

ECOFIN AGENCY · ALGERIA

Algeria targets 50% domestic refining in \$71.6bn drive

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Algeria is targeting a jump in domestic hydrocarbon processing from roughly 32% to more than 50%, backed by a \$71.6 billion national investment program running through 2030. The initiative aims to cut the country's dependence on imported refined products — a structural vulnerability for a major crude and gas exporter — while capturing more downstream value onshore. Of the total envelope, nearly \$13 billion has been earmarked specifically for refining capacity, with several petrochemical plants also included in the pipeline.

The scale of the commitment marks a significant shift in Algerian energy policy. Rather than exporting raw hydrocarbons and paying hard currency for refined imports, Algiers is betting on in-country processing as both an economic and energy-security play. Reaching the 50%-plus processing threshold would require a substantial expansion of existing refinery infrastructure as well as new-build facilities, creating a multi-year procurement and construction cycle across engineering, equipment supply, and project services.

For international service companies tracking African downstream opportunities, Algeria's program stands out for its size and state-backed financing certainty. The \$13 billion refining allocation alone is large enough to support multiple major projects simultaneously, spanning front-end engineering, modular plant construction, instrumentation, and long-term operations and maintenance contracts. Petrochemical integration alongside refining upgrades further broadens the scope, potentially drawing in specialists across fertilisers, polymers, and industrial feedstocks — segments where Norwegian process and engineering firms carry competitive depth.

Algeria's national hydrocarbons company Sonatrach will almost certainly anchor the execution of this program, as it does with the majority of large-scale energy infrastructure in the country. However, international partnerships and technology licensing have historically been a feature of major Algerian refinery projects, and a program of this ambition is unlikely to be delivered with domestic capacity alone. Companies that establish early relationships — through technical workshops, memoranda of understanding with Sonatrach affiliates, or participation in Algerian energy forums — will be better positioned when formal tenders and engineering contracts are issued.

The 2030 deadline creates urgency but also a realistic multi-phase procurement window. Early-stage activities such as FEED studies, environmental and technical assessments, and equipment pre-qualification are likely to surface before major EPC awards. Norwegian service companies with downstream refinery or petrochemical credentials should begin mapping their Algeria entry strategy now, engaging both Sonatrach and potential EPC prime contractors who may seek specialist subcontractors for the execution phase.

Why this matters to partners and clients of Saga

At the MoU and planning stage, Norwegian service companies should monitor tender publications from Sonatrach and position through relationship-building with EPC contractors likely to pursue FEED and construction roles. The \$13 billion refining allocation and associated petrochemical scope represent a credible mid-term pipeline for process engineering, instrumentation, and modular plant specialists. Formal procurement outreach should wait until specific project tenders or prequalification notices are issued.

PARTNER ANGLES

- **Subsea/FPSO:** Limited direct relevance at this stage, but FPSO-linked process engineering competence could be repositioned for modular refinery unit design if tenders emerge.
- **LNG:** Norwegian LNG process technology firms may find adjacent opportunities in Algeria's gas processing expansion underpinning domestic refining feedstock supply.

- **Pipeline:** Expanded refining capacity will require new intra-facility and product export pipeline infrastructure, a segment where Norwegian pipeline engineering firms can offer competitive proposals.
- **Service:** Operations and maintenance contracts for new refinery and petrochemical assets represent a durable revenue stream; Norwegian O&M specialists should initiate Sonatrach affiliate engagement now.
- **Drilling:** Increased domestic processing demand may accelerate upstream drilling programs to secure feedstock volumes, sustaining activity for drilling service providers already present in Algeria.

[Original source: Ecofin Agency →](#)

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