



**Doing Business in Algeria:  
2014 Country Commercial Guide for U.S. Companies**

**INTERNATIONAL COPYRIGHT, U.S. & FOREIGN COMMERCIAL SERVICE AND U.S. DEPARTMENT OF STATE, 2014. ALL RIGHTS RESERVED OUTSIDE OF THE UNITED STATES.**

- [Chapter 1: Doing Business In](#)
- [Chapter 2: Political and Economic Environment](#)
- [Chapter 3: Selling U.S. Products and Services](#)
- [Chapter 4: Leading Sectors for U.S. Export and Investment](#)
- [Chapter 5: Trade Regulations, Customs and Standards](#)
- [Chapter 6: Investment Climate](#)
- [Chapter 7: Trade and Project Financing](#)
- [Chapter 8: Business Travel](#)
- [Chapter 9: Contacts, Market Research and Trade Events](#)
- [Chapter 10: Guide to Our Services](#)

[Return to table of contents](#)

## Chapter 1: Doing Business In

- [Market Overview](#)
- [Market Challenges](#)
- [Market Opportunities](#)
- [Market Entry Strategy](#)

### Market Overview

[Return to top](#)

U.S. exporters can find substantial opportunities in Algeria if they have patience and effective Algerian agents or distributors to help translate these opportunities into sales. Given the time and resources necessary to successfully develop this market, Algeria is not an ideal export market for small- to medium-sized enterprises.

U.S. companies dominate Algeria's oil and gas sector. Algerian government officials have actively sought to encourage non-hydrocarbon U.S. investment, but recent Algerian government measures have made the country's investment climate more restrictive. As a result, and because of unanticipated regulations, heavy bureaucracy, and comparatively few incentives, there have been a relatively limited number of U.S. investments in Algeria outside of the hydrocarbon sector.

The privatization process has all but stopped due to both a general lack of interest among foreign investors and a lack of confidence among government leaders in past privatization and foreign-investment efforts. Bank privatization is on hold indefinitely. Slow economic reforms and an antiquated banking system have left non-hydrocarbon sectors mostly underdeveloped. Algeria has not joined the WTO, despite several years of negotiations.

The United States enjoys a positive image in the Algerian market. U.S. goods and services are respected for high quality and U.S. companies are well regarded for their after-sales service. The country's agricultural production is far below demand, and Algeria continues to import large volumes of bulk agricultural products and packaged foodstuffs. European countries such as France, Italy, and Spain are traditional suppliers to Algeria in a wide range of sectors, and Chinese and Turkish firms enjoy a growing presence.

Algeria's political situation has stabilized, and its security situation has significantly improved in comparison to the 1990's, though U.S. businesspeople must take precautions when traveling to and within Algeria. Business travelers and companies should continue to exercise vigilance and consult the Embassy and the Department of State's travel advisories for updated information. Travel advisories can be found at [http://travel.state.gov/travel/cis\\_pa\\_tw/tw/tw\\_1764.html](http://travel.state.gov/travel/cis_pa_tw/tw/tw_1764.html)

### Market Challenges

[Return to top](#)

Starting a business in Algeria remains a lengthy, bureaucratic, and often a difficult process. A restrictive investment policy implemented in 2009 requires an Algerian majority (51 percent) stake in any investment and at least a 30 percent Algerian stake in any foreign-owned import operation. The Algerian tax law was also modified in August 2008 to require foreign investors to re-invest within four years the value of any investment tax incentives received or face a 30-percent penalty.

The attractiveness of the Algerian investment environment is reduced by commercial laws and measures that are imposed suddenly and without consultation with the business community. This contributes to a sense of unpredictability about doing business – specifically investing – in Algeria and underscores the importance of appointing well established Algerian partners who can alert U.S. firms in advance of such rule changes.

Government freezing of consumer credit implemented in 2009 has restricted purchases of imported automobiles and large home appliances. The Algerian government has implemented an importation ban on over 260 medicines in order to stimulate domestic pharmaceutical production. Importation of used construction equipment has also been banned. In late 2010, the Algerian government retroactively banned commercial loans from shareholders abroad made after July 2009. The government has limited the duration of letters of credit for export transactions by Algerian firms to 60 days.

Legislation that would make franchising possible in Algeria remains pending. It is currently impossible for franchisees to pay royalties and, as a result, foreign franchises are extremely limited in Algeria.

It is estimated that over 40 percent of Algeria's economy is informal. Counterfeit goods remain a problem. The government does make some seizures in an effort to combat the spread of counterfeits.

Algeria's licensing of generic pharmaceuticals and lack of clear coordination between the Ministry of Health and the Patent and Trademark Office exacerbates the uncertain landscape for the registration and sale of brand-name consumer and health products. Human resources can be difficult to recruit, manage, and retain in Algeria, both at the skilled and unskilled levels, even as unemployment remains high. Most speak French and Arabic and lack English-language skills.

Companies routinely face delays of weeks and months in clearing goods from Algerian customs.

## **Market Opportunities**

[Return to top](#)

Despite the above-mentioned obstacles, Algeria's significant consumer base of 37 million people and its hydrocarbon wealth offer U.S. exporters significant sales opportunities in consumer goods, high technology, and construction services. Specifically, the most promising sectors for U.S. business and investment include:

- oil & gas – hydrocarbons
- infrastructure, civil engineering, and construction
- telecommunications and information technology
- healthcare construction and medical equipment,
- power generation
- water technologies

- agricultural and food products
- pharmaceuticals
- recycling

## **Market Entry Strategy**

[Return to top](#)

Given the intricacy of the Algerian bureaucracy, the language barriers, and the difficulty securing meetings with Algerian government officials, it is essential for U.S. exporters to form partnerships with qualified Algerian agents and distributors who understand the business culture, maintain solid government contacts, and possess industry expertise.

The Commercial Section at the U.S. Embassy in Algiers provides matching services for U.S. exporters wishing to identify Algerian partners and can provide industry-specific guidance to firms interested in the Algerian market. Since English is not widely spoken, the Commercial Service can refer U.S. exporters to local translators. U.S. firms are encouraged to consult with local attorneys or consultants on technical and legal matters, and again, the Commercial Section can refer U.S. firms to local experts.

Quick sales are not common in this market, and significant time must be invested to convince Algerian decision makers about various solutions, particularly if they involve new technologies or concepts. U.S. firms, therefore, should consider Algeria with a long-term perspective. Indeed, the Algerian government favors foreign companies that contribute to the country's long-term development both in terms of Algerian employment and technology transfer. U.S. firms serious about the Algerian market should strongly consider establishing a local office.

U.S. firms sometimes consider hiring French nationals, or affiliate firms, to represent them in Algeria in order to overcome the French language barrier. As a result of tempestuous Algerian-French relations embittered by over 130 years of harsh colonial rule, Algerian firms — and especially government entities — often prefer more direct interaction with U.S. firms. Generally speaking it is advantageous to a U.S. firm's image and prospects for success in Algeria to hire Algerian partners on the ground.

[Return to table of contents](#)

[Return to table of contents](#)

## **Chapter 2: Political and Economic Environment**

For background information on the political and economic environment of the country, please click on the link below to the U.S. Department of State Background Notes.

<http://www.state.gov/r/pa/ei/bgn/>

[Return to table of contents](#)

[Return to table of contents](#)

### **Chapter 3: Selling U.S. Products and Services**

- [Using an Agent or Distributor](#)
- [Establishing an Office](#)
- [Franchising](#)
- [Direct Marketing](#)
- [Joint Ventures/Licensing](#)
- [Selling to the Government](#)
- [Distribution and Sales Channels](#)
- [Selling Factors/Techniques](#)
- [Electronic Commerce](#)
- [Trade Promotion and Advertising](#)
- [Pricing](#)
- [Sales Service/Customer Support](#)
- [Protecting Your Intellectual Property](#)
- [Due Diligence](#)
- [Local Professional Services](#)
- [Web Resources](#)

#### **Using an Agent or Distributor**

[Return to top](#)

Foreign manufacturers and exporters are represented in the market either through their own branch offices or through authorized agents and distributors. Many foreign firms use Algerian agents, consultants, or contracted representatives as a means to test, enter or maintain a basic presence in the market. Agents may provide a full range of services for companies selling products but are not allowed to enter into negotiations directly on some government contracts (see below).

The Commercial Service at the U.S. Embassy in Algiers offers several services to help identify agents, distributors, or potential partners. The Gold Key Service provides U.S. businesses with one to two days of one-on-one meetings in Algeria with prequalified potential partners, agents or distributors. U.S. Embassy Commercial Specialists can translate at these meetings if necessary. The International Company Profile provides U.S. firms with a broad background check on potential Algerian partner companies. For further information about these and other services, please visit <http://export.gov/>. For the address and phone number of the nearest Department of Commerce domestic office, call 1-800-USA-TRADE (1-800-872-8723) or visit <http://www.export.gov>

Local agents and distributors are commonly used to assist U.S. firms with documentation in French and with local laws and practices. U.S. firms often use regional distribution centers in Europe or the Middle East, but Algerian purchasers of foreign-made equipment increasingly want to buy directly from the United States.

#### **Establishing an Office**

[Return to top](#)

It is strongly advisable for U.S. companies to hire well-established local legal representation and other consultative services to assist in establishing a presence in Algeria. Confusion and red tape, particularly related to registration and visas, can be considerable, and well-placed contacts are important to obtain advance notice on upcoming opportunities. It is essential that U.S. firms should also consider security arrangements as an integral element

of opening an office in Algeria. The Commercial Section can provide U.S. companies with contacts for security firms operating in Algeria.

Establishing a presence in Algeria can take three basic forms; the liaison office, the branch office, and the permanent establishment. U.S. exporters may wish to read the Guide to Investing in Algeria by visiting the following website to understand the details:

<http://www.kpmg.com/fr/>

The repeal of a state monopoly on trade has made the liaison office, once the only viable form of presence for foreign firms, far less attractive because of extensive legal limitations placed on the functions and income of these organizations.

A branch office may be opened to allow the parent company to conduct commercial activity in Algeria. The branch is considered a resident Algerian entity without full legal authority. Drawbacks to this form include foreign exchange controls and the inability for the branch to sign contracts with the parent company.

The permanent establishment is a tax entity allowing for a full, but temporary presence associated with a particular contract to be performed in Algeria. This form is more nimble and allows for substantial repatriation of revenues. However, due to the temporary nature of this business form, a number of tax benefits are not available.

A business entity can also be incorporated as a joint stock company (JSC), a limited liability company (LLC), a private limited company under sole ownership (PLCSO), a limited partnership (LP), a limited partnership with shares (LPS), or an undeclared partnership. Groups and consortia are also used by foreign companies when partnering with other foreign companies or with local firms.

## **Franchising**

[Return to top](#)

Franchising by foreign companies is extremely limited in Algeria, largely because of strict foreign exchange controls that generally do not allow the repatriation of royalties. The Algerian government has been considering a franchise law to make franchising possible in Algeria, though no timeframe has been set for its implementation.

Several European companies operate what appear to be franchise stores in the fast food and retail sectors, and international hotel names are licensed in Algeria. European companies manage their franchises in Algeria through the invoicing of goods imported by the franchisee, rather than through the payment of royalties or other franchise fees. There are currently only two U.S. franchises (education & training services) operating in Algeria.

## **Direct Marketing**

[Return to top](#)

Direct marketing in Algeria, such as sales through catalogs, television programs, or flyers, is still in its infancy. Credit cards are almost never used in Algeria, although there is a small debit card and ATM system. Even in urban areas, a lack of clarity regarding addresses and street names, as well as postal regulations and the inability to make purchases on the Internet, leave this sector significantly underdeveloped.

## **Joint Ventures/Licensing**

[Return to top](#)

Algerian companies are increasingly interested in joint venture opportunities with U.S. partners as a way to modernize their factories or license technology. U.S. firms interested

in joint-venturing in Algeria, however, must be aware of the 51% Algerian ownership requirement on all foreign investment in Algeria. (See Chapter 6 on Investment Climate for details.) Many internationally branded products and services are manufactured, bottled, assembled, or provided in Algeria.

## Selling to the Government

[Return to top](#)

Algerian government institutions, including ministries, agencies, and local governments, buy foreign-made goods and services by way of competitive or restricted tenders. For most security-related tenders, foreign bidders must deal directly with the client agency without the use of local agents, but tender requests and documents may be obtained through local representatives or by contacting Mr. Billal Zidi at Algerian Tenders at [billal.zidi@tenders.com](mailto:billal.zidi@tenders.com) ; tel: +213-21-28-41-13 or 18; fax: +213-21-28-41-15 <http://www.algeriatenders.com/en> . Although the law on public tender does not require the state-owned companies to purchase goods and services through tenders, many do.

Algeria has taken steps to improve the transparency of its contracting process. Most government contracts are awarded through a two-step tender process: technical bids are first reviewed to ensure compliance with tender requirements and to evaluate competing specifications, and then financial bids are reviewed. Competitors are sometimes short-listed after the technical offers are opened, and sometimes companies are pre-qualified for large tenders, particularly in oil and gas development. Lowest bids are not always accepted, as government agencies place heavy emphasis on technology and know-how transfer, local investment, and the diversification of suppliers.

Military and security-related contracts are usually tendered on a restricted basis, whereby the agency will ask a number of specific companies to bid on a request for proposal. U.S. firms that would like to send information about their goods and services to the Algerian military should send a letter to the following address:

Ministère de la Défense Nationale  
DREC (Direction des Relations Exterieures) Les Tagarins, El-Biar, Alger  
A Monsieur le Directeur

And follow the instructions below:

- 1) Request to meet with the department in charge of your specific sector.
- 2) Make sure NOT to mention any specific names of Algerian military officials.
- 3) Make sure the letter is written in French.

U.S. companies should carefully adhere to all specific Algerian tender guidelines. Although is a member of the Arab League, there is no known instance in which U.S. firms have been disadvantaged by Algeria's acquiescence in the Arab League's anti-Israel boycott.

## Distribution and Sales Channels

[Return to top](#)

Algeria has a fairly well-developed distribution system with mostly wholesale and retail outlets. State-owned marketing firms mainly sell wholesale imported foodstuffs, pharmaceuticals, and industrial supplies and equipment. Private wholesalers are increasingly active in these sectors as well. Private businesses almost exclusively control the retail trade.



Algeria's current road network extends 100,000 kilometers, 26,000 km of which comprise secondary roads and highways and 23,000 km of which comprise provincial roads. As far as the major east-west highway, the eastern portion is late due to challenges with the Japanese contractor, Cojaal. Also, long-range plans involve a second, parallel highway, with six north-south connector highways feeding the system from the main port cities. Nonetheless, mountainous terrain, congestion, traffic accidents, and security checkpoints hamper road transportation.

Algeria has 36 airports open for civil air traffic: 16 international and 20 domestic. The national carrier, Air Algérie, serves 37 destinations in Europe, Africa, and the Middle East. A number of international airlines serve from major hubs, but there are no direct flights between and the U.S., though a direct Algiers – New York City flight is under consideration. Six international express mail delivery services operate in: UPS, FedEx, TNT, DHL, CourierExpress, and Chronopost.

Algeria has 13 multipurpose ports, 3 hydrocarbon ports and 2 hydrocarbon terminals. The railway network covers mainly northern. It includes 4,200 kilometers of tracks, 3,060 of which are standard gauge and 1,140 narrow gauges.

### **Selling Factors/Techniques**

[Return to top](#)

The Algerian market is generally characterized as price-sensitive. European and Asian brands have gained considerable market share, but quality U.S. products are valued by discerning consumers with higher incomes. Demand for U.S. goods by wholesalers and retailers have increased due to the depreciation of the dollar relative to the euro.

Promotional sales material and technical documentation should be in French and/or Arabic. Managers, both private and parastatal, are very keen on technology and know-how transfer. Religious and cultural sensitivity should be considered when approaching the Algerian market. Because Algeria is a Muslim country, pork products are prohibited. Alcohol and other Western products are available, but sales are restricted during periods of religious observation.

### **Electronic Commerce**

[Return to top](#)

Under current law, Algerian citizens may not purchase items online from abroad. Businesses, however, may purchase items online from abroad for internal use. American businesspeople interested in should note that the use of private credit cards is extremely limited in Algeria.

### **Trade Promotion and Advertising**

[Return to top](#)

The largest trade event during the year is the Algiers International Trade Fair (FIA), encompassing all sectors in a single, high profile, multinational event. This year's fair was held May 28 to June 2, 2014, and the U.S. was the guest of honor. Exhibitors are located in national pavilions. For booth and sponsorship opportunities, please contact

the American Chamber of Commerce at +213 (0) 550 010-343 [www.amcham-algeria.org](http://www.amcham-algeria.org).

Regional and sector-specific trade events are also increasing in Algeria's largest cities. Firms are encouraged to contact the U.S. Embassy Commercial Section in to obtain information about trade events, as well as the U.S. Algerian Business Council at [www.us-algeria.org](http://www.us-algeria.org) , the American Chamber of Commerce in at [www.amcham-algeria.org](http://www.amcham-algeria.org) , and the World Trade Center Association at [www.wtc.com](http://www.wtc.com) .

Newspaper, television, and radio advertising are increasingly effective at the consumer level and for business-to-business marketing.

## **Pricing**

[Return to top](#)

Pricing has traditionally been the single most important consideration in government tenders, although technical offers are being more carefully scrutinized and ministries are trying to tie technology transfers to tender bids. While Algerian consumers look for quality, the market remains generally very price sensitive. Tariffs are generally not excessive, but European exporters benefit from the participation in the EU Association, which exempts their products from a major portion of the duties. American products are competitive when quality and leading technology are major considerations.

## **Sales Service/Customer Support**

[Return to top](#)

Suppliers of capital goods to the Algerian market are required to provide after sales service and customer support. Free sales service is usually required for a period of one year. It should be noted that U.S. firms are respected in for their generally higher quality of after sales services. Suppliers may enter into agreements thereafter to provide customers remunerated sales service, which is referred to as technical assistance in Algeria.

Foreign suppliers provide customer support via liaison offices or local business distributors in Algeria. Liaison offices are prohibited from engaging in commercial activities and, thus, cannot import or distribute equipment and spare parts. These items must be imported by the Algerian end-users either directly or through distributors.

Sales service for consumer goods is a relatively new development in Algeria. It is compulsory for distributors of foreign products to provide a six- to eighteen-month warranty, depending on the type of goods, to stock parts in or provide after-sales service to customers.

## **Protecting Your Intellectual Property**

[Return to top](#)

While the legal framework for intellectual property rights (IPR) has improved, it remains weak, and the enforcement of these laws is still generally inadequate. Counterfeiting is common, especially in cosmetics, clothing and shoes, electric appliances, automotive aftermarket products, computer hardware components and software, some consumer and food products (such as shampoo and baby formula), and medicine.

American firms do find recourse against producers and sellers of counterfeit goods through the courts, but this requires diligence on the part of the claimant, experienced local legal representation, and clear documentation in order to have counterfeits seized and destroyed.

On January 1, 2009, a new law took effect that bans all imported pharmaceutical drugs and medical devices for which equivalents are produced in Algeria. For a list of these banned products, please contact Commerce Department Desk Officer Christopher Wilken at (202) 482-3752; [christopher.wilken@trade.gov](mailto:christopher.wilken@trade.gov). This import ban is a market access barrier for those firms relying on IPR protection because the ban specifically targets non-generics. The pharmaceutical ban led the U.S. Trade Representative to place Algeria on its Priority Watch List in 2009, where it has remained until 2014.

### **Protecting Your Intellectual Property in:**

Several general principles are important for effective management of intellectual property (“IP”) rights in. First, it is important to have an overall strategy to protect your IP. Second, IP is protected differently in Algeria than in the United States. Third, rights must be registered and enforced in Algeria, under local laws. Your U.S. trademark and patent registrations will not protect you in Algeria. There is no such thing as an “international copyright” that will automatically protect an author’s writings throughout the entire world. Protection against unauthorized use in a particular country depends, basically, on the national laws of that country. However, most countries do offer copyright protection to foreign works under certain conditions, and these conditions have been greatly simplified by international copyright treaties and conventions.

Registration of patents and trademarks is on a first-in-time, first-in-right basis, so you should consider applying for trademark and patent protection even before selling your products or services in the Algeria market. It is vital that companies understand that intellectual property is primarily a private right and that the U.S. government generally cannot enforce rights for private individuals in Algeria. It is the responsibility of the rights’ holders to register, protect, and enforce their rights where relevant, retaining their own counsel and advisors. Companies may wish to seek advice from local attorneys or IP consultants who are experts in Algeria law. The Commercial Service can provide a list of local lawyers upon request.

While the U.S. Government stands ready to assist, there is little we can do if the rights holders have not taken these fundamental steps necessary to securing and enforcing their IP in a timely fashion. Moreover, in many countries, rights holders who delay enforcing their rights on a mistaken belief that the USG can provide a political resolution to a legal problem may find that their rights have been eroded or abrogated due to legal doctrines such as statutes of limitations, laches, estoppel, or unreasonable delay in prosecuting a law suit. In no instance should U.S. Government advice be seen as a substitute for the obligation of a rights holder to promptly pursue its case.

It is always advisable to conduct due diligence on potential partners. Negotiate from the position of your partner and give your partner clear incentives to honor the contract. A good partner is an important ally in protecting IP rights. Consider carefully, however, whether to permit your partner to register your IP rights on your behalf. Doing so may create a risk that your partner will list itself as the IP owner and fail to transfer the rights should the partnership end. Keep an eye on your cost structure and reduce the margins

(and the incentive) of would-be bad actors. Projects and sales in Algeria require constant attention. Work with legal counsel familiar with Algeria laws to create a solid contract that includes non-complete clauses, and confidentiality/non-disclosure provisions.

It is also recommended that small and medium-size companies understand the importance of working together with trade associations and organizations to support efforts to protect IP and stop counterfeiting. There are a number of these organizations, both Algeria or U.S.-based. These include:

- The U.S. Chamber and local American Chambers of Commerce
- National Association of Manufacturers (NAM)
- International Intellectual Property Alliance (IIPA)
- International Trademark Association (INTA)
- The Coalition Against Counterfeiting and Piracy
- International Anti-Counterfeiting Coalition (IACC)
- Pharmaceutical Research and Manufacturers of America (PhRMA)
- Biotechnology Industry Organization (BIO)

## IP Resources

A wealth of information on protecting IP is freely available to U.S. rights holders. Some excellent resources for companies regarding intellectual property include the following:

- For information about patent, trademark, or copyright issues -- including enforcement issues in the US and other countries -- call the STOP! Hotline: **1-866-999-HALT** or visit <http://www.STOPfakes.gov>
- For more information about registering trademarks and patents (both in the U.S. as well as in foreign countries), contact the US Patent and Trademark Office (USPTO) at: **1-800-786-9199**, or visit <http://www.uspto.gov>
- For more information about registering for copyright protection in the US, contact the US Copyright Office at: **1-202-707-5959**, or visit <http://www.copyright.gov>
- For more information about how to evaluate, protect, and enforce intellectual property rights and how these rights may be important for businesses, please visit the “Resources” section of the STOPfakes website at <http://www.stopfakes.gov/resources>
- For information on obtaining and enforcing intellectual property rights and market-specific IP Toolkits visit: [www.stopfakes.gov/businesss-tools/country-ipr-toolkits](http://www.stopfakes.gov/businesss-tools/country-ipr-toolkits) The toolkits contain detailed information on protecting and enforcing IP in specific markets and also contains contact information for local IPR offices abroad and U.S. government officials available to assist SMEs.
- The U.S. Commerce Department has positioned IP attachés in key markets around the world. You can get information from the IP attaché who covers Algeria at: [aisha.salem@trade.gov](mailto:aisha.salem@trade.gov)

## Due Diligence

[Return to top](#)

It is important to conduct due diligence research regarding any potential agent or partner. The Commercial Section at the U.S. Embassy in Algiers can provide due diligence through the International Company Profile service. Please visit <http://export.gov/algeria> for additional information.

## Local Professional Services

[Return to top](#)

A lawyer with experience in Algeria should be retained as soon as you decide to establish an Algerian business entity. The U.S. Embassy in Algiers maintains a list of local lawyers practicing in Algeria:

[http://algiers.usembassy.gov/list\\_of\\_local\\_attorneys.html](http://algiers.usembassy.gov/list_of_local_attorneys.html)

Algeria has two major categories of legal practitioners:

An *avocat* is a lawyer who may render legal advice on all matters, draft agreements and contracts, handle commercial disputes and collection cases, and plead and defend civil and criminal cases before the Algerian courts to which they are admitted.

An Algerian *notaire* is a public official appointed by the Ministry of Justice. A *notaire* is not the equivalent of a public notary in the United States. A notaire's functions include the preparation and recording of notarial acts (e.g., wills, deeds, acts of incorporation, marriage, contracts), the administration and settlements of estates (excluding litigation in court), and serving as the repository of wills. They are not lawyers, but very specialized members of the legal profession. They may not litigate in courts.

## Web Resources

[Return to top](#)

- U.S. Commercial Service in Algeria: <http://export.gov/algeria>
- U.S. Embassy: <http://algiers.usembassy.gov/>
- 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>
- Intellectual Property Rights (patent and trademark): <http://www.inapi.org>
- Intellectual Property Rights (copyright): <http://www.onda.dz/>

[Return to table of contents](#)

[Return to table of contents](#)

## **Chapter 4: Leading Sectors for U.S. Export and Investment**

### **Commercial Sectors**

- [Oil and Gas - Hydrocarbons](#)
- [Information and Communications Technology](#)
- [Public Works, Infrastructure Development, and Water Resources](#)
- [Healthcare](#)
- [Safety and Security](#)

### **Agricultural Sectors**

## Oil and Gas - Hydrocarbons

### Overview

[Return to top](#)

Algeria is the largest country in Africa and the Arab World with a total landmass of 2.38m sq. km. The country is rich in natural resources; an OPEC member, Algeria has the tenth-largest reserves of natural gas in the world and is the sixth-largest gas exporter and ranks 16th in oil reserves. Thanks to strong hydrocarbon revenues, Algeria has a cushion of \$200 billion in foreign currency reserves and a large hydrocarbon stabilization fund. In addition, Algeria's external debt is extremely low at about 2% of GDP. Algeria is still largely unexplored and foreign firms are increasingly investing in joint ventures. Sonatrach owns roughly 80 percent of total hydrocarbon production in Algeria, while International Oil Companies account for the remaining 20 percent.

Algeria is a large natural gas producer with 2.9 trillion cubic feet (Tcf) of dry natural gas produced in 2011. Algeria also holds vast untapped shale gas resources. Algeria has 231 Tcf of technically recoverable shale gas resources. Sonatrach has signed several cooperation agreements with large international Companies to develop unconventional resources, with particular focus on shale gas, but also to assess technical and commercial feasibility. Algeria is also a large oil producer with 12.2 billion barrels of proven oil reserves. All of the proven oil reserves are held onshore even if the interest to consider Offshore is developing.

According to Sonatrach, about 66 percent of Algerian territory remains unexplored or largely underexplored. Most of these areas are in the north and offshore.

Algeria's domestic electrical power consumption has grown by an annual average of 6 to 7 percent for a long period of time (1997-2010). Since 2010, however, year to year consumption grew by almost 20 percent. The government has brought additional capacity on line to keep up with the domestic demand. Soneglaz, the country's public utility company, embarked on large scale plans to boost capacity by 8,000 megawatts (MW) by constructing eight natural gas-fired power plants by 2016/17. Although the country will continue to rely on natural gas as a feedstock in the short-to-medium term, the government recently unveiled plans to diversify its fuel sources with renewable energy.

The government is attempting to reduce the country's dependence on hydrocarbons in the long term because almost all of Algeria's energy demand is met by hydrocarbons, mostly natural gas (94 percent). The government's plan is to introduce renewable energy into the local power market to save volumes of natural gas for export to finance the national economy. As a result, the Renewable Energy and Energy Efficiency Program, adopted in 2011, has as an objective to produce up to 40 percent of domestic power needs from renewable energy sources by 2030.

The Renewable Energy program places a large emphasis on solar power because the potential for wind, biomass, geothermal, and hydropower sources is lower. The program aims to achieve 37 percent of national electricity production from solar energy by 2030, with the remaining 3 percent from wind-powered plants.

### Sub-Sector Best Prospects

[Return to top](#)

- Oil and gas 3D seismic exploration technologies
- Oil and gas rig and well services technologies

- Real time oil and gas well data collection and data treatment
- Oil and gas refinery instrumentation and EPC
- Oil and gas solid waste management technologies
- Smart grid distribution management
- Power generation quality control management
- Photovoltaic and solar energy technologies

## Opportunities

[Return to top](#)

In January 2013, the parliament approved the introduction of fiscal incentives to attract foreign companies and encourage them take on new ventures, particularly exploration in offshore areas and in areas onshore that contain shale resources. The Algerian government has expressed the importance of involving foreign partners to increase oil and gas reserves and explore new territories. Algeria has opened a new set of potential oil and gas fields to international bidders. The bidding round was launched on January 21, 2014. The tender, launched by Algeria's state-owned oil licensing body, Alnaft, covers 31 concessions.

Sonatrach also plans to boost refinery output by expanding the capacity at coastal refineries of Skikda, Arzew, and Algiers, by a total of 82,000 bbl/d. In addition, the company recently made public its plans to build four new refineries by 2018. The refineries would be located in Biskra, Tiaret, Ghardaia, and Hassi Messaoud,

The renewable energy program aims to install 22,000 MW of power generating capacity from renewable sources by 2030, of which 10,000 MW of capacity could provide power for export. Installed renewable power capacity is expected to reach 650 MW by 2015, 2600 MW by 2020 and 22 000 MW by 2030.

## Web Resources

[Return to top](#)

- Ministry of Energy & Mines  
Address: Tour A, Val d'Hydra, Ben Aknoun, BP 229, Alger, Algérie. Code postal : 16028  
Phone: +213 21 488 526 / +213 21 488 522 / +213 21 488 531  
Fax: +213 21 488 557  
Website: [www.mem-algeria.org](http://www.mem-algeria.org)
- Sonatrach website: <http://www.sonatrach-dz.com>
- Sonelgaz website: <http://www.sonelgaz.dz/>
- Commercial Specialist Kamal Achab: +213-770-082093; [kamal.achab@trade.gov](mailto:kamal.achab@trade.gov)
- National Agency for the Promotion and the Rationalization of Energy Use (APRUE)  
Address : 02, rue Chenoua BP 265 Hydra. Alger. Algérie  
Phone: +213 21 60 31 32 and 60 24 46  
Fax: +213 21 69 26 70  
Email: [info@aprue.org.dz](mailto:info@aprue.org.dz)  
Website: <http://www.aprue.org.dz>



- Gas and Electricity Regulatory Commission (CREG)  
Address: Tour Val d'Hydra, Ben Aknoun, BP 229, Alger, Algérie. Code postal 6028  
Phone: +213(0)21 488 148  
Fax: +213(0)21 488 400  
Email: [contact@creg.gov.dz](mailto:contact@creg.gov.dz)  
Website: [www.creg.gov.dz](http://www.creg.gov.dz)
- National Agency for Hydrocarbon Resources Valorization (ALNAFT)  
Address: Tour Val d'Hydra, Ben Aknoun, BP 229, Alger, Algérie. Code postal 16028  
Phone: +213(0)21 488 542 and +213(0)21 488 538  
Fax: +213(0)21 488 392-  
Email: [contact.alnaft@mem.gov.dz](mailto:contact.alnaft@mem.gov.dz)  
Website: [www.alnaft.gov.dz](http://www.alnaft.gov.dz)
- Hydrocarbons Regulatory Authority (ARH)  
Address: Tour Val d'Hydra, Ben Aknoun, BP 229, Alger, Algérie. Code postal : 16028  
Phone: +213(0)21 488 167 and +213(0)21 488 183  
Fax: +213(0)21 488 315  
Email: [arh@arh.mem.gov.dz](mailto:arh@arh.mem.gov.dz)  
Website: <http://www.arh.gov.dz/>

## Information and Communications Technology

### Overview

[Return to top](#)

Algerians are increasingly tech-savvy and interested in technology and know-how transfer in the Information and Communications Technology (ICT) sector. Government ministries are also interested in process modernization and digitization of record-keeping.

Home Internet penetration rates remain below 10 percent, but business Internet usage is estimated at over 40 percent. Mobile phones (GSM) are commonplace, and Algeria is looking toward fourth-generation technology. Other services, such as GPS-based technology, also show potential.

### Sub-Sector Best Prospects

[Return to top](#)

- Mobile phones and accessories
- Mobile phone add-on services
- Business-to-business information management and strategies
- Internet connectivity and backbone equipment and services
- GPS-related technology and services
- Wimax, WIFI, e-government, e-business, 3G

## Opportunities

[Return to top](#)

Several key government ministries have started the process of modernizing and digitizing their records, including the tax authority. These are large undertakings, requiring various consultative and solutions-based services.

Government agencies are also providing increasing amounts of information on the Web and need Web-based information management services. Business-to-business opportunities for ICT strategies and solutions will increase. WiFi, though still in its infancy in Algeria, is a highly-desired technology particularly among potential government and business end-users.

The e-Algeria 2013 Strategy is a GOA program that aims to provide e-government and e-business solutions and nearly 300 on-line services for Internet users in Algeria.

In 2009, Algérie Telecom, Algeria's state-owned phone company, announced a major 5-year \$6 billion infrastructure development plan.

## Web Resources

[Return to top](#)

- Algerian Post and Telecommunications Regulatory Authority (ARPT): <http://www.arpt.dz>
- Algérie Telecom: <http://www.algeriatelecom.dz>
- Touiza (ISP association) contact info: Phone: +213-21-542-873 Fax: +213-21-542-872

## Public Works, Infrastructure Development and Water Resources

### Overview

[Return to top](#)

Algeria is the largest country in Africa and the Arab World and is rich in natural resources. Algeria has the tenth-largest reserves of natural gas in the world and ranks 16th in oil reserves.

Generally speaking, Algeria is a rich country in natural resources in particular. It had long suffered from a deep and devastating political, financial and security crisis which, not only affected most of existing infrastructures, but also prevented for over a decade the development of new infrastructural projects. As a result, a lot remains to be done.

The government has simultaneously focused on roadways, rail systems, airport upgrades, public housing, hospital construction, water treatment, transportation, and electrification as part of a \$286 billion infrastructure development program.

U.S. firms have not capitalized on these opportunities, in part due to the opaque and slow Algerian government bureaucracy. However, the Algerian government has recently sought U.S. Embassy assistance in attracting more U.S. firms to the market.

In some sectors, the government has signaled a renewed interest in quality, and U.S. firms are finding access to subcontracts offered through targeted bidding tenders.

## Sub-Sector Best Prospects

[Return to top](#)

- Construction machinery and equipment
- Civil engineering services
- Portable power generation systems for construction sites
- Localized power generation systems for isolated communities
- Water treatment and transportation products and equipment

## Opportunities

[Return to top](#)

Algerian population is 38 million inhabitants today, and is expected to reach 45 million by 2020. The quality of water management and service is one of the key priorities of the government as the World Weather Organization is reporting that climate changes are expected soon to translate in Algeria into frequent drought and flood cycles.

Water treatment and reclamation, remote sensing and safety systems for Algerian dams, and hydroelectric projects are areas of significant opportunity.

The Algerian government has allocated around \$20 billion (of its \$286 five-year infrastructure program) to developing water resources. Priority projects include:

- Drinking water distribution improvement
- Improve wastewater treatment / water pollution control
- Building 32 dams and 25 water transfer systems
- Completion of all desalination stations under construction

The GOA plans to build 32 new water dams and 25 large water transfer systems with a total value of \$10 billion; 40 wastewater treatment plants with a value of \$1 billion; Irrigation and drainage projects amounting to \$700 million; and water distribution systems for 37 cities amounting to \$1 billion.

Transportation infrastructure is also a priority area for the government and projects include rail systems, roads, and airport modernization. For the development of rail services, the Algerian government is investing \$87 billion to develop a 1,300 km high-speed east-west line that will run from Tunisia to Morocco. The line will include branches that will connect with major ports and cities. The GOA is also planning to modernize the existing network and electrify existing rail operations. Algeria's rail network currently covers the northern part of the country and includes 4,200 kilometers of track -- 3,660 of which are standard gauge and 1,140 of which are narrow gauge.

Road modernization includes feeder highways to the just completed 1200 km east-west highway. The project will require rock crushing and screening stations, placement of fiber optic lines along the highway, tele-surveillance systems for road safety, as well as a large number of gas stations. Development of asphalt bitumen and civil engineering project management will be needed to realize Algeria's road construction goals.

The government of Algeria is spending \$ 500 million on airport infrastructure modernization. Projects include asphalt renewal and extension of landing strips at most major cities and construction of heliports around the country. Algeria currently has 36 airports open for civilian air traffic, 16 of which provide international as well as domestic service. Civil aviation air traffic management and training, port improvement, and communications solutions offer good opportunities for U.S. firms. The construction of a container terminal for

Djendjen also represents an interesting opportunity. The Transportation Ministry says it has a \$66 billion budget for projects for 2005 - 2013.

Electric power generation projects, renewable energy projects including wind and solar, and modernizing/expansion of mining operations are also significant opportunities in Algeria. In January 2011, the Ministry of Energy and Mines announced a multi-year program to develop renewable energy and technology in Algeria. The Ministry is targeting wind, solar, and geothermal energy production with an eye toward large scale deployment and possible domestic production. The ministry's goal is to meet up to 40 percent of Algeria's energy needs from renewable sources by 2030. The Ministry of Energy and Mines estimated the necessary investment to be between \$90 and \$120 billion through 2030.

## Web Resources

[Return to top](#)

- Ministry of Public Works: <http://www.mtp-dz.com>
- Ministry of Finance: <http://www.mf.gov.dz/>
- Ministry of Mines and Energy: <http://www.mem-algeria.org/english/index.php>
- Sonatrach: <http://www.sonatrach-dz.com>
- Commercial Specialist Kamal Achab: +213-770-082093;  
[kamal.achab@trade.gov](mailto:kamal.achab@trade.gov)

## Healthcare

### Overview

[Return to top](#)

Despite the ban on importation of pharmaceuticals that can be produced domestically, the healthcare sector continues to be a relatively attractive market. The demand for medical equipment and disposals is considerable and depends largely on imported goods.

The living standard of the population is improving, albeit slowly. There has been an increased incidence in reporting of hypertension, diabetes, respiratory and cardiovascular diseases and allergies.

Algerians are increasingly conscious of cutting-edge medical services, such as laser corrective eye surgeries, panoramic dental radiology, and plastic surgery. U.S. technology and products are often perceived as high quality, and the strong euro makes U.S. products price-competitive.

## Sub-Sector Best Prospects

[Return to top](#)

- Medical equipment and supplies, including diagnostics and imagery equipment
- Hospital and outpatient clinic design and construction services
- Hospital and medical office administration software and solutions
- Low-intensity cosmetic surgery

## Opportunities

[Return to top](#)

Construction of 200 new public hospitals and private clinics throughout Algeria over the next decade will increase demand for medical equipment and supplies, as well as medical construction services.

Algerians increasingly turn to private clinics for outpatient care. Opportunities will increase for the design and management of such facilities as well as cutting-edge diagnostics and treatment equipment.

Cosmetic surgery is not yet common but consumer interest could boom.

## Web Resources

[Return to top](#)

- Algeria Health Sector information portal: <http://www.ands.dz>

## Safety and Security

### Overview

[Return to top](#)

Algeria is the largest country in Africa and the Arab World with a total landmass of 2.38m sq. km. The country is rich in natural resources; an OPEC member, Algeria has the tenth-largest reserves of natural gas in the world and is the sixth-largest gas exporter and ranks 16th in oil reserves. Thanks to strong hydrocarbon revenues, Algeria has a cushion of \$200 billion in foreign currency reserves and a large hydrocarbon stabilization fund. In addition, Algeria's external debt is extremely low at about 2 percent of GDP. Algeria is still largely unexplored and foreign firms are increasingly investing in joint ventures.

The government is making efforts to diversify the economy by attracting foreign and domestic investment outside the energy sector. Public spending has increased by 27 percent annually during the past five years. Long-term economic challenges include diversification from hydrocarbons, relaxing state control of the economy, reducing bureaucracy and improving transparency, and providing adequate jobs for younger Algerians. The government launched an investment plan (2010-14), and a \$286 billion program for major infrastructure programs not only in safety & security equipment, but also transport, telecommunications, energy, and healthcare.

Safety and security solutions have long constituted a pillar of U.S.-Algerian commercial ties. The Algerian government and society at large have witnessed major upheaval, revolt and instability over the past 25 years, most notably the black years of the 1990's when 200,000 people were killed in government insurrection, reprisals and infighting. While the government has emerged mostly unscathed from regional Arab Spring revolts, elements exist in Algeria that could undermine the country's security situation. The In Amenas hostage crisis in southern Algeria in January 2013 where 39 foreign workers were killed is a case in point. The Algerian government is determined to combat terrorist

and criminal forces throughout its expansive territory, and the U.S. Government enjoys a healthy working relationship with the Algerian Government in this effort.

The Algerian defense budget is also one of the largest in the region and comprised 4.6% of the country's GDP in 2011 (more than 8 billion US\$). This was the highest military expenditure in Africa for that year. Consequently, Algeria has a large and reasonably well equipped military force. Algeria's military spending and political will for a strong military is certainly influenced by a history punctuated by a very acrimonious war of independence against France as well as hostilities with Morocco in the 1960's.

Algeria's military force main suppliers are among others Russia, China, Spain, USA and France.

According to the World Bank, the following table expresses the defense spending of Algeria as a percentage of GDP.

Algerian Defense Spending as a % of GDP					
Year	2007	2008	2009	2010	2011
% of GDP	2.9%	3.0%	3.8%	3.5%	4.6%

According to SIPRI, below is a table of both Algerian defense spending levels and relative spending levels of the neighboring countries:

Regional Defense Spending in Million USD in 2010 adjusted figures			
Year	1988	2010	2011
Algeria	672	5,671	8,170
Morocco	1,734	3,161	3,186
Tunisia	347	563	583

## Sub-Sector Best Prospects

[Return to top](#)

Opportunities for U.S. safety and security companies in Algeria include but are not limited to:

- Infrastructure protection solutions for seaports, airports, border crossings, security and safety agencies such as the police, and buildings;
- Cyber security monitoring;
- Fire prevention and control equipment, alarm equipment for building safety, emergency evacuation systems;
- Radio communication systems;
- Border surveillance and inspection technologies;
- Forensic solutions;
- Unmanned air vehicles (UAVs);
- Oil and gas pipeline security solutions.

## Opportunities

[Return to top](#)

Algeria is a rich country which highly prioritizes safety and security solutions, and U.S. firms have had considerable ongoing success in this sector. In addition, Algeria has recently demonstrated over the past 2-3 years a tangible affinity for American solutions across the board.

Opportunities in safety and security in Algeria fall into the following prime categories:

- Monitoring and protecting its expansive borders with its longtime rival neighbor Morocco, and Mauritania, Mali, Niger, Libya and Tunisia;
- Protecting thousands of miles of oil and natural gas pipelines and facilities throughout remote desert areas;
- Protecting government buildings, infrastructure and major entry points into the country such as airports and seaports,
- Cyber monitoring technologies have also become of significant interest to a variety of Algerian Government agencies.

## Web Resources

[Return to top](#)

National Gendarmerie

[http://www.mdn.dz/site\\_cgn/index.php?L=an&P=undefined](http://www.mdn.dz/site_cgn/index.php?L=an&P=undefined)

National Police

<http://www.dgsn.dz/index-fr.php>

Ministry of National Defense

[http://www.mdn.dz/site\\_principal/index.php?L=an](http://www.mdn.dz/site_principal/index.php?L=an)

## Agricultural Sectors

[Return to top](#)

Algeria's new agricultural development strategy places special emphasis on improving food production and quality in order to reduce Algeria's import bill. Arable land represents about 8.4 million hectares, of which 51 percent is dedicated to field crops, mostly cereals and pulses, 6 percent to arboriculture, and 3 percent to industrial crops. Only 9 percent of this arable land is irrigated, and Algeria's agriculture remains rainfall dependent, thus leaving the country still reliant on imports to fulfill demand for some food needs.

About 70 percent of agricultural farms are small, i.e., less than 10 hectares, and 80 percent of these farms are sole proprietorships. Algeria's main agricultural export products consist of dates, grapes and wine, olives and olive oil, and vegetables. The European Union is Algeria's major agricultural trading partner, with 39 percent of agricultural and food imports coming from EU countries. As a result of its 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. The transshipment of U.S. exports through Europe significantly increases shipping costs to Algeria from the United States. Nevertheless, Algeria remains a market with good potential for U.S. suppliers.

According to U.S. trade data, U.S. food and agricultural exports have steadily increased over the past five years reaching \$293 million in CY2013. Although, U.S. food and agricultural exports to Algeria consist mostly of bulk commodities, including wheat, soybean oil, corn, and nonfat dry milk powder. There is a growing market for some processed food products as modern supermarkets begin to proliferate.

**US Exports of Agriculture, fish, &Forestry Products to Algeria  
CY 2009-2013 (In Million Dollars)**

<b>US EXPORTS</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>
Wheat	31.0	42.1	14.9	90.5	59.2
Soybean Oil	56.0	70.6	71.9	15.6	4.1
Corn and Coarse Grain	16.0	10.8	6.1	0.0	0.0
Dairy Products	26.0	5.7	0.2	24.7	133.3
Soybean Meal	0.0	0	7.4	8.7	9.1
Rice	2.0	5.7	0.8	3.0	0.6
Pulses	1.0	5.9	3.4	5.8	17.1
Planting Seed	2.0	2.9	4.0	3.9	3.7
Tree Nuts	27.0	23.7	33.8	42.8	42.4
All Others	13.0	17.9	28.2	25	23.7
<b>TOTAL</b>	<b>174.0</b>	<b>185.3</b>	<b>170.7</b>	<b>220.0</b>	<b>293.2</b>

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

**Best prospects**

- Grain and feed (wheat, barley, corn)
- Vegetable oil and oilseeds products /cotton
- Dried fruits, pulses and specialty products
- Dairy products (nonfat dry milk, cheese, butter),
- Genetics, dairy livestock, and dairy integrated complex industry
- Packaging and equipment for food processing industry
- Turkey poults
- Frozen meat and fish

**Opportunities**

Algeria remains a potential market for U.S. suppliers, and high potential market opportunities exist, especially in the dairy industry, animal genetics, planting seeds, food ingredients and processing industry, as well as distribution sector. If U.S. exporters overcome the price challenge against European exporters, they may increase market share.

**Resources**

- U.S. Wheat Associations: <http://www.uswheat.org>
- Foreign Agriculture Service(FAS) website: <http://www.fas.usda.gov/>
- FAS Office Algiers [http://algiers.usembassy.gov/agriculture\\_service.html](http://algiers.usembassy.gov/agriculture_service.html)
- Agriculture Attaché + (213) (0) 7700821111; [Agalgiers@fas.usda.gov](mailto:Agalgiers@fas.usda.gov)



[Return to table of contents](#)

[Return to table of contents](#)

## Chapter 5: Trade Regulations, Customs and Standards

- [Import Tariffs](#)
- [Trade Barriers](#)
- [Import Requirements and Documentation](#)
- [U.S. Export Controls](#)
- [Temporary Entry](#)
- [Labeling and Marking Requirements](#)
- [Prohibited and Restricted Imports](#)
- [Customs Regulations and Contact Information](#)
- [Standards](#)
- [Trade Agreements](#)
- [Web Resources](#)

### Import Tariffs

[Return to top](#)

Specific information on import tariff rates can be found (in French) at:  
<http://www.douane.gov.dz/Consulter%20le%20tarif%20douanier.html>

### Trade Barriers

[Return to top](#)

Algeria applies a value-added tax (VAT) to all sales in the country. The VAT rates are 7 percent and 17 percent, depending on the product. Staples such as bread or milk are not subject to VAT. The reduced rate of 7 percent is applied to most non-luxury goods.

Getting goods cleared through Algerian customs represents the single most frequently reported problem facing foreign companies operating in Algeria. Delays can take weeks or months. In addition to a certificate of origin, the GoA requires importers to provide certificates of conformity and quality from an independent third party.

### Import Requirements and Documentation

[Return to top](#)

Firearms, explosives, narcotics, around 260 pharmaceutical products (see below), some categories of simple medical equipment, and used equipment are banned entry into Algeria. Pork products are prohibited for religious reasons.

Since 2010 Algeria has been steadily increasing the number of medications and medical devices that are banned from importation. As of 2012, the list amounts to over 260 medications— contact Commerce Department Algeria Desk Officer Christopher Wilken at [christopher.wilken@trade.gov](mailto:christopher.wilken@trade.gov) for the full list. In addition, the Algerian government has instituted a rule that effectively bans import of used equipment for public works and earth moving, although anecdotal evidence suggests some used equipment is still making its way into Algeria.

The government insists that imports meet specific testing, labeling, or certification requirements. The Ministry of Health requires distributors to obtain authorizations to sell imported drugs. Drugs must have been marketed in their country of origin, as well as in a third country, before they may be imported.

When food products arrive in Algeria they must have at least 80 percent of their shelf life remaining. While specific regulations exist for a few products, in general all products must be in conformity with the standards defined in the Codex Alimentarius.

## **U.S. Export Controls**

[Return to top](#)

Please visit <http://www.export.gov/regulation/index.asp> for information about products that are subject to U.S. export controls. Products and technologies frequently used in industrial processes may be subject to export controls, including pre- and post-license checks by the Department of Commerce.

## **Temporary Entry**

[Return to top](#)

Equipment and machinery brought into Algeria temporarily for the purpose of a specific project or exhibition are exempt from payment of customs duties and taxes. This exemption and approval, however, is limited to the originally specified event or purpose. Foreign companies are strongly advised to secure written approval from Algerian customs authorities before moving equipment or parts to a new location inside Algeria. To obtain waivers, importers must fill out a customs form and present it to the authorities when the goods are re-exported. In January 1998, Algeria ratified the Istanbul Convention related to temporary entry through presidential decree No 98-03.

## **Labeling and Marking Requirements**

[Return to top](#)

Algerian government regulations stipulate that imported products, particularly consumer goods, must be labeled in Arabic. This regulation is strictly enforced. Though not required, it is also helpful to label products in French.

## **Prohibited and Restricted Imports**

[Return to top](#)

Phytosanitary and sanitary control regulations are in place. As a rule, animal and plant products that risk propagating diseases to persons or animals cannot be imported. In these matters, Algeria adheres, like the E.U., to the principle of precaution. Prospective importers may, however, be given waivers by Algeria's national veterinary and plant protection services, depending on the situation in the country of intended origin.

Meat of U.S.-origin is prohibited because of allegedly high hormone content.

Certain imports are subject to prior authorization by some ministries. For example, the Ministry of Health must clear medical products, the Ministry of Defense and National Security Directorate must clear hunting weapons, and the Ministry of Information and Culture must clear books and magazines.

In December 2000, the Ministry of Agriculture enacted a decree prohibiting the importation, distribution, or sale of seeds that are genetically modified organisms.

In 2005, the Algerian government placed a ban on the importation of vehicles over three years old and in 2007 extended the ban to any used vehicle.

## Customs Regulations and Contact Information

[Return to top](#)

Information on Algerian customs requirements can be found (in French) at <http://www.douane.gov.dz/>. If a U.S. firm encounters a problem involving Algerian Customs, they may fax a letter in French to the Direction Chargee de la Cooperation et des Relations Internationales describing the situation in detail. This letter may be faxed to +213-21-72-59-75. The phone number is +213-21-72-2088.

## Standards

[Return to top](#)

- [Overview](#)
- [Standards Organizations](#)
- [Conformity Assessment](#)
- [Product Certification](#)
- [Accreditation](#)
- [Publication of Technical Regulations](#)
- [Labeling and Marking](#)
- [Contacts](#)

## Overview

[Return to top](#)

Executive Decree no. 98-69 established the Algerian Institute for Normalization (IANOR) as the appropriate government body handling standardization issues. IANOR has since worked toward the goal of assisting Algeria's economic sector to cope with globalization and international standards.

## Standards Organizations

[Return to top](#)

The Agence algérienne de l'Accréditation (ALGERAC) falls under the authority of the Ministry of Industry. ALGERAC is the only Algerian accreditation organism. It ensures that the national regulations concerning accreditation of the laboratories and the organization of certification inspections meet international norms.

IANOR is in charge of elaborating, publishing, and distributing all relevant data on Algerian norms. It is also responsible for providing conformity certifications to Algerian norms, issuing quality labels, and delivering appropriate authorizations to use brands according to the applicable regulations.

The Algerian National Institute of Industrial Property (INAPI) is responsible for industrial and intellectual property rights protections. This entity handles mainly the deposit and registration of patents, trademarks, and copyrights.

### **NIST Notify U.S. Service**

Member countries of the World Trade Organization (WTO) are required under the Agreement on Technical Barriers to Trade (TBT Agreement) to report to the WTO all proposed technical regulations that could affect trade with other Member countries. **Notify U.S.** is a free, web-based e-mail subscription service that offers an opportunity to review and comment on proposed foreign technical regulations that can affect your access to international markets. Register online at Internet URL: <http://www.nist.gov/notifyus/>

## Conformity Assessment

[Return to top](#)

Multiple authorities regulate the conformity of imported products. For cosmetic and hygiene related products, a compulsory declaration is required. The formula must be submitted to a poison center, which will in turn seal the formula. Should the production be completed abroad, the exact details of the relevant poison center handling the tests must be forwarded to the appropriate Algerian authorities.

For other imported products, the following documents should be presented to the customs service upon entry: customs documents, banking documentation (invoice, banking domiciliation), the specific authorization from police services (if required), and the health and safety authorization for selected products (if required). Customs will either provide an admission certificate or a non-admission certificate.

## Product Certification

[Return to top](#)

IANOR establishes and publishes norms applicable in Algeria, and if a norm does not exist or if a disagreement must be settled, then the ISO norm will prevail.

## Accreditation

[Return to top](#)

ALGERAC is the only Algerian accreditation organism. It ensures that the national regulations concerning accreditation of the laboratories and the organization of certification inspections meet international norms.

## Publication of Technical Regulations

[Return to top](#)

Technical regulations are all published in editions of the Official Gazette of the Republic of Algeria (Journal Officiel). These regulations are available online in French at <http://www.joradp.dz/HFR/Index.htm>.

## Labeling and Marking

[Return to top](#)

Algerian government regulations stipulate that imported products, particularly consumer goods, must be labeled in Arabic. This regulation is strictly enforced. Though not required, it is helpful to also label products in French.

## Contacts

[Return to top](#)

ALGERAC (Agence Algérienne de l'Accréditation)  
Tel: +213 017 03 33 25  
E-mail: [boudalgerac@hotmail.com](mailto:boudalgerac@hotmail.com)

IANOR : Algerian Institute of Normalization <http://www.ianor.org>  
5 et 7 rue Abou Hammou Moussa BP 104 RP Alger Algérie Tel: +213 21 63 05 89 E- mail: [cinfo@ianor.org](mailto:cinfo@ianor.org)

INAPI (Algerian National Institute of the Industrial Property)  
<http://www.inapi.org>  
42 Rue Larbi Ben M\_Hidi  
Tel: + 213 21 73 57 74

## Trade Agreements

[Return to top](#)

Algeria has ratified a number of bilateral trade agreements with other countries though there are currently no bilateral trade agreements between the U.S. and Algeria. In 2001, the U.S. and Algeria signed a Trade and Investment Framework Agreement (TIFA) that created a platform for discussions on trade provisions. Algeria ratified an EU association agreement in September 2005 and began active membership in the Arab Free Trade Zone in 2009. The Algerian government says it is working towards accession into the WTO (negotiations in Geneva have taken place as recently as March 2014), but real progress has proceeded at a glacial pace and the country actually regressed over the last few years in terms of opening up its market to trade and investment.

## Web Resources

[Return to top](#)

- Specific Algerian import tariff rates (in French): <http://www.douane.gov.dz/Consulter%20le%20tarif%20douanier.html>
- Products subject to U.S. export controls: <http://www.export.gov/regulation/index.asp>
- Algerian customs requirements (in French): <http://www.douane.gov.dz/>
- The Official Gazette of the Republic of Algeria (Journal Officiel) <http://www.joradp.dz/HFR/Index.htm>
- Department of State's Bureau of Economic and Business Affairs: <http://www.state.gov/e/eeb/>
- Efforts towards Algeria's WTO accession: [http://www.wto.org/english/thewto\\_e/acc\\_e/a1\\_algerie\\_e.htm](http://www.wto.org/english/thewto_e/acc_e/a1_algerie_e.htm)

[Return to table of contents](#)

[Return to table of contents](#)

## Chapter 6: Investment Climate

- [Openness to Foreign Investment](#)
- [Conversion and Transfer Policies](#)
- [Expropriation and Compensation](#)
- [Dispute Settlement](#)
- [Performance Requirements and Incentives](#)
- [Right to Private Ownership and Establishment](#)
- [Protection of Property Rights](#)
- [Transparency of Regulatory System](#)
- [Efficient Capital Markets and Portfolio Investment](#)
- [Competition from State Owned Enterprises](#)
- [Corporate Social Responsibility](#)
- [Political Violence](#)
- [Corruption](#)
- [Bilateral Investment Agreements](#)
- [OPIC and Other Investment Insurance Programs](#)
- [Labor](#)
- [Foreign-Trade Zones/Free Ports](#)
- [Foreign Direct Investment Statistics](#)
- [Web Resources](#)

### Openness to Foreign Investment

[Return to top](#)

Algeria, with its population of more than 38 million, its energy wealth, and growing demand for modern infrastructure and consumer products, is continuing to attract interest from companies around the world. Despite the international financial crisis, U.S. firms continue to consider Algeria as an emerging export market that is expected to grow in 2014. However, the climate for U.S. firms considering direct investments in Algeria is challenging, particularly in the wake of a series of restrictive foreign investment rules enacted in 2009 and 2010. Algeria's inability to move forward with WTO accession or modernize its banking sector has prevented significant foreign investment outside the energy sector.

These investment restrictions combined with statements by senior leaders noting the inability of foreign investment to bring about desired growth, and focus on developing state-owned enterprises, reinforce the impression of a government that has turned toward economic nationalism. This trend began in 2006 with amendments to the hydrocarbons laws that rolled back some market liberalization efforts by requiring that the national oil company, Sonatrach, be a majority partner in all oil and gas projects and imposed a windfall profits tax on oil production. President Abdelaziz Bouteflika sharply criticized the government's approach to foreign investment and privatization in July 2008, noting the policies had not achieved growth for Algeria's economy. Then-Prime Minister Ouyahia shortly thereafter ordered a review of government policy. This review led to more stringent foreign investment regulations codified in the 2009 Complementary Finance Law (CFL), decreed by the government in July and subsequently ratified by parliament. The 2010 CFL reinforced state control on investment and trade by maintaining and reinforcing restrictive measures introduced in the 2009 CFL, and applying them specifically to foreign banks.

Financial sector reform has stalled. The world financial crisis resulted in the indefinite suspension of the privatization of the state-owned bank Credit Populaire d'Algerie (CPA). Privatization of state owned enterprises has been put on hold, with no significant privatization by an American firm since early 2008. The government has supported State-owned companies experiencing financial difficulties by cancelling their debts and providing investment credits and technical assistance. Despite the less open investment climate, Algerian officials often state their desire to see U.S.-based companies consider projects in Algeria. The government has allocated USD 286 billion for a five-year development plan 2009-2014 to boost the economy mainly through developing infrastructure. The plan will see USD 156 billion invested in new projects as well as USD 130 billion spent on existing programs, including the completion of railway, road and water projects. The new projects will include infrastructure for public works, transport, health and education services as well as 2 million new housing units.

#### Third Party Indicators:

Measure	Year	Rank or value	Website Address
TI Corruption Perceptions index	2013	94 (out of 177)	<a href="http://cpi.transparency.org/cpi2013/results/">http://cpi.transparency.org/cpi2013/results/</a>
Heritage Foundation's Economic Freedom index	2013	146 (out of 178)	<a href="http://www.heritage.org/index/ranking">http://www.heritage.org/index/ranking</a>
World Bank's Doing Business Report "Ease of Doing Business"	2013	153 (out of 189)	<a href="http://doingbusiness.org/rankings">http://doingbusiness.org/rankings</a>
Global Innovation Index	2013	138 (out of 142)	<a href="http://www.globalinnovationindex.org/content.aspx?page=gii-full-report-2013#pdfopener">http://www.globalinnovationindex.org/content.aspx?page=gii-full-report-2013#pdfopener</a>
World Bank GNI per capita	2012	\$5,348	<a href="http://data.worldbank.org/indicator/NY.GNP.PCAP.CD">http://data.worldbank.org/indicator/NY.GNP.PCAP.CD</a>

#### Openness to Foreign Investment

Algerian officials are quick to seek technology and know-how transfer. However, they have been pursuing efforts to secure greater returns for Algerian interests since the 2006 amendments to the hydrocarbons law, which required majority state partnership in all oil and gas projects and imposed a heavy windfall profits tax when prices are above USD 30 per barrel.

In July 2008, President Bouteflika publicly expressed anger over alleged massive profits reaped from foreign investments in Algeria and repatriated abroad. Since that speech, the tax law has been amended to require that investors re-invest within four years the equivalent value of any tax benefits they obtain as incentives to locate in Algeria. In a long-running commercial dispute, the GOA has sought to purchase local mobile communications provider Orascom Telecom Algeria —Djezzyll OTH had been subject to a USD 600 million tax readjustment by the GOA in November 2009. In 2010, Vimpelcom bought —Djezzyll as part of its acquisition Orascom Telecom Holdings (OTH). In January 2012, Vimpelcom signed a memorandum of understanding with the GoA for the sale of 51 percent of OTA (subject to an agreement with the GoA on price). Under the agreement Vimpelcom would retain management control of the entity. U.S. investment outside of the oil and gas sector is currently limited to a pharmaceutical factory, a desalination plant, a bottling plant, and a cable-making factory.

Three agencies have mandates to encourage and manage investment in Algeria. The National Agency for Investment Development (ANDI) ([www.andi.dz](http://www.andi.dz)) is responsible for facilitating investments and granting tax exemptions. The National Investment Council



(CNI) was created to define investment strategies and priorities as well as to approve special investment incentives by sector. The Ministry for Industry and Investment Promotion ([www.mipi.dz](http://www.mipi.dz)) maintains one office for investment policy and another for the promotion of privatization. The government has all but halted the privatization process, in which foreign firms has declined due to the lack of a stable regulatory environment. In July 2009, the government adopted a budget amendment, the Complementary Finance Law of 2009, (CFL) which enacted restrictions on imports and foreign investment. These measures require 51 percent Algerian ownership of new foreign investment, 30 percent Algerian ownership of foreign import companies, and use of letters of credit for the payment of import bills. Further, the 2010 CFL, which became effective September 6, 2010, requires foreign bidders, who win construction contracts, to invest in a joint venture with a local partner. A new measure included in the 2010 CFL gives the government the right of first refusal on sales of companies to foreigners and aims at controlling the sale of assets to foreigners. In addition, the 2010 CFL introduces a new tax on private firms' importation of durum wheat at prices below that of the Algerian market. Durum wheat imported by the Algerian Cereal Agency (OAIC) is exempt from this tax. A 2010 Central Bank regulation stipulates that all invoices must state a due date for payment. Invoices without a due date or a date that exceeds 360 days may not be paid. The 2011 Finance Law, promulgated in December 2010 contained no significant investment or trade policy changes.

## **Conversion and Transfer Policies**

[Return to top](#)

The Algerian dinar is considered fully convertible for all commercial transactions. The Bank of Algeria (Banque d'Algerie, the nation's central bank) manages Algeria's foreign reserves, controls foreign exchange, and delegates most of these controls to the banks themselves. The 2010 Complementary Finance Law reinforced the lead role of the Bank of Algeria. Legally registered economic operators can access foreign currency to make payments, subject to bank domiciliation, without pre-authorization. Operators must possess a clean audit report and a certificate from the tax authority in order to repatriate funds. The Bank of Algeria put in place new restrictions on foreign shareholder loans to Algerian subsidiaries in December 2010. These new provisions mandate that firms receiving such loans after July 26, 2009 must book them as additions to capital.

Foreign investors can repatriate dividends, profits, and real net income out of their assets through transfers or liquidation. In certain cases, due to the inefficiency of the banking system and the heavy bureaucracy, it may take longer to obtain official permission from the central bank to make transfers/payments, or for the local bank to proceed with the transfer. However, U.S. suppliers benefit from generally faster and more predictable payments as a result of the mandatory letter of credit requirement. In addition, payment delays may result due to the new regulation that limits Algerian importers' payment options to letters of credit. Direct wire payments are no longer authorized. Letters of credit are now limited to a maximum of 60 days and are not required for raw material import transactions amounting to less than 4 million DZD (approximately USD 55,000) per year.

## **Expropriation and Compensation**

[Return to top](#)

Although the government of Algeria nationalized U.S. and other foreign-owned firms in the 1960s and 1970s, it has not taken any similar actions since that time.

## **Dispute Settlement**

[Return to top](#)

Algeria is a signatory to the convention on the Paris-based International Center for the Settlement of Investment Disputes (<http://www.worldbank.org/icsid>). Algeria ratified its accession (<http://arbiter.wipo.int/arbitration>) to the New York Convention on Arbitration, and is a member of the Multilateral Investment Guarantee Agency (<http://www.miga.org>). The code of civil procedure allows private and public sector companies, full recourse to international arbitration. Algeria permits the inclusion of international arbitration clauses in contracts.

In 2010 an American oil company exercised the dispute settlement mechanism in its contracts with the state oil company, Sonatrach, to contest the implementation of a windfall profits tax imposed long after the company began doing business in Algeria. Negotiations prior to arbitration were very slow. The entire dispute resolution process, including arbitration, can take 18 to 24 months and in some cases may take longer.

### **Performance Requirements and Incentives**

[Return to top](#)

Algeria does not impose general performance requirements on foreign investments. However, the state oil company, Sonatrach, must be a majority shareholder in any hydrocarbon sector venture. In accordance with the 2009 Complementary Finance Law, foreign investments in any sector now require a 51-percent Algerian partnership.

The investment code provides a number of incentives for investment in Algeria, which are primarily related to VAT and other tax exemptions, for periods of time that are dependent on the type of investment and the nature of the package agreed between the investor and the National Agency for Investment Development (ANDI). The 2009 Complementary Finance Law requires foreign investors to reinvest in Algeria the equivalent of any tax benefits bestowed upon them, in a manner similar to the offset investment requirements commonly seen in Gulf countries.

### **Right to Private Ownership and Establishment**

[Return to top](#)

Foreign entities have largely equal rights to establish and own business enterprises in Algeria and engage in most forms of remunerative activity, within the framework of the requirements for majority Sonatrach participation in hydrocarbon ventures and the requirement for majority (51 percent) Algerian participation in all new foreign investments, including those in the banking sector. Private enterprises have equal status with public enterprises and compete on an equal basis with respect to access to markets, credit, and business operations.

### **Protection of Property Rights**

[Return to top](#)

Secured interests in property are generally recognized and enforceable, but court proceedings can be lengthy and results unpredictable. Most real property in Algeria remains in government hands, and controversy over the years has resulted in conflicting claims for real estate titles, which has made purchasing and financing real estate difficult. One prospective U.S. investor seeking to build a factory in Algeria tried in vain for two years to obtain approvals from a local governor to purchase suitable land for the project.

While there is legislation protecting copyright and related rights, trademarks, patents and integrated circuits, implementation has been inconsistent, and enforcement remains spotty. The Office of the U.S. Trade Representative placed Algeria on the Priority Watch list in 2009 for ineffective protection of pharmaceutical tests and data.

## Transparency of Regulatory System

[Return to top](#)

Generally, Algeria's regulatory system is transparent, but decision-making authority remains opaque. Each ministry defines its rules for doing business in the sectors it manages, and regulatory bodies are established to administer them. Challenges arise in managing the bureaucracy, because authority is generally vested at the top of every organization, and access to decision-makers is often limited. Furthermore, the Algerian bureaucracy is slow, opaque and protocol-oriented, such that even minor deficiencies in paperwork can lead to significant delays and fines. In some cases, authority over a matter may rest among multiple ministries, which imposes additional bureaucratic steps and the likelihood of inaction due to errors or unusual circumstances.

## Efficient Capital Markets and Portfolio Investment

[Return to top](#)

After ten years, the Algerian stock exchange remains nascent, with only six companies listed. In December 2010, the Algerian insurance company Alliance held the first private company IPO, which was valued at 1.49 billion dinars (USD20.5 million dollars). Alliance became the seventh firm listed on the Algerian stock exchange in February 2011. Long-term treasury bonds were listed on the stock market in 2008, but trading has sharply declined due to the increased number of fees required to trade the bonds. Shorter yield bonds continue to be managed through bond dealers. Other private bond investment vehicles are occasionally offered to the public for major construction or other ventures.

The bond market plays a marginal role in the financing of the Algerian economy, which is mainly done through public expenditure or traditional banking credits. Most bonds are issued by public companies; however, a small number of private firms have issued bonds to finance investment in public works projects. In order to finance development projects and absorb excess liquidity, some state-owned companies have launched corporate bonds. Public companies, such as the national oil company, Sonatrach, often choose to finance through a bank investment pool, which is guaranteed by the government.

## Competition from State Owned Enterprises

[Return to top](#)

About two thirds of the Algerian economy is state-owned, led by the national oil-and-gas company Sonatrach. Other sectors in which the government operates directly include telecoms with Algerie Telecom and transportation with Air Algerie.

A distinctive feature of the Algerian economy is the 51/49 rule, under which 51 percent of new investments in Algeria must be owned by Algerians. Implemented in 2006 for the hydrocarbons industry, it was expanded in 2009 to cover investments in all sectors of the economy. While the 51/49 rule initially was controversial, foreign firms have adapted to it and formed joint ventures with local partners. In 2014 American company signed an agreement to build an industrial complex to produce gas and steam turbines in partnership with Algeria's national gas company. The complex, is scheduled to start operating in 2017.

In 2012 an Algerian-American joint venture began production of tractors, while the Algerians signed agreements with French, Turkish, and other European companies in the automotive, construction and agricultural sectors.

## Corporate Social Responsibility

[Return to top](#)

Multinational firms operating in Algeria are spreading the concept of corporate social responsibility (CSR) practices, which have traditionally been less common among domestic firms. Companies such as Anadarko, Cisco, Microsoft, and Nedjma have supported

programs aimed at youth employment and entrepreneurship. CSR activities are gaining acceptance as a way for companies to contribute to local communities while often addressing business needs, such as a better-educated workforce. The national oil and gas company, Sonatrach, funds some social services for its employees and desert communities near production sites. Still, many Algerian companies view social programs as areas of government responsibility and do not consider such activities in their corporate decision-making process.

## Political Violence

[Return to top](#)

Political violence has declined since the widespread terrorism of the 1990s. The government's effort to reduce terrorism through military pressure and social reconciliation and reintegration has been generally effective. However, in January of 2013 there was a major attack at the oil facility in In Amenas in the south-east of Algeria (approximately 1,000 1,500 kilometers from Algiers) in which nearly 40 people, mostly western oil workers, were killed. In March 2012 a suicide bomber attacked the regional headquarters of the national police in Tamanrasset, a southern city of 75,000.

The U.S. Government considers the potential threat to U.S. Embassy personnel assigned to Algiers sufficiently serious to require them to live and work under significant security restrictions. These practices limit and occasionally prevent the movement of U.S. Embassy officials and the provision of consular services in certain areas of the country. The GOA requires U.S. Embassy personnel to seek permission to travel to the Casbah within Algiers or outside the province of Algiers and to have a security escort. Travel to the military zone established around the Hassi Messaoud oil center requires GOA authorization. Daily movement of Embassy personnel in Algiers is limited, and prudent security practices are required at all times. Travel by Embassy personnel within parts of the city requires prior coordination with the Embassy's Regional Security Office. American visitors are encouraged to contact the Embassy's Consular Section for the most recent safety and security information.

Americans living or traveling in Algeria are encouraged to register with the U.S. Embassy in Algiers through the State Department's travel registration website, <https://step.state.gov>, and to obtain updated information on travel and security within Algeria. Americans without internet access may register directly with the U.S. Embassy Algiers. By registering, American citizens make it easier for the Embassy to contact them in case of emergency.

## Corruption

[Return to top](#)

Corruption, including bribery, raises the costs and risks of doing business. Corruption has a corrosive impact on both market opportunities overseas for U.S. companies and the broader business climate. It also deters international investment, stifles economic growth and development, distorts prices, and undermines the rule of law.

It is important for U.S. companies, irrespective of their size, to assess the business climate in the relevant market in which they will be operating or investing, and to have an effective compliance program or measures to prevent and detect corruption, including foreign bribery. U.S. individuals and firms operating or investing in foreign markets should take the time to become familiar with the relevant anticorruption laws of both the foreign country and the United States in order to properly comply with them, and where appropriate, they should seek the advice of legal counsel.

The U.S. Government seeks to level the global playing field for U.S. businesses by encouraging other countries to take steps to criminalize their own companies' acts of corruption, including bribery of foreign public officials, by requiring them to uphold their

obligations under relevant international conventions. A U. S. firm that believes a competitor is seeking to use bribery of a foreign public official to secure a contract should bring this to the attention of appropriate U.S. agencies, as noted below.

**U.S. Foreign Corrupt Practices Act:** In 1977, the United States enacted the Foreign Corrupt Practices Act (FCPA), which makes it unlawful for a U.S. person, and certain foreign issuers of securities, to make a corrupt payment to foreign public officials for the purpose of obtaining or retaining business for or with, or directing business to, any person. The FCPA also applies to foreign firms and persons who take any act in furtherance of such a corrupt payment while in the United States. For more detailed information on the FCPA, see the FCPA Lay-Person's Guide at: <http://www.justice.gov/criminal/fraud/>

**Other Instruments:** It is U.S. Government policy to promote good governance, including host country implementation and enforcement of anti-corruption laws and policies pursuant to their obligations under international agreements. Since enactment of the FCPA, the United States has been instrumental to the expansion of the international framework to fight corruption. Several significant components of this framework are the OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions (OECD Antibribery Convention), the United Nations Convention against Corruption (UN Convention), the Inter-American Convention against Corruption (OAS Convention), the Council of Europe Criminal and Civil Law Conventions, and a growing list of U.S. free trade agreements. In 2013 GOA created the Central Bureau Fighting Corruption (OCRC), mandated to investigate and prosecute any form of bribery in Algeria. OCRC current has a docket of 40 cases. In 2010, GOA created the National Commission for the Prevention and Fight Against Corruption as stipulated in the 2006 anti-corruption law. The Chairman and members of this commission were appointed by a presidential decree. The commission studies financial holdings of public officials and carries out investigations. Algeria is not a financial center, and financial transactions are tightly regulated. However, it is estimated that half of the country's economic transactions are carried out within the informal sector, effectively escaping the purview of state auditors.

In 2006, GOA adopted an anti-corruption bill that reinforced existing legislation and brought Algeria into compliance with the UN Convention against Corruption, which Algeria ratified in August 2004. The law was designed to promote transparency in government and public procurement, introduce new crimes such as illicit enrichment and reinforce existing penal sanctions.

In 2013, the Financial Intelligence Unit was strengthened by a new regulation for more freedom in dealing with illegal money transaction and terrorism funding. In 2012, the government updated 2005 anti-money laundering and counter-terrorist finance legislation to bolster the authority of the financial intelligence unit to monitor suspicious financial transactions and refer violations of the law to prosecutorial magistrates.

**OECD Antibribery Convention:** The OECD Antibribery Convention entered into force in February 1999. As of March 2009, there are 38 parties to the Convention including the United States (see <http://www.oecd.org/dataoecd/59/13/40272933.pdf>). Major exporters China, India, and Russia are not parties, although the U.S. Government strongly endorses their eventual accession to the Convention. The Convention obligates the Parties to criminalize bribery of foreign public officials in the conduct of international business. The United States meets its international obligations under the OECD Antibribery Convention through the U.S. FCPA.

**UN Convention:** The UN Anticorruption Convention entered into force on December 14, 2005, and there are 158 parties to it as of November 2011 (see <http://www.unodc.org/unodc/en/treaties/CAC/signatories.html>). The UN Convention is the first global comprehensive international anticorruption agreement. The UN Convention

requires countries to establish criminal and other offences to cover a wide range of acts of corruption. The UN Convention goes beyond previous anticorruption instruments, covering a broad range of issues ranging from basic forms of corruption such as bribery and solicitation, embezzlement, trading in influence to the concealment and laundering of the proceeds of corruption. The Convention contains transnational business bribery provisions that are functionally similar to those in the OECD Antibribery Convention and contains provisions on private sector auditing and books and records requirements. Other provisions address matters such as prevention, international cooperation, and asset recovery.

**OAS Convention:** In 1996, the Member States of the Organization of American States (OAS) adopted the first international anticorruption legal instrument, the Inter-American Convention against Corruption (OAS Convention), which entered into force in March 1997. The OAS Convention, among other things, establishes a set of preventive measures against corruption provides for the criminalization of certain acts of corruption, including transnational bribery and illicit enrichment, and contains a series of provisions to strengthen the cooperation between its States Parties in areas such as mutual legal assistance and technical cooperation. As of December 2009, the OAS Convention has 34 parties (see <http://www.oas.org/juridico/english/Sigs/b-58.html>)

**Council of Europe Criminal Law and Civil Law Conventions:** Many European countries are parties to either the Council of Europe (CoE) Criminal Law Convention on Corruption, the Civil Law Convention, or both. The Criminal Law Convention requires criminalization of a wide range of national and transnational conduct, including bribery, money-laundering, and account offenses. It also incorporates provisions on liability of legal persons and witness protection. The Civil Law Convention includes provisions on compensation for damage relating to corrupt acts, whistleblower protection, and validity of contracts, inter alia. The Group of States against Corruption (GRECO) was established in 1999 by the CoE to monitor compliance with these and related anti-corruption standards. Currently, GRECO comprises 49 member States (48 European countries and the United States). As of December 2011, the Criminal Law Convention has 43 parties and the Civil Law Convention has 34 (see [www.coe.int/greco](http://www.coe.int/greco).)

**Free Trade Agreements:** While it is U.S. Government policy to include anticorruption provisions in free trade agreements (FTAs) that it negotiates with its trading partners, the anticorruption provisions have evolved over time. The most recent FTAs negotiated now require trading partners to criminalize “active bribery” of public officials (offering bribes to any public official must be made a criminal offense, both domestically and trans-nationally) as well as domestic “passive bribery” (solicitation of a bribe by a domestic official). All U.S. FTAs may be found at the U.S. Trade Representative Website: <http://www.ustr.gov/trade-agreements/free-trade-agreements>.

**Local Laws:** U.S. firms should familiarize themselves with local anticorruption laws, and, where appropriate, seek legal counsel. While the U.S. Department of Commerce cannot provide legal advice on local laws, the Department’s U.S. and Foreign Commercial Service can provide assistance with navigating the host country’s legal system and obtaining a list of local legal counsel.

**Assistance for U.S. Businesses:** The U.S. Department of Commerce offers several services to aid U.S. businesses seeking to address business-related corruption issues. For example, the Commercial Service can provide services that may assist U.S. companies in conducting their due diligence as part of the company’s overarching compliance program when choosing business partners or agents overseas. The Commercial Service can be reached directly through its offices in every major U.S. and foreign city, or through its Website at [www.trade.gov/cs](http://www.trade.gov/cs).

The Departments of Commerce and State provide worldwide support for qualified U.S. companies bidding on foreign government contracts through the Commerce Department's Advocacy Center and State's Office of Commercial and Business Affairs. Problems, including alleged corruption by foreign governments or competitors, encountered by U.S. companies in seeking such foreign business opportunities can be brought to the attention of appropriate U.S. government officials, including local embassy personnel and through the Department of Commerce Trade Compliance Center "Report A Trade Barrier" Website at [tcc.export.gov/Report\\_a\\_Barrier/index.asp](http://tcc.export.gov/Report_a_Barrier/index.asp).

**Guidance on the U.S. FCPA:** The Department of Justice's (DOJ) FCPA Opinion Procedure enables U.S. firms and individuals to request a statement of the Justice Department's present enforcement intentions under the anti-bribery provisions of the FCPA regarding any proposed business conduct. The details of the opinion procedure are available on DOJ's Fraud Section Website at [www.justice.gov/criminal/fraud/fcpa](http://www.justice.gov/criminal/fraud/fcpa). Although the Department of Commerce has no enforcement role with respect to the FCPA, it supplies general guidance to U.S. exporters who have questions about the FCPA and about international developments concerning the FCPA. For further information, see the Office of the Chief Counsel for International Counsel, U.S. Department of Commerce, Website, at [http://www.ogc.doc.gov/trans\\_anti\\_bribery.html](http://www.ogc.doc.gov/trans_anti_bribery.html). More general information on the FCPA is available at the Websites listed below.

Exporters and investors should be aware that generally all countries prohibit the bribery of their public officials, and prohibit their officials from soliciting bribes under domestic laws. Most countries are required to criminalize such bribery and other acts of corruption by virtue of being parties to various international conventions discussed above.

*POST INPUT: Public sector corruption, including bribery of public officials, [remains a major/minor challenge for U.S. firms operating in Algeria. There is an ongoing government effort to root out corruption, notably in key GOA agencies, such as Customs. Many Algerian citizens believe that corruption is a problem within the upper reaches of government. Some evidence suggests that bribes are paid to bypass Algerian bureaucracy or to avoid government interference.*

*In June 2012, the Algerian lower court found two Algerian citizens and three Chinese citizens guilty of corruption. The court sentenced the Algerian citizens to 15 years in prison, and sentenced the Chinese citizens in absentia to 10 years in prison and issued an international warrant for their arrest.*

*The government investigated several high-profile corruption scandals in 2009 and 2010. One investigation implicated officials at the Ministry of Public Works on charges of fraud related to the construction of the East-West highway. Another involved senior officials of the state oil company Sonatrach investigated for corruption in procurement. Several former Sonatrach senior officials are in custody, while others are under investigation. Lower-level investigations involved customs officials and private sector executives charged with embezzlement, illegal currency transfers, and misuse of public funds.*

*In 2013 GOA created the Central Bureau Fighting Corruption (OCRC), mandated to investigate and prosecute any form of bribery in Algeria. OCRC current has a docket of 40 cases. In 2010, GOA created the National Commission for the Prevention and Fight Against Corruption as stipulated in the 2006 anti-corruption law. The Chairman and members of this commission were appointed by a presidential decree. The commission studies financial holdings of public officials and carries out investigations. Algeria is not a financial center, and financial transactions are tightly regulated. However, it is estimated that half of the country's economic transactions are carried out within the informal sector, effectively escaping the purview of state auditors.*

*In 2006, GOA adopted an anti-corruption bill that reinforced existing legislation and brought Algeria into compliance with the UN Convention against Corruption, which Algeria ratified in*

August 2004. The law was designed to promote transparency in government and public procurement, introduce new crimes such as illicit enrichment and reinforce existing penal sanctions.

In 2013, the Financial Intelligence Unit was strengthened by a new regulation for more freedom in dealing with illegal money transaction and terrorism funding. In 2012, the government updated 2005 anti-money laundering and counter-terrorist finance legislation to bolster the authority of the financial intelligence unit to monitor suspicious financial transactions and refer violations of the law to prosecutorial magistrates.

## Anti-Corruption Resources

Some useful resources for individuals and companies regarding combating corruption in global markets include the following:

- Information about the U.S. Foreign Corrupt Practices Act (FCPA), including a “Lay-Person’s Guide to the FCPA” is available at the U.S. Department of Justice’s Website at: <http://www.justice.gov/criminal/fraud/fcpa>.
- Information about the OECD Antibribery Convention including links to national implementing legislation and country monitoring reports is available at: [http://www.oecd.org/departement/0,3355,en\\_2649\\_34859\\_1\\_1\\_1\\_1\\_1,00.html](http://www.oecd.org/departement/0,3355,en_2649_34859_1_1_1_1_1,00.html). See also new Antibribery Recommendation and Good Practice Guidance Annex for companies: <http://www.oecd.org/dataoecd/11/40/44176910.pdf>.
- General information about anticorruption initiatives, such as the OECD Convention and the FCPA, including translations of the statute into several languages, is available at the Department of Commerce Office of the Chief Counsel for International Commerce Website: [http://www.ogc.doc.gov/trans\\_anti\\_bribery.html](http://www.ogc.doc.gov/trans_anti_bribery.html).
- Transparency International (TI) publishes an annual Corruption Perceptions Index (CPI). The CPI measures the perceived level of public-sector corruption in 180 countries and territories around the world. The CPI is available at: [http://www.transparency.org/policy\\_research/surveys\\_indices/cpi/2009](http://www.transparency.org/policy_research/surveys_indices/cpi/2009). TI also publishes an annual *Global Corruption Report* which provides a systematic evaluation of the state of corruption around the world. It includes an in-depth analysis of a focal theme, a series of country reports that document major corruption related events and developments from all continents and an overview of the latest research findings on anti-corruption diagnostics and tools. See <http://www.transparency.org/publications/gcr>.
- The World Bank Institute publishes Worldwide Governance Indicators (WGI). These indicators assess six dimensions of governance in 213 countries, including Voice and Accountability, Political Stability and Absence of Violence, Government Effectiveness, Regulatory Quality, Rule of Law and Control of Corruption. See <http://info.worldbank.org/governance/wgi/index.asp>. The World Bank Business Environment and Enterprise Performance Surveys may also be of interest and are available at: <http://data.worldbank.org/data-catalog/BEEPS>.
- The World Economic Forum publishes the *Global Enabling Trade Report*, which presents the rankings of the Enabling Trade Index, and includes an assessment of the transparency of border administration (focused on bribe payments and corruption) and a separate segment on corruption and the regulatory environment. See <http://www.weforum.org/s?s=global+enabling+trade+report>.



- Additional country information related to corruption can be found in the U.S. State Department's annual *Human Rights Report* available at <http://www.state.gov/g/drl/rls/hrrpt/>.
- Global Integrity, a nonprofit organization, publishes its annual *Global Integrity Report*, which provides indicators for 106 countries with respect to governance and anti-corruption. The report highlights the strengths and weaknesses of national level anti-corruption systems. The report is available at: <http://report.globalintegrity.org/>.

## Bilateral Investment Agreements

[Return to top](#)

The United States and Algeria signed a Trade and Investment Framework Agreement (TIFA) in 2001 to create a forum for involved economic and trade discussion. TIFA council meetings were held in 2001 and 2004.

Algeria executed a European Union association agreement in 2005. The agreement provides for the gradual removal of import duties on EU industrial products over 12 years, and removed duties immediately on 2,000 other products. However, the EU complained that some provisions in the 2009 Complementary Finance Law violate that agreement. In December 2010, Algeria requested a three year extension (to 2020) of the deadline for completing the tariff dismantling process with the EU under the EU- Algeria Association Agreement.

Algeria signed bilateral investment agreements for the protection and promotion of investments with the following countries in the indicated years: Belgium/Luxembourg (1991), Italy (1991), France (1993), Romania (1994), Spain (1994), China (1996), Germany (1996), Jordan (1996), Mali (1996), Vietnam (1996), Egypt (1997), Bulgaria (1998), Mozambique (1998), Niger (1998), Turkey (1998), Denmark (1999), Yemen (1999), Czech Republic (2000), Greece (2000), and Malaysia (2000). There is no bilateral investment treaty between Algeria and the United States.

Algeria has also signed bilateral treaties to prevent double taxation with the following nations: United Kingdom (1981), France (1982), Tunisia (1985), Libyan Arab Jamahiriya (1988), Morocco (1990), Belgium (1991), Italy (1991), Romania (1994), Turkey (1994), Syrian Arab Republic (1997), Bulgaria (1998), Canada (1999), Mali (1999), Vietnam (1999), Bahrain (2000), Oman (2000), Poland (2000), Ethiopia (2002), Lebanon (2002), Spain (2002), and Yemen (2002). There is no double taxation treaty between Algeria and the United States.

In 1990, Algeria signed both investment protection and double taxation agreements with the Arab Maghreb Union (AMU) countries (Libya, Morocco, Mauritania, and Tunisia).

## OPIC and Other Investment Insurance Programs

[Return to top](#)

The U.S. Overseas Private Investment Corporation (OPIC) ( <http://www.opic.gov> ), the U.S. Export-Import Bank (Ex-Im) ( <http://www.exim.gov> ), and the U.S. Trade and Development Agency (USTDA) ( <http://www.ustda.gov> ) support projects in Algeria. However, the government of Algeria announced in 2009 that all financing for future foreign investments in the country must be financed through Algerian banks.

A \$250-million water desalination project in Algiers was completed in 2008 with OPIC support, and Ex-Im supported the U.S. content of a power project in Skikda in 2003.

As of November 2011, OPIC management is considering supporting a EUR200 million private equity fund, Maghreb Private Equity III LLC to make investments in the Maghreb region, including Tunisia, Algeria, Morocco, Egypt, and, when open, Libya. The Fund will be managed by TunInvest, based in Tunis with offices in Algeria and Morocco. Target investments will be high growth small and medium enterprises (SMEs) in a wide range of sectors, including agribusiness, consumer goods, logistics, pharmaceuticals, light manufacturing, and financial services.

## Labor

[Return to top](#)

Algeria's labor force consists of roughly 10 million people out of a total population of more than 38 million. According to the National Office of Statistics, 67 percent of the population is under age 35. Beginning January 1, 2010 the monthly minimum wage increased to DA15,000 (USD215) from DA12,000 (USD170). The official unemployment rate is approximately 10 percent, but international organizations and other observers believe it to be as high as 25 percent.

Algeria's labor code sets minimum work standards, including a minimum work age of 16, a 40-hour workweek, and higher rates for overtime pay. Employers pay 26 percent of gross salaries in social security taxes, including provisions for both retirement and health/accident insurance.

U.S. companies are able to hire trained technical staff. However, recruiting and retention has become more difficult, as well-educated and trained Algerians are increasingly lured by higher salaries offered in the Gulf region. English speakers remain difficult to find. Arabic is Algeria's official language, and French is the most common language of business.

There are no restrictions on the number of expatriate supervisory personnel a company may establish as long as they are able to justify that no local persons can be found that meet the requirements for the position. Entry visas for foreign workers must be requested through the Ministry of Employment and Social Solidarity (<http://www.massn.gov.dz>). Foreign workers must then obtain work permits from the Ministry of Labor ([http://www.mtess.gov.dz/mtss\\_fr\\_N/index.htm](http://www.mtess.gov.dz/mtss_fr_N/index.htm)) and a residency card from the local police office in the district where they will be working. The employer is responsible for submitting all tax payments for individual workers to the proper local tax collection authorities.

## Foreign-Trade Zones/Free Ports

[Return to top](#)

There are currently no free trade zones in Algeria.

## Foreign Direct Investment Statistics

[Return to top](#)

The latest available figures for foreign direct investment (FDI) from the Bank of Algeria put FDI at USD 2.3 billion during 2010, compared to USD 2.8 billion for 2009. Total foreign direct investment in 2008 was USD 2.3 billion.

## Contact Point at Post

[Return to top](#)

- Algerian Embassy in Washington, D.C.: <http://www.algeria-us.org/>
- Bank of Algeria (central bank): <http://www.bank-of-algeria.dz/>
- Ministry of Employment and Social Solidarity: <http://www.massn.gov.dz/>

- Ministry of Energy and Mines: <http://www.mem-algeria.org/>
- Ministry of Finance: <http://finances-algeria.org/>
- Ministry of Labor and Social Security: <http://www.mtss.gov.dz/>
- Ministry of Industry and Investment Promotion: <http://www.mipi.dz/>
- National Investment Development Agency: <http://www.andi.dz/>
- Sonatrach: <http://www.sonatrach-dz.com/>

#### United States Government:

- U.S. Department of State travel information: <http://travel.state.gov/>
- U.S. Embassy in Algiers: <http://algiers.usembassy.gov/>
- U.S. Department of Commerce: <http://www.export.gov/>
- Export Import Bank: <http://www.exim.gov/>
- Overseas Private Investment Corporation: <http://www.opic.gov/>
- U.S. Trade and Development Agency: <http://www.ustda.gov/>

#### Non-Governmental:

- Business Software Alliance: <http://www.bsa.org/>
- U.S.-Algeria Business Council: <http://www.us-algeria.org/> International:
- E.U. Association Agreement:  
[http://europa.eu.int/comm/external\\_relations/euomed/med\\_ass\\_agreemnts.htm](http://europa.eu.int/comm/external_relations/euomed/med_ass_agreemnts.htm)
- European Free Trade Association: <http://www.efta.int/>
- International Monetary Fund: <http://www.imf.org/>
- Multilateral Investment Guarantee Agency: <http://www.miga.org/>
- World Bank: <http://www.worldbank.org/>

#### Conventions:

- New York Convention on the Recognition and Enforcement of Foreign Arbitral Awards: <http://arbitr.wipo.int/arbitration/ny-convention/index.html>
- Paris-based International Center for the Settlement of Investment Disputes:  
<http://www.worldbank.org/icsid/>

[Return to table of contents](#)

[Return to table of contents](#)

## Chapter 7: Trade and Project Financing

- [How Do I Get Paid \(Methods of Payment\)](#)
- [How Does the Banking System Operate](#)
- [Foreign-Exchange Controls](#)
- [U.S. Banks and Local Correspondent Banks](#)
- [Project Financing](#)
- [Web Resources](#)

### How Do I Get Paid (Methods of Payment)

[Return to top](#)

U.S. firms get paid in Algeria, and the U.S. Embassy encounters relatively few payment problems or disputes between U.S. firms and Algerian companies or government bodies. Due to a 2009 Algerian government measure, Algerian companies importing more than USD 55,000 per year must pay foreign suppliers by letter of credit. In 2010 the Algerian government also limited the terms of letters of credit to 60 days or less. This has created significant headaches for Algerian importers and reportedly has resulted in many smaller importers closing operations. The measure benefits large U.S. exporters and suppliers by expediting and guaranteeing payments by Algerian firms.

U.S. business people should note that Algeria is largely a cash economy, and the use of credit cards is extremely limited. Most common payment terms are used in Algeria, with the exception of payment in advance. Payments for goods are subject to producing an invoice with a bank domiciliation and customs clearance documents.

### How Does the Banking System Operate

[Return to top](#)

Six state-owned banks still dominate 95 percent of the commercial market, but Citibank, HSBC, BNP Paribas, Societ e General, and other French and Gulf country banks exist in Algeria as well. Western Union services (international money transfers) are also available.

The Khalifa Bank collapse in 2003 shook government confidence in the private banking sector, in spite of the flaws in state-owned banks. As a result, banking reform has progressed incrementally at best. Following the global financial crisis, the privatization of the flagship state-owned bank Cr dit Populaire d'Alg rie (CPA) was put on hold indefinitely.

Barriers on outward transfers and an antiquated domestic transfer system pose challenges for investment. Though the central bank is working on creating a system that would permit payments by check and credit cards, this system is still very new, and not many vendors have fully embraced it. Neither checks nor credit cards are common. ATMs are installed at some locations including five-star hotels. Algeria remains a cash-based society. In late 2010, the Algerian government retroactively banned commercial loans from shareholders abroad made after July 2009.

U.S. firms – whether investors or exporters – do not experience problems getting paid in hard currency.

However, the government tightly controls foreign exchange for Algerian firms. An Algerian company (outside of the hydrocarbons sector) may only receive up to 50 percent of its export earnings in U.S. dollars; it must receive the rest in local currency. Algerian companies in the hydrocarbons sector must receive 100 percent of export revenue in local currency (dinars). With few exceptions, the Algerian government prohibits Algerians from holding financial assets abroad. It does make foreign exchange available to Algerians for the importation of goods provided they have the dinar equivalent of the hard currency cost of the imports. The Algerian dinar is convertible for current accounts for businesses.

**U.S. Banks and Local Correspondent Banks**

Citigroup, N.A. (Citibank)  
07 Avenue Larbi Allik  
Hydra, Alger 16035  
+213 (21) 54 78 21

Public banks maintain correspondent banking relationships with several U.S. banks.

Relationships with Banque Extérieure d'Algérie:

Bank of New York  
BankAmerica  
International Bankers  
Trust  
Chase Manhattan Bank  
Chemical Bank  
Citibank  
First Chicago

Relationships with Crédit Populaire d'Algérie:

Citibank  
Arab American Bank  
Chemical Bank  
Mellon Bank

Relationships with Banque Nationale d'Algérie:

American Express Bank  
Bank of America  
Bank of New York  
Bankers Trust  
Chase Manhattan Bank  
Citibank  
CoBank Denver  
First-Interstate Bank of California

Mellon Bank  
Pittsburgh National Bank  
United Bank for Africa

Relationships with Banque de Development Local:

Citibank  
Crédit Lyonnais  
NY Rabo Bank  
United Bank for Africa

## **Project Financing**

[Return to top](#)

Project financing has significantly slowed in Algeria in recent years and, for the most part, major infrastructure, civil engineering, and construction projects are fully funded by the government. The World Bank has no new projects planned, but the International Finance Corporation (IFC) continues to provide project financing in Algeria (<http://www.ifc.org>).

## **Web Resources**

[Return to top](#)

Export-Import Bank of the United States: <http://www.exim.gov>

Country Limitation Schedule: [http://www.exim.gov/tools/country/country\\_limits.html](http://www.exim.gov/tools/country/country_limits.html)

OPIC: <http://www.opic.gov>

Trade and Development Agency: <http://www.ustda.gov/>

SBA's Office of International Trade: <http://www.sba.gov/oit/>

USDA Commodity Credit Corporation: <http://www.fas.usda.gov/cc/default.htm>

U.S. Agency for International Development: <http://www.usaid.gov>

[Return to table of contents](#)

[Return to table of contents](#)

## Chapter 8: Business Travel

- [Business Customs](#)
- [Travel Advisory](#)
- [Visa Requirements](#)
- [Telecommunications](#)
- [Transportation](#)
- [Language](#)
- [Health](#)
- [Local Time, Business Hours and Holidays](#)
- [Temporary Entry of Materials and Personal Belongings](#)
- [Web Resources](#)

### Business Customs

[Return to top](#)

Algeria has a unique business culture that results from many factors, including the country's location at the crossroads of Africa and the Mediterranean basin, its ethnic diversity of Arabs and Berbers, a 130-year history of French colonization, a guerrilla war for independence, its championship of Third World causes; and a decade-long struggle with terrorism.

Algerians attach great importance to titles and hierarchy. Requests, invitations, and proposals should be addressed to the head of an organization. Personal contact is essential, and heads of Algerian organizations expect meetings with counterparts. Faxed letters in French on letterhead are more likely to elicit a response from Algerians than email communication.

### Travel Advisory

[Return to top](#)

Please see the Department of State's Travel Advisory Web site at <http://travel.state.gov/> for the latest information.

### Visa Requirements

[Return to top](#)

U.S. citizens need a visa to enter Algeria. Travelers should clearly stipulate the intended date of entry and planned duration of stay on their applications. A letter of invitation from an Algerian business or government agency is usually required.

U.S. Companies that require travel of foreign businesspersons to the United States should be advised that security evaluations are handled via an interagency process. Visa applicants should go to the following links.

State Department Visa Website: <http://travel.state.gov/visa/>

Please visit the Web site of the Embassy of Algeria in Washington, DC, at <http://www.algeria-us.org/> Visa information is available under the heading Consular Section. Approval of visas and the return of passports may take several weeks.

### Telecommunications

[Return to top](#)

Algeria's telecommunications are mostly modern, but outdated infrastructure and bureaucracy makes negotiating for service difficult. GSM technology has made mobile phones commonplace and service is available in most areas of the country. Most hotels and private businesses have high-speed Internet, but internet and e-mail penetration within government ministries is limited.

## Transportation

[Return to top](#)

A number of international airlines serve Algeria. There are no direct flights between Algeria and the U.S., though a direct Algiers – New York City flight is under consideration. Air Algérie and Tassili Airlines provide domestic service.

There is railway passenger service between the major northern cities and bus services to many of the smaller cities and towns.

Good paved roads cover the northern region and connect some oases, but congestion and security checkpoints impede overland travel. Rental cars are available but expensive. Parking is also an issue in urban areas, and many companies hire a car and driver for daily meetings of executives.

## Language

[Return to top](#)

Arabic is the official language of Algeria. French is widely spoken in business and government circles, but English is rare. Good interpreters are in high demand and are expensive, so plan ahead to secure interpretation for business meetings. Contact [Kamal.Achab@trade.gov](mailto:Kamal.Achab@trade.gov) for suggestions on local translators.

## Health

[Return to top](#)

No vaccinations are required for entry. Typhoid, tetanus, polio, cholera, and preventive rabies inoculations are strongly recommended. Tap water is considered potable in Algiers, but we recommend drinking bottled water. For additional information see the World Health Organization website at: <http://www.who.int/countries/dza/en/>

## Local Time, Business Hours, and Holidays

[Return to top](#)

The workweek in Algeria is Sunday to Thursday, 09:00 a.m. to 05:00 p.m. Algeria is in the GMT +1 time zone, six hours ahead of Eastern Standard Time and in the same time zone as Central European Time. Algeria does not observe daylight savings during the summer, at which point it is one hour behind Central European Time and five hours ahead of Eastern Daylight Time.

The following is a list of Algerian holidays in 2014 as well as dates on which the U.S. Embassy in Algiers will be closed in observance of U.S. holidays:

New Year's Day	January 1
El Mawlid <u>E</u> nnabbaoui *	January 13 & 14*
Martin Luther King Day	January 20
Presidents Day	February 17
Labor Day (Algerian)	May 1
Memorial Day	May 26
U.S. Independence Day	July 4



Algerian Independence Day	July 5
Eid El Fitr *	July 29 & 30*
Labor Day	September 1
Eid El Adha *	October 5 & 6*
Columbus Day	October 13
Awal Moharem *	October 26*
Revolution Day	November 1
Veterans Day	November 11
Thanksgiving	November 22
Achoura *	November 25
Christmas	December 25

(\*) Precise date subject to lunar sighting/government declaration

### Temporary Entry of Materials and Personal Belongings

[Return to top](#)

Algerian customs authorities encourage the use of an ATA (Admission Temporaire/Temporary Admission) Carnet for the temporary admission of professional equipment, commercial samples, and/or goods for exhibitions and fair purposes. ATA Carnet Headquarters, located at the U.S. Council for International Business, 1212 Avenue of the Americas, New York, NY 10036, issues and guarantees the ATA Carnet in the United States. For additional information call (212) 354-4480, send an e-mail to [atacarnet@uscib.org](mailto:atacarnet@uscib.org) or visit <http://www.uscib.org> for details.

### Web Resources

[Return to top](#)

- Embassy of Algeria in Washington, D.C.: <http://www.algeria-us.org/>
- State Department Visa : <http://travel.state.gov/visa/>
- U.S. Center for International Business: <http://www.uscib.org/>
- U.S. Embassy Algiers: <http://algiers.usembassy.gov/>
- World Health Organization: <http://www.who.int/countries/dza/en/>

[Return to table of contents](#)

[Return to table of contents](#)

## Chapter 9: Contacts, Market Research and Trade Events

- [Contacts](#)
- [Market Research](#)
- [Trade Events](#)

### Contacts

[Return to top](#)

- U.S. Embassy Foreign Commercial Service <http://export.gov/algeria/>
- American Chamber of Commerce Algeria <http://www.amcham-algeria.org/english/index.html>
- U.S. Algeria Business Council <http://www.us-algeria.org/>

### Market Research

[Return to top](#)

To view market research reports produced by the U.S. Commercial Service please go to the following website: <http://www.export.gov/mrktresearch/index.asp> and click on Country and Industry Market Reports.

Please note that these reports are only available to U.S. citizens and U.S. companies. Registration to the site is required, and is free.

### Trade Events

[Return to top](#)

Please click on the link below for information on upcoming trade events.

<http://www.export.gov/tradeevents/index.asp>

The U.S. – Algeria Business Council

For information on events, please see: <http://www.us-algeria.org>

The American Chamber of Commerce Algeria

For information on events, please see: <http://www.amcham-algeria.org/english/index.html>

The World Trade Center Group

For information on events, please see: <http://www.wtcalgeria.com/>

SAFEX – Algerian Society for Fairs and Exports

For information on events, please see: <http://www.safex.com.dz>

[Return to table of contents](#)

[Return to table of contents](#)

## Chapter 10: Guide to Our Services

The President's National Export Initiative marshals Federal agencies to **prepare U.S. companies to export successfully, connect them with trade opportunities** and **support them once they do have exporting opportunities.**

The U.S. Commercial Service offers customized solutions to help U.S. exporters, particularly small and medium sized businesses, successfully expand exports to new markets. Our global network of trade specialists will work one-on-one with you through every step of the exporting process, helping you to:

- Target the best markets with our world-class research
- Promote your products and services to qualified buyers
- Meet the best distributors and agents for your products and services
- Overcome potential challenges or trade barriers
- Gain access to the full range of U.S. government trade promotion agencies and their services, including export training and potential trade financing sources

To learn more about the Federal Government's trade promotion resources for new and experienced exporters, please click on the following link: [www.export.gov](http://www.export.gov)

For more information on the services the U.S. Commercial Service offers to U.S. exporters, please click on the following link: (Insert link to Products and Services section of local buyusa.gov website here.)

U.S. exporters seeking general export information/assistance or country-specific commercial information can also contact the **U.S. Department of Commerce's Trade Information Center** at **(800) USA-TRAD(E)**.

To the best of our knowledge, the information contained in this report is accurate as of the date published. However, **The Department of Commerce** does not take responsibility for actions readers may take based on the information contained herein. Readers should always conduct their own due diligence before entering into business ventures or other commercial arrangements. **The Department of Commerce** can assist companies in these endeavors.

[Return to table of contents](#)