

President Emmanuel Macron Warns of Cold Winter in Europe. Natural Gas Supplies and France's Relationship with Algeria

French Energy Firm Seek Deal to Increase Algerian Natural Gas Supply

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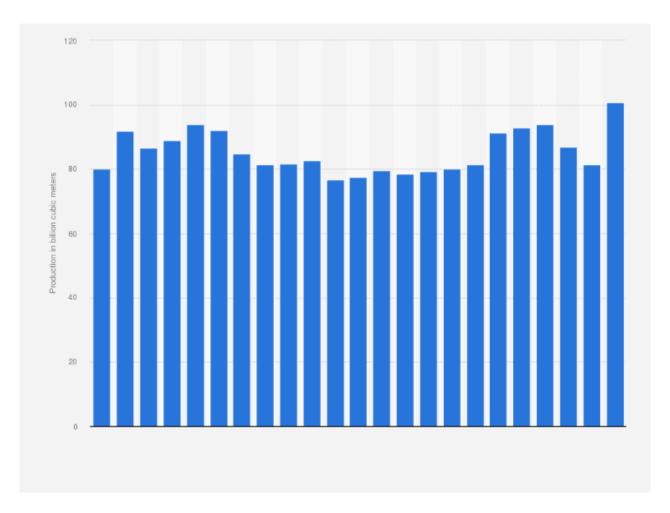
Since the beginning of the Russian special military operation in neighboring Ukraine, the United States and the European Union (EU) have imposed unprecedented economic sanctions against Moscow.

These draconian measures were designed to bring about a complete collapse of the Russian economy through the blocking of financial transactions and the withdrawal of multinational corporations conducting business in the country. However, the opposite has taken place since February 24 with the value of the ruble increasing and the realization of a trade surplus which has provided adequate resources to maintain stability.

EU countries are quite concerned about the availability of natural gas to those countries which are heavily dependent on Russian supplies. Although France is in a better position than other EU states and Ukraine, Macron traveled to the former North African colony of Algeria during August 25-28 to negotiate a 50% increase in natural gas supplies.

Relations between the two states have been under tremendous strain over the last several years as a result of issues involving immigration as well as erroneous and insulting statements by Macron related to Algerian history. Although the Macron visit could be interpreted as a somewhat rapprochement between Paris and Algiers, obviously the enhancement of natural gas supplies was the underlying reason behind the trip.

Algeria is already a major source of natural gas, holding 159 trillion cubic feet (Tcf) of proven reserves, ranking 11th in the world. In regard to production, the country is ranked as 5th internationally.



Algeria natural gas reserves for 2021 (Source: Abayomi Azikiwe)

Nonetheless, as it relates to consumption, Algeria ranks as 26th in the world. Therefore, there is a huge surplus of natural gas for export to other states and geopolitical regions. On a yearly basis the country has proven reserves 109.1 times its annual consumption.

Engie SA is one of the leading firms based in France specializing in energy transition, electricity generation and distribution, natural gas, nuclear, renewables and petroleum. The company supplies electricity to 27 countries on the European continent and 48 other states around the world.

Having been created in 2008, Engie SA is the result of a merger between Gaz de France and Suez. France has a long history of colonial occupation and exploitation in Africa since the Universal Suez Canal Company, the parent of Suez, was formed in 1858 to construct the Suez Canal in Egypt. Today Engie SA employs over 158,000 workers across the world with revenues of 60.6 Euros.

The CEO of Engie SA was part of the delegation led by Macron to Algeria. During his visit, Macron attempted to connect with the government of President Abdelmadjid Tebboune along with the ordinary working people of the country.

<u>According to a report</u> on the French delegation's activities in Algeria, the Financial Post noted:

"Engie Chief Executive Officer Catherine Macgregor, who was part of Macron's delegation, met with Algeria's energy minister and the head of state-run Sonatrach, Europe 1 reported. France gets about 8% of its gas from Algeria, it said. An Engie spokesman confirmed ongoing talks but declined to give details about the nature or timing of any new agreement. Algeria is Europe's biggest gas supplier after Russia and Norway, including to France, and it has discovered new reservoirs that have drawn growing interest. The Algerian government recently signed deals with Italy for increased gas shipments."

Macron Warns of Cold Winter in Europe

The economic problems which have developed since the Russian intervention in Ukraine has resulted in serious uncertainty throughout the EU region. Leaders of the European Commission are echoing the fears of several heads-of-state over the social impact of the decline in Russian supplies of natural gas.

Macron spoke on this crisis prior to his visit to Algeria. EU officials are encouraging household consumers of natural gas and electricity to voluntarily limit their usage in order to avoid a major energy shortage.

In a meeting with ministers at the Elysee Palace, Macron stated that:

"What we are currently living through is a kind of major tipping point or a great upheaval ... we are living the end of what could have seemed an era of abundance ... the end of the abundance of products of technologies that seemed always available ... the end of the abundance of land and materials including water."

However, Macron was criticized by various political interests in France for his remarks. Working class people throughout the country have already suffered the reduction in salaries and benefits which had been earned through decades of struggle by trade unions and student movements.

Such comments could portend much for additional austerity measures in order to pay for the NATO proxy war against Russia in Ukraine. With the rate of inflation in the energy sector increasing at a rapid pace, the costs of the aggressive military posture of Washington and its NATO allies will result in a further decline in real wages and living conditions for working and impoverished people.

Philippe Martinez, the Secretary General of the French Confederation of Labor (CGT) responded to Macron comments emphasizing:

"When we talk about the end of abundance, I think of the millions of unemployed, the millions of those in a precarious situation. For many French people, times are already hard, sacrifices have already been made."

These issues are coming to the fore in the major capitalist states throughout the world. All across Europe, leaders are preparing for the increase in energy prices. In the United Kingdom, which has withdrawn from the EU, inflation will have to be addressed in the short-term.

<u>In an article published</u> by the China Global Television Network (CGTN) it observes:

"With anger growing over privatized utilities companies profiting while consumers foot the bill for the global energy crisis, many Britons are turning to direct action to push the government to respond adequately. British grassroots group 'Don't Pay UK' is calling for people to boycott energy bills from October 1, while the trade union-backed 'Enough is Enough' campaign kicked off a series of rallies and actions in mid-August calling for pay rises, rent caps, cheaper energy and food, and taxes on the rich."

Will France's Deal with Algeria Make a Difference?

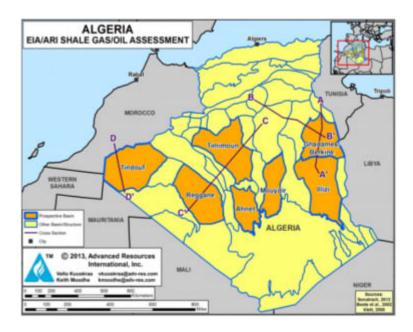
Some analysts have stated that the efforts by the French government and energy industry cannot resolve the short-term supply issues. Prices will continue to rise and remain elevated for agricultural goods, natural gas, electricity and petroleum products.

Russian President Vladimir Putin is utilizing the country's vast energy resources as a weapon geared towards forcing the EU states to pressure the Ukraine government to negotiate a resolution to the current war. The administration of President Joe Biden, which instigated the war, has prevented Kiev from resolving its differences with Moscow through diplomatic means.

Biden and the U.S. Congress have continued to allocate billions of dollars to continue the war against the Russian Federation. Moscow has been identified along with the People's Republic of China as strategic competitors and adversaries to Washington and Wall Street's global hegemonic policies.

The Middle East Institute (MEI) in a report about the European energy crisis pointed out:

"Further increases in gas supplies from Algeria — at least of any substantial amount — will require boosting the output of the producing fields, which could be producing at or near maximum capacity given the increases registered in recent years. Otherwise, Algeria is looking at years of investment in exploration and new production. In terms of unconventional or shale gas potential, some estimates place Algeria's shale gas reserves at about 20,000 bcm — a good long-term prospect, but not something that can be tapped in time to affect Europe's current gas supply structure. However, developing these reserves will require a substantial overhaul of the industry's investment framework and a broader political, economic, and industry vision that has so far been absent."



Algeria natural gas reserves map (Source: Abayomi Azikiwe)

These considerations are important and raises the question as to whether Macron's visit to Algeria was designed more so to deal with the current political situation in France. Within all the imperialist states, the workers and oppressed are experiencing the worst aspects of the inflationary spirals.

In the long term, as far as the masses of people are concerned, the solution lies within the abolition of private control of natural resources, particularly within the energy fields. In this way there could be effective price controls enacted along with an emphasis on peaceful coexistence as opposed to imperialist war.

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Featured image: Algeria President Abdelmadjid Tebboune holds talks with French counterpart Emmanuel Macron (Source: Abayomi Azikiwe)

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