

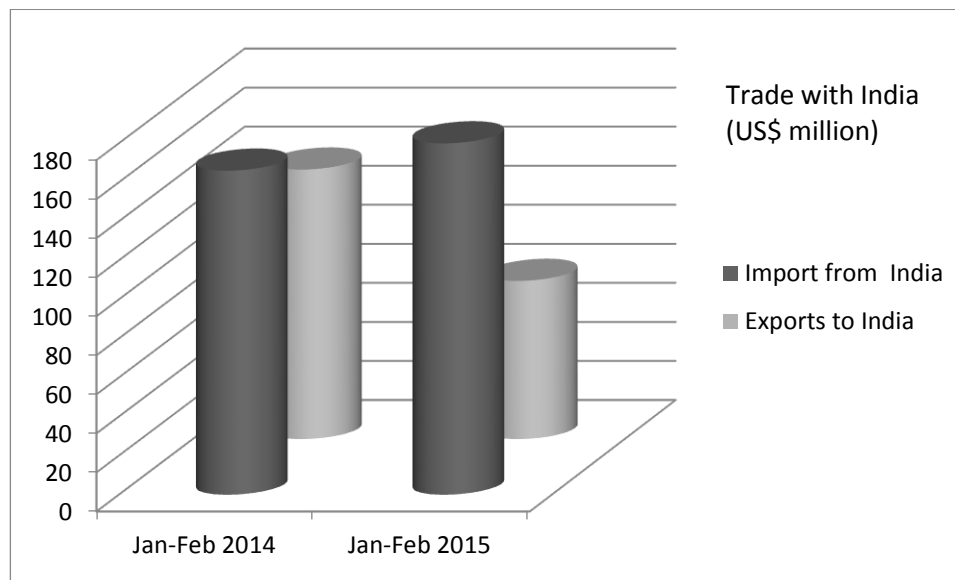
**EMBASSY OF INDIA  
ALGIERS**

**Economic and Commercial Report for the Month of February-March, 2015**

**1. Name of the Country: Algeria**

**Trade with India:**

	<i>Value in US\$</i>		
	<i>Jan-February 2014</i>	<i>Jan-February 2015</i>	<i>Growth %</i>
<b>Imports from India</b>	<b>166</b>	<b>180</b>	<b>8.46</b>
<b>Exports to India</b>	<b>138</b>	<b>81</b>	<b>-41.40</b>
<b>Total</b>	<b>304</b>	<b>261</b>	
<b>Trade balance</b>	<b>28</b>	<b>99</b>	



**2. Trade Promotional Activities organized in Algeria and activities planned in the next six months:**

India has committed to participate in the Algerian International Trade Fair (FIA – 2015) to be held in May 27 – June 1, 2015 as the 'Guest of Honor' country. A covered space of 1000 m<sup>2</sup> has been reserved by the Trade Fair Authority of Algeria (SAFEX). Participation for about 50 Indian companies is expected. Honorable Minister of State for Commerce and Industry has accepted to be present on the inauguration of the Trade Fair. 9<sup>th</sup> Session of India-Algeria Joint Commission Meeting (JCM), which has not met for the last 12 years and also the Joint Business Council (JBC) between FICCI and the Algerian Chamber of Commerce and Industry (CACI) would take place around the same time.

**3. Trade and Commercial delegation from India to Algeria during the months of February/March:** M/s Oracle Financial Services Software Limited visited Algeria to sign a service contract with the Algerian bank Banque de l'Agriculture et du

Developpement Rural. A Delegation from FICCI also visited Algeria during the month of February to meet with concerned officials in SAFEX, the fair authority of Algeria and with the Algerian Chamber of Commerce and Industry in order to prepare India's participation in the 48<sup>th</sup> Algiers International Trade Fair from 27<sup>th</sup> May to 1<sup>st</sup> June, 2015.

#### **4. Important International Trade Fairs/Exhibitions in Algeria in 2015:**

<b>Event</b>	<b>Period</b>	<b>Venue</b>
Equip Auto	1-5 March	SAFEX, Algiers
International Computer and Communication Fair	8-12 March	SAFEX, Algiers
International Cycles and Motorcycles Fair	18-28 March	SAFEX, Algiers
Auto Expo Algeria	18-28 March	SAFEX, Algiers
Hospital Fair	8-11 April	SAFEX, Algiers
Djazagro, International Agro Industry Fair	20-23 April	SAFEX, Algiers
Batimatec, International Construction Fair	3-7 May	SAFEX, Algiers
SITEV, International Tourism Fair	14-17 May	SAFEX, Algiers
SIPSA, International Agriculture Fair	14-17 May	SAFEX, Algiers
SIHEM, Medical Equipments International Fair	14-17 May	SAFEX, Algiers
Algiers International Trade Fair	27 <sup>th</sup> May- 1 <sup>st</sup> June	SAFEX, Algiers

**Indian companies participated in the 9<sup>th</sup> Edition of Equip Auto Algeria, the International Exhibition for all vehicles spare parts, accessories and equipments, from 2<sup>nd</sup> to 5<sup>th</sup> March, 2015.**

#### **5. Trade and Investment activities by other countries in Algeria :**

##### **Algeria-Korea:**

The Algerian Ministry of Fishing and Halieutic Ressources and the Korean Agency for International Cooperation, Koica launched a common program in the field of aquaculture for a value of US\$ 5 million. After launching a first program (2008/2014) which consisted of setting up two shrimp farms based in Skikda and Ouargla, the construction of basins and building, the two parties committed to extend their cooperation with the objective to develop the industry in the aquaculture field.

##### **Algeria-Spain:**

The two public companies Tonic Industrie and Groupe Industriel du papier et de la cellulose (GIPEC), will finalise a shareholder agreement with the Spanish Company Saica Papers in view to create a joint venture specialised in the recovery of paper in Algeria. The Algerian company will hold 51% of the shares and the Spanish company will hold 49% of the shares.

An important project regarding the realization and commissioning of a complex using the geothermics in for the agricultural production in Touggourt, province of Ouargla.

The Algerian party will benefit from the know-how of two Spanish companies Alcantara and Tragsa, specialised in the implementation of development projects based on the technologies which made South of Spain a reference in the agricultural production.

#### **Algeria-Japan:**

The Japanese group Yamaha will officially set up a plant for assembly in Algeria, in the light of the new rule that forces the automobile and motorcycle dealers to develop an industrial or semi industrial activity. The two wheelers market in Algeria is witnessing a boom, which will reach 103 000 in 2017 unities, is essentially dominated by 50 CC and 250 CC segment, which reached 66% of the market share.

#### **Algeria-Austria:**

The National Company for Railway Transport (SNTF) and the Austrian company Lapsch Carrier Com AG signed a contract for setting up a joint venture in railway network equipment and digital telecommunication system (GSM Rail), which will guarantee the security of the railway circulations and to modernise and develop its network. SNTF will hold 51% of the investment capital.

#### **Algeria-Italy:**

A partnership protocol agreement was signed between ELEC Algeria (Electric, Electro domestic and Electronic equipments) and the Italian company DUCATI Energia for the creation of a joint venture for the manufacture of condenser batteries in order to meet the local demand as regard to electronic components.

#### **Algeria-China:**

PowerChina launched a photovoltaic trial park 15 MW in the province of Souk Ahras in Algeria, which should end by end of April. Sinohydro Corp is in charge of the construction of the photovoltaic park. PowerChina belongs to the consortium formed by the Chinese solar company Yingli Green Energy Holding Co. Ltd, which won by the end of 2013 contracts for the design and construction of a solar park totalising a capacity of 233 MW in Algeria. Hydrochina Corp, which belongs also to PowerChina participates in this project.

#### **Algeria-Qatar-:**

Algeria and Qatar signed a contract for the construction of a steel plant in Bellara, in the province of Jijel, Algeria, worth US\$ 2 billion. The contract was signed between Algerian company Sider and the Algerian Qatar Solb (AQS). The production capacity of the plant will start by 2 million tons in the first phase and double its production by 2019 as a second phase.

#### **Algeria-Egypt:**

The Egyptian giant of the public works, Arab Contractors Company (AC) won contracts for territory planning of three large Industrial zones in Algeria. The global cost of the contracts is US\$ 180 million. The Egyptian company plans to deliver the

projects by the end of 2017. The Algerian company, Company General for Construction (COGC) will participate to the projects along with the Egyptian party. These projects belong to the governmental program which consists of planning 42 industrial zones.

#### 6. Analysis of export performance of competing countries in January 2015:

India ranks at the 9<sup>th</sup> position in terms of exports to Algeria. The main exporters to Algeria are mostly China and European countries and as shown in the table below:

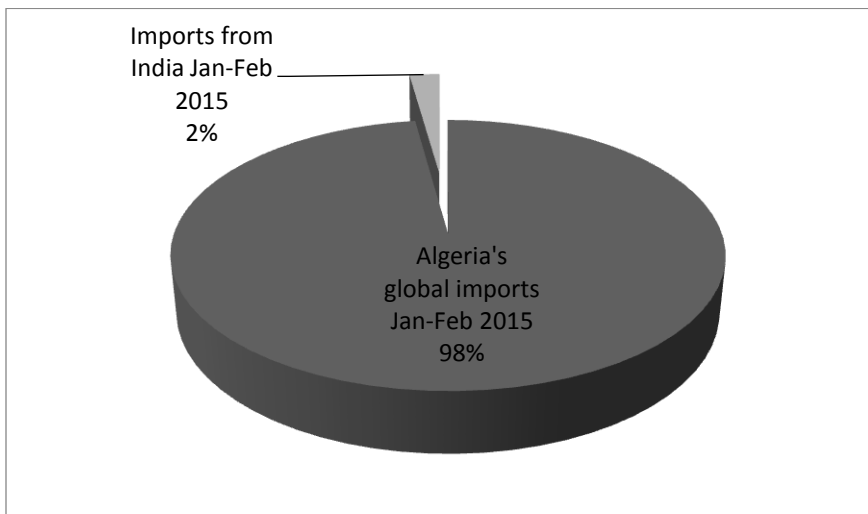
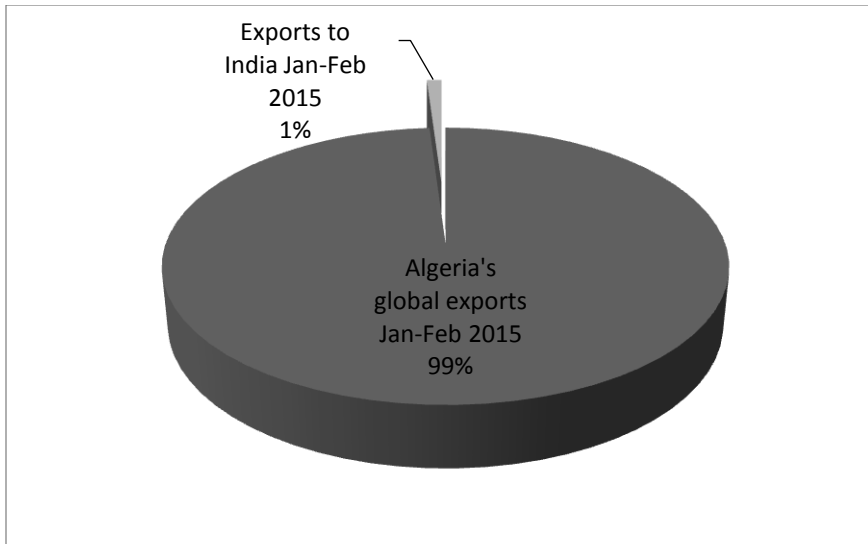
**Value in US\$ million**

Country	Value	Growth January 2014/2015%
China	587	-3,45
France	497	-15,04
Italy	423	1,93
Spain	354	-10,15
Germany	298	-1,65
USA	281	87,33
South Korea	150	82,93
Turkey	119	-15,00
<b>INDIA</b>	<b>89</b>	<b>2,30</b>
Ukraine	84	-
New Zealand	81	-
Great Britain	80	-6,98
Netherlands	78	-27,10
Belgium	69	-6,76

#### 7. Global Exports and Imports of Algeria and India's share for January – February 2014/2015:

**Value in million US\$**

Period	Algeria's Global Exports	Exports to India	%age of Global Exports	Algeria's Global Imports	Imports from India	%age of Global Imports
Jan-Feb 2014	10 818	138	1.27	9 107	166	1.82
Jan-Feb 2015	7 724	81	1.04	8 065	180	2.23



### **8. Market prospects in respect of major items of Indian exports :**

India has very good opportunity for enlargement of its market share in Algeria. Algeria is an import dependent country, India has good chances to increase the volume of its exports to Algeria in various sectors, such as construction materials, mainly cement, wood and steel, engineering items, food products, pharmaceuticals etc. India is already exporting automobiles, engineering items, frozen meat and other food items, pharmaceuticals, handicrafts, cosmetics, construction equipment etc.

### **9. Trade enquiries from India and Algeria :**

The Commercial Section received 109 inquiries from India and 41 from Algeria during the months of February and March for various products mainly engineering items, pharmaceuticals, medical equipment, handicrafts, food products, construction materials, IT equipment, and cars spare parts, etc. Algerian businessmen also visited the Embassy for various business and trade information.

**10. Trade complaints received during the months of February and March:**

The Commercial Section received two complaints from India from M/s Propack against Algerian company M/s KPMA and M/s Affilgreen Overseas vs. Sarl Almoza Import-Export. The issues are still pending in spite of the efforts of the Commercial Section in trying to solve the problem amicably.

**11. India's investments in Algeria:** There are no new Indian investments in Algeria.

**12. Status of ongoing major investments by Indian PSU's/Pvt Sector in Algeria:** There are no major investments by PSUs.

**13. Analysis of investment opportunities in Algeria :**

Algeria is an open market and is seeking large investments in various sectors. The Government has launched the new five year development program, with an envelope of US\$ 262 billion, which will be used to complete the ongoing projects that were launched during the previous five-year program 2010-2014 and to start new projects in different sectors related to housing, training, education, electricity and water. It is to be mentioned that up to 2014 about 320 000 houses were distributed. The Algerian government encourages investments that help Algeria in developing other sectors in order not to depend only on hydrocarbons and to erect a strong economy, especially that the hydrocarbon exports of Algeria have strongly decreased by 30.31% during the two first months of the current year, with US\$ 7.24 billion against US\$ 10.39 billion during the same period in 2014. However, the conditionality of 51/49 discourages investments.

Algeria offers large investment opportunities in the field of agriculture particularly for potato seeds, breeding of milk cows, cattle feed and agricultural mechanism. Algeria is looking for opportunities to benefit from foreign experience and technical know-how to develop the sector. Ambitious programs have been retained for the development of milk production.

There are also investment opportunities in fisheries, as the Algerian government opened the sector to foreign investors in the framework of partnership projects. The sector will be gradually opened but only for the oceanic fishing.

The total of investment projects declared in 2014 shows a dynamic development in an attractive market. Investments in partnership projects with foreign companies increased particularly, with 74 projects in the industrial sector mainly steel, mechanic and electric industry (17.13%), chemical industry (15.72%), agro food industry (26%) and construction material industry (22.4%). This result shows the commitment of the Algerian government in favour of industries, to diversify and develop its industrial activities, with important markets to conquer.

**14. Status of trade and investment related issues taken up by the mission with the Government of Algeria:** Nil

**15. Details and result of meetings and interactions of the Mission with Trade Industry and Economic Ministries/Department/Agencies in Algeria:** Nil

**16. Important policy changes by the Government of Algeria with respect to trade, investment, aid/credit facilities:**

**17. Position of Algeria on WTO related issues and issues with respect to other important multilateral fora:**

The Algerian file of its accession to the WTO could be presented during the 10<sup>th</sup> Ministerial Conference of this organisation which is planned to take place from 15<sup>th</sup> to 18<sup>th</sup> December in Nairobi, Kenya. For the moment there are no major obstacles, it is almost the final step of its accession. Since the last multilateral negotiation round held in March 2014 in Geneva, Algeria received 131 additional questions which are being processed by the different ministerial departments. A National Committee meeting in this regard was held between representatives of several ministries to examine the draft replies to the questions asked mainly by the United States and the European Union. These questions concern the Algerian legislation and its compliance with the rules of WTO. After the adoption of the replies, they will be transmitted to the government committee in charge of the follow up and supervision of Algeria's accession to WTO, which is chaired by the Prime Minister, who will make the final decision on these replies. As of now, Algeria led 12 multilateral negotiation rounds which allowed to process more than 1 900 questions related to the national economic system. Algeria also held more than 120 bilateral meetings with 20 countries, which resulted by six bilateral agreements with Cuba, Brazil, Uruguay, Switzerland, Venezuela and Argentina. Algeria is still conducting discussions with 19 member countries among which 12 are in advanced stage.

**18. Major international tenders issued:** The international tenders are published in the local newspapers. Embassy also subscribed to AlgeriaTenders, which is a web site in which all tenders in different sectors are published. Embassy is kept updated about new tenders everyday by email. During the month of Feb-March, tenders regarding construction projects, supply of food items, oil exploration and exploitation etc. were sent to Ministry of Commerce and Industry (FT WANA), FICCI, ITPO, FIEO, CII and Assocham, EEPC.

**19. Aid/assistance received by Algeria from other countries/international agencies, funding organizations:** NIL

**20. Commercial, Economic and Political report of Algeria:** The reports are sent on regular basis.

**21. Pending references from the Mission:** / NIL

**22. Monthly expenditure of the Commercial Budget:** February 305,197 – March 288,450

**23. Any other relevant inputs:** /

This issues with the approval of Ambassador

**Commercial Section  
E/I Algiers**