

**EMBASSY OF INDIA  
ALGIERS**

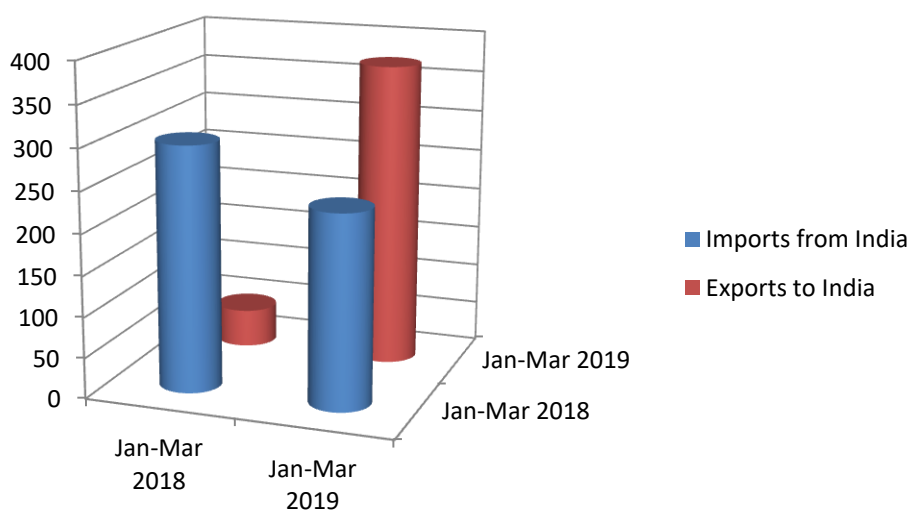
**Economic and Commercial Report for the Month of May, 2019**

1. Name of the Country: Algeria
2. Trade with India: Total trade between India and Algeria during the first trimester of 2019 is US\$ 608 million.

*Value in US\$ Million*

| <b>Bilateral Trade Figures*</b> | <b>Jan-Mar 2018</b> | <b>Jan-Mar 2019</b> | <b>Growth %</b> |
|---------------------------------|---------------------|---------------------|-----------------|
| <i>Imports from India</i>       | 300                 | 237                 | -21             |
| <i>Exports to India</i>         | 47                  | 371                 | 689.36          |
| <b>Total</b>                    | <b>347</b>          | <b>608</b>          | <b>75.21</b>    |
| <b>Trade balance for India</b>  | <b>253</b>          | <b>134</b>          |                 |

*\*Figures given by the National Center for Information and Statistics, CNIS*



### **3. Trade Promotional Activities organized in Algeria and activities planned in the next six months:**

Trade promotional activities such as India tourism promotion, organization of B2B meetings, Seminars etc in collaboration with Export Promotion Councils of India, will be organized during the year.

- Preparation of Cds and DVSs on trade exhibitions in India
- A magazine 'India Surging Ahead 2019' will be translated in French and distributed to various chambers of Commerce of Algeria.

### **4. Trade and Commercial delegation from India to Algeria during the month of May: NIL**

### **5. Important International Trade Fairs/Exhibitions in Algeria in 2019 :**

| <b>Event</b>  | <b>Period</b>   | <b>Venue</b>                |
|---|-----------------|-----------------------------|
| 52 <sup>nd</sup> Algiers International Trade Fair             | 18-23 June      | SAFEX, Algiers              |
| MAGHREB Health  | 25-27 September | SAFEX, Algiers              |
| MAGHREB Lab   | 25-27 September | SAFEX, Algiers              |
| Algiers Industries  | 7-10 October    | SAFEX, Algiers              |
| Era, International Environment, Renewable Energies Exhibition | 21-23 October   | Center of Conventions, Oran |
| SITP - 16 <sup>th</sup> International Public Works Exhibition | 19-23 November  | SAFEX, Algiers              |

**Please visit the following website for more details on the above events:**

[http://www.safex.dz/index.php?option=com\\_k2&view=itemlist&layout=category&task=category&id=78&Itemid=789&lang=fr](http://www.safex.dz/index.php?option=com_k2&view=itemlist&layout=category&task=category&id=78&Itemid=789&lang=fr)

### **6. Trade, economic and Investment activities in Algeria :**

**Bilateral:** NIL

**Other countries:**

**USA:**

The American group KBR signed an engineering contract with the two Algerian partners Sonatrach and Cepsa for the reorganisation of Rhoude el Khrouf (RKF) field, southwest of the province of Hassi Messaoud. The contract is about the supply of basic engineering and detailed design engineering.

**Italy:**

The Algerian hydrocarbon company Sonatrach and the Italian company ENI signed two contracts in Algiers regarding renewal of natural gas sales/purchase long term contract for the Italian market and on the new conditions for the continuation of the transportation system operation partnership.

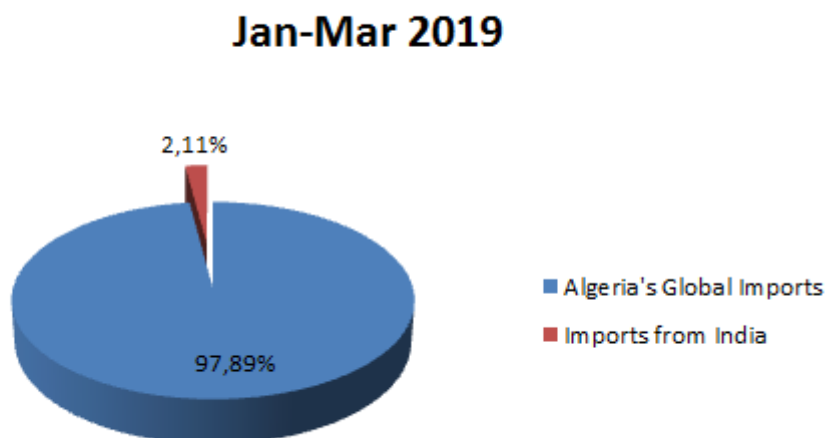
## 7. Analysis of export performance of competing countries during January to March 2019:

- Exports from India to Algeria decreased by 21% during the first trimester of 2019.
- India ranked at 10<sup>th</sup> position in terms of imports by Algeria during the first trimester 2019, as during the same period in 2018.
- The main exporters to Algeria are still China and EU countries as shown in the following table.

| Country                             | Value in US\$ million |               |
|-------------------------------------|-----------------------|---------------|
|                                     | Value                 | Growth %      |
| China                               | 2 257                 | 29.09         |
| France                              | 1 056                 | -6.12         |
| Germany                             | 859                   | 13.80         |
| Italy                               | 829                   | -12.35        |
| Spain                               | 794                   | -8.78         |
| Turkey                              | 626                   | 14.14         |
| Argentina                           | 467                   | -25           |
| Brazil                              | 305                   | 3.51          |
| USA                                 | 274                   | -29.64        |
| <b>India</b>                        | <b>236</b>            | <b>-21.39</b> |
| South Korea                         | 219                   | -34.71        |
| Russia                              | 204                   | -20.15        |
| Romania                             | 155                   | 5             |
| Ukraine                             | 154                   | 4.61          |
| Poland                              | 150                   | 51.67         |
| Other countries                     | 2 567 75              |               |
| <b>Total Imports (Jan-Mar 2019)</b> | <b>11 156</b>         |               |

## 8. Global Exports and Imports of Algeria and India's share during January to March 2019:

| Period       | Value in million US\$    |                  |                 |                          |                    |                 |
|--------------|--------------------------|------------------|-----------------|--------------------------|--------------------|-----------------|
|              | Algeria's Global Exports | Exports to India | %age of Exports | Algeria's Global Imports | Imports from India | %age of Imports |
| Jan-Mar 2019 | 9 781                    | 391              | 3.99            | 11 156                   | 236                | 2.11            |



### Top 10 products which were exported from India to Algeria from January to March 2019:

| COMMODITY  | VALUE IN US\$ MILLION |
|--|-----------------------|
|  | JAN-MAR 2019          |
| Spare parts (ckd) meant for the assembly industries other than for passengers vehicles | 21                    |
| Chickpeas  | 11                    |
| Frozen boneless bovine meat  | 7                     |
| Antibiotics  | 7                     |
| Pneumatics for tractors  | 6                     |
| Other frozen bovine meat   | 5                     |
| Semi whitened rice   | 5                     |
| Machineries parts  | 5                     |
| Granites (blocks)  | 4                     |
| Cotton yarn  | 3                     |

### 9. Market prospects in respect of major items of Indian exports :

India's exports to Algeria reached the value of US\$ 237 million from January to March 2019. Algeria still imports big quantities of wheat, soybean, flour, edible oil, CKD/SKD parts, heavy machineries, textiles, pharmaceuticals, agricultural machineries and other engineering products. Most of items (except peanuts and packaging bags) are not going to be affected by additional taxes varying from 30 to 120 % imposed on 992 items imported by Algeria.

### 10. Trade enquiries from India and Algeria :

The Commercial Section replied to **47 enquiries from India** and **2 from Algeria** during the month of **May** for various products: mainly engineering items, pharmaceuticals, medical equipment, handicrafts, food products, construction materials, IT equipment, and cars spare parts, etc. Algerian businessmen also visited the Embassy for various business and trade information.

### 11. Trade complaints received during the month of May: NIL

**India's investments in Algeria:** Vijai Electricals has invested in Algeria the amount of US\$ 56 million for the manufacture of power transformers up to 300 MVA, 400 Kv.

The Indian group Mahindra Mahindra Ltd has invested in Algeria to create a joint venture for the assembly of agricultural tractors. The Indian partner will hold a minority stake while LD Azouaou will retain a majority stake. The value of this investment is not known.

M/s SARL Sodivem and M/s Mahindra & Mahindra Ltd., a subsidiary of the Mahindra Group, have set up a joint venture for the assembly of Mahindra vehicles in Algeria, with a joint investment of US\$ 40 million. The future plant will be installed in the town of Ksra El Boukhari

in the province of Medea, where initially 4 variants of its Scorpio pickups and Mini-Truck with single cab, 2 wheel drive and 4 wheel drive, in diesel engine will be assembled.

**12. Status of ongoing major investments by Indian PSUs/Pvt Sector in Algeria:** There are no major investments by PSUs. However, the old investments made by the private companies continue.

**13. Analysis of investment opportunities in Algeria :**

Algeria offers opportunities for investment, as it is a lucrative market. Several sectors offer these opportunities with long term growth for foreign companies. The most important segments and targeted sectors are agriculture, tourism, information technologies and communication, industry, energy (fossil and renewable), construction and health.

Industrial activities such as the manufacture of vehicle components will be the next phase of the assembly industry in Algeria, which is being developed. The automotive sector is one of the sectors on which the policy of diversification of the national economy is focused on. The industry is expected to play an important role under this new economic vision which relies, inter alia, on foreign partnership subject to existing law of 49 % imposed in 2009.

**14. Status of trade and investment related issues taken up by the mission with the Government of Algeria:**

The mission sent reminders to the Algerian authorities regarding trade disputes.

The mission sent information regarding fairs, exhibitions, BSM to be held in India.

The mission sent requests for meetings with concerned departments/organisations, for Indian companies visiting Algeria.

**15. Details and result of meetings and interactions of the Mission with Trade Industry and Economic Ministries/Department/Agencies in Algeria:** NIL

**16. Important policy changes by the Government of Algeria with respect to trade, investment, aid/credit facilities:** NIL

**17. Position of Algeria on WTO related issues and issues with respect to other important multilateral fora:**

Algeria is still negotiating for its accession to WTO.

**18. Major international tenders issued:** No major tender was sent during the month of May.

**19. Aid/assistance received by Algeria from other countries/international agencies, funding organizations:** NIL

**20. Commercial and Economic report of Algeria:** The reports are sent on regular basis.

**21. Pending references from the Mission:**

Pending enquiries from India during the month of May: 0

Pending enquiries from Algeria during the month of May: 0

## **22. Any other relevant inputs:**

### **Increase of import bill of CKD-SKD kits :**

Algeria imported US\$ 920.86 million worth of kits (CKD-SKD) for automobile assembly during the first quarter of 2019, compared with US\$ 758.47 million in the same period of 2018, it increased by 21.41%.

Thus, the amount of SKD collections used in the assembly of light vehicles reached US\$ 694.23 million in the first quarter of 2019, compared with US\$ 652.66 million in the same period of 2018, an increase of nearly 41.6 million dollars (+ 6.37%).

Imports of SKD collections for the assembly of passenger and freight vehicles increased by more than 100%, reaching US\$ 226.63 million in the first three months of the year against US\$ 105.81 million in the same comparative period, an increase of US\$ 120.82 million (114.2%).

### **Commercial Section**

#### **E/I Algiers**