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**Report Highlights:**

The government of Algeria revised the scope of the partnership 49/51 rule to improve business climate and encourage foreign investments. The government encourages large-scale agricultural investments in the Highlands and the “Sahara” (South of Algeria). Foreign direct investment and partnerships are encouraged in the fields of cereals, oilseeds, and sugar production as well as crushing, refinery projects, storage capacity, cold chain infrastructures and packaging projects. The market is open for U.S. bovine embryos, hatching eggs and day-old chicks for chicken to be exported to Algeria.

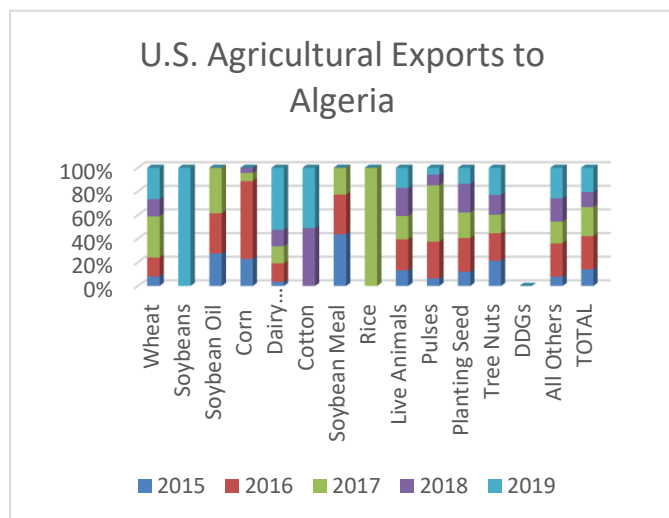
### Executive Summary

Algeria is 2,381,741 sq. km total land. The desert covers more than four-fifths of the country. Hydrocarbons have long been the backbone of the economy, accounting for roughly 30% of GDP, 60% of budget revenues, and 92.8% of export earnings (2019). The agriculture sector is one of the priority sectors for the government in its efforts to diversify the economy and attract foreign and domestic investment outside the energy sector. The agriculture sector contributes on average about 12 percent of Algeria's GDP and employs at least 20 percent of the population in rural areas. Algeria has about 8.5 million hectares of arable land. (Algeria's imports of agricultural commodities and food represented about 19.25 percent (\$8.07 billion) of the total imports (\$41.93 billion) in 2019.)

The government divested itself from agricultural production and processing allowing the private sector to take the lead. The private sector is comprised of wheat and feed millers, dairy processors, vegetable oil refiners, sugar refiners, beverage producers as well as canners, and a pastry industry. Both distribution and HRI sectors are growing however need further development.

### Imports of Consumer-Oriented Products

Most of the U.S. agricultural exports to Algeria are bulk and intermediate commodities. The commodities leading the U.S. exports are wheat, tree nuts, corn, planting seeds, dairy products, and forest products as well as cotton, turkey day-old chicks and pulses. Processed products and consumer-oriented products are minimum.



Data Source: U.S. Census Bureau, Foreign Trade Statistics

### Food Processing Industry

The private sector is active in wheat and feed milling, dairy processing, vegetable oil refining, and sugar refining, beverage production as well as canning and in the biscuit industry.

### Food Retail Industry

Since the economy was liberalized, grocery stores and small private supermarkets opened after state-owned distribution channels were privatized in 1996. Consumers can now find bulk, packaged and high value products, both local and imported, in small supermarkets called "superettes". The supermarket industry is still in its infancy and needs further development.

**Algeria Food Imports:** \$8.07 Billion

**Algeria Food Exports:** \$323.96 million

**Algeria Food Exports to the U.S.:** \$14 million

### List of Top 10 Growth Products in Host Country

- |                   |                    |
|-------------------|--------------------|
| 1) Wheat          | 6) Forest Products |
| 2) Tree nuts      | 7) Planting Seeds  |
| 3) Dairy Products | 8) Cotton          |
| 4) Soybeans       | 9) Prepared Food   |
| 5) Feed & Fodders | 10) Live Animals   |

### GDP/Population

Population: 43.9 million  
GDP: \$170.4 billion  
GDP per Capita: \$5360.7

### Top Retailers

Numidis/UNO  
Ardis  
Carrefour

Strengths	Weaknesses
<ul style="list-style-type: none"> <li>-The reputation of U.S. agriculture and agri-business for quality and reliability of supply</li> <li>- The innovation and technical leadership of U.S. agriculture and agri-business</li> </ul>	<ul style="list-style-type: none"> <li>- Lack of U.S.-Algerian trade agreement enjoyed by competitors, EU, and other regional competitors</li> <li>- Relative high cost of U.S. food and agricultural products</li> </ul>
Opportunities	Threats
<ul style="list-style-type: none"> <li>-Algeria is still largely unexplored and a developing market with many needs.</li> <li>- the government's will to diversify the economy outside the energy sector</li> <li>-Algerian Farmers and processors interested in partnership with U.S. partners</li> <li>- The domestic food industry is creating demand for consistent quality and regular supply for higher quality inputs</li> <li>-Desire to find alternative sources of supply.</li> </ul>	<ul style="list-style-type: none"> <li>-Lack of awareness of the market. -Geographical disadvantage, due to Algeria's proximity to Europe.</li> <li>-No direct shipping lines with U.S., making transit to Europe necessary</li> <li>- Lack of agreement with the U.S. on certification and inspection procedures</li> <li>-Recent additional taxes restrict imports</li> <li>- The EU-Algerian Association Agreement provides preferential access for European exports to Algeria</li> </ul>

**Data & Information sources:** Algerian Official Trade Data, U.S. Census Bureau, Foreign Trade Statistics, World Bank.

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## **SECTION I. MARKET OVERVIEW**

### **Key Demographic Developments:**

Algeria is in Northern Africa, bordering the Mediterranean Sea, between Morocco and Tunisia with 2,381,741 sq. km total land. The desert covers more than four-fifths of the country. The agriculture sector contributes about 12 percent of Algeria's GDP and employs at least 20 percent of the population in rural areas. Algeria has about 8.5 million hectares of arable land.

As of January 2020, the population of Algeria was estimated at 43.9 million people. More than 70 percent of the population lives in cities. The capital, Algiers with a population of almost 4 million is the nation's largest city. At least half of Algeria's working population is employed in the industrial and service sectors. Algeria's official language is Arabic, but Amazigh (a Berber language) and French are widely spoken.

Algeria is rich in natural resources. The oil and gas sector are the backbone of the Algerian economy, accounting for roughly 60 percent of budget revenues, 30 percent of GDP, and 92.8 percent of export earnings (2019 estimates). Hydrocarbon exports enabled Algeria to maintain macroeconomic stability, amass large foreign currency reserves, and maintain low external debt while global oil prices were high. However, following the decline in oil prices, Algeria pledged to continue its efforts to diversify the Algerian economy and attract foreign and domestic investment outside the energy sector. Moreover, the economic development plan of the new government elected in December 2019 focuses on reviving and diversifying the Algerian economy toward sustainable growth. The plan also proposes improvements in the business climate, development of strategic sectors, and promotion of exports and while controlling imports. The agriculture sector remains one of the priority sectors for the government in its development strategy.

The five-year development plan encourages modern industrial agriculture using satellites, digitization, and other innovative tools, especially regarding renewable energies. Additionally, the intensification of agricultural production, revitalization of natural resources and improved use of water resources to boost agriculture development are encouraged.

The new policy prioritizes investment in agricultural products ensuring food security in Algeria. The government encourages large-scale agricultural investments in the Highlands and the "Sahara" (South of Algeria). In addition, the development strategy promotes foreign direct investments and partnerships particularly in the field of cereals, oilseeds, and sugar production. The development strategy also encourages crushing and refinery projects that generate processing to support the processing industry. Such projects include supporting the development of increased storage capacity, increased cold chain infrastructures and packaging projects.

U.S. industry can contribute to this development by providing advanced agricultural technologies, livestock, seeds needed to establish and operate integrated production models in Algeria. U.S. investors are encouraged to partner or invest, as the government has revised the scope of partnership 49/51 rule implemented in 2009. The government revised this rule to improve the business climate and encourage foreign investments. Activities producing goods and services are opened to foreign investment without obligation of association with a local party. All the related information can be found in the

Supplemental Finance Act for FY2020, under Law No 20-07 of June 4, 2020, published in the [Journal Officiel No 33 of June 4, 2020](#). However, this provision does not apply to product purchase/resale activities or strategic sectors.

Meanwhile, to control spending to offset the drop-in energy earnings, the GoA pursues the strategy to control imports and protect domestic production. The [temporary additional safeguard duty \(Droit Additionnel Provisoire de Sauvegarde, \(DAPs\)\)](#), implemented in January 2019 and revised in April 2019 remains. Moreover, the Algerian Ministry of Commerce mentioned in the news in September that the list of products subject to the DAPs is being extended and will soon be published.

For background, the list of goods subject to the temporary additional safeguard duty and the corresponding rates were published in the [Journal Officiel No 06 of January 27, 2019](#) as part of the Ordinance of January 26, 2019. The list included 1,095 items, of which food items represented 60% of the list. Most of the food items on the list were processed and high value products. Later, on April 21, 2019, the Ministry of Commerce issued a new [Ordinance of April 8, 2019, published in the Journal Officiel No.26](#) to exempt some food items from the DAPs including tree nuts, peanuts, dried raisins, dried fruits, butter, and fresh or chilled beef. The revision removes the 30 percent additional duty on tree nuts, 70 percent additional duty on peanuts, butter and dried fruits, and the 50 percent additional duty on beef. All these rates were in addition to an existing 30 percent customs duty and a 19 percent value added tax (VAT).

The detailed list in English can be found in FAS reports at:

[https://gain.fas.usda.gov/Recent%20GAIN%20Publications/Trade%20Policy%20Update\\_Algeria\\_Algeria\\_2-12-2019.pdf](https://gain.fas.usda.gov/Recent%20GAIN%20Publications/Trade%20Policy%20Update_Algeria_Algeria_2-12-2019.pdf). The original full revised list in French with the current DAPs rate can be found at: <https://www.joradp.dz/FTP/jo-francais/2019/F2019026.pdf>.

### **U.S. Supplier Strength and Market opportunities:**

Potential exits for U.S. exporters to obtain a share of the Algerian market and participate in its further development.

Advantages	Challenges
Algeria is still largely unexplored and a developing market.	Lack of comprehensive knowledge of the market and administrative procedures.
The Government wants to intensify dairy and cereal production. There is a strong desire to build modern production facilities. The Government encourages crushing and refinery projects that generate processing to support the processing industry.	The U.S. is at a geographical disadvantage, due to Algeria's proximity to Europe. Additionally, there are no direct shipping lines, making transit through Europe necessary.
Algerian farmers are interested in U.S. genetics and live cattle. Recent market access for bovine embryos and chicken day-old and hatching eggs.	The U.S. and the Algerian regulatory agencies are discussing five (05) health protocols. Both regulatory agencies reached agreement for US Bovine embryos and hatching eggs and day-old chicks for chicken. Beef cattle, bovine semen and

	dairy cattle remain pending.
<b>The reputation of U.S. agriculture and agri-business for quality and reliability of supply.</b>	Relatively high cost of U.S. food and agricultural products compared to imports from other countries. The EU-Algerian Association Agreement provides preferential access.
Infrastructure, investment and modernization of distribution channels and retail stores are creating opportunities in the agricultural and food processing sectors	The food marketing and retail sector have historical EU/French influence. Traditional distribution network is still predominant. High value products are subject to high customs duties.
Local industries and processing sector expanding rapidly and still relying on imported raw material. (Beverage, canning and biscuit industries).	New Government Strategy is to reduce imports to curb impact of the decline in oil prices. Government is implementing import measures to control imports.

## **SECTION II. EXPORTER BUSINESS TIPS**

- Algerian households devote nearly 42 percent of their annual expenditure to food needs.
- Consumer tastes and preferences are changing, especially in the cities where the young homemakers tend to be more active, and the number of working women has increased. As a result, consumers are turning to ready-to-use or semi-processed products.
- French is the predominant business language.
- Most importers are in large cities and import through the ports of Algiers, Oran, Bejaia, Mostaganem and Jijel. They import both bulk and packaged products. The products are distributed to wholesalers in wholesale markets, and then sold in small stores, supermarkets, and open markets.
- Algeria uses the metric system.

## **SECTION III. IMPORT FOOD STANDARDS & REGULATIONS and IMPORT PROCEDURES**

Import food standards and regulation as well as import procedures can be found in the FAS Food and Agricultural Import Regulation and Standards Reports.

[Fairs Annual Country Report](#)

[Fairs Export Certificate Report](#)

## **SECTION IV. MARKET STRUCTURE AND TRENDS**

The government has divested itself from agricultural production and processing allowing the private sector to take the lead. Private processors continue to grow, and many processing plants developed to offer products with lower prices by importing raw materials and processing them locally. The private sector is active in wheat and feed milling, dairy processing, vegetable oil refining, and sugar refining, beverage production as well as canning and in the biscuit industry. The private sector is also trying to expand distribution channels as well as the food retail sector and the HRI sector.

The local food processing industry is improving and upgrading. This sector represents a good opportunity for U.S. expertise and food ingredient exporters. However, the newly implemented

temporary additional safeguard duty on high-value and some consumer-oriented products will hamper the food retail and HRI sectors' supply.

**Milling and Dairy industries:** Wheat is the major staple food followed by dairy. There are 430 mills operational in Algeria as well as 210 dairy plants operating in different regions of the country with varying capacities. These enterprises are increasingly interested in U.S. products and expertise.

**Beverage, Canning, Snacks and Biscuit industries:** The local food processing industry is improving and upgrading, as they are aware of the need for consistent quality and regular supply of higher quality inputs. This serves as a good opportunity for U.S. expertise and food ingredients exporters.

**Food Retail and Distribution:** The supermarket industry is still in its infancy and needs further development. Only three private big supermarket chains have opened hypermarkets in the capital and four other main cities of the country. Small private supermarkets called "superettes" opened after state-owned distribution channels were privatized in 1996.

**HRI sector:** This sector is growing however still needs further expansion. The opening of five-star international hotel chains boosts demand for meals. Domestic fast food and new restaurants chains are growing as well.

**Best Consumer-Oriented Product Prospects:** Most of the U.S. agricultural exports to Algeria are bulk and intermediate commodities. In 2019, the commodities leading the U.S. agricultural exports to Algeria were wheat, tree nuts, dairy products, soybeans, feed & fodders, forest products, planting seeds, as well as live animals, cotton, and pulses. Wheat, barley and corn, soybeans, and soybean meal (the feed grains), pulses and planting seeds remain unaffected by the DAPs. Some tree nuts are affected. Currently, since April 2019, the DAPs on tree nuts was removed.

**Wheat:** Algeria is one of the world's largest importers of wheat. In CY2019, cereals represented 33.52 percent of Algeria's total food import bill and the top food import. For more information, visit the [FAS Grain and Feed Annual report](#).

**Corn:** Demand from the dairy, poultry, and beef sectors as well as increased modernization efforts in the sector have driven the increase in corn imports over the last five years. However, U.S. origin corn competes with cheaper Argentinean corn. Corn is no longer subject to import licensing and is not subject to the DAPs. In addition, it is exempt from VAT. For more information, visit the [FAS Grain and Feed Annual report](#).

#### **Soybean Meal:**

Demand for soybean meal comes mostly from poultry feed manufacturers. Demand is expected to decrease as there is currently one operational crushing plant. Others crushing plants are expected to soon be operational. The United States competes with Argentina who is the major soybean meal supplier. Soybean meal is no longer subject to import license, nor subject to the DAPs but is not exempt from VAT. For more information, visit the [FAS Grain and Feed Annual report](#).

**DDGS (Distillers Dried Grains with Solubles):** Given the increasing demand for protein meal, DDGS represent an opportunity for U.S. suppliers. Import licenses are no longer needed for feed grains.

Barley, corn, DDGs and other feed grains are exempt from VAT and are not affected by the DAPs; therefore, opportunities exist for these commodities. For more information, visit the [FAS Grain and Feed Annual report](#).

**Pulses:** Algeria imports pulses mainly from Canada, Mexico, Argentina, and India. The pulses consist mainly of beans, lentils, chickpeas, and beans for seeding. This sector represents another opportunity for U.S. suppliers. Pulses are not subject to DAPs. For more information, visit the [FAS Grain and Feed Annual report](#).

**Vegetable Oil and Other Oilseeds Products:** Algerian oilseed cultivation is not well developed. Aside from olive oil production, which remains traditional, Algeria just started recently crushing oilseeds and other private companies are investing in crushing projects that will be operational soon. Most of the commercialized oil is produced domestically from imported crude oil, which is refined locally.

**Dairy Products (Non-fat Dry Milk, Whole Milk Powder):** Algeria is one of the largest importers of milk powder in the world. In CY2019, Algeria's total dairy product imports hit \$1.24 billion (15.43 percent) of the total food imports (\$8.07 billion). For more information, visit the latest [FAS Dairy report](#).

**Seafood Product exports to Algeria:** Algeria is looking for partners to help improve its seafood and fishing sector. The Ministry of Fisheries promotes aquaculture as a component of the agriculture sector with a good return on investment. For more information, visit the Ministry of Fishing and Fishery production website: <https://mpeche.gov.dz/>

**Turkey Poults:** U.S. exports of day-old turkey poults are trending upward since the opening of the market in 2007. Currently, U.S. origin day-old turkey chicks represent 88 percent of the market.

**Dairy Cattle and Genetics:** The Algerian veterinary officials have reached agreement on the certificates to export U.S. bovine embryos, hatching eggs and day-old chicks for chicken to Algeria. For more information, visit the latest [FAS dairy report](#).

**Tree nuts and processed fruits; (Dried fruits, fruits, and derivatives):** Demand for fruits and dried fruits remains high. Since April 2019, the DAPs on tree nuts and dried fruits was removed. The United States remains the leading exporter of tree nuts to Algeria. (See U.S. Exports Table below).

**Planting Seeds:** The United States exported an average of \$5 million planting seeds to Algeria during the past five years.

#### **Best Prospects for Investment locally**

- Dairy and livestock industry/ integrated farms
- Aquaculture projects
- Crushing plants and feed manufactures
- Distribution/ Retail stores
- Cold chain Projects
- Agricultural Machinery

- Food processing packaging and equipment
- Meat industry and derivatives (slaughterhouses and processing)

**SECTION V. AGRICULTURAL AND FOOD IMPORTS**

**Agricultural and Food Imports Statistics:** Algeria imports of agricultural commodities and food represented about 19.25 percent (\$8.07 billion) of the total imports (\$41.93 billion) in 2019. Wheat and dairy are the top food imports. Algeria is one of the world’s largest importers of wheat and dairy products. U.S. wheat imports to Algeria consists mostly of durum.

**Best high-value, Consumer-oriented Products Prospects Categories:** As mentioned above, most U.S. agricultural exports to Algeria are bulk and intermediate commodities. However, although processed and consumer-oriented products are increasing, the newly implemented temporary additional safeguard duty on high-value and some consumer-oriented products might limit imports of processed products in the future (see Section I & IV). The United States exported about \$201.2 million (source: U.S. Census Bureau, Foreign Trade Statistics) in food and agricultural products to Algeria in 2019.

**US Exports of Agriculture, Fish, & Forestry Products to Algeria (in Million Dollars)**

US EXPORTS	Calendar Years (Jan-Dec)				
	2015	2016	2017	2018	2019
Wheat	36.0	73.6	158.5	66.6	121.0
Soybeans	0	0	0	0	10.6
Soybean Oil	8.0	9.9	11.2	0.0	0.0
Corn	41.0	117.9	12.3	7.9	0.0
Dairy Products	1.0	4.5	4.1	4.0	15.0
Cotton	0	0	0	2.6	2.7
Soybean Meal	11.0	8.4	5.7	0.0	0.0
Rice	0.0	0.0	1.7	0.0	0.0
Live Animals	1.0	2.0	1.5	1.8	1.3
Pulses	1.0	4.8	7.4	1.4	0.9
Planting Seed	3.0	7.1	5.4	6.0	3.4
Tree Nuts	31.0	33.7	22.8	24.3	33.3
DDGs	0.0	0.0	0.0	0.0	0.0
All Others	4	14.1	9.3	9.9	13
<b>TOTAL</b>	<b>137.0</b>	<b>276.0</b>	<b>239.9</b>	<b>124.5</b>	<b>201.2</b>

Data Source: U.S. Census Bureau, Foreign Trade Statistics

**SECTION VI. KEY CONTACTS AND FURTHER INFORMATION**

The Office of Agricultural Affairs (OAA) at the American Embassy Algiers provides trade servicing and information about the Algerian market. The OAA provides market briefs, market tours, importer lists, and schedules Business to Business meetings.

-Workweek: Sunday - Thursday-8:00-5:00.



-Typical, Algerian workday -8:30-12:00 and 1:00 pm-4:30 pm.  
- Algeria is on Greenwich Mean Time + 1.

## **CONTACTS**

### **U.S. Embassy / USDA- Foreign Agricultural Service:**

Local Address: 5, Chemin Bachir Ibrahimi, El Biar, Alger, Algerie  
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Website: [www.fas.usda.gov](http://www.fas.usda.gov)

### **U.S. Embassy Algiers, Algeria**

Local Address: 5, chemin Bachir Ibrahimi, El Biar, Alger, Algerie  
Phone: (213-770) 08-2000  
Fax: (213-23) 47-17-81  
Website: <http://algiers.usembassy.gov/>  
Business: <http://algiers.usembassy.gov/business.html>

### **Ministry of Agriculture**

Address: 12 Avenue Colonel Amirouche, Algiers  
Phone: (213-23)-50-32-38  
Fax: (213-23)-50-31-17  
Website: <http://madrp.gov.dz/>

### **Ministry of Commerce**

Address : Cité Zerhouni Mokhtar El Mohammadia (Ex : Les Bananiers)  
Phone : (213-21) -89-00-74/75...85  
Fax : (213-21) -89-00-34  
E-mail: [info@mincommerce.gov.dz](mailto:info@mincommerce.gov.dz)  
Website: [www.mincommerce.gov.dz](http://www.mincommerce.gov.dz)

### **Algerian Customs**

Address: 19 rue du Docteur Saadane, Alger  
Phone: (213-21)-72-59-59  
Fax: (213-21)-72-59-75  
Website: <http://www.douane.gov.dz/>

### **Other Websites Resources**

U.S. Commercial Service in Algeria: <http://export.gov/algeria>  
American Chamber of Commerce: <http://www.amcham-algeria.org>  
U.S. Algeria Business Council: <http://www.us-algeria.org>  
Algerian Chamber of Commerce and Industry: <http://www.caci.com.dz>  
World Trade Center Algeria: <http://www.wtcalgeria.com>

**HOTELS:** In addition to the Algerian hotel chains (state-owned such as El-Djazair and EL-Aurassi) and the private ones available in major cities, many big names in the international hotel industry are

present in Algiers and many other cities in Algeria for professional and tourist stays. These chains include Sheraton, Four Point Sheraton, Marriott, Holiday Inn, and Best Western which are present in Algiers, Oran, Constantine and Setif. The Sofitel, Mercure, IBIS and Novotel hotels are also present in the same cities.

### **FOOD & AGRICULTURAL FAIRS:**

**DJAZAGRO:** This trade show is held every April in Algiers, Algeria and is considered the best prospect for reaching professionals in agribusiness, food processing and equipment.

**SIPSA Show:** An international show held in October in Algiers, Algeria focusing on animal health, fruits, and vegetables as well as agricultural equipment. This show features farmers, breeders, food processors, producers, and importers.

**SIAG FOOD Show:** This international food show is held every March in Oran (the second largest city in Algeria). This show focuses on food and beverages as well as high-value and processed products.

**ALGIERS INTERNATIONAL TRADE FAIR:** Held each year in June gathers a large number of foreign participants in all sectors.

### **LIST OF ALGERIAN HOLIDAYS**

Religious holidays in Algeria follow the lunar calendar and thus are observed on different days each year.

Below are the Algerian main holidays for the 2021 calendar year.

January 1, 2021	New Year's Day
January 12, 2021	Berber New Year Day
May 1, 2021	Algerian Labor Day
July 5, 2021	Algerian Independence Day
May 12-13, 2021	*Aid El Fitr (End of the Holy Month of Ramadan)
July 20-21, 2021	*Aid El Adha (Muslim's Feast of Sacrifice)
August 9, 2021	*Awal Muharam-Islamic New Year
August 19, 2021	*Ashura (Religious Holiday)
October 10, 2021	*Aid El Mawlid (Prophet's birthday)
November 01, 2021	Algerian Revolutionary Day

\* Algerian Religious Holidays are subject to lunar sighting as official confirmation by the Government of Algeria Religious Affairs Ministry.

**Attachments:**

No Attachments