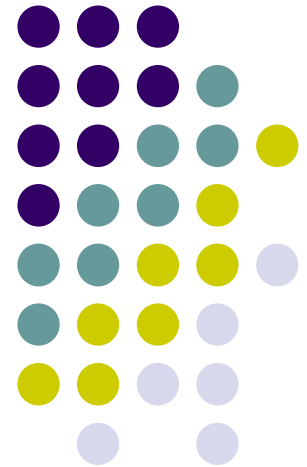


ALGERIA

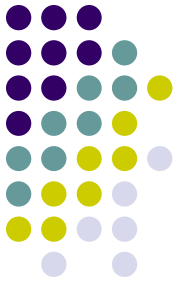
Economic Overview 2018

Office for Economic and Commercial
Affairs

Embassy of Greece Algiers



Economic activity





Economic Data (1)

- **Population:** 41 million
- **GDP (PPP):** 188.34 billion USD
- **GDP Growth:** 1.5%
- **GDP per capita :** 15,200 USD
- **Unemployment:** 11.7% World Bank 11.6 % IMF
- **Inflation :** 6.5% World Bank
- **Algerian Dinar Exchange Rate :** 1Euro 141 DA
- **GDP - real growth rate:**
 - 2.5 % (2018 est.)
 - 1.5% (2017)
 - 3.3% (2016)
- **GDP - per capita:**
 - USD15,200 (2018 est.) USD15,200 (2017)
- country comparison to the world: 110



Economic Data (2)

- GDP - composition, by sector of origin:
agriculture: 13%
industry: 37%
services: 51% (2018 est.)
- **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% (2018)
- **Industrial production growth rate :** 0.9% (2017)



Economic Data (3)

- Population below poverty line: 23% (2006)
- Labor force : 11.82 million (2017)
- Labor force - by occupation:
- **agriculture:** 30.1%
- **industry:** 20.2%
- **services:** 48.4% (2017)
- Unemployment rate : 11.7% (2018 est.)
11.7% (2017)

- Unemployment, youth ages 15-24 **total:** 25.2%
- Budget revenues: 52.08 billion USD (2017)
- Budget expenditures: 70.74 billion USD (2017)
- Public Debt : 10.92% of GDP (2018) 16.5% of GDP (2017)
- Budget surplus (+) or deficit (-) : -10.6% of GDP (2017)
- Commercial Bank Prime Lend Rate : 8 % (2018)
- Current Account Balance : -16.90 billion USD (2018)
-22.87 billion USD (2017)

Economic Data (4)



- **Exports** 33.01 billion USD (2018) – commodities petroleum, natural gas and petroleum products 97% (2018)
- **Exports** – partners Italy 16%, Spain 11.7%, US 9.9%, France 12.6%, Brazil 6%, Turkey 4.6%, Canada 4.2% (2017)
- **Imports** 36,91 billion USD (2018)– commodities capital goods, foodstuffs, consumer goodsImports (2018)
- **Imports** – partners China 18%, France 9.1%, Italy 8.4%, Spain 6.8%, Germany 6.0%, US 4%, Turkey 3.9% (2017)
- **Agriculture - products:**
wheat, barley, oats, grapes, olives, citrus, fruits; sheep, cattle
- **Industries products:**
petroleum, natural gas, light industries, mining, electrical, petrochemical, food processing

Economic Challenges

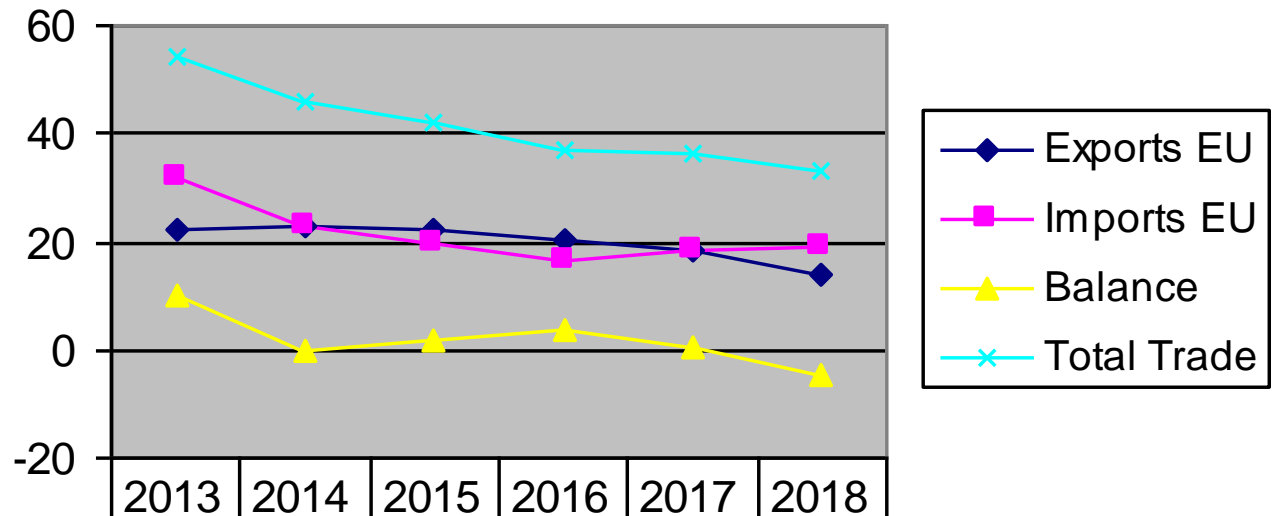


- **Algeria is trying to focus on technical adjustments and economic reforms and include a wider range of business actors in its consultations on economic policy**
- **Long-term economic challenges include diversifying the economy away from its reliance on hydrocarbon exports, bolstering the private sector, attracting foreign investment, and providing adequate jobs for younger Algerians.**

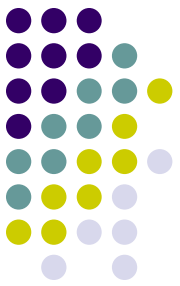
EU Algeria Trade



In Billion Euros



Exports EU	22	22.9	22	20.38	18.3	14.1
Imports EU	32	23	20	16.51	18.1	19
Balance	10	0.1	2	3.87	0.2	-4.9
Total Trade	54	45.9	42	36.89	36.4	33.1

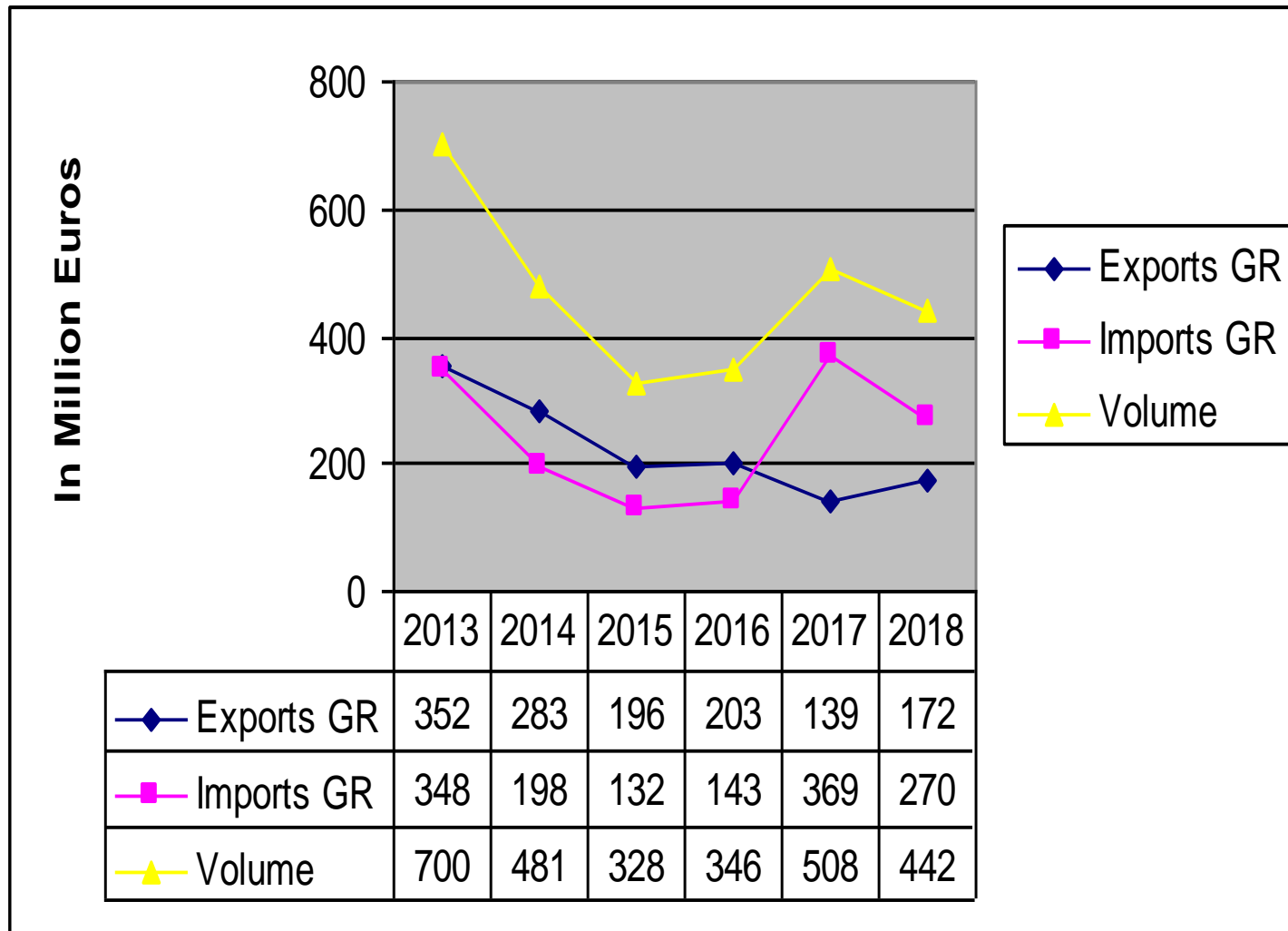


EU Algeria Trade(2)

- **Fuel and mining products made up 95% of EU imports from Algeria in 2018. Chemicals represented the second most important exported product, worth around 4% of Algeria's exports to the EU.**
- **The EU's main exports to Algeria are machinery (22%), transport equipment (11.5%), agricultural products (14.1%), chemicals (15%) and iron and steel (8.5%).**



Greece Algeria Trade





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 2013-2018 show that the bilateral trade flows are dominated by non consumer goods and mostly by oil, gas and oil products**

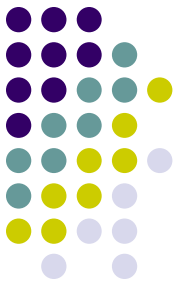


FOREIGN TRADE REGULATIONS

- **Certificate of free marketing** in the country of origin and / or provenance of products exported to **Algeria** from 1.1.18
- **Tariff measures introduced in the beginning of 2019 replaced the Temporary Ban List of 2018 with direct bans on 877 finished product groups**
- **Tariff measures under the general name DAPS (Droit Additionnel Provisoire de Sauvegarde) will protect local production without obstaculating Algeria's foreign trade relations**

INVESTMENT I

Reasons to invest in Algeria



- **Economic stability**
- **Functional and modern infrastructure in conformity with international standards**
- **A qualified, young and competitive labour force**
- **Competitive production factors costs**

INVESTMENT II

Priority Sectors

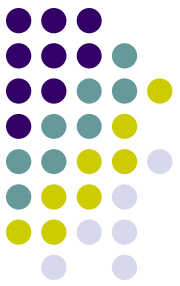


- **Industry:**
metalworking, hydraulic binders, electrical and household appliances, industrial chemistry, mechanics and automotive, pharmaceutical production, aerospace, construction and ship repair, advanced technology, food processing, textiles and clothing, leather and timber products, wood and furniture industry and mines
- **Agriculture:**
focuses mainly on the permanent support of food security and the rural areas development.
- **Tourism:**
 - Raising the value of Algeria Destination;
 - Implementation of a Tourism Quality Plan (PQT)
 - Development and qualification of the offer by investing in tourist centers and villages of excellence;
 - Public-Private Partnership to strengthen the Tourism Channel;



Priority Sectors (cont.)

- **Renewable Energies and Energy Efficiency:** For the installation of a capacity of 22000MW by 2030, of which 4500 MW by 2019. This program concerns solar, thermal, biomass and wind.
- **Communication Technologies:** concerning the development of the digital economy, technology parks, the introduction of e-money and e-services, data and data base security, etc.



Best markets I

- **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.



Best Markets II

- **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
- **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.

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.