

**Embassy of India
Algiers**

Economic and Commercial Report for the period 15-30 April 2015

Internal

Algeria's trade balance recorded a deficit of US\$1.73 billion during the first quarter of 2015, against a surplus of US\$1.83 billion during the same period in 2014, according to the Algerian Customs.

Algeria's exports stood at US\$11.31 billion over the first three months, against US\$16.17 bn during the same period in 2014, **down by 30.1%**, while **imports** totalled US\$13.04 bn, against US\$14.34 bn compared to the same period of reference, **down by 9.06%**, according to the Algerian Customs' National Centre for Data Processing and Statistics (CNIS).

Hydrocarbon exports, which represented nearly 94% of Algeria's overall exports, stood at US\$10.62 bn during Q1 2015 against US\$15.56 bn during the same period a year earlier, down by 31.75%.

The non-hydrocarbon exports remained marginal with 6.04% of the overall exports, up by 12.34% compared to the same period of reference.

The European Union countries were still Algeria's main trading partners: 49.37% of Algerian imports were from the EU, while 73.4% of its exports were to the EU, said the CNIS.

During the first quarter of 2015, Algeria's large trading customers were Italy, followed by Spain, France and the United Kingdom, while China remained its main supplier, followed by France, Italy and Spain.

Algerian GDP up to USD221 billion in 2014

Algeria's GDP was at DZD17.731 billion (about 221 billion dollars) in 2014 against DZD16.570 billion (USD196 billion) in 2013 said, Saturday, the Ministry of Finance's Prediction and Policies Branch (DGPP) on its website.

The Algerian economic growth rose by 4.1% in 2014 compared to the previous year (against 2.8% in 2013 compared to 2012), according to the DGPP's preliminary data. The growth of non-hydrocarbon GDP decreased to 5.1% in 2014 against 7.1% in 2013.

Furthermore, the DGPP's results reported **a decline of the recovered oil tax which amounted DZD3,388.3 billion in 2014 against DZD3,678.1 billion in 2013.**

40 brands at commercial vehicle show in Oran

Up to 40 commercial vehicle brands will take part in the eighth trade show devoted to such products to open Sunday (April 26), at Mohamed Benahmed Convention Centre in Oran (432-km west of Algiers), the event's organizers said. Six brands are taking part for the first time in Oran's show. Transport professionals and artisans from various trades will find in the show a wide range of vehicles adapted to their industry for instance, mini-trucks, pick-ups, lorries for transport of goods, tractors, trailers and hoisting equipment.

Medicines: imports drop by more than 38% in Q1 2015

The imports in pharmaceutical products reached USD317.1 million during the first quarter of 2015 against USD515.38 million in the same period of the previous year (-38.47%), Despite this significant decrease, the import bill of medicinal products for human use remains the most important since it represents more than 95% of the global imports of the pharmaceutical products in the first quarter of the current year.

Incentive measures for productive companies in CFL 2015

Trade Minister Amara Benyounes that all measures relating to the promotion of productive national economic enterprises will be provided under the Complementary Finance Law (CFL) 2015.

In response to a question asked by the press on a possible revision of tax on corporate profits (IBS) set by the Finance Act at 23% for all national companies, Benyounes stated that all issues related to the promotion of economic enterprises in Algeria will be provided under the 2015 CFL. IBS rate (productive or service providers) is set by the Finance Act 2015 at the single rate of 23%, whereas previously it was 19% for companies activating in the production of goods, construction, public works and tourism and 25% for companies activating in commerce and services.

Many traders have lamented the new measures introduced by the Finance Act 2015, including that concerning IBS standardization as they believe this would "penalize" productive enterprises and may disadvantage the national economy. Speaking on the sidelines of the national day on encouraging consumption of the Algerian product, the minister insisted, moreover, **on the need for each importer to support its activity with an industrial investment.** He said that "some operators working for more than 20 years for 100 to 200 million per year with no industrial investment. "This situation is unacceptable," insisted Benyounes who said "it is time to consider establishing an industrial activity."

Official launch in Algiers of national campaign "Made in Algeria"

Minister of Trade Amara Benyounes officially launched, in Algiers, the national campaign "Made in Algeria," during a ceremony held in the presence of members of the government, the Central Union as well as public and private employers. It marks the beginning of the campaign "Made in Algeria" which consists in organizing a week of communication, information and outreach operations as well as workshops and conferences throughout the national "Made in Algeria" consumption campaign: Exploiting local potentials, reducing imports

Aït Abderrahmane Commerce Ministry's Director General for regulation and organization of activities said that as part of the coming law on imports and exports, the "unnecessary" goods, cars, cement and sugar will be ruled by import licences in a bid to

regulate imports which have sharply rose to \$60 billion in 2014.rritory to educate consumers on the importance to promote local production.

Over 17 % drop in car import bill in Q1 2015

Algeria's car imports continue their downward trend in terms of value and quantity during the first quarter of 2015, said the Algerian Customs' National Centre of Data Processing and Statistics (CNIS).The import bill amounted to US\$ 1.3 billion during the first three months of 2015, against US\$1.58 billion during the same period in 2014, down by 17.76%, said the CNIS.

In terms of quantity, a total of 95,075 cars were imported during the first quarter of 2015 against 117,486 cars during the same period a year earlier, down by -19.08%. The European brands, especially the French and German, top the list of imports, followed by Asian brands, particularly the Japanese and South Korean.

The new drop in car imports confirm the downward trend of car imports since 2013 after the record made in 2012 with 605,312 cars imported, said the CNIS. In 2014, the car import bill decreased by 13.56%, moving from US\$ 7.33 billion (554,263 cars) in 2013 down to US\$ 6.34 billion (439,637 cars).

External

Trade between China and Algeria

According to a local news report, the commercial exchanges between Algeria and China have increased in the last three years to the extent that **China has become the most important supplier of Algeria and even taking the place of France which has been the main supplier of Algeria for many years**. However, the trade balance is not in favour of Algeria with **the Chinese exports to Algeria had reached 8.197 billion dollars in 2014 and the Chinese imports had not exceeded 1.817 billion dollars, which explains an imbalance in the commercial exchanges which is not in favour of Algeria** The Algerian exports to China represent **2.89 %** and they are mainly oil and gas. While the Algerian imports from China represent **14.05% of the total imports of Algeria**.

It seems that **since the signing in 2004 of the strategic partnership by the Heads of State, the Chinese companies have benefited from important contracts such as: the building of 15 000 flats and 10 university cities, hospitals, hotels like: Marriot in Telmcen , Sheraton, stadiums like the rehabilitation of the stadium of 5 July in Algiers and the new headquarters of the Ministry of Foreign Affairs in the last ten years**.

It must be pointed out that **out of 50 Chinese companies , there are 12 companies which are operating in the construction sector** and the **number of Chinese workers in Algeria is estimated at 40 000 workers**.

The two countries have also reinforced the cooperation in the health sector as there is an agreement between the two countries that goes back to 1963. Therefore many Algerian students benefit from scholarships to study medical sciences in China. China is also building an opera in Algiers which will be delivered in next November and it is also in charge of commissioning the refinery of Adrar through the Chinese company "CNBC".

Algeria-China cooperation: Nine agreements signed in Beijing

ALGIERS- Four agreements, three memorandums of understanding and two executive cooperation programmes have been signed in Beijing on the sidelines of the official visit of Prime Minister Abdelmalek Sellal.

The signed documents include a cooperation agreement in the field of communication and a strategic cooperation agreement in the field of nuclear energy for peaceful purposes, in addition to two other agreements in the field of labour, employment and social security and in economic and technical cooperation.

Two memorandums of understanding were signed between the Algerian Institute of Standardization (IANOR) and the Chinese Administration of Quality Supervision, Inspection and Quarantine and in the field of industrial cooperation and investment

Bilateral

The provisional statistics of trade for the period in first three months of 2015 between published by Ministry of Finance, Govt of Algeria show a drop of 3.57 % in import of goods from India and a drop of 18.17% in exports to India from corresponding period in 2014. The figures are in consonance with overall reduction in trade figures for Algeria which show a reduction of 9.06% in imports and 30.10% in exports with total trade down by 20.21%

| Period | Value of imports from India in Million US \$ | Value of exports to India in Million US \$ | Value of total trade with India in Million US \$ | Value of total trade of Algeria in Million US \$ |
|----------------|---|---|---|---|
| Jan-March 2015 | 276.54 | 113.86 | 390.40 | 24345 |
| Jan-March 2014 | 286.77 | 139.14 | 425.91 | 30512 |
| Difference | -10.23 | -25.28 | -35.51 | -6167 |
| % | -3.57 | -18.17 | -8.33 | -20.21 |

Therefore, while overall Algeria's total trade declined by over 20% during the period, its trade with India declined by only 8.33% in the same period.

This issues with the approval of ambassador

(S. Chatterjee)
Second Secretary