

ALGERIA

Economic Overview

Γραφείο ΟΕΥ Αλγερίου

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ΣΟΕΥ Α'

Economic activity



Economic Data (1)

- **Population:** 40.8 million
- **GDP (PPP):** \$629.3 billion
- 1.5% growth
- \$15,026 per capita
- **Unemployment:** 11.2%
- **Inflation :** 6.4% World Bank or 5,9% IMF

- **GDP (purchasing power parity):**
\$629.3 billion (2017 est.)
\$620.2 billion (2016 est.)
\$600.4 billion (2015 est.)
note: data are in 2017 dollars
country comparison to the world: 37

- **GDP - real growth rate:**
1.5% (2017 est.) 3.3% (2016) 3.7% (2015)
country comparison to the world: 176

- **GDP - per capita:**
\$15,100 (2017 est.) \$15,200 (2016) \$15,000 (2015)
note: data are in 2017 dollars
country comparison to the world: 110

- **GDP - composition, by sector of origin:**
agriculture: 13.2%]
industry: 36.1%
services: 50.7% (2017 est.)

Economic Data (2)

- GDP (purchasing power parity)
 - \$629.3 billion (2017 est.)
 - \$620.2 billion (2016)
 - \$600.4 billion (2015)

 - GDP - per capita (PPP)
 - \$15,100 (2017)
 - \$15,200 (2016)
 - \$15,000 (2015)

 - Gross national saving
 - 34.9% of GDP (2017)
 - 37.2% of GDP (2016)
 - 36.3% of GDP (2015)

 - GDP - composition, by end use
 - household consumption: 42.7%
 - government consumption: 21.4%
 - investment in fixed capital: 42.7%
 - investment in inventories: 7.6%
 - exports of goods and services: 21%
 - imports of goods and services: -35.5% (2017)
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Economic Data (3)

- GDP - composition by sector :
 - **agriculture:** 13.2%
 - **industry:** 36.1%
 - **services:** 50.7% (2017)
- Population below poverty line: 23% (2006)
- Labor force : 11.82 million (2017)
- Labor force - by occupation:
 - **agriculture:** 30.9%
 - **industry:** 30.9%
 - **services:** 58.4% (2016)
- Unemployment rate : 11.7% (2017 est.)
10.5% (2016)
- Unemployment, youth ages 15-24 **total:** 25.2%
- Budget **revenues:** \$52.08 billion
expenditures: \$70.74 billion (2017)
- Public Debt : 19.9% of GDP (2017) 18 % of GDP (2016)
- Budget surplus (+) or deficit (-) : -10.6% of GDP (2017)
- Industrial production growth rate : 0.9% (2017)
- Current Account Balance : -\$22.87 billion (2017)
-\$26.31 billion (2016)

Economic Data (3)

- **Exports** \$33.15 billion (2017) \$29.06 billion (2016) – commodities petroleum, natural gas and petroleum products 97% (2017)
- **Exports** – partners Italy 17.4%, Spain 12.9%, US 12.9%, France 11.4%, Brazil 5.4%, Netherlands 4.9%, Turkey 4.5%, Canada 4.3% (2016)
- **Imports** \$49.99 billion (2017) \$49.43 billion (2016) – commodities capital goods, foodstuffs, consumer goods
Imports – commodities capital goods, foodstuffs (2017)
- **Imports** – partners China 17.8%, France 10.1%, Italy 9.8%, Spain 7.6%, Germany 6.4%, US 4.9%, Turkey 4.1% (2016)
- **Agriculture - products:**
wheat, barley, oats, grapes, olives, citrus, fruits; sheep, cattle
- **Industries products:**
petroleum, natural gas, light industries, mining, electrical, petrochemical, food processing

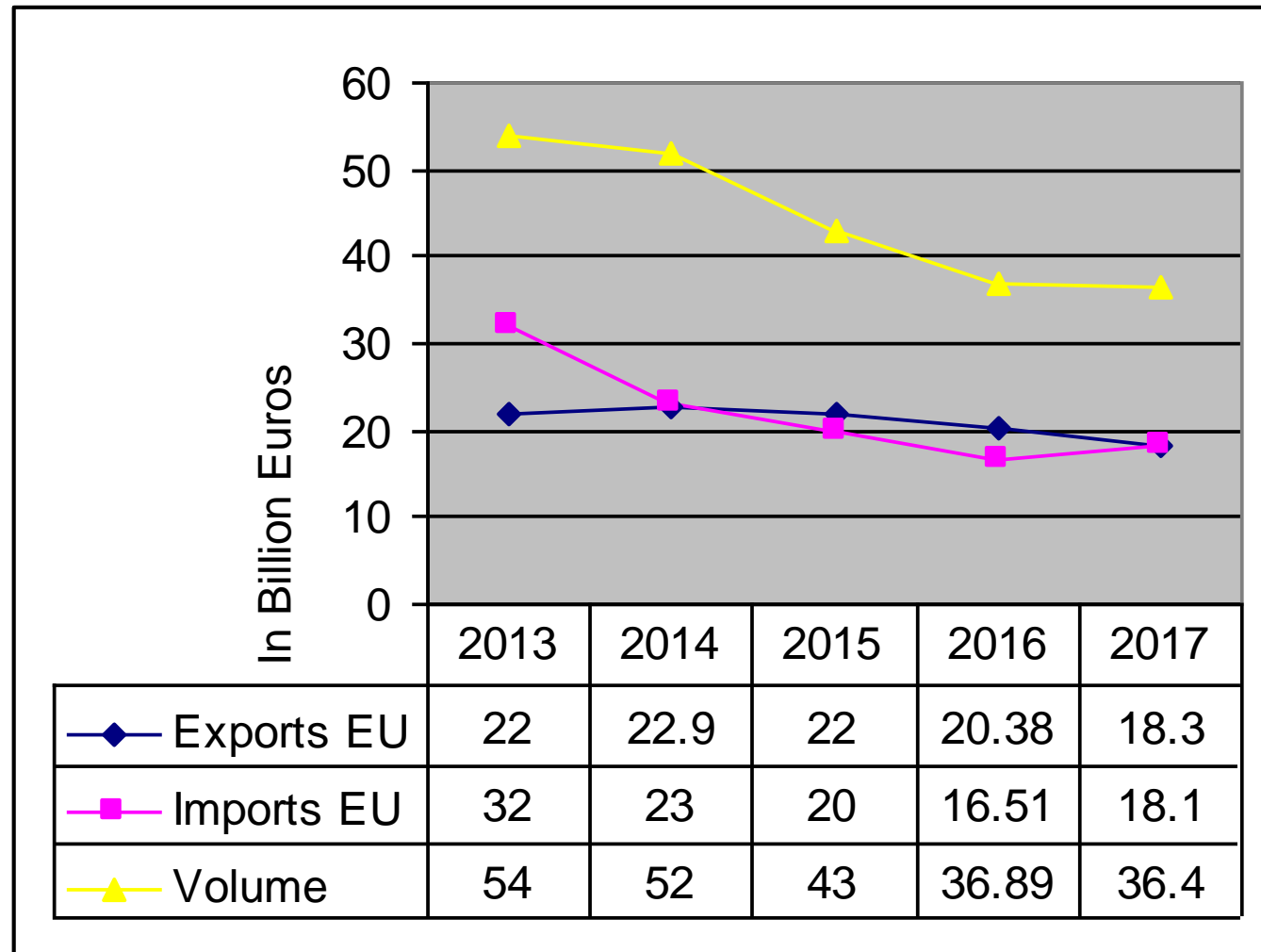
Economy

- Algeria's economy remains dominated by the state, a legacy of the country's post-independence development model.
 - In recent years the Algerian Government has halted the privatization of state-owned industries started the last decade and imposed restrictions on imports and foreign involvement in its economy.
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Economic Challenges

- **Long-term economic challenges include diversifying the economy away from its reliance on hydrocarbon exports, bolstering the private sector, attracting foreign investment, and providing adequate jobs for younger Algerians.**
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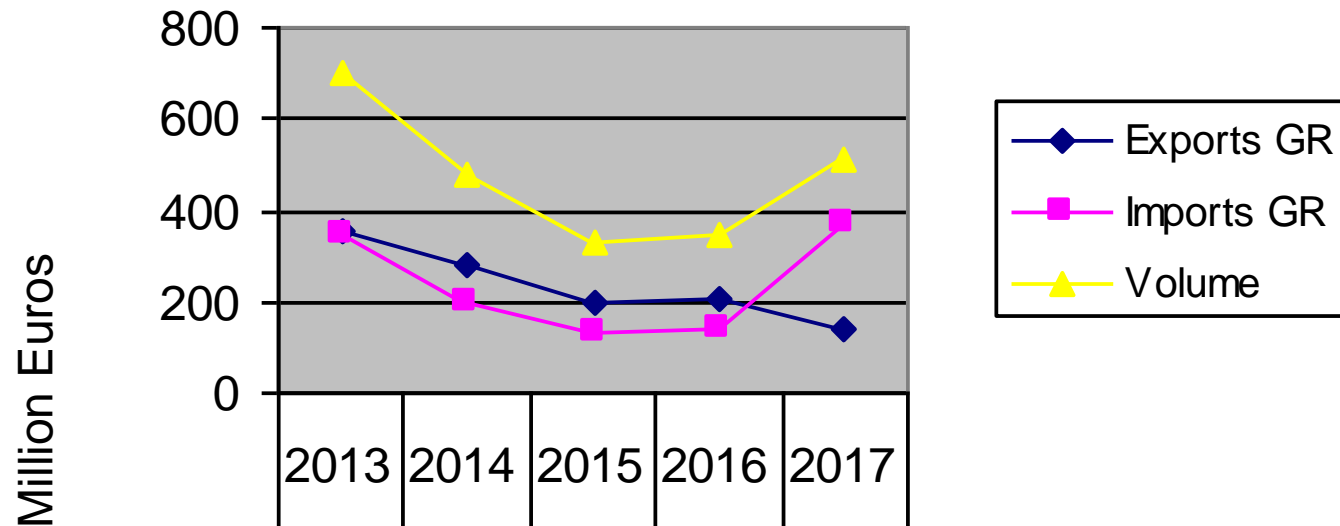
EU Algeria Trade



EU Algeria Trade(2)

- **Fuel and mining products made up 94% of EU imports from Algeria in 2016. Chemicals represented the second most important exported product, worth 3.6% of Algeria's exports to the EU.**
- **The EU's main exports to Algeria are machinery (21.5%), transport equipment (11.6%), agricultural products (14.3%), chemicals (14.9%) and iron and steel (8.4%).**

Greece Algeria Trade



Exports GR	352	283	196	203	139
Imports GR	348	198	132	143	369
Volume	700	481	328	346	508

Greece Algeria Trade (2)

- **Main products Greece imports from Algeria are hydrocarbons, paper, machinery, phosphate salt.**
 - **Main products Algeria imports from Greece are marble, machinery, iron bars, copper tubes.**
 - **Statistical data covering the period 2013-2017 show that the bilateral trade flows are dominated by non consumer goods and mostly by oil, gas and oil products**
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Best markets

- **Hydrocarbons, Oil and Gas:** Algeria is one of the world's top ten producers of both oil and natural gas. Existing upstream and midstream infrastructure is aging and inadequate to meet Algeria's near-term production goals.
 - **Information and Communications Technology:** Algerians are increasingly tech-savvy and interested in technology and know-how transfer in the Information and Communications Technology (ICT) sector.
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Best Markets (cont.)

- **Public Works, Infrastructure Development and Water Resources** : The government has simultaneously focused on roadways, rail systems, airport upgrades, public housing, hospital construction, water treatment, transportation, and electrification as part of a USD 286 billion infrastructure development program covering the period 2015 -2019.
 - **Healthcare**: Despite the ban on importation of pharmaceuticals that can be produced domestically, the healthcare sector continues to be a relatively attractive market. Demand for medical equipment and disposals is considerable and depends largely on imported goods.
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Opportunities

- **Given the time and resources necessary to successfully develop this market, Algeria is a challenging export market for small to medium-sized enterprises**
 - **Greek exporters can find substantial opportunities in Algeria if they have patience and effective Algerian agents or distributors to help translate these opportunities into sales.**
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TRADE BARRIERS 1

- **Generalised limitations on foreign ownership: minimum Algerian shareholding of 51 % for all sectors.**
 - **Any foreign investment exceeding 5 billion DZD must be approved by the National Investment Council.**
 - **Foreign investors must maintain a positive foreign-currency account for the whole duration of the investment restrictions to the transfer of benefits generated through foreign investment.**
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TRADE BARRIERS 2

- **In addition to the documents foreseen in the EU Algeria Association Agreement, the Algerian authorities request a "franchise" document from the exporters from EU countries in order to grant them the preferential market access (import rate) put in place by the Agreement and avoid payment of 15% custom duties.**
- **The issuance of the franchise takes additional 7 to 10 days leading to an increase of the logistic cost related to the export operation**

TRADE BARRIERS 3

- **Certificate of free marketing** in the country of origin and / or provenance of products exported to **Algeria** from 1.1.18
 - **Goods** subject to **import restrictions** According to the Official Journal No.1. dated 7 January 2018, this legislation notes that the **import** of **851** products "is temporarily suspended until the balance of payments is stabilized again."
 - **Tariff measures** were also introduced for 32 finished product groups affecting exports from EU.
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