupting many economic initiatives and joint regional projects.

In parallel, Algeria faces increasing challenges on its southern borders, particularly given the complex security and political developments in Mali and Niger. Both countries have suffered from successive military coups, the spread of terrorist groups, and a continuous decline in stability indicators. This situation makes any long-term border project hostage to unpredictable security shifts, whether in terms of protecting infrastructure or ensuring the continuity of supply chains, in addition to its impact on the willingness of

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<sup>45</sup>- African Union & African Export-Import Bank. “Algeria Deepens Trade Ties with Other African Countries as it Gears up for Africa’s Biggest Marketplace.” Press Release, Algiers, July 2025. See Also UNCTAD. *Algeria e-Trade Readiness Assessment*. Geneva: UNCTAD, 2024. And See Also MCPE Algérie. *Rapport Annuel 2023*, pp. 36–38.

<sup>46</sup>- UNECA, *Africa Infrastructure and Connectivity Report*, Addis Ababa, 2024, pp 55–57.

<sup>47</sup>- Afritraveller, “Air Algérie Commences Service Between Algiers and Abuja via Douala,” 6 April 2025. See Also TSA Algérie, “Air Algérie : le PDG dévoile de nouvelles lignes et offres pour 2025,” consulté le 3 février 2025.

<sup>48</sup>- Pipeline & Gas Journal, *Algeria, Nigeria, Niger Sign Agreements to Advance Trans-Saharan Gas Pipeline Project*, 13 February 2025. See Also Or Noir Africa, *Algeria–Nigeria: The Trans-Saharan Gas Pipeline, a Strategic Project for Regional Cooperation*, 2025.

international partners to finance projects that pass through high-risk areas. In the same vein, several UN and NATO reports indicate that the deteriorating situation in northern Mali and western Niger has redrawn the map of threats on Algeria's borders, forcing Algeria to prioritize a security approach over economic options in many instances<sup>49</sup>.

It is worth noting that Algeria has long presented itself as a key mediator in the Sahel crises, especially in Mali (the 2015 Agreement for Peace and Reconciliation). However, recent years have witnessed a marked deterioration in its relations with the transitional authorities in Bamako and Niamey<sup>50</sup>, which has manifested in mutual public accusations, the withdrawal of ambassadors, and accusations against Algeria of bias or "interference" in internal affairs, even reaching the point of Mali withdrawing from some security frameworks that Algeria was leading.

This fragile border situation also leads to higher logistics and insurance costs, and makes international financial institutions hesitant to invest in high-risk projects, thus delaying the implementation of announced initiatives and limiting their ability to achieve tangible developmental impacts. Algeria recognizes that these security challenges not only disrupt the movement of goods and people but also constrain the effectiveness of its economic diplomacy in Africa, as they create a gap between strategic vision and the practical capacity to translate projects into reality.

In terms of financing, the limited financial resources allocated to foreign cooperation and the low level of involvement of the national private sector in African markets restrict Algeria's ability to transform its development initiatives into sustainable, long-term programs<sup>51</sup>.

In the same vein, we note that Algeria faces growing regional competition from Morocco, which has expanded its presence in West Africa and the Sahel through energy and logistics projects such as the Nigeria-Morocco pipeline and the Atlantic Initiative to connect Sahel countries to the Atlantic Ocean<sup>52</sup>. These moves grant Rabat additional influence with the region's elites<sup>53</sup>, shifting some of the regional weight away from the paths proposed by Algeria, particularly pipeline projects and border crossings towards Nigeria and Mauritania. While this does not preclude the implementation of Algerian projects, it creates direct competition over energy and trade networks and reduces Algeria's room for maneuver in negotiations with Sahel countries regarding the most suitable route for connecting to European markets.

Competition in the region is no longer limited to Algeria and Morocco, but has become multifaceted with the entry of powers such as Russia, Turkey, some Gulf states, and the European Union, in addition to a renewed American presence. These powers use different tools, from military support to energy investments and logistical corridors, which complicates the options of the Sahel countries and limits Algeria's ability to maintain its position as the sole "natural partner" as before<sup>54</sup>. This entanglement increases the difficulty of implementing long-term border projects with Nigeria and Mauritania, given their connection to changing alliances whose paths Algeria does not fully control. Despite these challenges, the Algerian path remains

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<sup>49</sup>- Meddeb, Hamza. *Economic Statecraft as Geopolitical Strategy: New Dimensions of the Moroccan–Algerian Rivalry*. Carnegie Endowment for International Peace, 2025. See Also Tardy, Thierry. *Algeria and the Sahel: Between Security and Regional Power Projection*. European Union Institute for Security Studies (EU-ISS), 2021, pp 6–11.

<sup>50</sup>- ISS Africa. *Algeria–Mali Tensions Demand Swift Attention*. PSC Report, 2025

<sup>51</sup>- UNECA, *Economic Report 2021*, p 106-107.

<sup>52</sup>- "Morocco Expands Influence in the Sahel." *APA News*, 28 August 2025

<sup>53</sup>- Africanews / AFP. "Nigerian Gas, Stake in an Energy War in the Maghreb." *Africanews*, 1 March 2023.

<sup>54</sup>- Le Monde. "Au Sahel, l'étoile pâlit de l'Algérie." *Le Monde Afrique*, 12 janvier 2025.

promising, as current indicators point to a gradual maturation of the tools of economic diplomacy, especially with the digitization of trade and the expansion of the presence of Algerian institutions in Africa by 2029.

## Conclusion

An analysis of Algerian economic diplomacy under President Tebboune's program reveals that Algeria has adopted a new approach based on carefully considered economic openness, strengthening African partnerships, and revitalizing the border region as a strategic lever for regional integration. The study's main findings indicate that this diplomacy is no longer limited to expanding trade or attracting investments, but is now geared towards creating shared development spaces and reintegrating border regions into the dynamics of the national and continental economies.

The research also confirms the close link between economic diplomacy and border cooperation, considering borders as one of the practical interfaces through which foreign policy orientations are translated into reality. Based on the above, the research proposes a set of practical recommendations to enhance Algeria's role in Africa, including:

- ✓ Expanding road and logistics connectivity programs with neighboring countries by raising the levels of customs coordination to facilitate intra-regional trade and leveraging economic diplomacy to promote the national economy within the continent, and strengthening partnerships with African financial institutions to ensure sustainable financing for infrastructure projects.
- ✓ Intensifying investments in shared infrastructure, which forms the backbone of any sustainable economic integration. Strengthening trans-Saharan roads, developing rail networks, and modernizing border crossings will transform Algeria into a logistics hub connecting the north, south, and west of the continent. It is also crucial to complete cross-border energy and electricity projects, enabling the creation of an integrated energy space that supports industrial growth and opens the door to clean energy trade and innovation in renewable energies.
- ✓ Expanding Algeria's economic and diplomatic presence on the continent by opening trade centers, facilitating the participation of Algerian companies in African exhibitions and forums, and strengthening soft diplomacy through university exchanges, joint training programs, and technical support for partner countries. Continuous interaction between economic and cultural actors deepens long-term ties and transforms cross-border cooperation into a sustainable strategic project.
- ✓ Achieving Vision 2029 requires strengthening economic diversification by supporting promising sectors capable of creating productive links with African markets. This concerns manufacturing, pharmaceuticals, agricultural technologies specific to desert agriculture, and the digitalization of trade.
- ✓ Strengthening joint security governance, developing cooperation programs to combat organized crime and smuggling, and launching socio-economic initiatives that integrate local communities are essential for ensuring a stable environment that stimulates investment and economic activity.
- ✓ Upgrading human capital through joint training programs with African universities and research centers is crucial. Strengthening academic and scientific networks contributes to a shared understanding of challenges and provides ongoing knowledge support for regional policies.

Finally, Algeria should adopt a green economic approach to its regional cooperation, based on renewable energies and the protection of the desert environment. Sustainable integration is not achieved solely through economic projects, but also by ensuring their alignment with long-term environmental objectives. By leveraging its geographic location and solar and wind resources, Algeria can become a leader in the African green economy, thus reinforcing its strategic position and ensuring the sustainability of the integration process beyond 2029.

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