

USDA Foreign Agricultural Service

# GAIN Report

Global Agricultural Information Network

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## Algeria

**Post:** Algiers

### **New Payment Requirement on Imports**

**Report Categories:**

Trade Policy Monitoring

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**Report Highlights:**

On October 22 the Bank of Algeria issued a new instruction to Algerian banks regarding the treatment of international commerce. The new instruction requires importers to place 120% of the import transaction value with an Algerian Bank. This regulation is intended to regulate imports of goods shipped into Algeria destined for sale as is.

## **General Information:**

The Bank of Algeria made revisions to a 2007 law related to the rules applicable to current transactions with foreign and currency accounts. The goal of the revision in legislation is to slow the loss of foreign reserves as a result of fiscal pressures caused by depressed oil prices. The Government of Algeria (GOA) continues to implement measures to control expenses and reduce imports.

On October 22, 2017, the Bank of Algeria (BoA) introduced a new requirement to regulate imports of products destined to resale as is. The new instruction applies to non-agricultural as well as, agricultural products. Effective October 22, 2017, any imported goods for resale as is, requires the importer to deposit at least equal to 120% of the import transaction value with an Algerian Bank, 30 days prior to shipment. To further clarify this instruction, the BoA informed that import transactions that have been subject to bank domiciliation and / or shipment before the date of October 22 as well as import operations of finished products destined as input into domestic production do not fall within the scope of this requirement.

This new measure comes amid previous import challenges such as the recent import licensing regime and VAT increase that the GoA has undertaken in order to curb the impact of lower crude oil prices on the Algerian economy, given that 97% of Algeria's earnings are generated by oil exports.

Algeria's economy is heavily reliant on oil and gas sales, which account for roughly one quarter of the country's GDP and 60 percent of its budget revenues. The plunge in global oil prices in 2014 put authorities under considerable stress.

The Ministry of Commerce recently confirmed the continuation of the import licensing regime for the majority of the products in 2018 ([September 18, 2017](#)); however, with a tendering system for better transparency. The Ministry will publish the list of products subject to licenses in January 2018.

FAS Algiers will continue to provide updates on this new requirement; however encourage U.S. exporters to urgently contact Algerian Clients / Importers to confirm conditions of sale.