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Report Highlights:

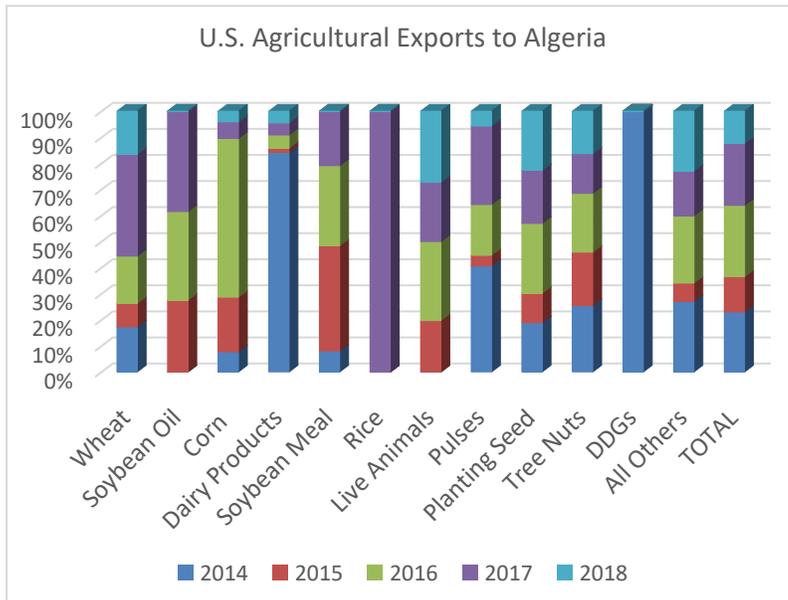
Agriculture remains a priority sector for the Government of Algeria in its efforts to diversify the economy and attract foreign and domestic investment outside the energy sector. Despite the measures to control imports of high-value products, opportunities still exist for U.S. inputs and expertise to contribute to the local production and industrial development. Most U.S. agricultural exports to Algeria are bulk and intermediate commodities. The Algerian market holds tremendous potential for U.S. bovine genetics, beef cattle, grains, tree nuts, planting seeds as well as pulses and dairy.

Executive Summary

Algeria is 2,381,741 sq. km total land. The desert covers more than four-fifths of the country. Hydrocarbons have long been the backbone of the economy, accounting for roughly 30% of GDP, 60% of budget revenues, and nearly 95% of export earnings. The agriculture sector is one of the priority sectors for the government in its efforts to diversify the economy and attract foreign and domestic investment outside the energy sector. The agriculture sector contributes on average about 12 percent of Algeria’s GDP and employs at least 20 percent of the population in rural areas. Algeria has about 8.4 million hectares of arable land. Algeria’s imports of agricultural commodities and food represented about 18.56 percent (\$8.57 billion) of the total imports (\$46.06 billion) in 2018. The government divested itself from agricultural production and processing allowing the private sector to take the lead. The private sector is comprised of wheat and feed millers, dairy processors, vegetable oil refiners, sugar refiners, beverage producers as well as canners, and a pastry industry. Both distribution and HRI sectors are growing however need further development.

Imports of Consumer-Oriented Products

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



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

Food Processing Industry

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

Food Retail Industry

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

Algeria Food Imports: \$8.57 Billion

Algeria Food Exports: \$373 million

Algeria Food Exports to the U.S.: \$23.4 million

List of Top 10 Growth Products in Host Country

- | | |
|-------------------|--------------------|
| 1) Wheat | 6) Dairy products |
| 2) Tree nuts | 7) Forest products |
| 3) Planting seeds | 8) Cotton |
| 4) Corn | 7) Soybean Meal |
| 5) Turkey Poults | 10) Pulses |

GDP/Population
 Population: 42.57 million
 GDP:\$170.4 billion
 GDP per Capita: \$5360.7

Top Retailers
 Numidis/UNO
 Ardis
 Carrefour

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

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

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SECTION I. MARKET OVERVIEW

Key Demographic Developments:

Algeria is in Northern Africa, bordering the Mediterranean Sea, between Morocco and Tunisia with 2,381,741 sq. km total land. The desert covers more than four-fifths of the country. The agriculture sector contributes about 12 percent of Algeria's GDP and employs at least 20 percent of the population in rural areas. Algeria has about 8.4 million hectares of arable land.

As of January 2019, the population of Algeria was estimated at 42.57 million people. More than 70 percent of the population lives in cities. The capital, Algiers with a population of almost 4 million is the nation's largest city. At least half of Algeria's working population is employed in the industrial and service sectors. Algeria's official language is Arabic, but Amazigh (a Berber language) and French are widely spoken in the country.

Algeria is rich in natural resources. The oil and gas sector are the backbone of the Algerian economy, accounting for roughly 60 percent of budget revenues, 30 percent of GDP, and nearly 95 percent of export earnings. Algeria has the tenth-largest reserves of natural gas in the world and is the sixth-largest gas exporter. It ranks 16th in oil reserves. Hydrocarbon exports enabled Algeria to maintain macroeconomic stability, amass large foreign currency reserves, and maintain low external debt while global oil prices were high. However, following the decline in oil prices, Algeria pledged to continue its efforts to diversify the Algerian economy and attract foreign and domestic investment outside the energy sector.

The agriculture sector is one of the priority sectors for the government in its efforts to diversify the economy. To boost agricultural development and production, the Government of Algeria (GoA) is allocating public land for agricultural use to the private sector on concessional terms to encourage the establishment of modern agricultural farms particularly in cereals and dairy.

The government encourages the continued development and modernization of the agricultural sector to achieve self-sufficiency, promote exports, focusing on the main points; the extension of irrigated agricultural land to 2 million hectares, the exploitation of fallow land, the strengthening of plant and animal protection, the reduction of seed imports and the development of the dairy sector.

However, to control spending to offset the drop-in energy earnings, the GoA pursues the strategy to control imports and protect domestic production. Even though, the GoA dropped the import licensing system implemented in 2017, it replaced the import ban implemented in 2018 with a [temporary additional safeguard duty \(Droit Additionnel Provisoire de Sauvegarde, \(DAPs\)\)](#). The list of goods subject to the temporary additional safeguard duty and the corresponding rates were published in the [Journal Officiel No 06 of January 27, 2019](#) as part of the Ordinance of January 26, 2019. The list included 1,095 items of which 658 were food and 437 industrial products in addition to their tariff codes and the corresponding DAPs rates. Food items represent 60% of the list. Most of the food items listed are processed and high value products.

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

https://gain.fas.usda.gov/Recent%20GAIN%20Publications/Trade%20Policy%20Update_Algers_Alger

[ia_2-12-2019.pdf](#). The original full revised list in French with the current DAPs rate can be found at: <https://www.joradp.dz/FTP/jo-francais/2019/F2019026.pdf>.

Furthermore, on April 21, 2019, the Ministry of Commerce issued a new [Ordinance of April 8, 2019, published in the Journal Officiel No.26](#) to modify the previous ordinance of January 26, 2019 published in the [Journal Officiel No 06](#) on January 29, 2019. The new ordinance exempts some food items from the DAPs including tree nuts, peanuts, dried raisins, dried fruits, butter, and fresh or chilled beef. The revision removes the 30 percent additional duty on tree nuts, 70 percent additional duty on peanuts, butter and dried fruits, and the 50 percent additional duty on beef. All these rates were in addition to an existing 30 percent customs duty and a 19 percent value added tax (VAT).

U.S. Supplier Strength and Market opportunities:

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

Advantages	Challenges
Algeria is still largely unexplored and a developing market.	Lack of comprehensive knowledge of the market and administrative procedures.
The Government wants to intensify dairy and cereal production. There is a strong desire to build modern production facilities.	The U.S. is at a geographical disadvantage, due to Algeria's proximity to Europe. Additionally, there are no direct shipping lines, making transit through Europe necessary.
Algerian farmers are interested in U.S. genetics and live cattle.	The U.S. and the Algerian regulatory agencies are discussing five (05) health protocols. Health certifications are pending agreement.
The reputation of U.S. agriculture and agri-business for quality and reliability of supply.	Relatively high cost of U.S. food and agricultural products compared to imports from other countries. The EU-Algerian Association Agreement provides preferential access.
Infrastructure, investment and modernization of distribution channels and retail stores are creating opportunities in the agricultural and food processing sectors	The food marketing and retail sector have historical EU/French influence. Traditional distribution network is still predominant. High value products are subject to high customs duties.
Local industries and processing sector expanding rapidly and still relying on imported raw material. (Beverage, canning and biscuit industries).	New Government Strategy is to reduce imports to curb impact of the decline in oil prices. Government is implementing import measures to control imports.

SECTION II. EXPORTER BUSINESS TIPS

- Algerian households devote nearly 42 percent of their annual expenditure to food needs.
- Consumer tastes and preferences are changing, especially in the cities where the young

homemakers tend to be more active, and the number of working women has increased. As a result, consumers are turning to ready-to-use or semi-processed products.

- French is the predominant business language.
- Most importers are in large cities and import through the ports of Algiers, Oran, Bejaia, Mostaganem and Jijel. They import both bulk and packaged products. The products are distributed to wholesalers in wholesale markets, and then sold in small stores, supermarkets and open markets.
- Algeria uses the metric system.

SECTION III. IMPORT FOOD STANDARDS & REGULATIONS and IMPORT PROCEDURES

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

[Fairs Annual Country Report](#)

[Fairs Export Certificate Report](#)

SECTION IV. MARKET STRUCTURE AND TRENDS

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

The local food processing industry is improving and upgrading. This sector represents a good opportunity for U.S. expertise and food ingredient exporters. However, the new implemented temporary additional safeguard duty on high-value and some consumer-oriented products will hamper the food retail and HRI sectors' supply.

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

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

Food Retail and Distribution: Since the economy was liberalized in the 90's, consumers became accustomed to seeing imported products and semi-processed products sold in grocery stores and small private supermarkets. Many small private supermarkets opened after state-owned distribution channels were privatized in 1996. Consumers can now find bulk, packaged and high value products, both local and imported, in small supermarkets called "superettes". The supermarket industry is still in its infancy

and needs further development. Only three private big supermarket chains have opened hypermarkets in the capital and four other main cities of the country.

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

Best Consumer-Oriented Product Prospects: Most of the U.S. agricultural exports to Algeria are bulk and intermediate commodities. In 2018, the commodities leading the U.S. agricultural exports to Algeria were wheat, tree nuts, planting seeds, corn, dairy products as well as forest products, live animals, pulses, and cotton. Wheat, barley and corn, soybeans and soybean meal (the feed grains), pulses and planting seeds remain unaffected by the DAPs. Some tree nuts are affected. Currently, since April 2019, the DAPs on tree nuts was removed.

Wheat: Algeria is one of the world's largest importers of wheat. Cereals represented 36.09 percent of Algeria's total food import bill and the top food import. Algeria imports an average of 7 million metric tons (MMT) per annum of wheat of which bread wheat always represents 75 to 83 percent of wheat imports. For more information, visit the [FAS Grain and Feed Annual report](#).

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

Soybean Meal:

Demand for soybean meal comes mostly from poultry feed manufacturers. Demand is expected to remain high as there are currently no operational crushing plants in Algeria, and the feed manufacturing industry is expanding. The major suppliers are Argentina and the United States. Soybean meal is no longer subject to import license, neither subject to the DAPs but is not exempt from VAT. For more information, visit the [FAS Grain and Feed Annual report](#).

DDGS (Distillers Dried Grains with Solubles): Given the increasing demand for protein meal, DDGS represent an opportunity for U.S. suppliers. Import licenses are no longer needed for feed grains. Barley, corn, DDGs and other feed grains are exempt from VAT and are not affected by the DAPs; therefore, opportunities exist for these commodities. For more information, visit the [FAS Grain and Feed Annual report](#).

Pulses: Algeria imports pulses mainly from Canada, Mexico, Argentina, and India. The pulses consist mainly of beans, lentils, chickpeas, and beans for seeding. This sector represents another opportunity for U.S. suppliers. U.S. pulse exports have trended upward for the past three years with plenty of potential for future growth. Pulses are not subject to DAPs. For more information, visit the [FAS Grain and Feed Annual report](#).

Vegetable Oil and Other Oilseeds Products: Algerian oilseed cultivation is not well developed. Aside from olive oil production, which remains traditional, Algeria does not currently crush any oilseeds yet.

However, some private companies are investing in crushing projects that are still under construction and will be operational soon. Most of the commercialized oil is produced domestically from imported crude oil, which is refined locally.

Dairy Products (Non-fat Dry Milk, Whole Milk Powder): Algeria's total powdered milk imports averaged 332,000 MT valued at \$1.15 billion over the last eight years, which makes Algeria one of the largest importers of milk powder in the world. Algeria's total dairy product imports represented 16.34 percent of the total food imports in CY2018. For more information, visit the latest [FAS dairy report](#).

Seafood Products exports to Algeria: Algeria is looking for partners to help improve its seafood and fishing sector. The Ministry of Agriculture (MoA) launched a five-year development plan called "Aqua Pêche 2020" to increase fish production. The plan is to increase production to 200,000 MT /year. The MoA promotes aquaculture as a component of the agriculture sector with a good return on investment.

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

Dairy Cattle and Genetics: Although, the U.S. and Algerian veterinary officials have not reached agreement on the breeder cattle certificate to allow exports of U.S. breeding cattle to Algeria, the Algerian market still holds tremendous potential for U.S. bovine genetics and beef cattle. Opportunities exist for the U.S. dairy industry to supply the Algerian dairy industry's needs and farmers' interest as the development of the dairy sector remains a priority for the GoA. For more information, visit the latest [FAS dairy report](#).

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

Planting Seeds: The United States exported an average of \$5.3 million planting seeds to Algeria during the past five years. In CY2018, U.S. exports reached \$6.0 million.

Best Prospects for Investment locally

- Dairy and livestock industry/ integrated farms
- Aquaculture projects
- Distribution/ Retail stores
- Cold chain Projects
- Agricultural Machinery
- Food processing packaging and equipment
- Crushing plants and feed manufactures
- Meat industry and derivatives (slaughterhouses and processing)

SECTION V. AGRICULTURAL AND FOOD IMPORTS

Agricultural and Food Imports Statistics: Algeria imports of agricultural commodities and food represented about 18.56 percent of the total imports (\$46.06 billion) in 2018. Wheat and dairy are the top food imports. Algeria is one of the world's largest importers of wheat and dairy products. U.S. wheat

imports to Algeria consisted mostly of durum. However, in MY2018/19, 185,511 metric tons (MT) of hard red winter (HRW) were exported to Algeria.

Best high-value, Consumer-oriented Products Prospects Categories: As mentioned above, most U.S. agricultural exports to Algeria are bulk and intermediate commodities. Processed and consumer-oriented products are minimal. The new implemented temporary additional safeguard duty on high-value and some consumer-oriented products would limit import of the processed products (see section I & IV). The United States exported about \$124.5 million (source: U.S. Census Bureau, Foreign Trade Statistics) in food and agricultural products to Algeria in 2018.

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

US EXPORTS	Calendar Years (Jan-Dec)				
	2014	2015	2016	2017	2018
Wheat	70.0	36.4	73.6	158.5	66.6
Soybean Oil	0.0	8.0	9.9	11.2	0.0
Corn	15.0	40.5	117.9	12.3	7.9
Dairy Products	75.0	1.4	4.5	4.1	4.0
Soybean Meal	2.2	11.0	8.4	5.7	0.0
Rice	0.0	0.0	0.0	1.7	0.0
Live Animals	0.0	1.3	2.0	1.5	1.8
Pulses	10	1.0	4.8	7.4	1.4
Planting Seed	5.0	3.0	7.1	5.4	6.0
Tree Nuts	38.0	30.7	33.7	22.8	24.3
DDGs	2.0	0.0	0.0	0.0	0.0
All Others	14.8	3.8	14.1	9.4	12.5
TOTAL	232	137.1	276.0	240	124.5

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

SECTION VI. KEY CONTACTS AND FURTHER INFORMATION

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

- Workweek: Sunday - Thursday-8:00-5:00.
- Typical, Algerian workday -8:30-12:00 and 1:00 pm-4:30 pm.
- Algeria is on Greenwich Mean Time + 1.

CONTACTS

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

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Website: www.fas.usda.gov

U.S. Embassy Algiers, Algeria

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

Ministry of Agriculture

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

Ministry of Commerce

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

Algerian Customs

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

Other Websites Resources

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

HOTELS: In addition to the Algerian hotel chains (state-owned such as El-Djazair and EL-Aurassi) and the private ones available in major cities, many big names in the international hotel industry are present in Algiers and many other cities in Algeria for professional and tourist stays. These chains include Sheraton, Four Point Sheraton, Marriott, Holiday Inn and Best Western which are present in Algiers, Oran, Constantine and Setif. The Sofitel, Mercure, IBIS and Novotel hotels are also present in the same cities.

FOOD & AGRICULTURAL FAIRS:

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

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

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

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

LIST OF ALGERIAN HOLIDAYS

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

Below are the Algerian main holidays for the 2020 calendar year.

January 1, 2020	New Year's Day
May 1, 2020	Algerian Labor Day
July 5, 2020	Algerian Independence Day
May 24, 2020	Aid El Fitr (End of the Holy Month of Ramadan)
July 30, 2020	Aid El Adha (Muslim's feast of Sacrifice)
November 01, 2020	Algerian Revolutionary Day
October 29, 2020	Aid El Mawlid (Prophet's birthday)

Attachments:

No Attachments