

Lesson 06: Algeria Trade Policies

Algeria has ratified several bilateral trade agreements with other countries, but no bilateral free trade agreement exists between the United States and Algeria. In 2001, the United States and Algeria signed a Trade and Investment Framework Agreement (TIFA) that created a platform for discussing trade and investment issues. Algeria ratified an E.U. association agreement in September 2005 and began active membership in the Arab Free Trade Zone in 2009. Algeria ratified the African Continent Free Trade Area treaty in 2019. Algeria is not a member of the WTO.

Also, Algeria has worked, on all occasions, to assert its positions for the settlement of the crises known in the Arab Organization, appealing to give priority to peaceful approaches, reject foreign interference, internationalize the crises and to adopt an internal dialogue between the parties in conflict, in order to achieve political settlements that preserve the unity and stability of these countries.

EU-Algeria Trade Relations:

- The **EU-Algeria Association Agreement**, signed in April 2002 and effective since September 2005, forms the framework for the EU-Algeria relationship across various areas, including trade.
- This agreement aims to establish an EU-Algeria free trade area, with reciprocal liberalization of trade in goods. While most tariffs have been eliminated, a few remain that Algeria is yet to eliminate.
- Algeria is the EU's **19th biggest trade partner**, accounting for 1% of the EU's total trade in goods in 2022.
- In 2022, total trade in goods between the EU and Algeria amounted to €55.8 billion. The EU's imports from Algeria were €41.9 billion, primarily consisting of mineral products. **Exports from the EU to Algeria were €13.9 billion, with machinery, appliances, chemicals, and vegetables being the dominant categories¹.**

African Continental Free Trade Area (AfCFTA):

- Algeria's trade, industrial, and investment policies are reviewed in the context of the AfCFTA. Various bilateral and plurilateral agreements that Algeria is party to are also considered².

Trade Regime and Performance:

- Algeria has a more restrictive trade regime compared to its regional and income group comparators, although it has become less restrictive since the early 2000s³.
- Bilateral trade between Algeria and the EU primarily revolves around Algerian exports of oil and gas products. Algeria is the EU's third-largest supplier of natural gas, following Russia and Norway. Since Russia's invasion of Ukraine, gas imports from Russia to the EU have decreased, leading to increased imports of liquefied natural gas (LNG) from Algeria and other sources

Algeria's exports:

Certainly! Algeria's main exports include the following:

1. Petroleum and Natural Gas:

- Algeria is a significant exporter of petroleum and natural gas. It ranks among the top exporters globally in terms of natural gas exports. These resources play a crucial role in Algeria's economy.

2. Mineral Products:

- Algeria exports various mineral products, including iron ore, phosphates, and other minerals. These contribute to its trade balance.

3. Chemicals and Petrochemicals:

- Chemical products, such as ammonia, urea, and other petrochemical derivatives, are also important exports for Algeria.

4. Agricultural Products:

- Algeria exports agricultural goods like dates, citrus fruits, and wine. These products contribute to its overall trade volume.

5. Textiles and Clothing:

- Textile and clothing exports are part of Algeria's trade portfolio. These include garments, fabrics, and related items.

6. Electrical Machinery and Equipment:

- Algeria exports electrical machinery, appliances, and equipment. These products are essential for trade with other countries.

Algeria's imports

Algeria's imports primarily consist of the following categories:

1. Capital Goods:

- Capital goods refer to machinery, equipment, and tools used in production processes. These imports are essential for industrial development and infrastructure projects.

2. Foodstuffs:

- Algeria imports food products to meet domestic demand. This includes items like wheat, corn, and concentrated milk.

3. Consumer Goods:

- Consumer goods include items purchased by individuals for personal use. These imports cover a wide range, from clothing and electronics to household products.

Main Import Partners: Algeria's key import partners are as follows:

- **France:** France is a significant trading partner for Algeria, supplying various goods and services.
- **China:** China's exports to Algeria include machinery, electronics, and other products.
- **Italy:** Italy contributes to Algeria's imports, particularly in areas like machinery and food.
- **Spain:** Spain is involved in trade with Algeria, including imports of goods like food and consumer products.
- **Germany:** [Germany also plays a role in Algeria's imports, providing machinery and industrial equipment¹](#)

Comprehension:

1. Explain the underlined words in the text.
2. Check the following acronyms: TIFA, WTO, E.U
3. Write these numbers in letters: €55.8 billion, 2022, %

4. Why doesn't Algeria make part of the WTO?
5. Why there isn't a free trade agreement between Algeria and the U.S?

References:

<https://www.trade.gov/country-commercial-guides/algeria-trade-agreements>

<https://www.privacyshield.gov/ps/article?id=Algeria-Trade-Agreements>

<https://www.youtube.com/watch?v=Kg5GThhGMiM>

<https://www.state.gov/reports/2023-investment-climate-statements/algeria>