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Voluntary - Public

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Algeria

Post: Algiers

Trade Policy Update

Report Categories: Trade Policy Monitoring Approved By: Justina Torry Prepared By: Nabila Hales

Report Highlights:

On April 21, 2019, the Government of Algeria published a new ordinance revising the list of goods subject to the temporary additional safeguard duty (DAPs). The revision removed the 30 percent tax on tree nuts, thus opening the market again to U.S. tree nuts, peanuts, butter, and dried fruits. Previously, the nine-year average for U.S. exports of tree nuts to Algeria was \$33 million.

General Information:

The Ministry of Commerce issued the <u>Ordinance of April 8, 2019</u>, <u>published in the Journal Officiel</u> <u>No.26</u> on April 21, 2019. This ordinance modifies the previous ordinance of January 26, 2019 published in the <u>Journal Officiel No 06</u> on January 29, 2019, listing the goods subject to a temporary additional safeguard duty (Droit Additionnel Provisoire de Sauvegarde or DAPs) and the corresponding rates. This change is part of the periodic revisions that update the list of goods subject to the DAPs.

The new ordinance exempts some food items from the DAPs including tree nuts, peanuts, dried raisins, dried fruits, butter, and fresh or chilled beef. This change came on the eve of the holy month of Ramadan when consumption of these products increases. The revision removes the 30 percent duty on tree nuts. Previously, U.S. nine-year exports of tree nuts to Algeria averaged \$33 million per year. In addition, the revision removes a 70 percent duty on peanuts, as well as butter and dried fruits, and a 50 percent duty on beef. All these rates were in addition to an existing 30 percent custom duty and a 19 percent value added tax (VAT).

On the new list, the number of items subject to DAPs decreased from 1095 to 992 items of which 555 are processed foods and 437 are industrial products.

Food items represent 56 percent of this list. The DAPs rates for food items remained the same (ranging from 30 to 120 percent duty).

The following table shows the food items that were excluded from the list of goods subject to the DAPs.

The full revised list with the current DAPs rate can be found at: <u>https://www.joradp.dz/FTP/jo-francais/2019/F2019026.pdf</u>

Categories	Previous	Tariff Code	Current
	DAPs		change
	Rate (%)		
fresh and chilled bovine and buffalo categories	50	02.01	excluded
fresh and chilled horse meat and other	70	02.05	excluded
-other edible meat and offal fresh or chilled or	70	02.08	excluded
frozen			
		04.05.10.19.00	
-butter and other fats derived from milk, dairy	70	04.05.10.90.00	excluded
spreads		04.05.20.00.00	
- coconut, Brazil nuts and cashew nuts, fresh or	30	08.01	excluded
dried, even without their shells or shelled			
-other nuts, fresh or dried, even without their	30	08.02	excluded
shells or shelled			
except currant grapes (raisins de corinthe), sultana		08.06.20.10.00,	

(sultanine) and others	70	08.06.20.20.00, 08.06.20.90.00	excluded
-fruits, uncooked or cooked by steaming or boiling in water, frozen, whether or not containing added sugar or other sweetening matter	70	08.11	excluded
-fruits preserved temporarily (by sulphurous gas or in salt water, sulfur or with other substances used temporarily to preserve them), but unfit for food as it is.	70	08.12	excluded
-dried fruits other than those of heading 08.01 to 08.06, mixtures of dried fruits or nuts of the present chapter	70	08.13	excluded
-unroasted or otherwise cooked peanuts, whether or not shelled or peeled	70	12.02	excluded
- <u>sausages</u> , sausages and similar products, of meat, offal or blood, food preparations based on these products	70	16.01	excluded
- <u>s</u> weets without cocoa (including white chocolate)	70	17.04.90.50.00	excluded
-(dried) <u>p</u> asta, whether or not cooked or stuffed (with meat or other substances) or otherwise prepared, such as spaghetti, macaroni, noodles, lasagna, gnocchi, ravioli, cannelloni, couscous, whether or not prepared (<u>for dietetic food destined</u> to special medical use).	70	19.02.30.10.00	excluded
-Other (cereal products obtained by blowing or roasting ("corn flakes", for example); cereals (other than maize) in grain or in the form of flakes or other worked grains except flour, groats and meal), pre-cooked or otherwise prepared, not elsewhere specified or included) (<u>for dietetic food</u> <u>destined to special medical use).</u>	70	19.04	excluded

Market opportunities again exist for U.S. origin tree nuts, peanuts, butter and dried fruits. If U.S. exporters overcome the price competition from European exporters, they may increase market share. Because of the geographic proximity to Europe and the lack of direct shipping lines between the U.S. and North Africa, U.S. exporters face stiff competition from EU suppliers.

Background:

In January 2019, the GoA introduced a temporary additional safeguard duty to replace the import ban. The list of goods subject to the temporary additional safeguard duty and the corresponding rates were published in the <u>Journal Officiel No 06 on January 29, 2019</u> as part of the Ordinance of January 26, 2019.

This list included 1095 items (of which 658 were food and 437 industrial products) with their tariff codes and the corresponding DAPs rates. Food items represented 60% of the list. The previous detailed list can be found in FAS reports at:

https://gain.fas.usda.gov/Recent%20GAIN%20Publications/Trade%20Policy%20Update_Algiers_Alger ia_2-12-2019.pdf