

**EMBASSY OF INDIA
ALGIERS**

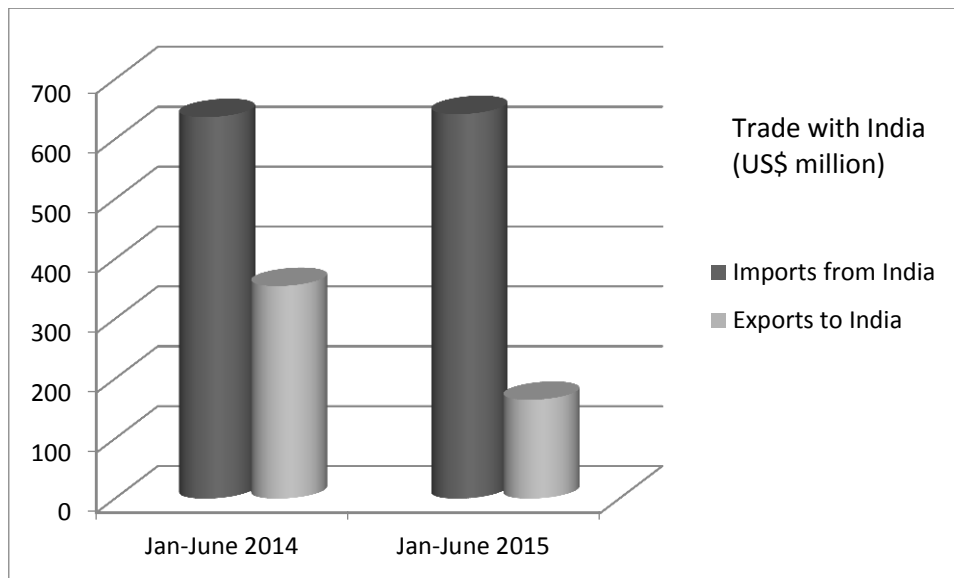
Economic and Commercial Report for the Month of September, 2015

1. Name of the Country: Algeria

Trade with India:

	<i>Value in million US\$</i>		
	<i>Jan-June 2014</i>	<i>Jan-June 2015</i>	<i>Growth %</i>
Imports from India	637	642	0.78
Exports to India	355	165	-53.52*
Total	992	807	
Trade balance	282	477	

*Mainly due to decline in value of Algerian exports of hydrocarbons due to fall in international prices of oil/hydrocarbons



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

BSMs will be organized during the next six months in Algeria with the collaboration of Indian Export Promotion Councils.

An E-book on doing business with India will be prepared by the Commercial Section and will be distributed to the Algerian companies.

A market survey activity regarding agro products will be carried out

A Food Festival will be organized by the end of the year. A Catalogue Show will also be held.

3. Trade and Commercial delegation from India to Algeria during the month of September:

A Representative of M/s V. Ganesh Foods (P) Limited visited Algeria during the month of September to meet with his client in Algeria.

A representative of Chaitaniya Tobacco company visited Algeria during the month of September for business in the tobacco sector in Algeria.

A delegation of 22 Indian pharmaceutical companies visited Algeria to participate in Maghreb Pharma Expo from 29th September to 1st October, 2015 in Hotel Hilton, Algiers. The companies showcased in the Indian pavilion various products such as pharmaceutical ingredients, finished products, processing machineries, production lines, engineering and consultancy services for biotech pharma, turnkey projects, empty capsules, dietary supplements, laboratory equipment and packaging machineries.

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

Event	Period	Venue
Algeria Fire Safety Security Expo	07-09 September	SAFEX, Algiers
Algeria Electricity & Water Expo	07-09 September	SAFEX, Algiers
"MICA" Mining Industry International Fair	21-24 September	SAFEX, Algiers
Maghreb Pharma	29th September-1st October	Hotel Hilton, Algiers
Algiers Industries Fair	05-08 October	SAFEX, Algiers
SIVI Industrial and Utility Vehicles International Fair	05-08 October	SAFEX, Algiers
SMEs, Paternership and Technologies Fair	05-08 October	SAFEX, Algiers
Djazair Oil & Gas Expo	05-08 October	SAFEX, Algiers
Traditional Handicrafts Fair	15-24 October	SAFEX, Algiers
SIOL Optic and Glasses Fair	16-24 October	SAFEX, Algiers
SILA Algiers International Book Fair	28 October-7 November	SAFEX, Algiers
Kitchen and Bathroom International Fair	02-06 November	SAFEX, Algiers
SITP Public Works International Fair	18-22 November	SAFEX, Algiers
AGRO EXPO Agriculture International Fair	18-22 November	SAFEX, Algiers
Best 5, Design Expo	18-22 November	SAFEX, Algiers
Food Expo	18-22 November	SAFEX, Algiers
Djazair Energy Expo	07 -10 December	SAFEX, Algiers
Algerian Production Fair	23 -29 December	SAFEX, Algiers

External

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

Algeria-Turkey:

The Algerian company Confection et Habillement (CH) and the Turkish company Taypa Mesut Toprak signed a partnership agreement for the realisation of an integrated textile complex in Sidi Khattab in the province of Relizane.

Algeria-Switzerland:

The world's leader of energy and automation technologies, ABB won a contract worth US\$ 30 million for the construction of an electrical substation of 400 kv meant for the steel complex of Bellara in the province of Jijel. The substation will connect the complex to the national network to ensure a reliable electricity supply. The industrial complex of Bellara will produce annually 4.2 million tons of steel and steel products.

Algeria-Italy:

The utility vehicles' plant of Iveco in partnership with the Algerian group Ival will start production of utility vehicles of Iveco brand in Algeria. A partnership protocol will be signed in this sense for the creation of a joint venture. This unity will construct 1000 to 1500 vehicles per annum in the first phase.

Algeria-Korea:

A joint venture was created between the Algerian company Condor and the Korean company Dasan for the development of the manufacture of telecom products and equipment for refineries and power plants. The Algerian party holds 55% of shares of Spa Condor Dasan and the rest is held by the Korean company, which will help to develop the know-how necessary for the development of a real related industry.

The South Korean group Samsung Engineering gave its agreement in principle to the Algerian hydrocarbon company Sonatrach for the rehabilitation of Algiers refinery.

Algeria-France:

A protocol agreement was signed between the Algerian railway company SNTF and the French railway company SNCF for the concretisation of partnership projects. This partnership will cover the domains of training, railway engineering, passengers transportation, fret and logistic transportation. It intends to create a joint venture for the maintenance of railway equipment in Algeria.

6. Analysis of export performance of competing countries in first semester 2015 (Jan- June 2015)

India ranks at the 9th 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:

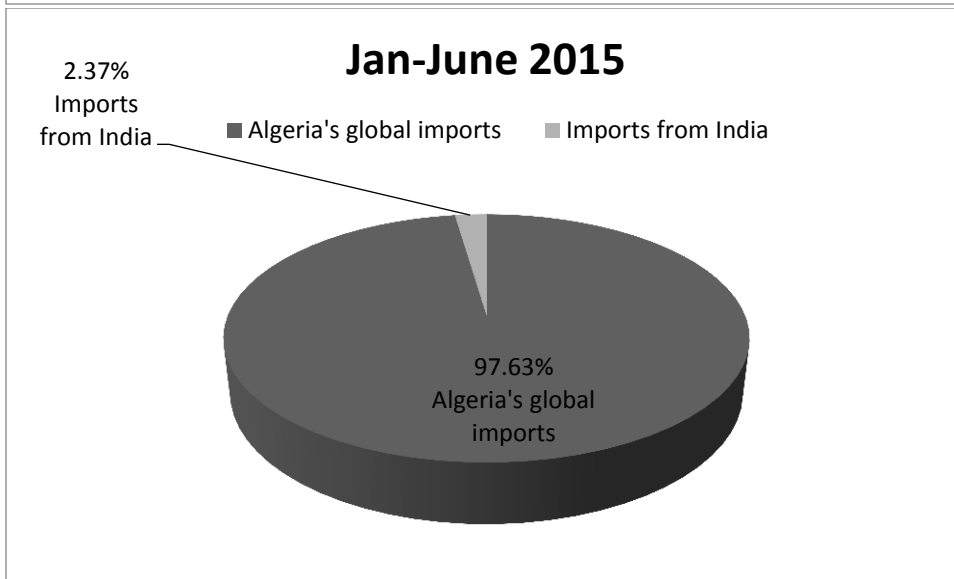
Value in US\$ million

Country	Value	Growth %
China	4 336	16.02
France	2 769	10.23
Italy	2 605	9.62
Spain	2 087	7.71
Germany	1 866	6.89
USA	1 390	5.13
Turkey	1 047	3.87
Republic of Korea	651	2.40
INDIA	642	2.39
Argentina	598	2.21
Brazil	538	1.99
Great Britain	501	1.85
Canada	444	1.64
Russia	430	1.59
Belgium	429	1.58

7. Global Exports and Imports of Algeria and India's share for January- June 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- June 2014	33 245	355	1.06	30 070	637	2.11
Jan- June 2015	19 284	165	0.85	27 070	642	2.37



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 agricultural products mainly dairy products, seeds, food products, engineering items, 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 49 inquiries from India and 6 from Algeria during the month of September 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 month of September: The Commercial Section received complaints from M/s Vaibhav Overseas. The case has been taken to the court. The matter is being followed up by the commercial section. We are also following up the dispute with M/s SS Gas Lab, whose payment is held by Al Baraka Bank. Written communications have been sent to all parties.

11. India's investments in Algeria: No new investments took place during this period.

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

13. Analysis of investment opportunities in Algeria:

China intends to reinforce its partnership with Algeria particularly now as the situation is less favourable for Algeria and china. This reinforcement will be concretised by investments in the industrial sector, mainly in sectors like automobile construction, solar energy and equipment, railway materials. The Chinese workforce in Algeria is estimated at 40 000 workers. This figure will decrease in the coming days as the Chinese companies will have recourse to the Algerian work force.

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:

WTO: Negotiations for an agreement on Information Technologies:

Negotiators from 54 members of WTO agreed on a draft agreement which could cut off custom tariffs for about 200 products related to information technologies, representing an exchange volume of US\$ 1.000 billion. This draft agreement will be sent to different capitals of negotiators' countries for approval. A delegation of the EU to the WTO led negotiations in Geneva from 14th to 18th July, presided by EU. This round of negotiations was a success and it emphasized on the finalisation of a list of products concerned by the new agreement on information technologies.

18. Major international tenders issued: RITES Ltd. is presently engaged in processing studies for its participation in the tender related to construction of two new railway lines Bechar-Tindouf and Ain Salah-Tamanrasset.

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: Rs 392,981

23. Any other relevant inputs:

Snapshot of Algeria's trade and economy:

Cereals imports:

Imports of cereals by Algeria reached US\$ 2.33 billion during the first eight months of 2015 against US\$ 2.45 billion during the same period in 2014. It decreased by 4.56%. The decrease in value of wheat imports is explained mainly by the fall of prices in the global market due to huge availability of offer and also because of the decrease of Algerian imports of barley and maize. Quantities imported were estimated at 8.84 million tons during the first eight months of 2015 against 8.22 million tons during the same period in 2014. It increased by 7.6%.

The exception was for wheat, it has increased by 2%, other cereals like barley and maize decreased by 2.4% and 20.45% respectively. As for the import bill of wheat it was US\$ 1.66 billion against US\$ 1.63 billion (+2.03%), whereas quantities imported increased from 4.96 tons to 5.61 tons (+13.10%).

Trade balance of Algeria:

Trade balance of Algeria recorded a deficit of US\$ 10.33 billion between January and September 2015, against a surplus of US\$ 4.09 billion during the same period in 2014.

During these nine months, Algeria's exports reached US\$ 28.86 billion, a decrease of 40.23% comparing to US\$ 48.29 billion collected last year. It reflects the clear back up of hydrocarbon revenues, which accounts for 94.56% of total exports.

In spite of the efforts deployed by the Algerian authorities to privilege the local consumption and discourage imports, these have increased by 11.34% to reach US\$ 39.19 billion between January and September 2015. Consequently, the coverage rate of imports dropped by 74% during the first nine months of 2015 against 109% in 2014.

Countries of the European Union maintained their place as principal partner of Algeria with 48.51% of Algerian imports (US\$ 19.01 billion) and 69.06% of exports from Algeria (US\$ 19.93 billion). The principal clients of Algeria during the first nine months were Italy (US\$ 4.98 billion), Spain (US\$ 4.94 billion), France (US\$ 3.38 billion), Great Britain (US\$ 2.4 billion), Netherlands (US\$ 1.88 billion), Turkey (US\$ 1.54 billion). China remains the first supplier of Algeria with US\$ 6.42 billion of exports, and then comes France (US\$ 4.06 billion), Italy (US\$ 3.68 billion), Spain (US\$ 2.97 billion), USA (US\$ 2.09 billion).

This issues with the approval of Ambassador

Commercial Section

E/I Algiers