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POLICY

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Algeria

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Trade Suspended for Several High-value Processed Products

Report Categories:

Dairy and Products

Grain and Feed

Livestock and Products

Oilseeds and Products

Tree Nuts

Food Processing Ingredients

Retail Foods

Food Service - Hotel Restaurant Institutional

Trade Policy Incident Report

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Report Highlights:

Effective July 4, sources indicate Algeria's import licensing regime extended to include several high-value/processed food products, including almonds, hazelnuts, walnuts, pistachios, macadamia nuts, and pecans. Algeria has not yet announced a timeframe for accepting import license applications or issuing them. Thus, imports of the affected products are suspended until such time. According to Post calculations, import licenses now adversely impact import demand of up to \$155.9 million/year of previous U.S. agricultural and food sales. Further measures are expected.

General Information

In an effort to first slow the loss of foreign reserves and second support local manufacturers during an extended period of low crude oil prices, Algeria is increasingly relying on the use of import licenses to control and reduce imports which it considers “non-essential.” In late 2015, the Government of Algeria introduced the import and export licensing system (Journal Officiel No 66 of December 9, 2015) with the goal of lowering the import bill to less than \$35 billion by the end of 2017, in comparison to \$55.03 billion in 2014, \$51.7 billion in 2015, and \$46.72 billion in 2016. Food represents about 18 percent of Algeria’s total imports.

In January 2016, the first list of products subject to licenses was established and specifically targeted EU agricultural goods, including: durum wheat, bread wheat, barley, oat, corn, rice, coarse grains, oilseeds, live animals, meat, milk and cheese, eggs, vegetable oil, sugar, etc.

In March 2017, a Ministry of Commerce press release announced that import licensing would be extended to all “non-essential” products with exceptions made for basic products such as semolina, wheat, vegetable oil, sugar, and milk. According to the press release, the changes were meant to control supply levels while supporting domestic production.

In April 2017, the Ministry of Commerce followed with publishing a list of industrial and agricultural products subject to import licensing, which it stated could be extended if necessary. The immediately affected agricultural products included fresh and chilled beef, cheese, fresh lemon, apples, bananas, garlic, tomato paste, barley, corn, soybean meal¹, and vitamin mineral concentrate². Later, on June 13, 2017, the Ministry of Commerce announced corresponding CY2017 quotas for barley, corn, soybean meal, and mineral vitamin concentrate (See [Algeria: Grain and Feed Update](#)). These combined measures directly afflicted the previous free flow of U.S. corn (\$0-113.9 million/year), U.S. soybean meal (\$6.3-13.2 million/year), U.S. tomato paste³ (\$7.4-16.5 million/year), U.S. bananas (\$0-2.5 million/year), and U.S. cheese⁴ (\$0-1.8 million/year). The United States has not been a historical supplier of the other targeted products.

According to publically released communications, on July 9, the Association of Banks and Financial Institutions (ABEF), referencing N° 421/2017 of July 4, relayed an order on behalf of the Ministry of Commerce which directed Algeria’s commercial banks to suspend finances pending the imposition of import licenses for an extended list of products. The list was originally reported to include "preparations for soup, soup or broth, prepared sauces (mayonnaise, tomato ketchup and other sauces, harissa, etc.), prepared mustard, bread, pizza, pasta, dried nuts and dried fruits, peanuts, fruit juices, juice mix, waters (including mineral and aerated waters), corn, jams and marmalades, chocolate in tablets (not filled), rusks with added sweeteners, waffles and wafers, chocolate and other food preparations containing cocoa (preserved)." According to press reports, most of these goods are produced locally and can sufficiently cover consumer demand, specifically for fruit juice, mineral water, and pasta. Reports also indicated the Minister of Commerce called attention to imports of dried fruit/nuts totaling \$120 million/year. According to sources, following calls for clarification from industry, ABEF followed their

¹ 2304.00.11.00 (previously 2304.00.00.00)

² 2309.90.40

³ 2002.90.11.00, 2002.90.19.00 (previously 2002.90.10.00)

⁴ 0406.90.91.00, 0406.90.92.00, 0406.90.93.00, 0406.90.94.00, 0406.90.99.00 (previously 0406.90.90.00)

July 9 transmission to the banks with another on July 18, specifying the affected products by 10-digit tariff line. According to Post's assessment, the affected lines with historical U.S. exports include tree nuts (est. \$2.3-8.0 million/year), corn starch (\$0-17,000/year), corn flour (\$0-120/year), and soy sauce (\$0-284/year), with many highly-traded lines (e.g., shelled almonds) exempted from the new measure. For example, see the below table of Algerian tariff lines for tree nuts – only lines denoted in **red font** have been singled out for import licenses.

Algeria's Tree Nut Imports from the United States (\$1,000)

Commodity	Description	Calendar Year					Year To Date		
		2012	2013	2014	2015	2016	04/2016	04/2017	% Change
0802	Nuts Nesoi, Fresh Or Dried	\$40,117	\$45,164	\$37,103	\$49,903	\$48,774	\$14,527	\$17,602	21.17
0802.11	Almonds, Fresh Or Dried, In Shell	\$421	\$68	\$1	\$0	\$265	\$0	\$382	n/a
0802.11.11.00	Bitter, Fresh							\$243	n/a
0802.11.12.00	Bitter, Dried							\$0	n/a
0802.11.21.00	Sweet, Fresh							\$0	n/a
0802.11.22.00	Sweet, Dried							\$139	n/a
0802.12	Almonds, Fresh Or Dried, Shelled	\$31,080	\$39,122	\$26,632	\$38,116	\$34,667	\$9,018	\$11,865	31.57
0802.12.10.00	Bitter							\$0	n/a
0802.12.20.00	Sweet							\$11,865	n/a
0802.21	Hazelnuts Or Filberts, Fresh Or Dried, In Shell	\$0	\$0	\$85	\$0	\$2,186	\$2,186	\$0	-100
0802.21.10.00	Fresh							\$0	n/a
0802.21.20.00	Dried							\$0	n/a
0802.22	Hazelnuts Or Filberts, Fresh Or Dried, Shelled	\$115	\$0	\$0	\$0	\$76	\$0	\$0	n/a
0802.31	Walnuts, Fresh Or Dried, In Shell	\$397	\$1,688	\$2,038	\$3,010	\$2,425	\$184	\$976	430.33
0802.31.10.00	Fresh							\$282	n/a
0802.31.20.00	Dried							\$694	n/a
0802.32	Walnuts, Fresh Or Dried, Shelled	\$3,192	\$1,270	\$2,778	\$6,153	\$5,601	\$2,602	\$2,537	-2.53
0802.41	Chestnuts, In Shell, Fresh Or Dried	\$0	\$0	\$0	\$0	\$0	\$0	\$0	n/a
0802.42	Chestnuts, Shelled, Fresh Or Dried	\$0	\$0	\$0	\$0	\$0	\$0	\$0	n/a
0802.51	Pistachios, In Shell, Fresh Or Dried	\$3,683	\$2,929	\$5,201	\$2,400	\$3,553	\$536	\$1,532	185.7
0802.51.10.00	Fresh							\$1,049	n/a
0802.51.20.00	Dried							\$483	n/a
0802.52	Pistachios, Shelled, Fresh Or Dried	\$1,228	\$0	\$300	\$82	\$0	\$0	\$309	n/a
0802.61	Macadamia Nuts, In Shell, Fresh Or Dried	\$0	\$0	\$68	\$0	\$0	\$0	\$0	n/a
0802.61.10.00	Fresh							\$0	n/a
0802.61.20.00	Dried							\$0	n/a
0802.62	Macadamia Nuts, Shelled, Fresh Or Dried	\$0	\$0	\$0	\$0	\$0	\$0	\$0	n/a
0802.70	Cola Nuts, Fresh Or Dried, Shelled Or Not	\$0	\$0	\$0	\$0	\$0	\$0	\$0	n/a
0802.70.10.00	Fresh							\$0	n/a
0802.70.20.00	Dried							\$0	n/a
0802.80	Areca Nuts, Fresh Or Dried, Shelled Or Not	\$0	\$0	\$0	\$0	\$0	\$0	\$0	n/a
0802.80.10.00	Fresh							\$0	n/a
0802.80.20.00	Dried							\$0	n/a
0802.90	Nuts Nesoi, Fresh Or Dried, Shelled Or Not	\$0	\$87	\$0	\$142	\$0	\$0	\$0	n/a
0802.90.11.00	Pecans, Fresh							\$0	n/a
0802.90.12.00	Pecans, Dried							\$0	n/a
0802.90.91.00	Other, Fresh							\$0	n/a
0802.90.92.00	Other, Dried							\$0	n/a

Source:

Considering all import license measures taken to-date, Algeria now strictly controls the import over what was previously a \$150+ million market for U.S. agricultural and food products.

**U.S. Exports of Agriculture, Fishery, & Forestry Products to Algeria
2012-2016 (In Million Dollars)**

	2012	2013	2014	2015	2016
Wheat	90.5	59.2	70.4	36.4	73.6
Soybean Oil	15.6	4.1	0.0	8.0	9.9
Corn and Coarse Grain	0.0	0.0	15.3	40.5	117.9
Dairy Products	24.7	132.9	74.5	1.4	4.6
Soybean Meal	8.7	8.9	1.8	11.0	8.4
Rice	3.0	0.6	0.0	0.0	0.0
Pulses	5.8	17.1	9.6	1.0	4.8
Planting Seed	3.9	3.7	4.8	3.0	7.1
Tree Nuts	42.8	42.4	37.8	30.7	33.7
DDGs	0.0	0.4	1.6	0.0	0.0
Processed Vegetables	7.0	6.4	4.5	0.0	7.6
Live Animals	0.0	0.2	0.2	1.3	2.0
Chocolate & Cocoa Products	0.0	0.1	0.7	0.5	0.9
Prepared Food	1.0	3.4	1.4	0.5	1.2
Wine & Beer	0.0	0.0	0.0	0.0	0.5
Forest Products	3.0	0.8	3.9	0.9	1.7
All Others	14	12.4	5.4	1.9	2.1
TOTAL	220.0	292.6	231.9	137.1	276.0

Meanwhile, as the trade waits for the issuance of import licenses following this latest measure, press reports indicate additional measures are likely to follow later this year.

Information on Algeria's import licenses and quotas can be found on the Ministry of Commerce website: <https://www.commerce.gov.dz/avis/collection/avis-douverture-de-licence-dimportation>.