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Communication from Algeria

Memorandum on Algeria's Foreign Trade Regime: Updated Version

Addendum

As indicated in document WT/ACC/DZA/14, the Permanent Mission of the Republic of Algeria has submitted to the Secretariat an updated version of the Memorandum on Algeria's Foreign Trade Regime.

Members are invited to communicate to the Secretariat any questions that they may wish to put concerning the matters dealt with in the updated Memorandum, for transmission to the authorities of Algeria.

FOREWORD

This Memorandum provides an update of the report drawn up and submitted by Algeria to the WTO Secretariat in April 1996.

It contains official data and figures covering the period 1996-2000, which supplement those already provided for the years 1990-1995.

The document reflects the situation at the end of 2000, highlighting the changes brought about in the institutional, economic and social spheres by efforts to pursue and accelerate the pace of reforms undertaken by Algeria in the early 1990s.

In this connection, the most notable improvements over the period 1996-2000 have been the stabilization of the macroeconomic framework and the restoration of the country's financial equilibrium as a result of the implementation, in 1994, of the structural adjustment programme negotiated with the IMF, in cooperation with the World Bank.

On the other hand, the social tensions and pressures generated by the discontinuation of the State subsidy system, the decline in the purchasing power of households and job mismatch are still present.

Despite far-reaching economic liberalization, the State's withdrawal from the management of production and distribution of goods and services has not been completed, and economic operators have not yet taken over effectively in terms of creating wealth and employment.

The reform process has been speeded up since 1994-1995 and has led to:

- An effective demonopolization of foreign and domestic trade and the development of competition;
- the establishment of a legal framework for the privatization of State-owned enterprises and acceptance by the economic and social partners of the ensuing changes in their roles in the economy;
- efforts to encourage further privatization of the economy and all forms of partnership;
- preparatory steps for the implementation of economic recovery programmes targeted at sustainable development, which encompasses all aspects of social and economic life, including the environment and regional planning.

Multilateral cooperation programmes have been finalized with a view to gradually upgrading the Algerian production base and thus enabling it to adjust more effectively to external shocks and international competition. The opening up of major spheres of activity (mining; telecommunications; banking; land, maritime and air transport; industrial partnership; and soon the hydrocarbon sector) to the domestic and foreign private sectors bear witness to Algeria's determination to become more fully integrated in the global economy.

The Algerian economy has thus undergone a radical systemic transformation over a short period of time.

ALGERIA IN FIGURESALGERIA: The Democratic and Popular Republic of AlgeriaCapital: Algiers (3 million inhabitants)

| | |
|---|---|
| Administrative divisions | 48 wilayas, 160 dairas, 1,541 communes |
| National holiday | 5 July |
| Political regime | Presidential, multi-party democracy |
| Leader | President: Abdelaziz BOUTEFLIKA |
| Main political parties | FLN, RND, MSP, FFS, NAHDA, RCD, PT |
| Main institutions | High Security Council |
| | National Council |
| | National People's Assembly |
| | Constitutional Council |
| | Islamic Supreme Council |
| Religion | Islam |
| Languages | Arabic (official), French |
| Main cities | Algiers, Oran, Constantine, Annaba |
| Currency | Algerian dinar (DA) |
| | 1US\$ = 76 DA (2001 average) |
| Local time | GMT + 1 |
| Total area | 2,381,741 km ² , of which the Sahara occupies 84%, the steppe 8.5% and the coastal fringe (mountains and plains) 7.5% |
| Boundaries | Mediterranean Sea to the north (1,200 km of coastline), Morocco to the west, Tunisia to the east, Libya to the south-east, Mauritania and Western Sahara to the south-west, and Mali and Niger to the south |
| Climate | Mediterranean |
| Natural resources | Natural gas, petroleum, zinc, phosphate, iron ore, gold, uranium, tungsten, kaolin |
| Population | 30.2 million (in 2000), with a growth rate of 1.4%, a gross birth rate of 2%, a mortality rate of 0.6%, and an infant mortality rate of 5.6% |
| Age structure | 0-19 years: 50.2%; 20-64 years: 45.9%; 65 years and over: 3.9% |
| Demographic structure | 63% of the population is under 25 years of age |
| Gross marriage rate | 5.38% |
| Working population | 8,154,000 |
| Life expectancy | Men: 67.5 years – Women: 68.2 years |
| School enrolment ratio | 89.85% in 2000 |
| Unemployment rate | 29.75% in 2000 |
| GDP | DA4,011 billion in 2000 |
| Non-hydrocarbon industrial production growth rate | + 1.4% in 2000 |
| Per capita GDP | US\$1,480 in 2000 |
| Inflation rate | 0.3 % in 2000 |
| Foreign debt | US\$25.2 billion (end 2000) |
| Net domestic assets | DA1,298 billion (end 2000) |
| Exports | US\$21.65 billion in 2000 |
| Imports | US\$9.35 billion in 2000 |

ALGERIA: MAP



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I. INTRODUCTION

Since regaining its political independence in 1962, Algeria has, it is true, remained formally outside the multilateral framework of the GATT and the new WTO. However, it has always maintained the tradition of an economy broadly open to international trade.

This tradition of openness in the field of trade is clearly apparent, first of all, in the very large contribution which foreign trade has always made to the gross domestic product: in recent years this share has regularly fluctuated between 60 and 66 per cent, after reaching almost 80 per cent in the 1970s.

It is also apparent in the quality and strength of the trade relations which Algeria, as both importer and exporter, has always maintained with most of the countries forming part of the international community.

In applying for accession to the World Trade Organization, Algeria is endeavouring, first and foremost, to perpetuate and confirm this policy of openness to world trade. At the same time, it is also anxious to make its modest contribution to the strengthening of the new organization and the consolidation of the multilateral trading system.

Specifically, the trade policy which Algeria intends to pursue has three key objectives:

- Firstly, there is the general objective of trade diversification, which involves casting off the restrictive role of being almost exclusively an exporter of mineral products. Although exports of valuable energy resources, such as oil, gas, and oil and gas products, will undoubtedly remain a vital segment of Algeria's foreign trade for the next 20 or 30 years, it also seems increasingly important to take advantage of the acknowledged strength of this underpinning economic activity to build additional bridges rather than to restrict trade to a single narrow international specialization. Thus, it is firmly believed that the first aim should be to seek foreign trade liberalization as a precondition of the medium- and long-term diversification of exports and hence production.
- The second objective is to raise the general level of competitiveness of the industrial sector in order, in particular, to prepare it to face ever-increasing competition from foreign products, on both the domestic and external markets. The economic adjustment programmes undertaken in this connection, in close collaboration with the IMF and the World Bank, have already done much to clear the path. In particular, these programmes have focused on the removal of all non-tariff barriers to trade, accompanied by a reduction in the overall tariff level. This policy will be continued with the progressive reductions in tariff protection being correlated with the improvements in the performance of the domestic manufacturers.
- The third objective is to establish control over imports of agricultural and food products intended for home consumption. These imports, which have developed amid a general context of domestic farming inefficiency and have been encouraged by an open trade policy, reached a total of US\$2.5 billion in 2000. Thus, a fundamental concern of the country's trade policy remains the increasingly heavy demand for food imports and unfavourable fluctuations in food prices on the world market.

In short, Algeria considers that the framework for multilateral negotiations afforded by the WTO would assist and generally facilitate the achievement of its foreign trade and development objectives.

Algeria is convinced that its accession to the WTO will enable it to participate more effectively in the general growth of world trade as a means for countries to create and accumulate wealth and as a key instrument in the struggle against global poverty.

II. ECONOMY, ECONOMIC POLICIES AND FOREIGN TRADE

1. Economy

(a) General description

Situated in North-West Africa, Algeria, with its 2,383,741 km², is one of the biggest countries on the African Continent (second largest). Bounded on the north by the Mediterranean, it has a coastline 1,200 kms long and thus occupies more than half of the western part of the Mediterranean's southern shore. It shares frontiers with Morocco and the Saharawi Arab Democratic Republic (SADR) to the west, Mauritania, Mali and Niger to the south, and Libya and Tunisia to the east. The desert zones to the south of the Saharan Atlas mountains occupy five sixths of the national territory and are rich in minerals, oil and gas.

The capital of Algeria is Algiers. Situated in the middle of the country, Algiers is both an administrative and an economic centre.

Algeria is a unitary State. For administrative purposes, the national territory is subdivided into 48 wilayas (provinces) and 1,541 communes.

These local authorities are financially independent legal entities. The law grants them extensive powers to manage their administrative affairs and promote local economic development.

Since the country achieved political independence in 1962, the population of Algeria has grown extremely rapidly. Estimated at 10.2 million in 1962, by the year 2000 it had reached over 30 million.

The average annual rate of growth, which was more than 3 per cent between 1962 and 1987, has since fallen appreciably, having been estimated at 1.4 per cent over the period 1997-2000.

This high rate of population growth is creating a very strong social demand for medical care, education, housing, etc. In particular, it is producing a steady stream of new job-seekers, evaluated at 250,000 per year. Over the past four years, the working population has increased at the same rate as that of the economy.

Economically, Algeria has great potential in terms of agricultural production, industrial capacity and oil and mineral wealth. These resources are making Algeria an important economic partner in North Africa and the Mediterranean Basin:

- The country remains predominantly agricultural, despite the natural constraints imposed on agriculture by the narrowness of the area suitable for farming (3 per cent of the total area of the country) and by the vagaries of the climate and rainfall.
- In addition to producing oil and minerals, Algeria has a rich subsoil with a potential which has not yet been fully explored. The discovery of oil in the 1950s opened the way for the large-scale development of a sector which has made a powerful contribution to the transformation and expansion of the Algerian economy. However, it is the country's proven gas reserves which are relatively most abundant. Thanks to an ambitious research programme, run with the support of foreign firms, Algeria's proven reserves have been substantially increased over the past few years. Overall, the hydrocarbon sector is by far the most influential branch of the Algerian economy. For a

long time it has regularly contributed between 20 and 30 per cent of GDP and accounts for more than 95 per cent of exports and from 40 to 45 per cent, on average, of State revenue.

- The country has considerable and diversified capacity in the field of heavy industry (iron and steel, petrochemicals, mechanical engineering, metallurgy, etc.) and in the processing industries. Despite the known weaknesses of the industrial sector, the prospects for its restructuring make it a future strategic sector of the Algerian economy, considering the extent of the reserves of productivity available.

Apart from these vital sectors of the economy, Algeria has a considerable potential for tourism, based on such assets as a rich historical heritage, tourist centres with varied and highly distinctive climatic and geographical characteristics, and a solid tourism infrastructure.

(b) Current economic situation

The overreliance on the oil and gas sectors for financing foreign trade and the State budget and the resulting fragility of the Algerian economy as whole became clearly apparent in 1986 with the abrupt fall in prices on the international oil market.

Over the next few years, by analysing the ensuing difficulties for the Algerian economy and Algerian society, the economic authorities gradually came to the conclusion that the organization and management of the economy needed to be radically transformed. The transition from an overcentralized economy in which initiative was stifled by heavy-handed administration to an economy based on the free play of market forces and competition, open to trade and comprehensively integrated into the world market, thus became a strategic objective, enshrined in the country's Basic Law.

A structural adjustment programme has been under way since 1994. It began slowly but was subsequently speeded up and received substantial support from the international financial institutions (IMF and IBRD) and other multilateral institutions, the European Union and industrialized countries. Its objectives include liberalizing the economy, reducing the sensitivity of the macroeconomic balances to external stresses, improving the performance of the Algerian productive sector and managing social constraints on a basis of solidarity and fairness. Indeed, there have been strong fluctuations in the economic growth rate, which reached a figure as high as 5.8 per cent in 1998.

The changes brought about by this programme, in a context of tighter external financial constraints up to the end of 1999, have been accompanied by a relatively weak performance in terms of growth, although the rescheduling of the foreign debt and the subsequent raising of hydrocarbon export prices have enabled Algerian enterprises to obtain the financing necessary to import essential raw materials and supplies.

However, a number of serious problems remain to be solved:

- The high rate of unemployment (30 per cent in 2000), particularly among the youngest segments of the population;
- the weight of social demand, which is increasingly stretching the State services and maintaining a heavy pressure on budget resources: in spite of the authorities' determination since 1989 to eliminate budget deficit, the past decade has seen a succession of surpluses and negative balances – a situation that is largely due to the fact that taxation on oil operations accounts for a considerable share of government revenues; after a period (1992-1995) marked by budget deficits, surpluses were recorded up to 2000, despite the temporary fall in oil prices in 1996 and 1997;

- the low level of efficiency of the non-hydrocarbon industrial sector and its overdependence on imported inputs: this sector, which makes only partial use of its installed capacity (50 per cent on average), is almost exclusively oriented towards the domestic market; it depends on imports to the extent of 23 per cent of its turnover, while exports represent only some 3 per cent of turnover;
- finally, the high cost of food imports, the bill for which in 2000 amounted to almost US\$2.5 billion; the size of this bill can be attributed as much to the weak performance of the Algerian agricultural sector and inadequate local intermediate goods capacity as to the inconsistencies of the import management system; this is a major concern of the Algerian authorities who are hoping that, in the future, it will be possible to redirect some of these resources into investment and the development of domestic production.

2. Economic policies

(a) Main directions and goals of the current economic policies

(i) *Background*

Immediately after gaining political independence in 1962, Algeria had to assume immense social responsibilities, in particular in the areas of employment, education and health, on behalf of a people hard hit by war, in addition to the task of setting up economic institutions designed to enable it to mobilize its resources in the interests of long-term economic and social development.

In these circumstances, the State came to be assigned a predominant role, for objective reasons initially connected with the concern to recover control over the resources of the nation in order to devote them, during the 1970s, to the implementation of large-scale public investment programmes and the creation of an industrial base which could meet the objectives of economic and social development and furtherance of national prosperity.

The State, having set itself up as a direct developer, resorted to a rigid, excessively centralized and totally administered planning system, which was applied both to the allocation of resources and to the organization and operation of the principal levers controlling the various aspects of the economy, including the pricing system, foreign trade, the foreign exchange regime, credit and incomes.

From 1970 onwards, this development process was to unfold in an international context characterized by economic recession in the big industrial countries and by a favourable financial market which encouraged a feeling that resources were plentiful, as a result of the strong upward trend in nominal export prices.

Thus organized, the efforts to develop the Algerian economy began by enabling the emergence of a sizeable industrial base and largely succeeded in meeting the basic social needs of the population. The programme relied on extremely high rates of investment (40 per cent on average during the 1970s), mainly in the industrial production and hydrocarbon sectors.

This investment was channelled almost exclusively into State enterprises, private industry receiving only 2 per cent of the total. In this initial phase, the growth rates recorded were high, purchasing power increased and unemployment fell substantially.

However, in relation to the real expressed economic and social needs this performance was still not good enough. Moreover, the administered and centralized system of economic management, by giving priority to physical investment objectives and excluding the criteria of production and management efficiency, encouraged cost overruns and the wastage of resources and gradually led to the emergence and aggravation of structural macroeconomic imbalances, both internal and external.

Although these structural weaknesses were recognized and identified, it was the sharp fall in prices on the international oil market which brought them into the spotlight and, in particular, showed them to be unsustainable. Indeed:

- The inefficient use of capital and the low rates of utilization of installed capacity were leading to the deterioration of the financial structure of State-owned enterprises, whose operating deficits were becoming chronic.
- In agriculture, low yields resulted in an increase in food imports. In the early 1980s, agricultural production, which used to meet 93 per cent of national needs, was able to meet no more than 30 per cent, taking into account the considerable increase in the size of the population.
- Monetary financing of the budget deficit made its appearance and took hold: the economy became progressively more liquid with a considerable growth in credit, intended to cover the accumulated deficits of public enterprises and budget expenditures.
- Finally, and above all, in the area of foreign trade, the ever-increasing recourse to imports seriously upset the balance of trade in goods and services, despite a significant increase in hydrocarbon export earnings, resulting as much from increased production as from the rise in the average price level on the international oil market.

(ii) *The structural reform of the Algerian economy*

This was the context for a programme of structural reform based on a transition from authoritarian, central and administrative control of the economy to a reliance on market forces.

In the public sector, a process aimed at making enterprises, banks and farms completely autonomous was initiated in 1987-1988. This was followed by the gradual freeing of prices, the liberalization of foreign trade and the foreign exchange regime, and a reform of labour legislation designed to bring greater flexibility into employment contracts and wage bargaining, as well as confirming the right to strike and abolishing the closed shop.

The aims of this reform programme were to stabilize the macroeconomic framework by controlling inflation and to bring the capital balance back into equilibrium. A law on money and credit established the institutional framework for this stabilization: independence for the Central Bank in the conduct of monetary policy, the internal stability of the currency, demonetization of the domestic public debt, and the restructuring of bank portfolios.

However, one of the difficulties encountered by the reform programme, launched in 1988, was an extremely tense external situation in which the burden of servicing the foreign debt was sharply restricting the capacity to supply the productive apparatus and preventing any serious recovery in investment and growth.

In 1989, the cost of servicing the Algerian foreign debt represented 78 per cent of annual export earnings and the average repayment period was only three years. In order to deal with this problem, the authorities applied to the creditors for voluntary refinancing, rather than seeking a multilateral rescheduling of the debt.

To sum up, although significant progress was made in the areas of price reform and control of inflationary pressures of monetary origin, in 1992-1993 the process began to slow down. External constraints and domestic social pressures led to the reappearance of trade and currency restrictions,

accompanied by recourse to the budgetary financing of social needs and a resumption of monetary financing of the budget deficits.

The development of major financial imbalances during these two years and the increase in external financial constraints induced the Algerian authorities to resume and speed up their efforts to achieve macroeconomic stabilization, starting in 1994, within the framework of an economic programme supported by a Stand-By Arrangement with the International Monetary Fund.

(iii) *The stand-by programme (April 1994-March 1995)*

This programme has made it possible to open up the Algerian economy more fully to the world economy and to organize an improved response to the needs of the population.

Thus, major reforms were introduced, in particular, the abolition of quantitative restrictions on merchandise imports, the dismantling of the procedures for the administrative allocation of foreign exchange in respect of merchandise imports, the extension of the free pricing regime to most products and the reduction of subsidies on food and energy products.

At the macroeconomic level, the programme is making it possible to halt the recession and control inflation thanks to far-reaching budget adjustment and a sharp tightening of monetary policy.

This macroeconomic stabilization is backed by a rigorous wage policy, significantly higher interest rates and a realignment of relative prices through a substantial devaluation of the dinar.

The adjustment of the exchange rate has been followed by a progressive transition from a rigid foreign exchange system to a flexible system determined by a currency market.

All these important economic reforms have been carried out in the face of a very difficult social situation. They have been made possible by a constructive dialogue with the social partners, a radical reorganization of the welfare system and, in particular, the broad support of the international financial community, especially in the form of a rescheduling of the country's foreign debt.

Despite this substantial progress, in mid-1995 the Algerian economy was still beset by numerous fundamental problems, including, in particular, overdependence on the hydrocarbon sector accounting for almost all Algeria's export earnings and the still excessive burden imposed by a high debt-service/exports ratio. These two major constraints constituted an obstacle to strong economic growth, alone capable of reducing an increasingly intolerable level of youth unemployment and meeting the country's other needs, particularly for housing.

The Algerian authorities, considering that the return of strong growth remained basically linked to the completion of the task of economic stabilization, accordingly took the decision to pursue the structural adjustment process for a further period of three years.

(iv) *Objectives and results of the medium-term economic programme*

The aim of this programme, supported by the International Monetary Fund on the basis of an extended facility agreement, was to continue and extend the Government's efforts to stabilize the macroeconomic framework, introduce structural reforms and give a new impetus to economic growth, with a strong emphasis on employment and housing.

The programme thus proposed to achieve, in particular, the following objectives:

- An increase of at least 5 per cent in production, excluding the oil and gas sector, over the period 1995-1998, with a strong emphasis on job creation; priority was given, in

particular, to agriculture, the construction of housing and small and medium-sized industrial enterprises, as well as to the adaptation of the welfare system with a view to cushioning the impact of the adjustments on the most vulnerable social groups;

- the continuation of the price stabilization and exchange rate measures already undertaken, with a view to achieving the convergence of the inflation rate on that of Algeria's principal trading partners; the aim was to reduce the element of uncertainty in the negotiations with the social partners and to improve the competitiveness of the national economy as it opened up to the world market;
- a progressive reduction in the deficit on the current account to 6.9 per cent of GDP in 1994-1995 and to 2.2 per cent in 1997-1998, while maintaining a level of imports consistent with the requirements of economic growth;
- a progressive increase in the contribution of domestic savings to the financing of investment and an improvement in investment efficiency.

The performance of the Algerian economy was higher between 1996 and 2000 than it was during the period 1986-1994. Given the volatility of hydrocarbon export prices, the growth rate (with an average of 3.5 per cent per year between 1996 and 2000) may be viewed as satisfactory. Bolstered by the expansion of the oil and gas sector and at times by agriculture, such growth did not, however, lead to any progress in reducing the volume of underemployment or in improving people's living standards.

On the other hand, the disinflation process, initiated in 1994, continued. The average rate of price increase dropped sharply to 0.33 per cent in 2000 (against 2.6 per cent in 1999 and 5.8 per cent in 1998). Price stabilization efforts were backed by rigorous measures to restore the macroeconomic equilibrium and in particular to bring the country's external accounts back into balance; these results have been boosted by a more favourable situation in the international oil market since late 1999. In 2000, the foreign debt service ratio plummeted to an historical low of 19.8 per cent. The exchange reserves stock was regenerated and exceeded US\$10 billion in 2000, excluding gold, i.e., the equivalent of more than a year of imports.

(v) *Economic and social development policy*

Today, the Algerian economy is faced with important choices which it must make in order to begin the 21st century under conditions conducive to its harmonious integration in the world economy.

This will require the restoration of the conditions necessary for strong and sustainable growth and the elimination of the accumulated imbalances stemming from the system of production and the handling of the social demand. Thus, strong and continuous economic growth is essential to lighten the burden of unemployment and gradually raise the general standard of living of the population. The authorities have accordingly launched a three-year (2001-2004) economic recovery support programme, which aims to increase the population's standard of living and to combat poverty (through the strengthening of drinking water supply infrastructure, desalination projects, the rehabilitation and extension of educational facilities, the construction of urban and rural housing, the connection of some 50 localities to the natural gas distribution network, the development of road and rail infrastructure, and so forth).

With respect to these constraints, some sectors will have to be given absolute priority because of their importance as engines of economic growth: housing, because of its knock-on effects and strong influence on short-term job creation and to alleviate the acute crisis prevailing in that sector; and agriculture, in order to meet people's food requirements, reduce dependence on food imports and check the flight from the countryside. The current three-year programme thus plans to extend farmland to

700,000 hectares, to develop fruit and forest plantations, livestock and fisheries production and to preserve steppe rangelands.

As far as the external balances are concerned, the aim is to guarantee the long-term viability of the balance of payments, thanks to the special contribution of the oil and gas sector but also to the anticipated development of exports in other sectors and, finally, to the organization of a sustainable debt service schedule.

Furthermore, the management of the internal balances will require, on the part of the Treasury, the continuous maintenance of a surplus that will, firstly, help to stabilize the economy but will above all help to finance growth by releasing the resources needed to revitalize investment.

(vi) *Programme of privatization of State-owned enterprises*

In general, Algerian State-owned enterprises are managed on the same basis as private enterprises. They operate in accordance with the rules of private law and are subject to the ordinary rules of the Commercial Code.

Since 1988, the State has been almost totally relieved of responsibility for the management of these enterprises. A number of them (23) which are experiencing serious structural imbalances are the subject of a specific reorganization and restructuring programme, supported in 1994 by the World Bank. Thus, 959 local and national State-owned enterprises have been wound up and their assets sold to their employees, which has led to the creation of 1,774 new entities. Other public enterprises have been sold off directly to the private sector.

Order No. 95-22 (as amended and supplemented by Order No. 97-12) was enacted in order to define the procedures for the privatization of State-owned enterprises; these procedures are largely based on World Bank techniques for the transfer of property and management of State enterprises to the private sector, which have been proposed to member countries for the past 20 years. Order No. 95-22 also contains an exhaustive list of competitive activities, including State-owned enterprises that may be offered for privatization.

Implementation of this programme for the privatization of public enterprises is a long-term process. The capital of some State-owned firms has already been opened up to the private sector and their shares are now being traded on the Algiers stock exchange. In order to encourage investment (including of foreign capital), the Algerian authorities have decided to create a partnership fund, based on job maintenance, existing activities and the development of under-utilized resources, including the introduction of effective technologies. Three privatization projects are being implemented, with the support of foreign firms, in the iron and steel, drinks, and cork processing sectors.

The concession system has now been extended from the mining sector to other public sectors. As a result, private competition has been introduced in the air, maritime and land transport sectors and is in the process of being introduced in telecommunications, airport infrastructure management, and so forth. The financial sector, for example, has now acquired new insurance companies and commercial banks, with the help of national and foreign private investments; the International Finance Corporation has actively contributed to these sweeping changes.

(b) *Monetary and fiscal policies*

Since April 1994, monetary policy has been based on a sharp rise in the interest rates applied to bank refinancing within a context of liberalization of interbank money market rates and inflationary pressures.

This readjustment of the interest-rate structure has made it possible to assimilate the price effect inherent in the substantial exchange-rate adjustment, including the 40 per cent devaluation in April 1994.

The strict conduct of monetary policy, combined with the prudent implementation of the stabilization programme, has made it possible to check inflation, which was as high as 29 per cent in 1994.

Correlatively with the effect of the exchange rate adjustment, business loans increased by only 10 per cent during the period 1996-2000.

The introduction of the legal reserve, in the fourth quarter of 1994, made it possible to begin the transition to indirect instruments of monetary policy, while stimulating the management of bank liquidity, in conjunction with flexibility in the determination of exchange rates by means of fixing sessions.

The change in monetary policy instruments, with the emergence of the role of indirect instruments, was consolidated in May 1995 by the introduction of a tender system for allocating refinancing credit.

Tendering for refinancing credit has introduced a certain amount of competition as regards recourse to the lender of last resort, particularly as the relative importance of this mode of refinancing has increased thanks to the resources allocated by the Bank of Algeria through its intervention on the money market.

Thus, with the expansion of the interbank market, the money market now plays a more important part in the allocation of refinancing resources.

Moreover, the switch in monetary policy instruments was carried a stage further in 1995 with the auctioning of treasury bills.

The flexibility of the interest rates established on the money market, as an anchor point for the conduct of a strict monetary policy (together with the establishment of prudential rules in 1995), has helped to ease the tensions in the area of bank liquidity inherent in the balance-of-payments shock.

Despite the slow increase in business loans, the money supply grew by almost 50 per cent over the period 1996-2000 as a result of the flow of net credit to the Government. This was largely due to the collapse of the international oil market, i.e., to an extraneous factor.

The control of inflation continued to be an objective of monetary policy. Further efforts have been made to achieve monetary stabilization with a view to the total liberalization of the banks' lending interest rates.

Thus, the ceiling imposed on bank margins was abolished in December 1995, in order to stimulate interest rate formation on a competitive basis and to promote significant and stable savings.

The anticipated expansion of the role of refinancing credit auctions will contribute to the development of a credit market that will provide the foundation for a sound bank portfolio.

As an indirect instrument of monetary policy, the open market will ensure more active liquidity management, with the consolidation of the government securities market.

The more restrictive monetary and financial policy, along with the opening up of the domestic market to external competition, has succeeded in bringing inflation close to zero. During the period

1994-2000, the remarkable drop in the inflation rate, along with the introduction of positive real interest rates, was accompanied by a sharp reduction in the discount rate. This partly explains why near-money more than doubled between 1996 and 1999.

(c) Foreign-exchange regime and liberalization of foreign trade

The liberalization of foreign trade and the foreign-exchange regime was begun in April 1994 within the framework of the stabilization programme. The 40-per-cent devaluation of the national currency, which took place at that time, provided the foundation for a flexible exchange-rate policy supported by the rigorous pursuit of appropriate monetary and financial policies.

The introduction, in September 1994, of daily fixing sessions confirmed the transition from a fixed exchange-rate system to the increased flexibility of an exchange rate determined by auction.

The liberalization of imports was steadily pursued in 1994 and completed by the beginning of 1995, despite the appearance of stresses on the foreign-exchange market due to unfavourable external factors.

There is now full convertibility for current transactions, with the exception of limitations on foreign travel expenses, medical expenses and school fees.

An interbank foreign-exchange market was established at the beginning of January 1996.

Moreover, foreign exchange controls are increasingly applied on a decentralized basis, at the level of the banks and other approved intermediaries. Thus, the proceeds from exports of products other than oil, gas and ores are being repatriated directly on the interbank exchange market and 50 per cent are being sold on that market. The foreign currency resources resulting from these sales represent, in the initial phase, the bulk of the resources left at the disposal of the banks and financial institutions.

The interbank exchange market involves cash and term transactions, between approved intermediaries, whereas the Central Bank intervenes only in cash transactions. The exchange rate of the dinar is determined on the interbank exchange market, with approved intermediaries taking an active part. It reached 76.66 dinars to the US dollar at the beginning of May 2001.

The anticipated expansion of the foreign currency resources of the approved intermediaries and the increasing number of participants will contribute to the efficient allocation of foreign currency resources on the interbank exchange market. The development of this market will be supported by the establishment of rules for the prudential monitoring of exchange positions, with a view to increased liberalization of capital movements and total convertibility of the dinar.

(d) Investment and domestic investment policy

The basis of the policy for encouraging investment is the Basic Law on the promotion of investment (Legislative Decree of 5 October 1993).

This general piece of legislation abolishes the numerous previous regimes, but leaves the acquired benefits intact.

It lays down the general principles and establishes the legal framework and the rules applicable to investment.

It also pursues specific regional and economic integration objectives under various regimes.

Thus, the determination of the exemption periods and the precise range of benefits granted depend on considerations relating to employment, the development of technology and local resources, regional balance and land-use planning.

(i) *General principles*

The Legislative Decree gives a very liberal definition of investment covering any activity involving the production of goods or services.

It also provides that any natural or juridical person, governed by public or private law, resident or non-resident, shall be free to invest. Moreover, the Decree:

- Guarantees the transfer of invested capital, as well as all income, dividends and interest produced;
- regulates the granting of incentives on the basis of a simple declaration of investment and application for benefits;
- treats the foreign investor in exactly the same way as the domestic investor;
- establishes the basic rules for compensation in the event of expropriation;
- allows for appeal to international arbitration, in the event of disputes.

In addition to these internal provisions, the law also strengthens the confidence of foreign investors by recognizing the guarantees offered by multilateral and bilateral investment protection conventions and bilateral double taxation agreements. Thus, Algeria has signed conventions on mutual promotion of investments with numerous countries (France, the Belgo-Luxembourg Economic Union, Italy, Spain, the United States, etc.) and double taxation agreements with Canada, France, Morocco, South Africa, and so forth.

Algeria has also ratified several multilateral or regional investment promotion and protection agreements. In 1995, it ratified the Convention establishing the Multilateral Investment Guarantee Agency and the Convention on the Settlement of Investment Disputes between States and Nationals of Other States.

Implementation of this investment promotion policy has been entrusted to a Government agency known as the Investment Promotion, Support and Monitoring Agency (APSI), which has been given special prerogatives with respect to the granting of tax concessions. As well as being a component of the legislative apparatus and an institutional cornerstone, APSI also provides investors with technical assistance and information, in particular through its "single window".

(ii) *Incentive regimes*

The Order and subsequent texts provide for the application of six investor incentive regimes:

- The general regime, for investment in regions or economic zones enjoying relative economic expansion;
- the special zone regime, which applies to investment in regions and communes with a low level of economic integration;
- the so-called "Seconde Couronne" regime, for the central regions separating the north of the country from the south;

- the deep south regime, which applies to investment in the four wilayas (departments) in the south of the country;
- the free zone regime, for investment in free zones not subject to the domestic tax and customs regimes;
- the agreement regime, for investments of strategic importance, which is granted by the State to the investor on the basis of a specific agreement.

Under all these regimes, the system of incentives covers both the period of realization and the period of exploitation of the investment, in accordance with the definitions and variations directly established by the Law.

(e) Price and competition policies

Since the end of the 1980s, the Algerian authorities have been following a price policy whose central objective has been to restore to the market the primary role in the determination of prices.

This objective has been pursued with great tenacity, despite an extremely unfavourable economic and social context.

It should be noted that the price system previously applied created numerous distortions, to the detriment of the entire economy. Indeed:

- In the long run, all the economic operators were severely penalized by the more or less general practice of direct price-fixing by the central administration. The results turned out to be very different from the formal objectives. Freezing prices actually hurt the enterprises, which accumulated deficits, the Treasury, which was obliged to grant large subsidies, and the consumers, who suffered from the chronic disorganization of the market.
- Despite occasional sharp increases, on both domestic and foreign markets, the freezing of the prices of most goods and services, together with the system of implicit subsidies, created a strong bottled-up pressure for readjustments, thus leading to the progressive development of the informal economy.
- A widening gap developed between the real cost and the price of the goods and services openly subsidized by the State and this, in addition to an increasingly serious impact on the budget, produced such undesirable effects as waste and over-consumption, swollen imports and fraudulent re-exportation.

The main thrust of the reform of the price system introduced in 1989 was gradually to substitute the principle of freedom of prices and transactions for prices that were administratively fixed. Decisions concerning prices were to be gradually transferred from the government to enterprises.

Two price regimes were therefore established:

- The regulated price regime, which initially applied to most marketed goods and services. This regime was intended formally to organize the various modes of price regulation before prices were gradually freed, while preserving the profitability of the activities involved.

- The free price regime, which initially applied to a very small range of goods and services. It has since been gradually extended to the whole economy. In fact, whereas in 1989 only 10 per cent of goods and services were eligible, today only an extremely small number of products (milk, semolina, flour, medicines) still remain uncovered, because of their considerable social importance.

The practice of subsidization has been sharply curtailed and the system has been gradually dismantled.

The gradual dismantling of budgetary price support subsidies has also been extended to the implicit subsidies granted to certain specific products not eligible for direct budgetary support, whose domestic prices were fixed at levels below the international economic cost. This was the case with petroleum products, gas, electricity and water.

The important results achieved in the area of liberalization of the prices of goods and services go hand in hand with a complete transformation of the system of organization of the economy. In particular, the Constitution of 28 November 1996 has fully liberalized trade and industry, normalized the management of public enterprises and made them subject to the universal rules of the Commercial Code, and abolished all statutory or de facto monopolies.

These developments having gradually created a new situation in which enterprises enjoy complete economic freedom, the Government addressed itself to the task of drawing up competition legislation essentially intended to protect the freedom of the economic operators by laying down rules to govern the relations between them and setting up machinery to monitor compliance with those rules. This is the basic object of the Competition Law promulgated in January 1995, which served as a basis for establishing regulations (adopted in October 2000) on the identification of dominant positions and market concentration.

This Law introduces a system for controlling and protecting competition on the basis of the following principles:

- Free pricing is the general rule and the determination of prices by the State is an exception applicable only in unusual situations or special circumstances.
- Anti-competitive practices and abuses are clearly defined and expressly prohibited. This applies, in particular, to all practices aimed at restricting market access or distorting the free play of competition, at frustrating the determination of prices by the free operation of the market, at restricting or controlling production, investment, markets or technical progress or, finally, at placing an enterprise or group of enterprises in a dominant position.
- All abuses and restrictive practices are identified as offences and prohibited. These practices involve, in particular, creating captive markets, restricting the information available to the consumer, refusing to sell, and tied or discriminatory sales.

The bodies responsible for supervising competition and ensuring compliance with the rules are, in addition to a Competition Council expressly established by the Law for that purpose, the competition and price services of the Department of Trade and, finally, the competent courts.

The Competition Council consists of judges, competition experts and economists. It has a triple function:

- To advise the legislative and executive branches on all matters relating to competition and its development;

- to supervise competition and investigate and punish any infringements of the rules; the decisions of the Competition Council can be appealed to the Court of Algiers;
- to study and do research on competition and trade practices.

The process begun within the framework of this Law and the subsequent regulations is resulting in the explicit application of free competition, in compliance with the rules of fair trading and business transparency.

Current efforts are directed towards developing competition in all activities where it has been lacking, protecting it where it already exists and extending it where it has been restricted, including in the few activities specified in the Constitution as remaining within the public sector (i.e., mining; fisheries; postal and telecommunications services; and air, maritime and rail transport).

It is intended that the competition mechanisms introduced into the Algerian economy will be gradually reinforced, in step with the emergence of a spirit of initiative and enterprise broadly encouraged by the removal of all restrictions and prior controls on investment, imports, production and distribution. Today, enterprises (including State-run firms) must play by the rules of the market. Restraining action will be taken against businesses whose anti-competitive practices are obstructing the free operation of the market.

Consumer price support was totally abolished in January 1997, which has driven up the prices of commodities such as flour, milk and petroleum products. A system of semi-annual reviews of electricity and gas tariffs led to their proper pricing by the relevant utility in 2000.

3. Foreign trade in goods and services

(a) Trade in goods

(i) Global trend

In the last 10 years, the development of Algeria's foreign trade has been marked by the collapse of oil and gas prices and the depreciation of the United States dollar, the currency of account and payment for most of the country's exports.

Trend of Foreign Trade in Goods

(in millions of US dollars)

| Year | 1996 | 1997 | 1998 | 1999 | 2000 |
|---------|--------|---------|--------|--------|---------|
| Imports | 9,090 | 8,130 | 8,630 | 8,960 | 9,350 |
| Exports | 13,220 | 13,820 | 10,140 | 12,320 | 21,650 |
| Balance | +4,130 | + 5,690 | +1,510 | +3,360 | +12,300 |

(ii) Trade balance

The trade balance has recorded a consistent surplus since 1996 (following a period of deficits); in 2000, it exceeded US\$12.5 billion.

This trend reflects the efforts made to bring the external balances under control, given the deficit in trade in services and the capital account. It stems from a substantial increase in exports of energy

products, thanks to heavy investment in that field since 1993 as a result of the broader opening of the energy sector development programme to foreign participation. More than 156 per cent of imports were covered by exports over the period 1996-2000, as compared with only 98.3 per cent in 1995.

Taking into consideration the foreign trade growth forecasts, this upward trend should continue.

(iii) *Exchange rate*

The dollar exchange rate rose from DA47.65 in 1995 to DA76.66 in early May 2001, meaning that the Algerian dinar depreciated by some 38 per cent over that period.

(iv) *Export trends*

Export income increased in the early 1990s and then fell in 1993-1994. A rise in the oil price per barrel consolidated the level of foreign exchange earnings in 1997; after another down-swing in 1998-1999, these reached an all-time high of US\$21.65 billion in 2000.

Oil and gas remained the most important item in 2000, with a value equivalent to 96.8 per cent of export returns as compared with 95 per cent in 1996.

Hydrocarbon export earnings rose from US\$9.73 billion in 1995 to US\$21.06 billion in 2000.

Moderate though it was, the increase in non-hydrocarbon export income, from US\$293 to 590 million per year between 1994 and 2000, is also worthy of note.

The structure of Algerian exports, characterized by the predominance of oil and gas, indicates the extent of the efforts required to promote non-hydrocarbon exports and break away from dependence on a single source of income, the price of which depends entirely on the international market. Hence, one of the key objectives of the economic policy is to diversify external sources of revenue.

(v) *Import trends*

The measures to liberalize foreign trade have been a boon for imports, triggering growth made possible by the greater availability of the means of payment for foreign purchases resulting from the agreement on a structural adjustment programme, the foreign debt rescheduling agreements and the more recent rise in oil and gas export prices.

Imports of goods have tended to stabilize since 1994 and stood at an annual average of US\$8.9 billion over the period 1996-2000. In 2000, they reached US\$9.35 billion, largely owing to private sector activity. The items that recorded an increase were:

- Raw materials and semi-finished products: this indicates increased procurement by production firms that meet the new credit standing ("bankability") requirements;
- capital goods: imports of agricultural equipment remain low, however, compared with those of industrial equipment;
- consumer goods: these are becoming more readily available, thus putting an end to their scarcity due to a lack of international liquidity.

(vi) *Geographical distribution of trade*

By geographical region, Europe remains Algeria's principal trading partner with close to 70 per cent of foreign trade. Most of these transactions are conducted with the European Union.

North America comes second, as a major recipient of Algerian hydrocarbon exports.

Asia occupies third place, with 6 per cent of trade, and is slightly ahead of South America in terms of volume.

The level of Algerian trade with Africa remains low; the focus is almost exclusively on the area covered by the Arab Maghreb Union (AMU).

At the bilateral level, France is still Algeria's foremost supplier with 25 per cent of Algerian imports, followed by the United States, Italy and Spain.

Italy has become Algeria's foremost purchaser of hydrocarbons, followed by the United States and France.

(b) Foreign trade in services

(i) *Global trend in foreign trade in services*

Foreign trade in services is characterized by an irregular up-and-down trend against the background of a sharp devaluation of the national currency.

The trade level for non-factor services is in a state of relative stagnation; in 1995 it stood at US\$2.15 billion and rose to US\$2.96 billion and 3.27 billion, respectively, in 1998 and 2000.

There has also been a decline in the contribution of foreign trade in services to gross domestic product from 6.1 per cent in 1996 to 4.9 per cent in 2000.

(ii) *Imports of factor and non-factor services*

Like the global trade in services, imports have been unstable, fluctuating between US\$4.7 billion (in 1996) and 5.45 billion (in 2000).

In 2000, external payments on factor services amounted to US\$3.09 billion; foreign debt interest payments accounted for more than half of that figure (i.e., 1.23 billion). Profits exported by enterprises in the oil and gas sector exceeded US\$1 billion in 2000.

(iii) *Exports of factor and non-factor services*

Although well below imports, exports of services have also tended to fluctuate over the range from US\$960 million (in 1996) to 1.29 billion (in 2000).

(iv) *Services balance*

Since imports have regularly exceeded exports, the services balance has naturally recorded a persistent deficit, which rose from US\$3.75 billion to 4.16 billion over the period 1996-2000.

A positive balance of transfers was recorded (US\$790 million) in 2000. After undergoing an increase, remittances from migrants have now stabilized with the establishment of a more realistic exchange rate.

Statistics on Foreign Trade in Services

Trend of Foreign Trade in Factor and Non-Factor Services

(in millions of US dollars)

| Year | 1996 | 1997 | 1998 | 1999 | 2000 |
|---------|-------|-------|-------|-------|-------|
| Imports | 4,710 | 4,630 | 4,580 | 5,070 | 5,450 |
| Exports | 960 | 1,330 | 1,110 | 940 | 1,290 |
| Balance | 3,750 | 3,300 | 3,410 | 4,130 | 4,160 |

4. Domestic trade in services

The added value in the services sector amounted to DA769.66 billion in 1999, i.e., 29 per cent of total added value of the economy.

(a) Trends in domestic trade in services

The average annual growth rate recorded since 1990 is 28 per cent, reflecting a consistent pattern of expansion.

Domestic trade in services has accounted for more than 20 per cent of the gross domestic product since 1990. The share of State-owned enterprises in the added value in services dropped significantly from 30 to 13 per cent between 1990 and 1999, thus contributing to the privatization of the economy.

(b) Breakdown of domestic trade in services by main areas of activity and by sector

There has been no significant change in the relative weight of each branch of the services sector since 1990.

| Year | 1990 | 1999 |
|----------------------------------|------|------|
| Trade | 56.0 | 51.0 |
| Tourism | 6.7 | 5.9 |
| Business Services | 4.6 | 7.0 |
| Transport and Telecommunications | 24.3 | 30.0 |
| Household Services | 8.0 | 6.6 |

Apart from telecommunications, which is still dominated by the public sector, the other services activities are being taken over by private operators, whose predominance has increased consistently since 1990. Growing privatization of the economy is leading to a marked expansion of the services sector.

5. Information on financial movements related to nationals working abroad

The share of transfers by Algerian workers who have settled abroad, mainly in Europe, has fallen gradually since the end of the 1970s, owing to limited convertibility of the dinar and an overvalued exchange rate.

The situation became very different once the exchange rate had been adjusted and the convertibility of the dinar had been firmly re-established. Nevertheless, the increase in remittances from migrants is qualified by the significant changes in emigration patterns.

6. Information on growth in trade in goods and services over recent years and forecasts for years to come

In value-added terms, the growth of domestic trade in services has been much greater than that of domestic trade in goods. This is broadly reflected in a comparison of the average growth rates over the period 1990-1995, which show an average increase of 28 per cent for services, as against 22 per cent for goods.

This trend in domestic trade is identical to the one observed at international level, where economic growth is increasingly driven by the services sector, particularly since the goods trade has been hard hit by difficulties in reviving output, owing to the rigours of a totally open market and the persistence of rigidities in the domestic context.

Much higher levels of growth are forecast for the years ahead, considering the objectives of the three-year economic recovery programme, which, while taking care to maintain macroeconomic equilibrium and in particular a sustainable level of external debt servicing, should lead to:

- A substantial increase in foreign trade in goods;
- a revitalization of investment, backed up by the ongoing programme of privatization of State-owned enterprises.

III. FRAMEWORK FOR MAKING AND ENFORCING POLICIES AFFECTING FOREIGN TRADE IN GOODS AND SERVICES

1. Powers of the executive, legislative and judicial branches of government

The reforms undertaken in Algeria in recent years relate to the economic, social and political life of the country.

A series of measures have been adopted with a view to streamlining the system of national production, by changing its methods of management and organization, and by adapting the system to international economic and technical changes.

The Constitution of 28 November 1996 once again established the democratic principle of separation of the executive, legislative and judicial branches of government.

(a) The Executive

As far as the Executive is concerned, the President of the Republic, as Head of State elected by universal suffrage for five years, personifies "the unity of the nation. He personifies the State at home and abroad (Article 70). He exercises the functions of the highest office within the limits laid down by the Constitution (Article 72)".

Apart from the powers expressly conferred on him by other constitutional provisions, the President of the Republic enjoys the following powers and prerogatives:

- He decides and conducts the foreign policy of the Nation;
- he appoints and terminates the appointment of the Head of Government;

- he appoints and recalls ambassadors and envoys extraordinary of the Republic to foreign countries;
- he receives letters of accreditation or recall in respect of foreign diplomatic representatives;
- he concludes and ratifies international treaties (Article 74).

The Head of Government presents the members of the Government he has selected to the President of the Republic for appointment by the latter.

The Head of Government draws up his programme of action, which he presents to the Council of Ministers (Article 79).

The Head of Government submits his programme of action to the National Assembly for approval and communicates the programme to the National Council (Article 80).

Apart from the powers expressly conferred on him by other constitutional provisions, the Head of Government exercises the following functions:

- He allocates duties to the members of the Government, pursuant to the provisions of the Constitution;
- he presides over the Government Council;
- he monitors the implementation of laws and regulations;
- he signs executive decrees;
- he monitors the proper operation of government departments (Article 86).

(b) The Legislature

Legislative power is exercised by a Parliament composed of two Chambers – the National People's Assembly and the National Council. The Parliament frames and adopts laws on a sovereign basis. It supervises Government action (Article 99). The right to initiate legislation is vested conjointly in the Head of Government and the members of the National People's Assembly (Article 119). All draft laws must be examined in turn by the National People's Assembly and the National Council prior to their approval.

The Assembly legislates in the fields assigned to it by the Constitution.

Other matters coming within the scope of legislation are:

- The fundamental rights and obligations of the individual, and in particular the rules governing civil liberties;
- the conditions of establishment for private individuals;
- land tenure;
- general rules pertaining to the status of aliens;

- rules relating to the administration of justice and the establishment of courts;
- the general rules of criminal law and criminal procedure, and in particular the definition of crimes and offences, the institution of the corresponding penalties of all kinds, amnesty and extradition;
- the rules of civil procedure and enforcement procedure;
- the rules governing civil and commercial obligations and land ownership;
- the establishment, basis of assessment and rate of taxes, contributions, charges and fees of all kinds;
- the rules governing transfer of ownership from the public to the private sector;
- the customs regime;
- the rules governing banks, credit, insurance, and the minting or printing of currency;
- the general rules in the labour and social security spheres;
- the general rules relating to the protection of fauna and flora;
- the general forestry regime;
- the general regime governing the mining and hydrocarbon sector (Article 122).

(c) The Judiciary

The principle of the independence of the judicial branch is enshrined in various articles of the Constitution. The Judiciary is independent and acts under the authority of the law; it protects society and liberties; it guarantees the protection of the fundamental rights of the individual (Article 139). Appeals may be lodged with the judicial authorities against administrative actions (Article 143).

Judges are protected against all forms of pressure, intervention or manipulation likely to jeopardize the fulfilment of their functions.

A Judicial Service Commission takes decisions, under the conditions laid down by law, on the appointment, transfer and career path of judicial officers. It also monitors respect for the status of the Judiciary and disciplinary procedures for members of the Judiciary.

2. Government entities responsible for the framing and implementation of policies affecting foreign trade

Article 19 of the Constitution states that "the organization of foreign trade falls within the purview of the State. The conditions for the exercise and control of foreign trade are determined by law". The Constitution further stipulates that "freedom of trade and industry shall be guaranteed" (Article 37).

One of the purposes of the economic reforms of the last six years has been the gradual liberalization of foreign trade.

Algerian law previously recognized the principle of a State monopoly on foreign trade, whereby the State assigned management of such trade to public enterprises. The adverse effects of that system,

including excess costs and wastage, were made all too apparent by the 1986 oil crisis and the resulting squeeze on scarce resources.

Executive Decree No. 91-37 of 13 February 1991, on the conditions of intervention in respect of foreign trade, was adopted to put an end to the State monopoly, thereby initiating a full liberalization of foreign trade management.

The liberalization process was completed with the implementation of the structural adjustment programme in 1994 and the consolidation of the stock of foreign assets.

Foreign trade policy is decided by the Government; it is one of the fundamental elements of the latter's programme of action. It is proposed by the Minister responsible for foreign trade who has the task of monitoring and implementing the policy once it is adopted.

Executive Decree No. 94-207 of 16 July 1994, establishing the functions of the Trade Minister, defines his duties in respect of the organization of trade, market regulation, competition and prices, quality, consumption and foreign trade relations.

The scope of the Ministry's powers in the field of foreign trade is defined in terms of the following functions (Article 8):

- To initiate and help frame organizational and regulatory instruments relating to foreign trade;
- to organize and promote bilateral and multilateral trading activities, through appropriate structures and in cooperation with the ministerial departments and institutions concerned;
- to contribute to the preparation and negotiation of trade agreements, in cooperation with the institutions concerned, and to ensure their implementation and follow-up;
- to promote exports and foreign sales of Algerian goods and services;
- to design and establish a system of information on external trade relations and trade flows;
- to ensure the dynamic management of the trade balance as a whole and by country;
- to organize, in cooperation with the departments concerned, the services with responsibility for trade matters attached to Algeria's diplomatic missions abroad;
- to undertake – in the light of the potential for foreign trade and the resources available – the establishment of foreign trade missions, and ensure the follow-up, monitoring and supervision of their activities.

Furthermore, in the field of international economic relations, the Minister of Trade (Article 15):

- Participates and supports the competent authorities concerned in all international negotiations relating to activities under his responsibility;
- sees to the implementation of international agreements and conventions and, as far as his ministerial department is concerned, takes measures facilitating the implementation of commitments entered into by Algeria;

- contributes to the activities of the specialized regional and international trade organizations of which Algeria is a member.

In the implementation of government policy, the Minister responsible for foreign trade relies on intermediate structures, some of which are placed under his direct authority (Chambers of Commerce, Foreign Trade Promotion Office), as well as on institutions answerable to other ministerial departments (National Customs, Export Credit Insurance Fund, institutions responsible for standardization, sanitary and phytosanitary controls, and intellectual property).

In the economic field, a number of fundamental laws have been enacted in recent years, all of them directed to a greater decentralization of the economy and a redefinition of the role of the State, as reflected in its gradual disengagement from the management of economic affairs and greater Algerian involvement in the international division of labour.

Moreover, Law No. 90-10 on Currency and Credit of 14 April 1990 (as amended and supplemented by Order No. 1 January of 27 February 2001) conferred broad powers on the Bank of Algeria, which was made an institution independent of political authority, particularly as regards the financing of foreign trade and, hence, the organization and regulation of access to foreign exchange resources. The main innovations introduced by the Law may be summarized as follows:

- Total independence of the Central Bank in relation to the Treasury;
- withdrawal of the Treasury from involvement in company loans;
- rehabilitation of the asset-value approach to bank financing;
- laying of the foundations needed to establish money and financial markets;
- establishment of prudential regulations and organization of banking activity;
- liberalization of capital flows.

Since then, a number of other institutions have been set up as a result of the enactment of new laws. They include the Investment Promotion, Support and Monitoring Agency (APSI) and the Competition Council.

Lastly, there is the National Economic and Social Council, which is a forum for the organization of consultations on the major economic and social policy options between representatives of the various economic sectors.

3. Division of authority between central government and sub-central governments

As regards the organization of powers in Algeria, the Executive, represented by the President of the Republic and the Head of the Government, who are the central authority, is extended at regional level by:

- The wali, who is the Government representative at wilaya level. The wilaya is the main administrative subdivision of the executive authority, decentralized to regional level. There are 48 wilayas in Algeria.
- The दौरا chief, who is the Government representative at दौरا level. The दौरا is an administrative subdivision of the wilaya, which is made up of several dairas.

These decentralized layers of central government authority are counter-balanced at local level by the authority of the elected assemblies, namely:

The Wilaya Popular Assembly (APW)

This is a decentralized deliberative organ. Since the reform undertaken in 1989, the APW has come to symbolize the expression of the people's will at the wilaya level.

The APW bears general responsibility, within its territory, for economic, social and cultural development and planning schemes and for promoting specific projects.

The APW is placed under the permanent authority of a Chairman elected by an absolute majority of its members, who are themselves elected at wilaya level.

The Communal People's Assembly (APC)

This is the basic structure for the administration of the State. The decision-making powers and the economic and social remit of its elected members make the APC a fundamental institution in the functioning of Algerian society.

4. Any legislative programmes or plans to change the regulatory regime

The programme of legislative reform planned within the context of Algeria's accession to the WTO provides for the framing of a series of domestic laws and/or regulations aimed at ensuring consistency with the WTO agreements.

These texts include the following:

- Implementation of the customs tariff reform
 - tariffication of all non-tariff measures
 - reduction in the number of customs duty rates
 - bringing of order into tariff policy
- Implementation of anti-dumping measures, pursuant to Article 8^{ter} of Law No. 79-07 of 21 July 1979, as amended and supplemented by Law No. 98-10 of 22 August 1998 on the Customs Code
- Mechanism for the implementation of countervailing measures, pursuant to Article 8^{ter} of Law No. 79-07 of 21 July 1979, as amended and supplemented by Law No. 98-10 of 22 August 1998 on the Customs Code
- Establishment and implementation of safeguard measures, pursuant to Article 20 of Law No. 79-07 of 21 July 1979, as amended and supplemented by Law No. 98-10 of 22 August 1998 on the Customs Code
- Amendment of Order No. 66-57 of 19 March 1966 on trademarks
- Amendment of Legislative Decree No. 93-37 on the protection of inventions
- Amendment of Order No. 97-10 on copyright and related rights

- Measures pertaining to border enforcement of intellectual property rights
- Rules governing import licences
- Standardization mechanism
- Measures relating to layout-designs (topographies) of integrated circuits
- Measures relating to the control of anti-competitive practices in contractual licensing
- Measures relating to the protection of undisclosed information
- Measures relating to the protection of plant varieties
- Measures relating to the protection of micro-organisms
- Adjustment of the ARI on tobacco and cigarettes
- Adjustment of customs fees

This programme has already begun with the implementation of the tariff reform (Supplementary Finance Law, adopted in July 2001) and will extend until December 2003.

(a) The regime applicable to import and export operations

This legislative programme, which is based on the customary principles and rules of international trade, definitively establishes the principle of liberalization of foreign trade. Provision is, however, made for three exceptions to the principle, namely:

- Operations concerning products prohibited because they prejudice safety, public order, health, morality, the environment, the national heritage and the protection of certain animal and plant species;
- operations relating to products subject to temporary safeguard measures on account of threats to the domestic industry, the balance of payments or the stability of the domestic market;
- on a basis of reciprocity, operations relating to products originating in countries which apply restrictive or discriminatory measures in respect of Algerian products.

(b) Identification of unfair practices and action to combat them

The basic aim of these texts is to provide a clearer definition of the provisions and measures required for taking effective action against dumping and subsidization, in accordance with the customary rules of international trade and pursuant to Article VI of the GATT 1994.

(c) Export promotion

The objective is to provide a legal basis for State intervention in promoting and developing exports, more particularly through the establishment of intermediary support structures (foreign trade office, export guarantee insurance fund, regulation and standardization of fairs and exhibitions, etc.).

(d) Supervision of foreign trade

Given that Government intervention is based essentially on *a posteriori* control, the draft texts provide for the reinforcement of current arrangements, including in particular the Law on the general rules of consumer protection, by means of two types of control:

- Technical supervision aimed at ensuring that imported or exported products fully meet the prevailing Algerian standards or, in their absence, international standards;
- administrative supervision aimed at ensuring that foreign trade transactions are carried out in accordance with the applicable rules and regulations.

5. Laws and legal instruments

(a) List of laws and legal instruments regulating the activity of the customs authorities

All the following laws and legal instruments have been laid down and implemented, mainly under the supervision of the Ministry of Finance:

- Law No. 98-05 of 25 June 1998 amending and supplementing Order No. 76-80 of 23 October on the Maritime Code.
- Law No. 98-06 of 27 June 1998 (as amended and supplemented by Law No. 00-05 of 6 December 2000) establishing the general rules governing civil aviation.
- Law No. 98-10 of 22 August 1990 amending and supplementing Law No. 79-07 of 21 July 1979 on the Customs Code.
- Law No. 91-25 of 18 December 1991 on the 1992 Finance Law, particularly Article 38 thereof relating to customs tariffs.
- Decree No. 89-156 of 15 August 1989, laying down the conditions for the approval of customs agents.
- Decree No. 90-177 of 16 June 1990 on ratification of the Agreement on the Global System of Trade Preferences among Developing Countries, done at Belgrade on 13 April 1988.
- Decree No. 91-76 of 16 March 1991 on the organization and functioning of the external services of the customs administration.
- Decree No. 91-241 of 20 July 1991 on ratification of the International Convention on the Harmonized Commodity Description and Coding System, done at Brussels on 14 June 1983.
- Decree No. 91-452 of 16 November 1991 on veterinary inspections at border posts.
- Decree No. 91-66 of 29 February 1991 on acceptance of the Protocol of Amendment to the International Convention on Mutual Assistance for the Prevention, Investigation and Repression of Customs Offences, done at Brussels on 22 June 1988.
- Decree No. 92-126 of 28 March 1992, establishing the procedures for implementation of Article 120 of the Customs Code relating to prohibitions and restrictions on merchandise exports or imports.

International customs-related conventions and agreements come under the responsibility of the Ministry of Foreign Affairs; the following have been concluded by Algeria:

- Temporary Importation of Private Road Vehicles:
New York - 4 June 1954 - Decree No. 63-348 of 11 September 1963
- Temporary Importation of Commercial Road Vehicles:
Geneva - 18 May 1956 - Decree No. 63-346 of 11 September 1963
- Temporary Importation for Private Use of Aircraft and Pleasure Boats:
Geneva - 18 May 1956 - Decree No. 63-351 of 11 September 1963
- Customs Facilities for Touring:
New York - 4 June 1954 - Decree No. 63-349 of 11 September 1963
- Single Convention on Narcotic Drugs:
New York - 30 March 1961 - Decree No. 63-7 of 11 September 1963
- Convention on International Civil Aviation:
Chicago - 7 December 1944. Amended by the Protocols of Montreal (27 May 1947, 14 June 1954 and 21 June 1961) and Rome (15 September 1962) - Decree No. 63-384 of 11 September 1963
- International Convention for the Unification of Certain Rules of Law relating to Assistance and Salvage at Sea:
Brussels - 29 September 1910. Amended by the Brussels Protocol of 27 August 1967. Decree No. 64-70 of 2 March 1964
- International Convention for the Unification of Certain Rules of Law relating to Bills of Lading:
Brussels - 25 August 1924 - Decree No. 64-71 of 2 March 1964
- International Convention for the Unification of Certain Rules relating to Maritime Liens and Mortgages:
Brussels - 10 April 1926 - Decree No. 64-72 of 2 March 1964
- International Convention for the Unification of Certain Rules relating to International Carriage by Air:
Warsaw - 12 October 1929. Amended by the Hague Protocol of 28 September 1955 and by the Guadalajara Convention of 18 September 1961. Decree No. 64-74 of 2 March 1964 and Order No. 65-267 of 25 October 1965.
- Vienna Convention on Diplomatic Relations:
Vienna - 18 April 1961 - Decree No. 64-84 of 4 March 1964
- Vienna Convention on Consular Relations:
Vienna - 24 April 1963 - Decree No. 64-85 of 4 March 1964
- International Convention for the Unification of Certain Rules relating to the Arrest of Aircraft:
Decree No. 64-152

- International Convention relating to the Limitation of the Liability of Owners of Sea-Going Ships:
Brussels - 10 July 1957
- International Convention for the Unification of Certain Rules Relating to the Arrest of Sea-Going Ships:
Brussels - 10 May 1958 - Decree No. 64-171
- Convention on Facilitation of International Maritime Traffic:
London - 9 April 1965 - Decree No. 83-531 of 19 September 1983
- Customs Convention on the International Transport of Goods under cover of TIR Carnets:
Geneva - 14 November 1975 - Decree No. 88-143 of 26 July 1988
- Convention on International Trade in Endangered Species of Wild Fauna and Flora:
Washington - 3 March 1973 - Decree No. 82-498 of 25 December 1982
- International Convention for the Publication of Customs Tariffs:
Brussels - 5 July 1890
- International Convention concerning the Carriage of Goods by Rail (CIM):
Bonn - 7 February 1970 - Order No. 72-35
- International Convention concerning the Carriage of Passengers and Luggage by Rail (CIV):
Bonn - 7 February 1970 - Order No. 72-36
- Order No. 69-46 of 3 June 1969 on ratification of the Customs Convention on the Temporary Importation of Scientific Equipment, done at Brussels on 11 June 1968
- Order No. 69-69 of 2 September 1969 on accession to the Customs Convention on the Temporary Importation of Professional Equipment, done at Brussels on 8 June 1961
- Law No. 87-233 of 20 October 1987 on accession to the Customs Convention concerning Facilities for the Importation of Goods for Display or Use at Exhibitions, Fairs, Meetings or Similar Events, signed at Brussels on 8 June 1961

Conventions of the Customs Cooperation Council (Accepted by Algeria):

| <u>Convention</u> | <u>Entry into force</u> | <u>Accession by Algeria</u> |
|------------------------|-------------------------|-----------------------------|
| CCC (15 December 1950) | 4 November 1952 | 19 December 1966 n.p. |
| Nomenclature | 11 September 1959 | Denounced 1992 |
| Harmonized System | 1 January 1988 | 20 July 1991 |
| Valuation | 18 July 1953 | 18 November 1976 |
| Kyoto | 25 September 1974 | 12 October 1976 |
| Nairobi | 21 May 1980 | 19 April 1988 |
| Packings | 15 March 1962 | 23 February 1988 |
| Professional equipment | 1 July 1962 | 5 September 1972 |
| Exhibitions and fairs | 13 July 1962 | 20 October 1987 |

| <u>Convention</u> | <u>Entry into force</u> | <u>Accession by Algeria</u> |
|--------------------------------|-------------------------|-----------------------------|
| ATA | 30 July 1963 | 2 July 1973 |
| Welfare material for seafarers | 11 December 1965 | 5 August 1969 |
| Scientific equipment | 5 September 1969 | 8 August 1969 |
| Pedagogic material | 10 September 1971 | 16 June 1971 |
| Containers (CCC managed) | 6 December 1975 | 14 December 1978 |

- CCC Conventions containing annexes

Kyoto Convention: nine Annexes accepted: A1, A2, E1, E3, E4, E5, E8, F3, F5. Annex A1: Customs formalities prior to the lodgement of the Goods declaration. Annex A2: Temporary storage of goods. Annex E1: Customs transit. Annex E3: Customs warehouses. Annex E4: Drawback. Annex E5: Temporary admission subject to re-exportation in the same state. Annex E8: Temporary exportation for outward processing. Annex F3: Customs facilities applicable to travellers. Annex F5: Urgent consignments.

Nairobi Convention: four Annexes accepted: I, II, III and IX. Annex I: Assistance by a customs administration on its own initiative. Annex II: Assistance, on request, in the assessment of import or export duties and taxes. Annex III: Assistance, on request, relating to controls. Annex IX: Pooling of information.

(b) Laws and legal instruments relating to:

(i) *Non-tariff regulation of imports*

No non-tariff import regulations are currently in place. However, the draft framework on foreign trade provides for the possibility of justified recourse, *inter alia*, to import licensing and the temporary limitation of imports (quotas).

Responsible agency: Ministry of Trade.

(ii) *Non-tariff export regulations*

An export suspension rule is applicable to the following products:

- Palm tree seedlings;
- breeding sheep;
- works of art, objects of historical or archaeological value and national cultural assets.

Responsible agency: Ministry of Trade.

(iii) *Regulation of transit traffic*

- Customs Code: Article 125 *et seq.*;
- Annex E1 to the Kyoto Convention of the Customs Cooperation Council.

Responsible agency: Customs Administration.

(iv) *Rules of origin*

- Customs Code;
- Trade and Tariff Convention of the Arab Maghreb Union (AMU);
- Algeria-EEC Agreement (EEC Rules).

Responsible agency: Customs Administration.

(c) *Laws and regulations relating to foreign investment*

Algerian legislation makes no distinction between foreign investors and national investors, and access to the benefits made available in the context of investment promotion is non-discriminatory.

The main texts and regulations governing investment in Algeria are the following:

- Legislative Decree No. 93-12 of 5 October 1993 on investment promotion.
- Executive Decree No. 94-319 of 17 October 1994 on the powers, organization and functioning of the Investment Promotion, Support and Monitoring Agency (APSI).
- Executive Decree No. 94-320 of 17 October 1994 on free zones.
- Executive Decree No. 94-321 of 17 October 1994 on investment promotion, and laying down the conditions for the designation and delimitation of specific zones.
- Executive Decree No. 94-322 of 17 October 1994 on the assignment of State lands situated in specific zones, within the context of investment promotion.
- Executive Decree No. 94-323 of 17 October 1994 laying down the minimum level of own funds for investments.
- Bank of Algeria Regulation No. 94-17 of 22 October 1994 defining the exchange regulations specific to free zones.
- Bank of Algeria Regulation No. 00-03 of 2 April 2000 on foreign investment.
- Bank of Algeria Regulation No. 00-04 of 2 April 2000 on movements of equity investment capital of non-residents.

Responsible agency: Investment Promotion, Support and Monitoring Agency (APSI).

(d) *Other laws and legal instruments dealing with economic issues that affect trade*

(i) *Constitution, registration and organization*

- The 1996 Constitution.
- Order No. 66-145 of 8 June 1966 on the Code of Civil Procedure, as amended and supplemented by Legislative Decree No. 93-09 of 25 April 1993 and Law No. 01-05 of 22 May 2001.
- Order No. 75-35 of 29 April 1975 on the national accounts plan.

- Order No. 75-58 of 26 September 1975 on the Civil Code, as supplemented by Law No. 89-01 of 7 February 1989.
- Order No. 75-59 of 26 September 1975 on the Commercial Code, as amended and supplemented by Legislative Decree No. 93-08 of 25 April 1993.
- Law No. 88-02 of 12 January 1988 on planning, as amended and supplemented.
- Law No. 90-22 of 18 August 1990 on the commercial register, as amended by Law No. 91-14 of 14 September 1991 and by Order No. 96-07 of 10 January 1996.
- Law No. 91-08 of 27 April 1991 on the profession of chartered accountant, auditor and bookkeeper.
- Executive Decree No. 91-37 on the conditions of intervention in the field of foreign trade.
- Law No. 92-68 of 18 February 1992 on the status and organization of the National Commercial Register Centre (CNRC).
- Law No. 90-21 of 15 August 1990 on accounting practices, as amended and supplemented.
- Executive Decree No. 91-434 of 9 November 1991 on the regulation of public procurement, as amended and supplemented by Executive Decree No. 96-54 of 22 January 1996.
- Legislative Decree No. 94-01 of 15 January 1994 on the statistical system.
- Order No. 95-20 of 17 July 1995 on the Court of Audit.
- Order No. 95-22 of 12 July 1995 on privatization (as amended and supplemented by Order No. 97-12 of 19 March 1997).
- Order No. 95-25 of 25 September 1995 on the management of State-owned commercial capital.
- Executive Decree No. 95-160 of 3 June 1995, on the organization and functioning of the National Statistics Council, as amended and supplemented by Executive Decree No. 95-447 of 25 December 1995.
- Executive Decree No. 95-438 of 23 December 1995, on implementation of the provisions of the Commercial Code relating to joint-stock companies and consortia.
- Executive Decree No. 00-318 of 16 January 2000 on the procedures for communication to the CNRC, by the courts and the administrative authorities concerned, of any decisions or information liable to entail changes or prohibitions regarding trader status.
- Executive Decree No 00-67 of 21 March 2000 amending and supplementing Executive Decree No. 95-404 of 2 December 1995 relating to the composition and functioning of the National Council for State Participation.
- Executive Decree No 00-334 of 26 October 2000 amending and supplementing

Executive Decree No. 97-39 of 18 January 1997 on the classification of activities subject to business registration.

(ii) *Bilateral and multilateral conventions*

- Executive Decree No. 82-492 on ratification of the 1973 Washington Convention for the protection of fauna and flora.
- Decree No. 88-233 of 5 November 1988 on accession, subject to reservation, to the Convention on the Recognition and Enforcement of Foreign Arbitral Awards, adopted by the United Nations Conference in New York on 10 June 1958.
- Decree No. 90-186 of 23 June 1990 on accession to the International Finance Corporation.
- Decree No. 90-319 of 17 October 1990 on ratification of the investment promotion agreement signed at Washington on 22 June 1990 between the Government of the People's Democratic Republic of Algeria and the Government of the United States of America.
- Presidential Decree No. 95-345 of 30 October 1995 on ratification of the Convention establishing the Multilateral Investment Guarantee Agency (MIGA).
- Presidential Decree No. 95-436 of 30 October 1995 on ratification of the Convention on the Settlement of Investment Disputes between States and Nationals of Other States.
- Presidential Decree No. 94-306 of 2 October 1994 on ratification of the 1993 Protocol extending the International Agreement on Olive Oil and Table Olives, 1986, with amendments.
- Decree No. 91-345 of 5 October 1991 on ratification of the agreement between the Government of the People's Democratic Republic of Algeria and the Belgo-Luxembourg Economic Union, concerning reciprocal promotion and protection of investments, signed at Algiers on 24 April 1991.
- Decree No. 91-346 of 5 October 1991 on ratification of the agreement between the Government of the People's Democratic Republic of Algeria and the Government of the Italian Republic for the promotion and mutual protection of investments, signed in Algeria on 18 May 1991.
- Order No. 96-05 of 10 January 1996 on approval of the United Nations Convention on the Law of the Sea.
- Presidential Decree No. 97-229 of 23 June 1997, ratifying the agreement between the People's Democratic Republic of Algeria and the State of Qatar on promotion and mutual protection of investments, signed at Algiers on 24 October 1996.
- Presidential Decree No. 97-341 of 13 September 1997 on accession, subject to reservation, to the Berne Convention for the Protection of Literary and Artistic Works of 9 September 1886.
- Presidential Decree No. 97-342 of 13 September 1997 on ratification of the agreement between Algeria and Indonesia with a view to avoiding double taxation and preventing income and wealth tax evasion, signed at Jakarta on 28 April 1995.

- Presidential Decree No. 97-373 of 3 September 1991 on accession, subject to reservation, to the Convention for the Suppression of Unlawful Acts against the Safety of Maritime Navigation, done at Rome on 13 March 1988.
- Presidential Decree No. 98-123 of 18 April 1998 on ratification of the 1992 Protocol to Amend the 1969 International Convention on Civil Liability for Oil Pollution Damage.
- Presidential Decree No. 99-92 of 15 April 1999 on accession, subject to reservation, to the Patent Cooperation Treaty, signed at Washington on 19 June 1970 and amended on 28 September 1979 and 3 February 1984, and its implementing regulations.
- Presidential Decree No. 00-58 of 13 March 2000, ratifying the Memorandum of Understanding on Port State Control in the Mediterranean Region, signed in Malta on 11 July 1997.
- Presidential Decree No. 00-59 of 13 March 2000, ratifying the Protocol relating to an Amendment to the Convention on International Civil Aviation, signed at Montreal on 10 May 1994.
- Presidential Decree No. 00-95 of 4 May 2000 on ratification of the agreement between Algeria and South Africa with a view to avoiding double taxation and preventing income and wealth tax evasion, signed at Algiers on 28 April 1998.
- Presidential Decree No. 00-364 of 16 November 2000 on ratification of the agreement between Algeria and Canada with a view to avoiding double taxation and preventing income and wealth tax evasion, signed at Algiers on 28 February 1999.
- Presidential Decree No. 00-387 of 28 November 2000 on ratification of the Convention concerning the Prohibition and Immediate Action for the Elimination of the Worst Forms of Child Labour, No. 182, supplemented by Recommendation No. 190, adopted at Geneva by the International Labour Conference on 17 June 1999.
- Presidential Decree No. 00-447 of 23 December 2000 on ratification of the Protocol of Amendment to the International Convention on the Simplification and Harmonization of Customs Procedures, done at Brussels on 26 June 1999.
- Presidential Decree No. 00-448 of 23 December 2000 on ratification of the Protocol, done at London on 11 November 1988, relating to the International Convention on Load Lines, done at London on 5 April 1966.
- Presidential Decree No. 01-82 of 29 March 2001 on ratification of the economic cooperation and partnership agreement between Algeria and South Africa, signed at Algiers on 24 September 2000.

(iii) *Insurance*

- Order No. 95-07 of 25 January 1995 on insurance.
- Executive Decree No. 95-338 of 30 October 1995 on the establishment and codification of insurance transactions.

- Executive Decree No. 95-339 of 30 October 1995 on the powers, composition, organization and functioning of the National Insurance Board.
- Executive Decree No. 95-340 of 30 October 1995, laying down the conditions for the granting and withdrawal of licences, and on the professional competence, remuneration and supervision of insurance intermediaries.
- Executive Decree No. 95-341 of 30 October 1995 on the rules applicable to insurance agents.
- Executive Decree No. 95-342 of 30 October 1995 on regulated liabilities.
- Executive Decree No. 95-343 of 30 October 1995 on the solvency margin of insurance companies.
- Executive Decree No. 95-344 of 30 October 1995 on the minimum authorized capital of insurance companies.
- Executive Decree No. 95-409 of 9 December 1995 on compulsory cession in the field of reinsurance.
- Executive Decree No. 95-410 of 9 December 1995 on the different combinations of personal insurance.
- Executive Decree No. 95-411 of 9 December 1995 on compulsory civil liability insurance for individuals or corporate bodies operating facilities open to the public.
- Executive Decree No. 95-412 of 9 December 1995 determining the merchandise and capital goods imported by sea and air, which are exempted from compulsory insurance with an insurance company licensed in Algeria.
- Executive Decree No. 95-413 of 9 December 1995 on compulsory civil liability insurance for companies and institutions in the civil economic sectors.
- Executive Decree No. 95-414 of 9 December 1995 on compulsory professional civil liability insurance for operators in the construction industry.
- Executive Decree No. 95-415 of 9 December 1995 on compulsory fire insurance.
- Executive Decree No. 95-416 of 9 December 1995 laying down the conditions and rules for agricultural risk insurance.
- Order No. 96-06 of 10 January 1996 on export credit insurance.
- Executive Decree No. 96-46 of 17 January 1996 laying down the conditions for the licensing, service and dismissal of damage assessment experts with insurance companies.
- Executive Decree No. 96-47 of 17 January 1996 on the rating of risks in the insurance field.
- Executive Decree No. 96-48 of 17 January 1996 laying down insurance terms and conditions in respect of products liability.

- Executive Decree No. 99-75 of 11 April 1999 amending and supplementing Executive Decree No. 96-325 laying down the procedures governing the management of risks covered by export credit insurance.

(iv) *Price regulation*

- Order No. 95-06 of 25 January 1995 on competition.
- Executive Decree No. 95-364 of 11 November 1995, defining inventory procedures for impounded goods, pursuant to Article 69 of the Order on competition.
- Executive Decree No. 95-305 of 7 October 1995 defining the format of the invoice.
- Executive Decree No. 95-365 of 25 October 1995 on the procedures for the imposition of transaction fines.
- Executive Decree No. 00-314 of 14 October 2000 laying down the criteria for determining dominant market position and acts constituting abuse of market power.
- Executive Decree No. 00-315 of 14 October 2000 defining the criteria for assessing planned concentration or mergers.
- Executive Decree No. 00-337 of 26 October 2000 establishing the concession fee for public air transport services.

(v) *Land use rules*

- Law No. 90-08 of 7 April 1990 on the commune.
- Law No. 90-09 of 7 April 1990 on the wilaya.
- Law No. 90-25 of 18 November 1990 on land planning, as amended and supplemented by Order No. 95-26 of 25 September 1995.
- Law No. 90-29 of 1 December 1990 on town and country planning.
- Law No. 90-30 of 1 December 1990 comprising a State property law.
- Law No. 91-11 of 27 April 1991 establishing rules on expropriation in the public interest.
- Decree No. 85-211 of 13 August 1985 laying down rules for the issue of building permits and permits for the division of land into building plots.
- Decree No. 86-226 of 2 September 1986 on mining licences.
- Decree No. 89-125 of 17 October 1989 laying down the standard agreement for private use of public land on a contractual basis.
- Decree No. 93-123 of 19 May 1993, amending and supplementing Decree No. 76-63 on the institution of the land registry.
- Decree No. 92-134 of 7 April 1992, amending and supplementing Decree No. 76-62 on the establishment of the general property register.

(vi) *Social legislation*

- Law No. 81-10 of 11 July 1981 on the employment conditions of foreign workers.
- Law No. 88-07 of 26 January 1988 on occupational health, safety and medicine.
- Law No. 90-02 of 6 February 1990 on the prevention and settlement of industrial disputes and the exercise of the right to strike, as amended by Law No. 91-27 of 21 December 1991.
- Law No. 90-03 of 6 February 1990 on labour inspection.
- Law No. 90-11 of 21 April 1990 on industrial relations, as amended by Law No. 91-29 of 21 December 1991 and Order No. 97-02 of 11 January 1997.
- Law No. 90-14 of 2 June 1990 on the procedure for the exercise of the right to organize.
- Order No. 97-03 of 11 January laying down statutory working hours.
- Law No. 99-04 of 22 March 1999 amending Legislative Decree No. 94-12 of 26 May 1994 establishing social security contribution rates.
- Law No. 99-10 of 11 November 1999 amending and supplementing Law No. 83-15 of 2 July 1983 on social security disputes.
- Law No. 00-01 of 18 January 2000 amending and supplementing Law No. 81-02 of 27 June 1981 on apprenticeship.
- Presidential Decree No. 01-71 of 25 March 2001 establishing the National Advisory Commission on the Promotion of Human Rights.
- Decree No. 90-209 of 14 July 1990 on the organization and functioning of the general labour inspectorate.

(vii) *Quality control*

- Law No. 89-02 of 7 February 1989 on the general rules of consumer protection.
- Law No. 89-23 of 19 December 1989 on standardization.
- Law No. 90-18 of 31 July 1990 on the official national system of metrology.
- Decree No. 90-39 of 30 January 1990 on quality control and the suppression of fraud.
- Decree No. 90-266 of 15 September 1990 on product and service warranties.
- Decree No. 90-366 of 10 November 1990 on the labelling and presentation of non-food domestic products.
- Decree No. 90-367 of 10 November 1990 on the labelling and presentation of foodstuffs.

- Executive Decree No. 90-566 of 10 November 1990 on labelling.
- Decree No. 91-04 of 19 January 1991 on materials intended for contact with foodstuffs and products for cleaning such materials.
- Decree No. 91-53 of 23 February 1991 on conditions of hygiene in the food marketing chain.
- Executive Decree No. 95-363 of 11 November 1995 laying down rules for the veterinary inspection of live animals and animal products or products of animal origin intended for human consumption.
- Decree No. 91-192 of 1 June 1991 on quality control laboratories.
- Decree No. 92-25 of 13 January 1992 on the conditions and procedures for the use of additives in foodstuffs.
- Decree No. 92-41 of 4 February 1992 defining the conditions and procedures for the production, packaging and marketing of cosmetics and personal hygiene products on the domestic market.
- Decree No. 92-42 of 4 February 1992 on prior licensing for the manufacture of toxic or particularly hazardous products, as amended and supplemented by Decree No. 95-39 of 29 January 1995.
- Decree No. 92-65 of 12 February 1992 on the monitoring of the conformity of locally-manufactured or imported products.
- Executive Decree No. 94-210 of 16 July 1994 on the establishment and powers of the Trade Ministry's Central Inspectorate for Economic Investigation and Suppression of Fraud.
- Executive Decree No. 95-405 of 2 December 1995 on the control of phytosanitary products for agricultural use.
- Executive Decree No. 97-431 of 16 November 1995 repealing Decree No. 94-90 of 10 April 1994 on the monitoring of the quality and conformity of products for export.
- Executive Decree No. 98-105 of 31 March 1998 amending and supplementing Executive Decree No. 91-91 of 6 April 1991 on the organization, powers and functioning of the external services in charge of competition and prices.
- Executive Decree No. 00-306 of 12 October 2000 amending and supplementing Executive Decree No. 96-356 of 19 October 1996 on the procedures for monitoring the conformity and quality of imported products.

(viii) *Health*

- Law No. 85-05 of 16 February 1985 on the protection and promotion of health.
- Law No. 87-17 of 1 August 1987 on phytosanitary protection.
- Decree No. 90-198 of 30 June 1990 establishing regulations on explosive substances.

- Decree No. 90-245 of 18 August 1990 establishing regulations on pressurized gas appliances.
- Decree No. 90-246 of 18 August 1990 establishing regulations on steam pressure appliances.
- Decree No. 92-354 of 23 September 1992 on accession to the Vienna Convention for the Protection of the Ozone Layer, done on 22 March 1985.
- Decree No. 92-355 of 23 September 1992 on accession to the Montreal Protocol on Substances that Deplete the Ozone Layer, signed at Montreal on 16 September 1987.
- Decree No. 93-160 of 10 July 1993 regulating the discharge of industrial liquid effluents.
- Decree No. 93-161 of 10 July 1993 regulating the disposal of oils and lubricants in the natural environment.
- Decree No. 93-162 of 10 July 1993 laying down the conditions and procedures for the recovery and processing of spent oils.
- Decree No. 93-163 of 10 July 1993 on the introduction of an inventory of surface water pollution levels.
- Decree No. 93-164 of 10 July 1993 laying down quality standards for bathing water.
- Decree No. 93-165 of 10 July 1993 regulating atmospheric emissions of smoke, gas, dust, odours and solid particles from fixed installations.
- Decree No. 93-286 of 23 November 1993 regulating phytosanitary border controls.
- Executive Decree No. 95-429 of 16 December 1995 laying down the conditions and procedures for authorizing the production, possession, assignment, utilization, transportation, importation and exportation of non-crop plant species.

(ix) *Hydrocarbons and mines*

- Law No. 84-06 of 7 January 1984 on mining activities, as amended by Law No. 91-24 of 6 December 1991.
- Law No. 86-14 of 19 August 1986 on hydrocarbon prospecting, exploration, production and transportation by pipeline, as amended by Law No. 91-21 of 4 December 1991.
- Decree No. 87-157 of 23 July 1987 on the classification of hydrocarbon exploration and production zones.
- Decree No. 88-34 of 16 February 1988 on the conditions for the granting, waiver and withdrawal of mining rights for hydrocarbon prospecting, exploration and production.
- Decree No. 88-193 of 4 October 1988 on the exploration for and exploitation of category I and II mineral substances.
- Decree No. 93-73 of 6 March 1993 establishing the list of mineral substances.

- Decree No. 93-74 of 6 March 1993 on general regulations for mineral production.

(x) *Tourism*

- Law No. 90-05 of 19 February 1990 on tourist and travel agencies.
- Law No. 99-06 of 4 April 1999 establishing the rules governing the operation of tourist and travel agencies.
- Decree No. 85-12 of 26 January 1985 defining and organizing hotel and tourist activities.
- Decree No. 88-214 of 31 October 1988 on the establishment and organization of the National Tourist Office.
- Decree No. 88-232 of 5 November 1988 on the registration of tourist expansion areas.

(xi) *Securities exchange*

- Decree No. 88-177 of 27 September 1988 determining the types of shares and share certificates that can be issued by public enterprises.
- Executive Decree No. 91-170 of 28 May 1991 determining the varieties and forms of securities and the conditions for their issue by companies with share capital.
- Executive Decree No. 91-189 of 28 May 1991 on the organization of securities transactions.
- Legislative Decree No. 91-171 of 28 May 1991 on the stock exchange commission.
- Legislative Decree No. 93-10 of 23 May 1993 on the securities exchange, as amended and supplemented by Order No. 96-10 of 10 January 1996.
- Order No. 96-02 of 10 January 1996 on the organization of the profession of auctioneer.
- Order No. 95-25 of 25 September 1995 on the management of State-owned commercial capital.
- Order No. 96-08 of 10 January 1996 on collective securities investment agencies (OPCVM) (SICAV) and (FCP).
- Order No. 96-09 of 10 January 1996 on leasing.

(xii) *Banking regulations*

- Law No. 90-10 of 14 April 1990 on money and credit.
- Regulation No. 90-01 of 4 July 1990 on minimum capital holdings for banks and financial institutions operating in Algeria.
- Regulation No. 90-02 of 8 September 1990 laying down the conditions for the opening and operation of foreign exchange accounts by corporate bodies.

- Regulation No. 90-03 of 8 September 1990 laying down the conditions for capital transfers to Algeria to finance economic activities and repatriation of such capital and the income derived therefrom.
- Regulation No. 91-02 of 20 February 1991 laying down the conditions for the opening and operation of foreign exchange accounts for the benefit of resident or non-resident foreign individuals and corporate bodies.
- Regulation No. 91-03 of 20 February 1991 on the conditions for the conduct of import transactions in Algeria and their financing.
- Regulation No. 91-04 of 16 May 1991 on the collection of hydrocarbon export earnings, as amended by Regulation No. 95-03 of 6 March 1995.
- Regulation No. 91-07 of 14 August 1991 on exchange regulations and conditions.
- Regulation No. 91-08 of 14 August 1991 on the organization of the money market.
- Regulation No. 91-09 of 14 August 1991 laying down management safeguard rules for banks and financial institutions, as supplemented and amended by Regulation No. 95-04 of 20 April 1995.
- Regulation No. 91-10 of 14 August 1991 on the conditions for opening representative offices of foreign banks and financial institutions.
- Regulation No. 91-12 of 14 August 1991 on the domiciliation of imports.
- Regulation No. 91-13 of 14 August 1991 on the domiciliation and financial regulation of non-hydrocarbon exports.
- Regulation No. 92-01 of 22 March 1992 on the organization and operation of the risk insurance centre.
- Regulation No. 92-02 of 22 March 1992 on the organization and operation of the unpaid debt centre.
- Regulation No. 92-03 of 22 March 1992 on action to prevent and combat the issue of uncovered cheques.
- Regulation No. 92-04 of 22 March 1992 on exchange controls, as amended by Regulation No. 95-07 of 23 December 1995.
- Regulation No. 92-05 of 22 March 1992 on the conditions to be met by the founders, directors and representatives of banks and financial institutions.
- Regulation No. 92-08 of 17 November 1992 on a scheme for bank accounts and accounting rules applicable to banks and financial institutions.
- Regulation No. 92-09 of 17 November 1992 on the preparation and publication of individual annual accounts by banks and financial institutions.
- Regulation No. 92-10 of 17 November 1992 amending and supplementing Regulation No. 91-06 of 16 May 1991 laying down the conditions for the award of foreign

exchange allowances in the event of hospitalization and/or death of nationals in foreign countries.

- Regulation No. 93-02 of 3 January 1993 on the issue of surety and counter-surety bonds by licensed banking intermediaries.
- Regulation No. 95-04 of 20 April 1995, amending and supplementing Regulation No. 91-09 of 14 April 1991 laying down management safeguard rules for banks and financial institutions.
- Regulation No. 95-08 of 23 December 1995 on the foreign exchange market.
- Regulation No. 00-01 of 13 February 2000 on rediscounting and credit arrangements for banks and financial institutions.
- Regulation No. 00-02 of 2 April 2000, amending and supplementing Regulation No. 93-01 of 3 January 1993 laying down the conditions for the foundation of banks and financial institutions and the establishment of branches of banks and financial institutions.

(xiii) *Taxation*

- Order No. 76-103 of 9 December 1976, as amended and supplemented, on the Stamp Code.
- Order No. 76-104 of 9 December 1976, as amended and supplemented, on the Indirect Taxation Code.
- Order No. 76-105 of 9 December 1976, as amended and supplemented, on the Registration Code.
- Law No. 79-07 of 21 July 1979, as amended and supplemented, on the Customs Code.
- Law No. 90-36 of 31 December 1990 on the 1991 Finance Law, particularly Article 38 instituting the Code of Direct Taxes and Equivalent Charges, and Article 65 instituting the Value-Added Tax (VAT) Code.
- Law No. 84-17 of 7 July 1984, as amended and supplemented, on the Finance Law.

(e) Existing laws, regulations or administrative guidelines which significantly affect trade in services

- Financial services - Banking and insurance;
- Transport;
- Tourism;
- Postal and telecommunications services;
- Legislation and regulations relating to the exercise of professional services (lawyers, solicitors, doctors, veterinary surgeons, auditors, etc.).

- (f) Publications or sources of information concerning measures of general application of relevance to the GATS

There are no publications on the subject to date.

The sources of information are the following service sectors of the various ministerial departments:

- Ministry of Finance: banking and insurance services;
- Ministry of Posts and Telecommunications: telecommunications services;
- Ministry of Tourism and Crafts: tourist services, travel agencies, hotel and catering trades, etc.;
- Ministry of Health; medical and health services;
- Ministry of Agriculture: veterinary and phytosanitary services;
- Ministry of Communication and Culture: information and cultural services;
- Ministry of Infrastructure and Regional Planning: public works and construction offices and project departments;
- Ministry of Education: educational services;
- Ministry of Higher Education: university education and scientific research;
- Ministry of Trade: quality control.

Enquiry points, if any, as foreseen in Article III of the GATS

There is as yet no focal point for information of the kind provided for in Article III of the General Agreement on Trade in Services (GATS). The task of provisional coordination is performed by the Ministry of Trade, which ensures notification of all measures relevant to the operation of the GATS and responds, within the customary time-limits, to any request for information submitted by a Member.

6. Description of judicial tribunals and procedures

- (a) Administration of justice

Order No. 65-278 of 16 November 1965 on the administration of justice provides for the establishment of a number of courts throughout the territory, together with subsidiary tribunals whose number, seat and jurisdiction are laid down by regulations.

- (i) *The Supreme Court and the Council of State*

The task of the Supreme Court is to regulate the activities of the courts and tribunals. The Council of State exercises the same authority in respect of the administrative courts. The Supreme Court and the Council of State ensure the consistency of case law throughout the country and monitor observance of the law. Conflicts of jurisdiction between the two bodies are settled by the Disputes Tribunal (Article 152 of the Constitution).

(ii) *The courts and tribunals*

The courts each comprise a bench of judges. The tribunals give single-judge rulings in all types of case, subject to the particular rules governing the work of assessors.

The tribunals are divided into sections, and each section has a presiding judge.

The commercial section is composed of a judge (president).

In the social section, the participation of assessors with a right to vote, representing employers and workers, was made compulsory by the 1991 reform.

Other parties closely involved in the administration of justice include lawyers, bailiffs, auctioneers, trustees, auditors, solicitors, judicial experts and the criminal investigation department.

Law No. 01-06 of 22 May 2001, amending and supplementing Order No. 71-75 of 5 August 1971 on judicial assistance, was enacted in order to make the judicial system more accessible and enable all citizens to defend their rights more effectively.

(b) Criminal law

(i) *Constitutional principles*

A number of fundamental principles are enshrined in the Constitution. They include equality before the law, mandatory prosecution of offences defined by law and the rule that punishment should be applied to the offender only, the presumption of innocence and the non-retroactivity of the law.

Criminal law applies to all offences committed on the territory of the Republic (Article 3). It also applies to offences committed abroad when they are the province of the Algerian criminal courts under the provisions of the Code of Criminal Procedure.

(ii) *Criminal indemnification proceedings*

A public prosecution may be initiated by the injured party, who is also entitled to bring indemnification proceedings in a civil court. The Code of Civil Procedure provides that an indemnity action to obtain compensation for damage caused by any type of offence (criminal, ordinary or minor) may be brought by anyone who has personally suffered damage directly caused by the offence concerned.

(c) Civil law

(i) *The Code of Civil Procedure*

The tribunals are ordinary courts which deal with all civil, real estate and trade suits or suits brought by a company or association, for which they have territorial jurisdiction. They give rulings either at first and last instance or on appeal, depending on the value of the subject-matter.

The courts hear appeals from judgments given in all types of cases by the first-instance tribunals.

In cases concerned with movable property and personal immovable property, as well as cases in which no particular jurisdiction is assigned, the competent court is the court at the place where the defendant is domiciled, or if he has no known domicile, the place where he resides, or if he has no known residence, the place where he was last domiciled.

Any alien, even one not resident in Algeria, may be summoned to appear before the Algerian courts for the performance of obligations he has entered into in Algeria. He may also be brought before the Algerian courts in connection with obligations towards Algerian nationals assumed in a foreign country.

Finally, any Algerian may be brought before the Algerian courts in connection with obligations assumed in a foreign country, including obligations to an alien.

Administrative proceedings are governed by special rules laid down in the Code of Civil Procedure, which was recently amended and supplemented by Law No. 01-05 of 22 May 2001 in order to provide for emergency measures in administrative matters.

(ii) *The Civil Code*

It should be noted that the application of certain relevant provisions is made subject to the terms of international conventions:

- In the event of a conflict of laws, the Algerian courts have the power to define the category occupied by the legal relationship which is the subject of the dispute, with a view to determining the applicable law;
- the laws concerning the status and capacity of individuals are also applicable to Algerians resident abroad;
- foreign legal entities, companies, associations, foundations and the like, which engage in activity in Algeria, are subject to Algerian law;
- contractual obligations are governed by the law of the place where the contract was concluded, unless the parties agree that another law should apply.

The following points should also be mentioned:

- The Minister of Finance represents the State when it is directly involved in private law relationships;
- contracts are binding on the parties to them;
- compensation is always awarded for damage caused by personal action, the action of others or inanimate objects.

(d) *Administrative law*

Law No. 90-23 of 18 August 1990 amended and supplemented the Code of Civil Procedure, with the aim of bringing the judicial system closer to litigants and simplifying the procedures relating to appeals against public authority acts and administrative proceedings.

(e) *Arbitration*

The far-reaching changes in international economic relations, brought about by the increase in the volume of international trade and the wide range of interests shared by members of the international community, had long driven those active in this sphere to try to establish a single legal foundation for the peaceful settlement of possible disputes, thereby overcoming the conflict of laws.

Indeed, the method of settlement of such disputes between operators of different countries raises questions regarding the balance of contractual relationships.

To answer them, use is increasingly made of arbitration, an institution based precisely on the principle of freedom of contract.

Arbitration is not unknown in Algeria. On the domestic level, there has been legislation authorizing and regulating this method of dispute settlement since 1966, while a number of agreements have been concluded in this field at the international level.

(i) *The Code of Civil Procedure*

Articles 442 to 458 of the Code of Civil Procedure provide for voluntary arbitration and the parties also have the right to appeal to the ordinary courts.

The standard arbitration procedure is recognized in numerous foreign legal systems which have opted for this method of dispute settlement.

The parties thus have the possibility of envisaging a special agreement or an arbitration clause for the settlement of their dispute.

The conditions of validity of the arbitration agreement exclude matters outside the field of trade and peremptory jurisdiction, namely cases which may be referred to the Public Prosecution Department.

The arbitration tribunal comprises two arbitrators, selected by each of the parties, and a third arbitrator selected by the two arbitrators in the event of a split decision.

The arbitration proceedings proper are conducted on an adversarial basis.

Lastly, the remedies against arbitral awards are either borrowed from the judicial system (e.g., appeal and retraction) or are peculiar to the arbitration process (e.g., application to set aside an enforcement order).

This method of settling disputes is, however, available only to private individuals. The State and public law corporations are not in principle entitled to submit a case to arbitration.

(ii) *At the international level*

Other than in a limited number of cases, national operators did not in the past have recourse to international institutions; the reason for this, in the case of private individuals, was the existence of a State monopoly in foreign trade, and in the case of public operators, because they did not have unrestricted control over the goods entrusted to them, which were the property of the State and therefore non-seizable, inalienable and imprescriptible.

The situation today is different and foreign trade is largely accessible to individuals, while public enterprises have become independent.

It was against this background that Algeria ratified the New York Convention guaranteeing the effectiveness of arbitration clauses and ensuring the recognition and enforcement of awards on better terms than those applied to foreign judicial decisions in many countries.

Managers of private and public enterprises are thus beginning to familiarize themselves with domestic and international arbitration procedures, especially since the amendment to Article 442 of the Code of Civil Procedure and Algeria's accession to the 1958 New York Convention, as well as its signing of the Arab Convention on Commercial Arbitration, for which the ratification process is in hand.

The Code of Civil Procedure has been expanded by Legislative Decree No. 93-09 in order to provide for international arbitration and to revoke the rule prohibiting the State, in international trade relations, from seeking compromise settlements in arbitration proceedings and in the enforcement of arbitral awards.

Moreover, the Code has been duly supplemented by international arbitration agreements, both bilateral and multilateral.

Finally, it should be pointed out that, with the liberalization of the economy, the courts have been given the task of ruling *inter alia* on:

- The exercise of the right to strike and the right to organize;
- contentious proceedings between public enterprises;
- the liquidation of public or private enterprises;
- proceedings relating to investment.

The Judiciary has also been associated with major national and local institutions, including:

- Management of the commercial register at both national and local level;
- the banking commission attached to the Bank of Algeria;
- the stock exchange commission;
- the privatization commission;
- the competition council;
- the real estate committee.

At the same time, a far-reaching reform is under way to improve the response to the impact of economic reform. The Council of State was established pursuant to Basic Law No. 98-01 of 30 May 1998 on the powers, organization and functioning of the Council of State. Law No. 98-03 of 3 June 1998 stipulates the powers, organization and functioning of the Disputes Tribunal.

The courts are currently undergoing an organizational overhaul which should result in:

- The specialization of courts (commercial, land and community tribunals);
- the establishment of administrative tribunals under Law No. 98-02 of 30 May 1998 on administrative tribunals;
- the classification of courts according to the place where they are located and taking into account the social and economic conditions of the judicial district;
- a review of judicial district boundaries pursuant to Order No. 97-11 of 19 March 1997 on judicial district boundaries.

IV. POLICIES AFFECTING TRADE IN GOODS

1. Import regulation

(a) Registration requirements for engaging in importing

Foreign trade has been fully liberalized since 1994, and the over-valuation of the dinar has been corrected in order to align relative prices with international prices. This required a dynamic exchange rate policy and domestic price deregulation. The system of fixed rates has given way to one of floating rates that is more flexible and capable of reacting more speedily to the consequences of any deterioration in the terms of trade.

There is now free access to foreign exchange for all current account transactions. In 1997, Algeria undertook to meet the implementation obligations under Article VIII of the Articles of Agreement of the International Monetary Fund.

The following basic rules must still be observed, however, in carrying out import transactions in Algeria:

- The obligation for economic undertakings in the public and private sectors to keep a commercial register (Law No. 90-22 of 8 August 1990, as amended and supplemented, on the commercial register);
- the requirement of compliance with the provisions on government procurement, as applicable to "government departments, autonomous national institutions, the wilayas, communes and public institutions of an administrative nature" (Executive Decree No. 91-434 of 9 November 1991 on the regulation of public procurement, as amended and supplemented);
- the obligation of prior domiciliation with an approved banking intermediary (Regulation No. 92-04 of 22 March 1992, as amended and supplemented by Regulation No. 95-05 of 23 December 1995, on exchange controls, particularly Part V defining the rules of payment for imports and exports of goods); some of these rules contribute to the strengthening of the formal economy (and hence to the shrinking of the informal economy).

(b) Characteristics of the national tariff

The first national customs tariff, published in October 1963, contained a set of duty preferences granted to the countries of the European Economic Community in return for reciprocal benefits, with a view to maintaining traditional trade flows.

This preferential regime, which was discontinued in 1972, comprised a single general system of preferences, for customs duties only, and a special tariff applicable to specific trade flows, including trade with the Maghreb countries in particular.

A reform was initiated in 1992, with the introduction of a customs tariff based on the six-digit Harmonized Commodity Description and Coding System (HS). This tariff now includes only five rates of duty, which have been substantially reduced compared to the previous tariff, i.e., exemption (0 per cent), 5, 15, 25 and 45 per cent.

Weighted Average Level of Duties on Main Customs Tariff Groupings in 2000

| Description | Number of tariff headings | Unweighted average rate | Standard deviation | Weighted average rate | Imports (in millions of DA) | Percentage of imports |
|----------------------|---------------------------|-------------------------|--------------------|-----------------------|-----------------------------|-----------------------|
| Total imports (2000) | 5873 | 16.2 | 17 | 9.8 | 690426 | 100 |
| Agriculture (2000) | 522 | 30 | 17.4 | 25 | 195385 | 28.3 |
| Other goods (2000) | 5351 | 23 | 16 | 18 | 495041 | 71.7 |

- (i) *Customs tariff nomenclature, types of duties, general description of the customs tariff structure, weighted average level of duties on main customs tariff groupings*

The customs tariff nomenclature is based on the Harmonized Commodity Description and Coding System, in force since 1 January 1992.

In addition to the six-digit subheadings of the Harmonized System, a seventh digit is used for the purposes of the Arab Maghreb Union and an eighth for national requirements.

The customs duties listed in the tariff are duties based on value (*ad valorem* duties). The tariff is composed of eight product groups representing 5,873 tariff subheadings.

The 2001 Supplementary Finance Law currently in the process of adoption by the National Council provides for a further lowering of the maximum duty rate to 40 per cent.

In 2000, the distribution of subheadings by product group, in accordance with the Harmonized System classification, was as follows:

| Group | 0 % | 5 % | 15 % | 25 % | 45 % | Number of subheadings | Weighted average rate (%) |
|----------------------------|-----|-------|------|------|-------|-----------------------|---------------------------|
| Food, beverages, tobacco | 4 | 97 | 70 | 65 | 444 | 680 | 11.2 |
| Energy and lubricants | 0 | 35 | 3 | 1 | 17 | 56 | 14.9 |
| Unprocessed products | 0 | 289 | 42 | 23 | 63 | 417 | 5.8 |
| Semi-finished products | 3 | 660 | 708 | 285 | 290 | 1.764 | 10.4 |
| Agricultural capital goods | 0 | 11 | 94 | 40 | 5 | 70 | 6.5 |
| Industrial capital goods | 30 | 402 | 346 | 200 | 185 | 1.163 | 7.0 |
| Consumer goods | 28 | 123 | 153 | 150 | 1.087 | 1.541 | 13.4 |
| Total | 65 | 1.617 | 1336 | 764 | 2.091 | 5873 | 9.8 |

Source: Stat2000, National Informatics and Statistics Centre, and Tariff 2000.

The weighted average customs duty rate (applied rate) for all imports in 2000 amounts to 9.8 per cent. Energy products and (industrial) consumer goods are taxed at the highest rates (14.9 and 13.4 per cent, respectively). The magnitude of the differentials between weighted actual average rates and theoretical duty rates shows the scale of the exemptions granted so far to most economic operators, which leaves the Government all the more scope to reduce the level of the applied tariff, as from 2001, without this having any impact on budget revenues and on the internal functioning of the markets.

| Group | Weighted applied protection rate | Unweighted applied protection rate | Average rate per subheading | Standard deviation per subheading | MAX | MIN |
|----------------------------|----------------------------------|------------------------------------|-----------------------------|-----------------------------------|-----|-----|
| Food, beverages, tobacco | 11.2 | 13.4 | 34 | 16 | 45 | 5 |
| Energy and lubricants | 14.9 | 19.4 | 15 | 18 | 45 | 0 |
| Unprocessed products | 5.8 | 6.5 | 12 | 13 | 45 | 5 |
| Semi-finished products | 10.4 | 14.5 | 17 | 15 | 45 | 0 |
| Agricultural capital goods | 6.5 | 16.3 | 21 | 10 | 45 | 5 |
| Industrial capital goods | 7 | 18.7 | 18 | 14 | 45 | 0 |
| Consumer goods | 13.4 | 19.6 | 36 | 15 | 45 | 0 |
| Total tariff 2000 | 9.8 | 16.2 | 24 | 17 | 45 | 0 |

MAX: maximum duty rate per subheading

MIN: minimum duty rate per subheading

Following the amendments made under the various Finance Laws since 1994, customs duty rates have evolved as follows:

| | 1994 | 1996 | 2000 | |
|-----------|-------|-------|-------|-----|
| Exemption | 137 | 104 | 65 | 0% |
| 3% | 656 | 670 | - | - |
| 7% | 1,192 | 1,290 | 1,617 | 5% |
| 15% | 1,219 | 1,293 | 1,336 | 15% |
| 25% | 754 | 790 | 764 | 25% |
| 40% | 933 | 790 | - | - |
| 50% | 0 | 1,520 | 2,091 | 45% |
| 60% | 1,221 | 0 | - | - |

Although the number of zero-tariff subheadings admittedly dropped from 137 to 65 between 1994 and 2000, the number of subheadings subject to a rate under 15 per cent remained virtually unchanged (i.e., about 3,000 products). This is also the case of subheadings subject to a high rate of over 45 per cent, which continue to account for about one third of the national tariff.

(ii) *Application of MFN tariff rates*

Since 1972, Algeria has discontinued the discriminatory application of the double customs tariff and grants de facto the benefit of the MFN clause to the GATT contracting parties.

(iii) *Tariff preferences*

The national customs tariff comprises only one column of customs duties. Tariff preferences are provided for in the context of the trade and tariff conventions between Algeria and the countries of the Arab Maghreb Union. The conventions in question provide for exemption from customs duties and charges of equivalent effect on original or traded products.

(c) *Tariff quotas, tariff exemptions*

As a result of the liberalization process under way since 1994, non-tariff measures (quotas or licences) are no longer applied.

Moreover, the total number of subheadings in the national tariff, to which import duty exemptions are applicable, fell from 137 to 65 between 1994 and 2000.

Tariff exemptions are also granted under international agreements, as in the case of the exemptions applied in trade between Algeria and the countries of the Arab Maghreb Union.

(d) Other duties and charges, including any charges for services rendered

The following duties and charges are applied to imports into Algeria:

- Warranty fees on gold and precious metals;
- slaughter tax applicable to imports of live animals;
- fee for customs formalities, fixed at 2 per cent.

This fee is collected with every import declaration. As far as exports are concerned, only the customs fee of 4 per cent (4 per thousand) is collected with the declaration.

(e) Quantitative import restrictions, including prohibitions, quotas and licensing systems

The only restrictions on merchandise imports into Algeria are prohibitions applicable to certain products such as narcotic drugs, weapons, etc.

On the other hand, a specific surcharge has been levied since 1991: while allowing unrestricted imports of all products other than those prohibited for security or public health reasons, it makes such products even more costly for consumers, with a rate ranging from 10 to 150 per cent. Although its current application is limited to ensuring greater protection of domestically produced equivalents, this surcharge is soon to disappear as a result of its integration in the single applied customs tariff. Indeed, the 2001 Supplementary Finance Law voted by the National People's Assembly in early July 2001 is in the process of being adopted by the National Council.

(f) Import licensing procedures

Annex 3 on import licensing is available at the WTO Secretariat (WT/ACC/DZA/4).

The programme on possible legislative and/or regulatory reforms provides for the establishment of a framework consistent with the relevant WTO Agreement.

(h) Customs valuation

Algeria is a contracting party to the Brussels Convention on the Valuation of Goods for Customs Purposes of 5 December 1950.

Section 6 of the Customs Code on goods value is consistent with the Agreement on Implementation of Article VII of the GATT 1994.

The customs tariff reform conducted under the 2001 Supplementary Finance Law, adopted by the National People's Assembly and currently under examination by the National Council (Second Chamber), is due to abolish the use of administered value, introduced as a safeguard measure.

In practice, a system of valuation of imports made under 464 tariff subheadings (in 2000) has been implemented since 1996, replacing a measure to safeguard activities and jobs seriously threatened by the extremely rapid growth in the volume of imports directly competing with national production. This protection mechanism is due to disappear with the re-establishment of stable conditions for both public and private economic operators, who are often threatened by unfair practices, and with the development of other safeguard mechanisms. This is laid down in the 2001

Supplementary Finance Law, which provides for a general lowering of consumer prices for imported goods.

(i) Other customs formalities

The border measures applied to imports into Algeria concern product quality and sanitary and veterinary controls.

In addition, the importation of certain products is made subject to the issue of a prior authorization or technical certificate by certain Ministries, particularly in the case of medicinal products (Ministry of Health and Population), hunting weapons (Ministry of National Defence and National Security Directorate), bookshop articles (Ministry of Information and Culture), and certain plants and animals (Ministry of Agriculture).

(j) Preshipment inspection

At present, Algerian imports are not subject to preshipment inspection. There are no regulations governing this activity in Algeria.

(k) Application of internal taxes on imports

The following internal taxes on imports have been introduced under the Finance Laws:

- Value-added tax, since 1 January 1991;
- specific surcharge, since 1994;
- road use fee;
- internal consumption duties on hydrocarbons, alcohol and tobacco.

These taxes are, of course, applied to both the import trade and local processing of the same products.

(l) Rules of origin

The rules of origin are laid down in Article 14 *et seq.* of the Customs Code, which stipulates that the country of origin of goods is the country where they were mined, harvested or manufactured.

It should be pointed that the rules of origin applicable to trade with the countries of the Arab Maghreb Union (AMU) and the European Economic Community (EEC) are covered by a special regime, on account of the market access privileges granted in respect of trade in certain products.

As regards the AMU, agricultural products and products of the soil and subsoil extracted or produced in one of the member countries are considered to originate wholly in that country. Moreover, processed industrial products incorporating imported components must have acquired an added value equivalent to no less than 40 per cent (Libya and Morocco), 50 per cent (Tunisia) and 40 per cent (AMU Convention not yet in force) of the ex-works value of the finished product.

As far as exports to the EEC countries are concerned, agricultural and fishery products and products of the soil and subsoil produced in Algeria are considered to be of wholly Algerian origin. Processed industrial products incorporating imported components must have acquired an added value of at least 50 per cent of the ex-works value of the finished product.

(m) Anti-dumping regime

Articles 8, 8*bis* and 8*ter* define the anti-dumping regime and provide for import duties on dumped products or products benefiting from export subsidies in their countries of origin

To date, no regulatory provisions have been adopted in application of these Articles.

(n) Countervailing duty regime

Article 8*ter* of the Customs Code also provides for countervailing duties to prevent imports from causing, or threatening to cause, injury to an existing or planned national industry.

Countervailing duties were introduced in 1992 for a limited period of one year, from March 1992 to March 1993 (Executive Decree No. 92-123 of 23 March 1992 and Interministerial Order of 7 July 1992 supplementing the list of products subject to countervailing duties). These countervailing duty arrangements are now no longer applied.

(o) Safeguard regime

The measures prescribed under the safeguard regime have not been implemented so far.

2. Export regulation

(a) Registration requirements for engaging in exporting

Operators involved in export transactions in Algeria are required to:

- Keep a commercial register;
- arrange for the domiciliation of pro forma invoices drawn up on behalf of foreign clients;
- repatriate the proceeds of export transactions within a time-limit laid down by the Bank of Algeria.

(b) Customs tariff nomenclature, types of duties, duty rates, weighted averages of rates

Algeria has no customs tariff nomenclature specifically for exports.

(c) Quantitative export restrictions, including prohibitions, quotas and licensing systems

Pursuant to the provisions of the Interministerial Order establishing the list of goods barred from export, the following goods are subject to export restrictions in Algeria:

- Palm tree seedlings;
- breeding sheep;
- objects of national interest from the historical, artistic or archaeological standpoint, including vintage vehicles.

(d) Export licensing procedures

Although Algeria has no export licensing regime, exporters' certificates for dates, raw hides or skins and ferrous waste were introduced in 1998 to ensure greater transparency in these spheres of activity. This effective measure is being applied on a temporary basis.

(e) Other measures

Minimum prices are established for the export of dates, raw hides or skins and ferrous waste. Minimum export prices for such products are set in accordance with rules laid down by the Ministry of Trade. The rules are essentially concerned with preventing capital flight.

(f) Export financing, subsidy and promotion policies

Under a special export promotion fund, resources are mobilized to cover part of the expenditure entailed by surveys of external markets, information for exporters, improving the quality of goods and services intended for export, participation in foreign fairs and exhibitions, and specific requirements with regard to export financing and the facilitation of international transport and handling operations in Algerian ports. These measures are intended for both public and private operators.

In addition, a special institution, CAGEX (Algerian Export Insurance and Guarantee Fund), takes responsibility for some of the trade or political guarantees furnished to firms involved in organizing export credit transactions.

(g) Export performance requirements

No export performance requirements are imposed in Algeria.

(h) Import duty drawback schemes

A single import duty drawback scheme is operated in Algeria and concerns temporary admission for the re-export of goods after processing. No import duties are paid under this scheme.

3. Internal policies affecting foreign trade in goods

(a) Industrial policy

The structure of Algerian industry is twofold, with:

- On the one hand, hydrocarbon processing and production activities, which are capital intensive and are run according to the international standards of a strongly fluctuating market;
- on the other, relatively uncompetitive activities (the legacy of government development planning programmes geared to the domestic market) with few links between them but all dependent on import inputs. Little added value is produced by these activities, but they strongly underpin the domestic employment market. In order to improve their performance and above all to reduce their direct impact on the State's current budgets, most local State-owned firms are being wound up, sold off to their employees, or offered for privatization. Practically all enterprises of national importance are due to be fully or partially privatized.

In the longer term, this should lead to the alignment of the management performance standards of Algerian enterprises with international standards, which will greatly help to reduce the need for the protection of Algerian firms from foreign competition.

In the meantime, the 1995 Law on privatization has authorized the disposal of up to 100 per cent of equity of most State-owned firms. The Law was amended in 1997 to provide for greater flexibility by lowering employment protection requirements.

Although few privatization operations have been conducted so far, there has been a slight revival of industrial production in the public as well as the private sector since 1998. The most significant recovery has been in the chemicals sector, the agri-food, electrical and electronics industries and in building materials. The steel, mechanical engineering, leather and footwear, timber, paper and textile sectors are still on the decline.

(i) *Energy sector policy*

In 2000, the energy sector accounted for over 40 per cent of GDP, while representing more than 97 per cent of export earnings.

The hydrocarbon sector is the driving force of the domestic economy and of Algeria's integration in the global economy.

In 2000, it accounted for over 60 per cent of government revenue and more than one quarter of the country's GFCF. It is the main sector of interest for foreign direct investment.

The 1986 Law on hydrocarbons, amended in 1991, opens exploration to foreign participation under the terms of joint-venture contracts, service contracts and production-sharing agreements. A revision of the Law to open up the market more extensively to competition is currently under consideration.

The hydrocarbon sector has been forced to adapt to international economic trends by diversifying its output and exports. Recent years have seen products other than crude oil assume much greater importance in the hierarchy of energy exports. They include condensates, natural gas and refined products. About 20 per cent of hydrocarbon production is consumed domestically.

- Energy policy

Algeria's concerns in this field are those of a developing economy seeking to meet fast growing domestic energy needs, to ensure the long-term satisfaction of those needs, and at the same time to guarantee the necessary financing by obtaining a substantial proportion of its external payment resources through export earnings.

The fundamental principle of the Algerian energy policy over the long term is the achievement of a balance between the satisfaction of domestic needs and exports. This strategy, which prompted the revision of the 1986 Law on hydrocarbons, is geared towards abolishing monopolies through a three-pronged approach: development of hydrocarbon resources and production and transport infrastructure; rationalization and internal use of energy; and reorganization and diversification of exports to achieve maximum returns.

- The development plan

SONATRACH and its partners decided to invest over US\$20 billion into raising production from 900,000 barrels a day to more than 1.3 to 1.5 million barrels a day by 2003-2004. As a result of

this investment policy, the number of discovery wells increased from a mere 20 over the period 1986-1989 to 34 between 1990 and 1994; it now stands at 46.

Highly volatile international oil prices are threatening Algeria's fragile macroeconomic equilibrium. A programme to intensify exploration and expand the transport infrastructure is being put into place in order to ensure more effective control over the volume of income.

- Intensification of exploration

Up to 1986, only 10 per cent of total deposits had been surveyed. The new law adopted in 1986 and amended in 1991 has made it possible to step up exploration and has given a real boost to production in cooperation with foreign partners. In addition to this law, which opens up production, transport and processing activities (formerly under SONATRACH monopoly) to foreign companies, new legislation is being framed to liberalize the oil and gas sector yet further and thus ensure even fairer competition between the national company (SONATRACH) and foreign firms.

In order to keep pace with these developments, a medium-term plan (2002-2004) is being set up with a view to establishing a body in charge of handling the hydrocarbon service sector. This should lead to an intensification of exploration efforts, with the following anticipated results:

- Increase in footage drilled to a total of 600,000 m over the implementation period;
- increase in oil production from 41 million tonnes in 2000 to more than 70 million tonnes in 2004;
- increase in gas production from 135 billion m³ in 2000 to over 155 billion m³ in 2004;
- output plateaus of around 15-17 million tonnes of condensate and 9 million tonnes of liquefied petroleum gas (LPG) per year over the implementation period.

Prospecting efforts are focused on the south-east of the Sahara, which has a richer geological base and reputed potential, together with transport facilities, but they are also being extended to unexplored areas, particularly in the south-west and the north.

- Improvement of the yield from deposits being worked

The purpose of the "Association for Working Deposits" (AGE) is to maintain or enhance the rate of recovery, which currently stands at an average of 23 per cent.

- Development of known but unexploited gas deposits

The purpose of this programme is to achieve the objective of increasing the volume of deposits available for export.

- Increase in natural gas export capacity

The goals are to:

- Complete the ongoing modernization of liquefied natural gas (LNG) complexes, to obtain a capacity of between 20 and 30 billion m³ per year;
- increase the capacity of the "Transmed" gas pipeline from 16 to 25 billion m³ per year (gas pipeline to Italy, in service);

- implement Phase One of the Maghreb-Europe Gas Pipeline (GME) and achieve an export capacity of 7 billion m³ per year during that phase (gas pipeline to the Spanish and Portuguese markets, under construction).

(ii) *Restructuring of Algerian industry*

The restructuring and privatization of Algerian industry are now an essential prerequisite for economic recovery. This judgement is largely borne out by the lacklustre performance of the established industrial production system, which continues to post insufficient and unstable growth rates.

Moreover, reforms in the industrial sector have become inevitable because of the inability of the hydrocarbon sector to continue by itself to guarantee the financing of economic development, and because of the world-wide changes in the industry as a whole, which have ultimately sidelined a local industrial model sheltered for too long from international competition.

The new restructuring policy is based on the following objectives:

- Reducing the weak points of national industries, such as their concentration on a relatively narrow domestic market, their heavy reliance on imports, the underutilization of capacity, technological backwardness and obsolete manufacturing techniques;
- improving the foreign exchange balance of the industrial sector by greater internal plant integration and by a more pronounced slant towards export activities;
- increasing private-sector participation in industrial activities, both through the stimulation of new investment by national or foreign private entrepreneurs and through more extensive privatization of government assets.

Active implementation of industrial public sector reforms

Today, the Government's industrial reform policy pursues two lines of action.

(i) *Stimulation of the privatization process*

After local State-owned enterprises were sold off or wound up between 1996 and 1998, the privatization and restructuring of industrial firms appeared to reach a deadlock. To pursue the efforts initiated in this sphere, the Government undertook to revise most of the legal provisions that slowed down reform procedures. These included the Order of 26 August 1995 on the privatization of public enterprises and the Order of 25 September 1995 on the management of State-owned commercial capital.

In order to improve the coordination of privatization operations, the number of holding companies with State participation has been reduced from 11 to five. The privatization programme aims, *inter alia*:

- To encourage invitations to tender, single tendering, and sales to employees;
- to study all forms of privatization and participation by reputable foreign firms;
- to involve foreign consultancy firms in the evaluation and follow-up aspects of the privatization process.

(ii) *Attraction of foreign investment (direct investment and equity investment)*- Direct investment

Investments in the oil sector, amounting to some US\$500 million a year, account for the greatest share of foreign investment in Algeria. In order to diversify the target sectors, the Government is considering a revision of the Law on investment in order to provide, *inter alia*, for the following facilities:

- Establishment of a "single window" to replace the current Investment Promotion, Support and Monitoring Agency (APSI);
- more systematic granting of advantages deriving from investment;
- equality of treatment between national promoters and foreign promoters and greater transparency in file processing procedures.

- Equity investment

In March 2000, the Currency and Credit Board adopted regulations governing equity investment in Algeria by non-resident Algerian or foreign nationals, in order to facilitate the development of and the expansion of trading on the Algiers stock exchange. These regulations provide for the repatriation of proceeds from sales and returns on dividends or interest under the same terms as the purchase of securities (shares, bonds or other forms of investment quoted on the Algiers stock exchange).

The State's industrial policy is also geared to strengthening and promoting a network of small and medium-sized enterprises and industries, backed up by private manufacturers.

The aims are to provide systematic encouragement for investment in small and medium-sized businesses, to support their emergence through the restructuring and privatization of existing industrial potential and to slant their activities, as a matter of priority, towards the development of subcontracting, the optimum use of local resources and the promotion of exports.

The system of incentives will be based on the following lines of approach:

- Continued streamlining of the institutional environment through the abolition of industrial monopolies, freedom of access to foreign trade, the development of competition and efforts to facilitate the exercise of industrial and trade activities;
- adaptation of the banking and financial system to the needs of small and medium sized businesses through the readjustment of credit policy, encouragement of private banks and modernization of investment support instruments;
- the general reduction of the tax burden on small and medium-sized businesses, as well as of the indirect cost of their social overheads and payroll burden;
- introduction of an integrated policy of assistance with the establishment of small and medium-sized businesses, backed up by training schemes for managers and the development of project banks.

- (b) Technical regulations and standards
- (i) *Monitoring and promotion of quality*

The implementation of economic reforms and the liberalization of foreign trade have resulted in greater awareness, on the part of all the economic operators, of the importance of the concept of "quality", as reflected in particular in the new marketing and competition rules.

Since 1989, the Government has accordingly pursued a national policy for the monitoring and promotion of quality and consumer protection, based essentially on:

- Strengthening of the legislation governing quality and the suppression of fraud;
- development of control capabilities and of the physical and technical basis for quality assessment;
- establishment of an information system and implementation of programmes of assistance for the benefit of economic operators, on the one hand, and the operational services responsible for control, on the other.
- Strengthening of the legislation governing quality

Law No. 89-02 of 7 February 1989 on the general rules of consumer protection is the basic legal instrument for the protection of the moral and material interests of consumers.

The purpose of this important piece of legislation is to lay down general rules for the protection of consumers throughout the process of marketing of the product and/or service, having regard to its quality and irrespective of the legal status of the operator.

The process of making a product or service available for consumption comprises all operations from the stage of initial creation until final supply for consumption (Article 1 of Law No. 89-02 of 7 February 1989).

The main principles enunciated in the Law concern:

- Protection of the material and moral interests of consumers, either individually or in an associative framework;
- compliance with the statutory and regulatory specifications and standards defining the quality of goods for consumption;
- organization of a system of quality control for goods and services placed on the market.

On the basis of the principles set out in the Law, a set of horizontal regulations has been adopted and has served to strengthen the force of the institutional and legal machinery put in place.

These implementing regulations cover the following issues in particular:

- Procedures for the investigation and finding of offences relating to quality control and the suppression of fraud (Decree No. 90-39 of 30 January 1990);
- product and service warranties (Executive Decree No. 90-266 of 15 September 1990);

- labelling and presentation of non-food domestic products (Decree No. 90-366 of 10 November 1990);
- labelling and presentation of foodstuffs (Decree No. 90-367 of 10 November 1990);
- materials intended for contact with foodstuffs and products for cleaning such materials (Decree No. 91-04 of 19 January 1991);
- conditions of hygiene in the food marketing chain (Decree No. 91-53 of 23 February 1991);
- conditions and procedures for the use of additives in foodstuffs (Decree No. 92-25 of 13 January 1992);
- control of the quality and conformity of imported or exported products (Decree No. 93-47 of 6 February 1993) and of locally manufactured products;
- control of the conformity and quality of imported products (Decree No. 96-354 of 19 October 1996, Official Journal No. 062 of 20 October 1996, as amended and supplemented by Decree No. 2000-306 of 12 October 2000);
- conditions and procedures for the production, packaging, importation and marketing of cosmetics and personal hygiene products on the domestic market (Decree No. 97-37 of 14 January 1997, Official Journal No. 004 of 15 January 1997);
- prior licensing for the manufacture and importation of toxic or particularly hazardous products (Decree No. 97-254 of 8 July 1997, Official Journal No. 046 of 9 July 1997);
- technical specifications applicable to textile products (Decree No. 97-429 of 11 November 1997, Official Journal No. 75/1997);
- prevention of risks associated with the use of toys (Decree No. 97-494 of 21 December 1997, Official Journal No. 85/1997).

All these regulations, taken together, are designed to ensure enhanced protection both for the consumer and for the national economy as a whole.

They thus provide a more appropriate legal framework for duly authorized officials to exercise their statutory powers and for consumers to protect and safeguard their moral and material interests.

Moreover, the adoption of specific regulations laying down the qualitative requirements for goods and services helps to foster progress, while fitting into a process of competitiveness and broader competition.

Lastly, the adaptation of nationally produced goods to international standards is a prerequisite for trade promotion and provides a boost to non-hydrocarbon exports.

- Development of control capabilities and of the physical and technical basis for quality assessment

In recent years, significant progress has been made in strengthening quality control capabilities, in terms of both sanctions and prevention.

The "control" function has been upgraded through organizational adjustments serving to rationalize quality control.

Reorganization of the quality control infrastructure has led to the establishment of the following bodies and agencies:

- At central government level

- Product quality and safety department

- This body is responsible for shaping the broad lines of national quality control policy, in particular by studying ways and means to promote quality and develop general or specific regulations on the quality of consumer goods and services.

- Central inspectorate for economic investigation and the suppression of fraud

- This body exercises supervisory powers in the economic field. It draws up monitoring programmes and ensures optimum performance, in particular through quality and fraud control operations conducted by Trade Ministry units.

- At the decentralized level

- Regional inspectorates for economic investigation and the suppression of fraud

- Within their territorial jurisdiction, these seven regional inspectorates bear overall responsibility for the competition and price directorates and for border inspections; they also have monitoring and follow-up power regarding the operational units in charge of economic controls.

- Competition and price directorates of the wilayas

- These operational units, which are established in the capital of each of the 48 wilayas (administrative areas), exercise economic supervision, particularly as regards quality control, the suppression of fraud and the promotion and development of competition.

- Border inspection units

- These 14 inspection units are established in the main points (ports, airports, land border posts) of transit of imported goods and are in charge of controlling the quality and safety of imports. The regulatory specifications are the same as those applicable to domestic products.

Following the liberalization of foreign trade, border inspection became necessary in order to deal with the massive and anarchic imports of general consumer goods representing a potential threat to consumer health and safety.

Pursuant to Law No. 89-02 on consumer protection, procedures have been laid down for detaining imported goods and bringing them into conformity (Decree No. 96-354 of 19 October 1996, as amended and supplemented by Decree No. 2000-306 of 12 October 2000).

The main principles are as follows:

- systematic control of the quality and conformity of certain products, designated by statutory order;
- delivery of a conformity certificate prior to customs clearance;

- possibility of bringing the products into conformity either under customs control or in a specialized facility.

The functions of border inspection units were laid down by Decree No. 98-105 of 3 March 1998, amending and supplementing Decree No. 91-91 of 6 April 1991 on the organization, powers and functioning of the external services in charge of competition and prices.

It should be pointed out that today control is restricted to foodstuffs and to cosmetics and personal hygiene products.

- Intermediate agencies

There are three important agencies with administrative powers, namely:

- The Algerian Quality and Packaging Control Centre (CACQE);
- the Algerian Standardization Institute (INAOR);
- the National Metrology Office (ONML).

The operational units involved in quality control have been given additional human and material resources, which has led to a strengthening of control mechanisms in recent years, in particular border controls.

The implementation of these quality control measures has necessitated the development and strengthening of existing resources in the field of analytical assessment.

In this connection, it should be recalled that Decree No. 91-192 of 11 June 1991 laid down the conditions for opening and licensing quality assessment laboratories, while at the same time classifying them.

On the basis of these regulations, an assessment of existing national capabilities has been conducted and provision has been made for the establishment of a network of laboratories for quality testing and assessment (RELEA), pursuant to Decree No. 97-459 of 1 December 1997, supplementing Executive Decree No. 96-355 of 19 October 1996.

Alongside the creation of this national assessment laboratory network (which is still at the planning stage), a programme for the development of laboratories dealing with quality control and the suppression of fraud has been drawn up and implemented. This has led to the establishment of 14 laboratories now in operation.

- Strengthening of the information infrastructure and implementation of assistance programmes

Given the particular emphasis on dialogue and communication in the national quality control policy, the priority schemes launched by the Government have focused on:

- Strengthening the community-based consumer protection movement

This movement is expected to grow stronger in the years ahead, with support from the Government.

- Developing communication and assistance

The communication policy developed since 1995 has led to the following activities:

- organization of media information and awareness-raising campaigns, using both television and the written press (commercials, newspaper ads and articles), along with the creation of a bulletin on quality issues;
- organization of outreach workshops and seminars to explain the legislation and rules in force;
- efforts to find new fora for communication and consultation in the quality field (Chambers of Commerce, consumer associations, and so forth).

In regard to assistance, international cooperation programmes have been initiated at both bilateral and multilateral level (UNDP-UNIDO-FAO), facilitating the development of training and retraining schemes and programmes in support of enterprises.

Lastly, it should be noted that, at the international level, Algeria takes an active part in the work of specialized bodies such as the Codex Alimentarius Commission.

(ii) *Standards and certification*

As a result of the restructuring of the Algerian Standardization and Intellectual Property Institute (INAPI), standardization and certification matters are now handled by the Algerian Standardization Institute (IANOR), established pursuant to Decree No. 98-69 of 21 February 1998 (Official Journal No. 011 of 1 March 1998).

The IANOR, a public industrial and commercial undertaking placed under the supervision of the Ministry of Industry and Restructuring, is responsible for implementing national standardization policy.

Within the context of a public service function and under its statutes and the legislation in force, the IANOR has the following tasks:

- Elaboration, publication and dissemination of Algerian standards;
- centralizing and coordinating all standardization activities undertaken by existing bodies or those to be set up for the purpose;
- adoption of marks of conformity with Algerian standards and quality marks, and the issue of authorizations for the use of such marks and control of their use, within the framework of the legislation in force;
- promotion of studies, research and tests in Algeria or abroad, and development of testing facilities needed to establish and guarantee the implementation of standards;
- establishment, conservation and provision of any documentation or information relating to standardization;
- application of international conventions and agreements on standards to which Algeria is a party;

- the institute is also responsible for representing Algeria in the work of the international and regional standards organizations.

The Algerian standardization system is largely based on international practice. The system is governed by the following laws and regulations:

- Law No. 89-23 of 19 December 1989 on standardization;
- Decree No. 98-69 of 21 February 1998 on the establishment and statute of the Algerian Standardization Institute;
- Decree No. 90-132 of 15 May 1990 on the organization and functioning of the standardization system;
- Decree No. 2000-110 of 10 May 2000 amending and supplementing Executive Decree No. 90-132 of 15 May 1990 on the organization and functioning of the standardization systems;
- Decree No. 2000-111 of 10 May 2000 on the Algerian Council for the Accreditation of Conformity Assessment Bodies;
- Order of 3 November 1990 on the elaboration of standards;
- Order of 3 November 1990 on the organization and functioning of technical committees;
- Order of 23 April 2000 amending and supplementing the order of 2 November 1992 establishing technical committees responsible for standardization activities;
- Order of 24 July 1996 instituting the national standardization day;
- circular of 20 May 2000 by the Head of Government concerning the consistency of standards and technical regulations;
- Order of 2 November 1992 establishing technical committees responsible for standardization activities;
- Order of 24 July 1996 laying down the conditions and procedures for the award and withdrawal of marks of conformity with Algerian standards.

For the purposes of the provisions contained in particular in Decree No. 2000-110 on the organization and functioning of the standardization system, the IANOR relies on a national standardization council and strategic steering committees responsible for defining sectoral programmes, and it also has 57 national technical committees through which all interested parties may participate in standardization activities.

The Algerian standardization system provides for two categories of standards:

- Approved standards, which are mandatory;
- registered standards, which are optional.

It should be noted that, to date, more than 5,200 Algerian standards have been produced, based for the most part on the international system, nearly 200 of which are mandatory.

With regard to conformity assessment, and to meet the quality requirements which now constitute a prerequisite for all commercial transactions, the IANOR launched a major project in 1992 for the purpose of promoting improved quality in Algeria.

This project, involving the establishment of the Algerian Council for the Accreditation of Conformity Assessment Bodies (Decree No. 2000-111 of 10 May 2000) is aimed at establishing, in accordance with international norms (ISO-IEC guidelines), an Algerian product conformity certification system.

The project will eventually cover all the following fields:

- Accreditation;
- certification of quality systems;
- product certification;
- certification of persons;
- certification of services.

For its various customers, which are mainly enterprises, the IANOR has developed services ranging from dissemination to the Council of information on standards to certification and training. The aim in fact is to ensure the practical integration of a standardization culture within firms.

Thus, the IANOR has contributed to the upgrading of four enterprises through fulfilment of the ISO 9002 certification requirement and receives requests for support from a number of public and privately owned companies.

With regard to participation in the work of international organizations specializing in this field, the IANOR represents Algeria in the International Standardization Organization (ISO) and the Arab Industrial Development and Mining Organization (AIDMO).

(c) Sanitary and phytosanitary measures

(i) *Sanitary measures*

- Imports of live animals and animal products

This activity is governed by law No. 88-08 of 26 January 1988 on veterinary medicine and the protection of animal health, and by Executive Decree No. 91-452 of 16 November 1990 on veterinary inspections at border posts.

The importation of animals and animal products capable of spreading contagious animal diseases to humans or animals is prohibited.

Importers of such products are therefore required to obtain a waiver of the above-mentioned prohibition from the national veterinary authority, i.e., the official veterinary services of the Ministry of Agriculture (Veterinary Services Directorate), on the basis of the sanitary situation in the country of origin.

The waiver takes the form of a document certifying that no disease subject to compulsory declaration has been reported in the place, area or country of origin of the products concerned.

It is issued on the basis of the sanitary situation in the country of origin.

The sanitary information in question is obtained from:

- Countries with which Algeria has relations in the field of animal health (signed agreement between the two countries); and
- the International Office of Epizootics (OIE), an international organization to which Algeria is affiliated.

Imports of animals are authorized only from countries where the sanitary situation is at least equivalent to that obtaining in Algeria.

The sanitary (bacteriological, toxicological and isotopic) requirements for the import of animal products and/or products of animal origin must conform to recognized international standards, such as those of the Codex Alimentarius.

- Imports of pharmaceutical products for veterinary use

The marketing of pharmaceutical and organic products for veterinary use is governed by the laws and regulations in force. No veterinary drug may be placed on the market unless it has been first authorized by the Ministry of Agriculture.

The marketing authorization (AMM) is granted by decision of the Minister of Agriculture and on the proposal of the Interministerial Commission set up for that purpose.

- Exports of animals and animal products

Animal exports are governed by international sanitary standards based on schedules of animal diseases subject to compulsory declaration and laboratory findings, particularly in the serological field. For exports of animal products or products of animal origin, essentially fishery products, a scheme for the licensing of establishments which process such products is being carried out in cooperation with the European Union, as is a scheme for the introduction of preshipment bacteriological and toxicological testing of such products.

Exports of animals or animal products are also subject to a sanitary export exemption issued by the veterinary services of the Ministry of Agriculture, with the aim of guaranteeing the sanitary condition of such products.

- Exports of pharmaceutical products for veterinary use

Exports of veterinary products are subject to a waiver issued by the veterinary services of the Ministry of Agriculture's central administration.

(ii) *Phytosanitary and agricultural pesticide controls*

Phytosanitary and agricultural pesticide controls are governed by Law No. 87-17 of 1 August 1987 on phytosanitary protection and regulated by Executive Decree No. 2000-149 of 28 June 2000 laying down organizational rules for the central administration of the Ministry of Agriculture, which entrusts the role of national phytosanitary authority to the Plant Protection and Technical Control Directorate (DPVCT).

The role of this governmental authority relates to phytosanitary controls within the national territory and at the borders, and phytosanitary products for agricultural.

- Internal phytosanitary controls

These controls are based on surveillance operations and action to combat prohibited crop pests within the national territory. The machinery put in place covers animal and vegetable organisms, the manifestation or propagation of which must be prevented at all costs through the introduction of a rigorous system of detection.

Executive Decree No. 95-387 of 23 November 1995 establishes a list of plant pests and the surveillance and control measures applicable to them.

The species or genres on the list were included on account of the economic harm they have actually caused to crops in the past (as in the case of San José scale, the khapra beetle, date palm blight, dodder and broomrape), or because of the potential danger they represent given their capacity to spread via seeds and seedlings (as in the case of beetles and borers, scale insects, capnodis).

- Phytosanitary border controls

Border controls of plants, plant products and plant material are a preventive measure designed to protect Algerian agriculture from the introduction and colonization of dangerous crop plants. The relevant regulatory framework is provided by the following texts:

- Executive Decree No. 93-286 of 23 November 1993 regulating phytosanitary border controls;
- Ministerial Order No. 32 of 13 January 1992 on phytosanitary conditions for the import of plants and parts of living plants of fruit and ornamental species;
- Ministerial Order No. 117 of 21 May 1995 establishing phytotechnical and phytosanitary standards for the import of seeds and seedlings of market garden, arboreal, viticultural and major crop variety species;
- Ministerial Order No. 010 of 11 January 1998 on import conditions for potato tubers (text repealing Ministerial Order No. 306 of 18 November 1995 referred to below);
- a draft Ministerial Order specifying import conditions for seeds and seedlings is being enacted and will replace Orders No. 32 of 13 January 1992 and No. 010 of 11 January 1998;
- Ministerial Order No. 306 SPM of 18 November 1995 requiring prior technical authorization for imports of potato tubers and laying down specific phytosanitary requirements. It contains regulations focusing on three key lines of approach, namely:
 - Schedule of prohibitions and restrictions:
 - Annex I to Decree No. 93-286 of 23 November 1993 contains a Schedule A of harmful organisms barred from importation into Algeria, irrespective of their biological forms, and a Schedule B of prohibited harmful organisms found on a particular plant medium.

- Annex II to the same decree sets out the list of plants and plant products subject to mandatory phytosanitary border controls. For all imports, the border customs services require controls to be carried out by the phytosanitary services prior to customs clearance.

Order No. 32 of 13 January 1992 (text in process of amendment) establishes the list of fruit and horticultural species barred from importation because they might introduce epidemic diseases.

Ministerial Order No. 010 of 11 January 1998 on conditions for importing potato tubers makes the importation of potato tubers subject to prior technical authorization and lays down specific phytosanitary requirements.

- Points of entry

In accordance with the International Plant Protection Convention, each member country of the FAO must adopt regulations indicating the official points through which plant products may be imported or exported. In the case of Algeria, the points in question were designated by Decree No. 93-283 of 23 November 1993 and comprise:

- Ten sea entry points (ports);
- six land entry points;
- eight air entry points (airports).
- Exercise of control

All plant products included in the schedule attached to Annex II of Decree No. 93-283 of 23 November 1993 are subject to compulsory phytosanitary inspection.

This schedule is a working guide for the customs services, so that no product on the schedule may leave the customs enclosure without a free circulation licence issued by authorized inspecting officers, which attests that the consignment of plants or plant products has been inspected and is in conformity with the phytosanitary regulations in force.

Consignments of plants, plant products and plant material for export must meet the phytosanitary requirements of the importing countries. They are subject to compulsory inspection and, if the regulations of the importing country so require, they must be accompanied by a phytosanitary certificate issued by duly authorized officials.

Phytosanitary inspections for import or export purposes are carried out by officially appointed inspectors. Only officials whose names appear on the list established by ministerial order (text in process of adoption) are empowered to carry out phytosanitary inspections and to sign the official documents finalizing the controls. These officials are recognized by the courts and specimens of their signatures are deposited with the phytosanitary authority and the customs services.

In performing their duties and formalizing their decisions, inspectors are required to rely on:

- The content of the technical documents accompanying the merchandise and issued by the official services of the exporting country;
- their own findings, made visually or by microscope.

The phytosanitary border inspection posts may also, for the purpose of detailed analyses, enlist the scientific support of the national laboratory for expert detection and diagnosis, as well as the regional diagnostic laboratories run by the INPV (National Plant Protection Institute), the CNCC (National Control and Certification Centre) and bodies answerable to the Ministry of Higher Education and Scientific Research.

(iii) *Control of phytosanitary products for agricultural use*

This activity is governed by Law No. 87-17 of 1 August 1987 and the following implementing regulations:

- Executive Decree No. 99-156 of 20 July 1999 amending and supplementing Executive Decree No. 95-405 of 2 December 1995 on the control of phytosanitary products for agricultural use;
- Ministerial Order No. 744 of 6 October 1996 appointing the members of the National Commission on certification of phytosanitary products for agricultural use;
- Ministerial Order No. 79 of 13 March 2000 on packaging and labelling conditions for phytosanitary products in agricultural use;

They are concerned *inter alia* with the conditions of manufacture, importation, distribution, marketing and utilization of phytosanitary products for agricultural use; the latter must be cleared by a prior certificate of approval issued by the phytosanitary authority after investigation by and on the recommendation of the National Phytosanitary Products Commission.

- Importation and distribution

The importation and distribution of phytosanitary products for agricultural use is subject to an authorization issued by the phytosanitary authority. This procedure enabled the operators concerned to be identified and, at the same time, facilitates qualitative control at the points of entry and distribution.

- Manufacture

The manufacture of phytosanitary products for agricultural use is authorized after investigation and approval by the Commission, which checks that the manufacturing process is in conformity with the legislation in force.

- Use of phytosanitary products

In order to guard against the harmful effects of inappropriate use of phytosanitary products, the relevant measure is designed to regulate this activity by authorizing specialized and qualified enterprises or agencies to handle phytosanitary products.

(iv) *International relations*

The Directorate of Plant Protection and Technical Control (DPVCT/Ministry of Agriculture) acts as the national phytosanitary authority and represents Algeria in relations with regional and international plant protection organizations.

In this capacity, the DPVCT maintains relations with several organizations, including:

- The Food and Agriculture Organization of the United Nations (FAO)

Basic text: Decree No. 85-112 of 7 May 1985 on accession by Algeria to the International Plant Protection Convention (IPCC), signed at Rome on 16 December 1951, revised by Resolution 14/79 of the FAO Conference held from 10 to 29 November 1979.

- The Arab Maghreb Union (AMU)

Basic text: Presidential Decree No. 90-423 of 22 December 1990, on ratification of the convention between the countries of the Arab Maghreb Union (AMU) relating to phytosanitary matters, signed at Algiers on 23 July 1990.

- The European and Mediterranean Plant Protection Organization (EPPO/Paris)

Presidential Decree No. 98-125 of 18 April 1998 on the accession by Algeria to the Convention of the European and Mediterranean Plant Protection Organization.

- The Inter-African Phytosanitary Council of the Scientific, Technical and Research Commission (CRI/STCR/OAU, Yaoundé)

- The Near East Plant Protection Organization (NEPPO)

(d) Trade-related investment measures

Algerian legislation on investment comprises no measures capable of having a restrictive or distorting effect on trade. It is in conformity with the provisions of Article III (National Treatment) and Article XI (General Elimination of Quantitative Restrictions) of the 1994 General Agreement.

(e) State-trading practices

Since 1998, pursuant to the so-called General Principles Act on Public Enterprises (Law No. 88-01 of 12 January 1988), the rules previously applied to State-owned companies have been completely recast. Such companies, which were formerly considered to come under the direct authority of the Ministries, were given a status which placed them on the same footing (subject to certain provisions concerning the assignment of their assets) as private law companies governed by the Commercial Code.

Since 1995, several laws have been adopted with a view to privatising public enterprises and increasing transparency in the management of the State's commercial capital. These laws confirm the full applicability of commercial code rules to public companies. Trading by public companies, notwithstanding the specific status of their ultimate owner, is governed in all respects by the same provisions as are applicable to private companies.

In practice, a government agency, the Algerian Inter-Trade Cereals Board (OAIC) continues to be involved in the importation of grains, following a change in its status, in accordance with the rules governing companies.

This government agency has none of the attributes of a trading monopoly. Any other enterprise, whether public or private, continues to be entitled to import the same products.

Nevertheless, the elimination of monopolies is a slow process, particularly in sectors requiring substantial investment. De facto monopolies continue to exist, but they are being broken up. For the most part, such monopolies are exercised by firms importing strategic foodstuffs and raw materials and semi-manufactures required for the production process. The same applies to

construction materials such as cement, wood and steel, market areas which are increasingly being penetrated by private firms.

(f) Free zones

A free zone is currently at the planing stage in Algeria (Bellara site, Jijel). Pursuant to Legislative Decree No. 93-12 on the promotion of investment, which provides for the establishment of industrial free zones for exports, an Executive Decree (No. 94-32) has been enacted to draw up the procedures for the management and establishment of free zones.

(g) Free economic zones

Algeria has no economic zones of this kind, but does not rule out the possibility of establishing such zones, if necessary, in accordance with the national policy of investment promotion.

(h) Trade-related environmental policies

The concept of environmental protection is explicitly recognized by Law No. 83-02 of 5 February 1983. Responsibility for implementation lies with the Ministry of the Environment and Regional Planning.

The main environmental aspects of trade concern the manufacture, transportation and marketing of dangerous products (particularly chemicals, explosives, etc.), which are also covered by the national legislation in force, through special statutes on the protection of health, consumers, animal health, etc.

Furthermore, Algeria has ratified the WTO Decision on Trade and Environment, adopted in Marrakesh in April 1994, which recognizes the need "to identify the relationship between trade measures and environmental measures, in order to promote sustainable development [and] to make appropriate recommendations on whether any modifications of the provisions of the multilateral trading system are required, compatible with the open, equitable and non-discriminatory nature of the system".

Algeria is also a signatory of the Basle Convention on the control of transboundary movements of hazardous wastes and of the London Guidelines for the exchange of information on chemicals in international trade.

(i) Mixing regulations

As a complement to the legislation mentioned under point (h) above, mixing regulations are governed by Executive Decree No. 92-42 of 4 February 1992 on prior authorizations for the manufacture of toxic or particularly hazardous products.

(j) Government-mandated counter-trade and barter

(i) Barter

An Interministerial Order of 14 December 1994 lays down the rules for barter transactions on the borders with Niger and Mali.

This type of trade is of an exceptional nature and is designed exclusively to facilitate the supply of goods to the populations resident in the wilayat of southern Algeria (Adrar, Illizi and Tamanrasset). The goods imported in this way may not be marketed outside the territorial limits of the above-mentioned wilayat.

There is an established list of goods authorized for frontier barter trade. It covers necessities included in the consumption habits of the local populations. This traditional type of trade has been maintained in order to ensure the stability and continuity of the centuries-old links between the populations of the region, thereby guaranteeing that they are regularly supplied with essential products.

The very modest level of such border trade (US\$1 to 1.5 million) represents a negligible proportion of Algeria's foreign trade.

(ii) Product exchange or technical exchange transactions

Such transactions may relate to goods or services not subject to any particular prohibition, suspension or restriction as regards both imports and exports.

Commercial transactions of this kind involve very small amounts (US\$0.5 million) and are carried out by firms with a view to acquiring imported products in exchange for exports.

Under this procedure, only the following products are authorized for import: equipment, raw materials, semi-finished products, spare parts and tools.

The following products may not be exported under this procedure: "Deglet Nour" dates, petrochemical and steel products, fertilizers, iron ore and wine.

All product exchange and technical exchange transactions are subject to bank domiciliation, in the same way as routine imports and exports.

(k) Trade agreements leading to country-specific quota allocation

Algeria has concluded no agreements of this kind with its partners.

(l) Government procurement practices

Procurement legislation has developed in the light of the country's socio-economic situation, reflecting a shift from centralized to more liberal management.

Procurement covers the full range of contracts for public works, supplies and services concluded by the State and by public institutions and establishments of an administrative nature, excluding contracts governed by specific legislation, such as insurance contracts and contracts for the supply of electricity and gas.

Public contracts are subject to a specific system of award and supervision, aimed at ensuring rational, efficient and transparent use of the public funds earmarked to finance them.

The main features of this system, which has undergone several stages since 1962, are currently embodied in Decree No. 91-434 of 9 November 1991 on the regulation of government procurement.

The Decree lays down the procedures to be followed for the award of public contracts as well as the rules for monitoring them. It also specifies the clauses to be inserted in contracts, and in some cases their content.

(i) *Award procedures*

Public contracts are concluded on the basis of the following range of methods:

- single tendering, subdivided into:
 - simple direct agreement,
 - mutual agreement after consultation;
- invitations to tender, subdivided into:
 - open invitations to tender,
 - selective invitations to tender;
- selective consultation following pre-selection;
- adjudication; and
- competition.

The choice of the method of awarding government contracts depends on efficiency criteria and is the responsibility of the contracting service. However, this choice has to be justified in the context of regulatory controls.

(ii) *Methods of control*

Government procurement is subject to different types of control covering the entire contractual process. Controls are carried out by the internal organs of the contracting service, the supervisory administration, the procurement commissions attached to each contracting service and the National Procurement Commission.

The procurement commissions carry out an a priori control before performance of any contract can begin.

Depending on their nature and the amount involved, contracts come within the purview of either the National Procurement Commission or the procurement commissions of the contracting service.

Procurement involving an amount of not more than DA 4 million is not subject to prior control and may take the form of direct orders by the administration.

(iii) *Review of public procurement regulations*

The public procurement regulations are currently being reviewed with the aim of simplifying management procedures and, above all, developing competition rules applicable to government orders. Emphasis will be placed on the principles of transparency, information and equal treatment of bidders as well as the application of instruments of prevention and control of agreements between bidders.

(m) *Regulation of trade in transit*

The customs transit regime is set out in the Customs Code (Article 125 *et seq.*). In 1988, Algeria accepted annex E1 on customs transit of the Kyoto Convention, adopted under the auspices of the Customs Cooperation Council (CCC).

The application of the customs tariff and the foreign trade regulations is suspended for the duration of the transit operation. Persons applying for this type of treatment must sign a transit bond, undertaking to deliver the declared goods to a specific customs office, under seal, within the specified time-limit.

4. Policies affecting trade in agricultural products

The policy applied in the agricultural sector is intended to increase agricultural output and ensure fulfilment of the overall aim of food security.

Implementation is geared to requirements of competition and economic efficiency.

The policy is pursued along several lines of approach, namely: liberalization of foreign trade, pricing policy, review of the system of incentives, budgetary measures, organization of farming and administrative adjustment.

The adjustments already made have been designed to encourage farmers to take on more responsibilities, on the basis of participatory practices, whereby the State withdraws from its previous involvement in the management of economic and commercial activities.

For example, all the parties concerned may engage in foreign trade regardless of status, subject to compliance with the general regulations applicable to exports and imports.

All import restrictions have been lifted.

The supply of agricultural inputs, which was for many years the preserve of public enterprises under monopolies granted by the State, has also been freed of all restrictions, and this has fostered the emergence of a wide range of private companies specializing in this field, as a result of the break-up of the major State-owned enterprises in this sector in 1997 (ONAPSA, ENAFLA, OREVIC).

(a) Imports

The estimated overall bill for imports of agri-food products and the factors and means of agricultural production in 1995 amounted to nearly US\$3 billion.

The size of this food bill and any slippage likely in the years ahead, given the rate of population growth and the risk of upward fluctuations in the international prices of the various products, is prompting consideration of the possibility of controlling imports by introducing a tariff quota system for a limited period.

The list of imported agricultural products and foodstuffs, with a heavy predominance of cereals and dairy products, comprises 720 products under the Harmonized System (HS) classification, with an estimated value of US\$2.1 billion in 1999.

(b) Exports

The agricultural trade balance shows a substantial deficit. The percentage ratio of exports to imports in 1999 was only 3.9 per cent; hence the need to give new impetus to this sector.

No scheme of export subsidies is applied at the present time.

- (e) Internal agricultural policies
- (i) *Foundations of agricultural policy*

Agriculture is an economic activity of fundamental importance to the Algerian population at a time when non-agricultural growth is not yet capable of providing a large number of well-paid jobs.

Apart from its economic function, agriculture will continue to play a valuable social and environmental role, since it employs 21 per cent of the economically active population and is the main field of activity for 50 per cent of the population living in rural areas. At the same time, it enhances the value of open spaces and land and water resources and contributes to preserving the environment.

As far as reforms are concerned, agriculture was the first sector to have undertaken economic reform, particularly in respect of trade in agricultural products, foreign trade, private management of agricultural land, elimination of consumer price subsidies for food products and the gradual transition from price supports for production to support for investment in farms other than those producing wheat and dairy products, which receive collection premiums.

In this entirely private environment, the State acts to facilitate the development process, regulate markets and encourage increased production, while preserving natural resources on a sustainable basis.

This is the new vision which inspired the recent launch, by the Algerian State, of a National Agricultural Development Plan (PNDA).

The plan meets a number of social, economic and technical requirements, such as the improvement of farm incomes, action to combat rural poverty and protection of natural resources.

The National Agricultural Development Plan (PNDA) is aimed at improving the level of food security by giving the population access to food products in accordance with traditionally accepted standards, ensuring better coverage of consumer needs by national production, developing the productive capacity of farm inputs and reproductive material, and making rational use of natural resources for purposes of sustainable development and promotion of production methods with proven comparative advantages.

In order to achieve these goals, five major development programmes are being implemented (November 2000), namely:

- The programme to develop widely consumed agricultural products and products with proven comparative advantages;
- the programme of adjustment of cultivation schemes to the conditions of different environments (conversion);
- the national reforestation plan which has been overhauled to promote worthwhile and efficient afforestation schemes;
- the programme for the development of pasture land and protection of grassy plains;
- the programme of concessions to enhance the value of land and the land development programme in the south.

These programmes are subject to agro-climatic constraints, since most of the country continues to suffer from drought and the soil is subjected to inappropriate systems and techniques of production and threatened by irreversible erosion and deterioration.

They are also subject to an agricultural development financing constraint dictated by the withdrawal of bank financing for farmers and the social problems connected with the large-scale rural exodus of populations on account of the precariousness of their situation.

In this context, the National Agricultural Development Plan is designed to impart cohesion to the different development programmes on the basis of a medium-term outlook.

The purpose of the PNDA is to:

- Develop production methods suited to natural spaces and rural areas with a view to promoting intensive agro-industrial development and integration in individual sectors (cereals, dairy products, potatoes, tree cultivation, red and white meat);
- adapt the systems of agricultural development in arid and semi-arid regions and those subject to drought (currently reserved for cereals or left fallow with the consequent threat of erosion) by switching to tree cultivation, viticulture, stock breeding and other appropriate activities, and concentrating cereal production on areas with recognized advantages;
- expand agricultural potential by granting concessions for the development of agricultural land, so as at the same time to enhance and preserve natural resources, increase investment and employment in the agricultural sector and expand the oases in the south of the country.

The development schemes that are to be launched must satisfy three criteria: economic viability, environmental sustainability and social acceptability.

The afforestation rate in the north of the country is to be raised from 11 to 14 per cent through the introduction of the national reafforestation programme.

Implementation of the PNDA is supported by a financing scheme centred on:

- Pricing policy: only wheat and dairy producers receive a collection premium to guarantee a satisfactory level of income;
- totally free prices for other agricultural products;
- budgetary measures, development assistance and tax measures;
- support for agricultural investment: under the PNDA, State support in the form of partial grants and interest rate subsidies on loans is geared to:
 - supporting investment in agricultural holdings for modernization purposes;
 - expansion of agricultural land under irrigation;
 - renewal and extension of orchards;
 - development of new agricultural land;

- establishment of small agricultural processing units;
- use of new agricultural products and technologies.

State financial aid in the form of definitive grants covers the work of the agricultural administration and the financing of agricultural and rural infrastructures, including:

- Protection of landed assets, in particular by reforestation;
- mobilization of water resources for irrigation purposes;
- vocational training;
- research and extension services;
- hydro-agricultural projects;
- fishing port infrastructure;
- strategic storage infrastructure;
- protection and development of genetic resources (vegetable and animal);
- electrification;
- opening up backward regions.

State grants are provided through the national agricultural regulation and development fund, the concessional rehabilitation fund and the phytosanitary and animal health protection fund.

The supervisory machinery established also relies on the redeployment of the central and local agricultural administration in order to ensure monitoring and objective evaluation of programme implementation, and on the reorganization of the work of the technical institutes with a view to providing technical support suited to farmers' requirements.

The following concerns are central to the PNDA's implementation procedures:

- Rehabilitation of the idea of the farmer as an active participant in economic development;
- the agricultural holding as an economic entity requiring modernization;
- emphasis on the need for an agricultural development blueprint for the wilaya to guide development and investment.

(ii) *Taxation*

The agricultural sector, which was tax exempt for a long period of time, today makes a contribution, out of solidarity, to budgetary replenishment, although the level of taxation is still moderate and collection rates remain low.

5. Policies affecting foreign trade in other sectors

(a) Textiles regime

No special regime is applied to the textiles sector in Algeria.

(b) Policies affecting foreign trade in other major sectors

There are no policies affecting foreign trade in other major sectors of the economy that have not been described under the various section headings of this memorandum.

V. TRADE-RELATED INTELLECTUAL PROPERTY REGIME

1. General

(a) Intellectual property policy

Intellectual property is taken to mean ownership of creative works directly linked to industry and trade, as well as copyright in literary and artistic works.

The term "property" signifies that the rights derived from intellectual property may not be used without the consent of the holders or authors.

Industrial property is concerned with the protection in particular of inventions, marks, industrial designs and appellations of origin, and the repression of unfair competition.

An invention is a novel idea which makes it possible, in practice, to resolve a specific problem in the field of technology.

A patent is a document issued by a government office, which describes the invention and creates a legal situation in which the patented invention may normally only be exploited with the authorization of the patentee.

A trademark is a sign which serves to distinguish the products of an industrial or commercial enterprise or a group of such enterprises, while service marks serve the same purpose in respect of services.

An industrial design is the ornamental aspect of a useful article.

An appellation of origin is the geographical name of a particular place, which serves to designate the products originating in the place from which they derive their essential characteristics.

Copyright is conferred on the author of a creative work (literary and artistic works) irrespective of the genre, the method and form of expression, the merits or the destination.

The repression of unfair competition is directed against acts by industrial or commercial competitors that are contrary to honest practices.

Immediately after independence, Algeria became aware of the need to implement a policy for the encouragement and protection of intellectual property.

Accordingly, the provisions of the Constitution relating to fundamental rights explicitly guarantee freedom of "intellectual, artistic and scientific creation" as well as freedom of "private ownership".

The elevation of these protected rights to the level of fundamental rights recognized and established by the State Constitution reflects a concern to honour the creative effort embodied in the products of the mind and a desire to make the authors and right holders feel more secure, so that they will continue to bend their energies to the production of intellectual, artistic and scientific works.

Moreover, with a view to ensuring the acquisition and mastery of foreign technologies, while at the same time enabling its nationals to secure the protection of their rights in foreign countries, Algeria has ratified the main international conventions in force in the field of intellectual property.

Protection of intellectual property is not, however, an end in itself; it serves to encourage creative activity, industrialization, investment and fair trading.

Since the submission of the memorandum on foreign trade regime, Algeria's policy in respect of copyright and neighbouring rights has been directed towards bringing its legislation into line with the relevant provisions of the TRIPS Agreement.

This is reflected in:

- Confirmation in the 1996 Constitution of the protection of intellectual creation and copyright;
- adoption of Order No. 97-10 of 6 March 1997, which superseded Order No. 73-14 of 3 April 1973 on copyright;
- Algeria's accession to the Berne Convention for the Protection of Literary and Artistic Works (1971 Paris Act) which entered into force on 19 April 1997;
- reorganization of the statutes of the National Office of Copyright and Neighbouring Rights by Decree No. 366-98 of 21 November 1998.

These developments reflect a desire to promote creative activity at the domestic level by means of effective protection for authors and other creative agents, to bring the national system of protection into line with universal standards in this field and to facilitate the effective provision of protection through collective management of copyright and neighbouring rights.

Order No. 97-10 of 6 March 1997 on copyright and neighbouring rights is characterized by the strengthening of copyright protection, the introduction of important innovations aimed in particular at modernizing the legislative framework and broadening the scope of protection to include other categories of beneficiaries.

In this connection, mention should be made of:

- the explicit recognition of the need to protect software, computer programs and databases;
- recognition of the right to rent software and audiovisual works;
- recognition of a right of communication by means of any computer-based system;
- extension of the core period of copyright protection from 25 to 50 years;
- introduction of a right to remuneration for private copies;

- recognition of the right to legal protection of neighbouring rights;
- aggravation of the criminal penalties applicable to infringements of protected rights.

(b) Agencies responsible for policy formulation and implementation

Two agencies administer intellectual property, each in accordance with the activities assigned to it by law. The agencies concerned are the Algerian Standardization and Industrial Property Institute (INAPI), which deals with industrial property, and the National Copyright Office (ONDA) which deals with copyright and neighbouring rights.

With regard to industrial property, mention should be made of a restructuring exercise carried out in 1998 in order to group together all relevant activities within a single agency, namely the INAPI.

The INAPI exercises the following functions:

- Receipt, examination, registration and issue of patents for inventions;
- receipt, examination and registration of marks, industrial designs and appellations of origins;
- receipt and registration of documents affecting industrial property rights;
- publication of rights of protection that have been granted and of any document affecting such rights;
- provision to the public of any information relating to industrial property.

The ONDA is concerned with ensuring the protection and defence of the moral and material interests of authors or their successors in title and of the owners of neighbouring rights, and protecting the works of the traditional cultural heritage and national works that fall within the public domain. In this connection, the main functions assigned to it are the following:

- Collective management of the rights of authors and of the owners of national neighbouring rights and the owners of foreign rights pursuant to Algeria's international commitments and the reciprocity agreements concluded with similar bodies;
- protection of works of the traditional cultural heritage and of works in the national public domain;
- legal and social assistance for authors and owners of neighbouring rights;
- promotion of cultural creativity.

Moreover, these two agencies represent Algeria internationally, each in the field with which it is concerned.

(c) International intellectual property conventions and regional or bilateral agreements to which Algeria is a party

At the international level, Algeria has acceded to the following conventions and agreements:

- Berne Convention for the Protection of Literary and Artistic Works;

- Paris Convention for the Protection of Industrial Property, with ratification of the most recent act thereto, namely the Stockholm Act (1967);
- Convention Establishing the World Intellectual Property Organization;
- Madrid Agreement concerning the International Registration of Marks;
- Patent Cooperation Treaty (PCT);
- Nice Agreement concerning the International Classification of Goods and Services for the Purposes of the Registration of Marks;
- Madrid Agreement for the Repression of False or Deceptive Indications of Source on Goods;
- Lisbon Agreement for the Protection of Appellations of Origin;
- Nairobi Treaty on the Protection of the Olympic Symbol.

(d) Application of national and most-favoured-nation (MFN) treatment to foreign nationals

In the area of industrial property, in order to secure the recognition of intellectual property rights and the attendant safeguards, any national or foreign individual or corporation, in fulfilling the formalities required by Algerian legislation, may obtain an official authorization issued by the competent government department. This authorization can be relied upon in dealings with the competent courts, where necessary. However, non-resident nationals are required to appoint an agent resident in Algeria.

In the matter of copyright and neighbouring rights, the application of national treatment for the benefit of authors is based on Algeria's accession to the relevant international conventions.

Algeria is a party to the Universal Copyright Convention of 1952, revised at Paris in 1971, and to the Berne Convention for the Protection of Literary and Artistic Works, revised at Paris 1971. Under these Conventions, foreign nationals enjoy the same protection as nationals and no formality is required for that purpose.

With regard to the holders of related rights, Algeria has not yet ratified the Convention for the Protection of Performers, Producers of Phonograms and Broadcasting Organizations (Rome Convention of 1961) nor any other international convention governing such rights. Consequently, the holders of foreign neighbouring rights do not enjoy national treatment with regard to the protection of their rights in Algeria.

As far as most-favoured-nation treatment is concerned, Algeria has not entered into any international undertakings requiring the application of such treatment in respect of copyright and related rights, nor does it give privileged treatment to the nationals of particular foreign countries.

(e) Fees and taxes

Under Algerian tax law, the definition of profits derived from a non-commercial occupational activity includes income from the licensing of patents or the licensing or assignment of trade marks, processes, formulas or industrial designs.

The tax treatment of such income (known as fees) varies according to the type of recipient (natural or legal persons) and their place of residence (resident or non-resident in Algeria).

However, the imposition of fees may also be provided for in a double taxation agreement concluded and ratified with another contracting State.

Authors resident in Algeria are exempt from the aggregate income tax (IRG). The rate of deduction at source applicable to authors resident abroad is 20 per cent unless otherwise provided under bilateral agreements.

(i) *Tax treatment of fees – ordinary law system*

- Tax treatment of fees paid to natural persons

Natural persons resident in Algeria

The income derived from the above-mentioned fees paid to natural persons resident in Algeria is subject to the aggregate income tax (IRG) at a rate of 10 per cent (deducted at source by the person paying the fee up to an amount of DA 500,000).

Above that amount, progressive rates are applied, as laid down in the schedule contained in Article 104 of the Code of Direct Taxes and Equivalent Charges.

Natural persons resident abroad for tax purposes

The income paid to natural persons resident abroad is subject to a 20 per cent deduction at source.

Fees paid to legal persons

Legal persons with registered offices in Algeria

The sums collected by enterprises with registered offices in Algeria in return for the granting of licences for the use of patents owned by them, and the assignment or licensing of trade marks, processes or manufacturing formulas, are counted as part of the profits of the company concerned.

Such sums are consequently subject, under the rules of ordinary law, to the company profits tax (IBS) at a rate of 38 per cent.

Foreign companies with no permanent base in Algeria

When the above-mentioned sums are paid to foreign companies with no permanent base in Algeria, they are subject to an 18 per cent deduction at source corresponding to the company profits tax (IBS).

(ii) *Tax treatment of fees under tax agreements*

Algeria has concluded double taxation agreements with a number of countries. Fees are defined in those agreements as remuneration of any kind paid for the use or licensing of copyright on a literary, artistic or scientific work, including cinematographic and television films, patents, marks, plans, formulas or secret processes.

In respect of royalties and fees, Algeria applies the principle of tax sharing.

Under this principle, the fees levied – for which the rate of taxation ranges from 5 to 15 per cent – are liable to tax:

- In the State of residence of the beneficiary on the basis of the rates applied under the tax legislation of that State;
- in the country from which they originate (i.e. Algeria) at a rate determined by the contracting parties in an express provision of the tax agreement;

(iii) *Rules for deduction at source*

Debtors (natural or legal persons) who pay sums (fees) liable to tax are required under Algerian tax legislation, and prior to payment, to make a deduction at source corresponding to the aggregate income tax (IRG) or the company profits tax (IBS), depending on the status of the beneficiary (natural or legal person).

If the remuneration is paid in foreign currency, it is converted into Algerian dinars at the exchange rate applicable on the date of payment of the fees.

It should also be pointed out that, under Algerian law, applications lodged with the competent agency (INAPI) for the registration of industrial property rights are subject to the payment of parafiscal charges, the rates of which are specified in the provisions of the Finance Act. The rates are available from the agency concerned.

The above are the main features of the tax regime applied to income derived from intellectual property rights.

2. Substantive standards of protection, including procedures for the acquisition, maintenance and exercise of intellectual property rights

Copyright and related rights, including the rights of performers, producers of phonograms and broadcasting organizations.

(a) Copyright and related rights

- Copyright

Order No. 97-10 accords protection to any literary or artistic creation of an original nature.

Such protection is granted irrespective of genre, form, mode of expression, merit or destination.

It is granted from the date of creation of the work, whether the latter is fixed or not fixed, and is not subject to any prior formality.

Ideas, concepts, principles, systems, processes, procedures and modes of operation are excluded from the scope of the protection granted.

All categories of works referred to in Article 1 of the Berne Convention are protected.

The protection granted to literary works extends to software and computer programs, and databases are also protected when they are the subject of selective coordination or disposition of an original nature.

Apart from authors' proprietary rights recognized by the Berne Convention, the Order expressly provides for a rental right in respect of software and audiovisual works, as well as a right of communication by means of any computer-based system.

Exclusive copyright is mitigated in specific cases by limited degrees of authorization for the free utilization of protected works and by exceptions enabling works to be used without authorization subject to equitable remuneration.

The limitations on exclusive copyright concern use of the work in a family setting or by educational establishments and certain specific types of use in connection with the creation of other works (such as pastiches, parodies, caricatures, quotations) or by the educational, cultural and communication sectors for the purpose of their activities.

Under certain conditions, these exceptions give rise to a right to remuneration in the form of statutory or compulsory licences.

Statutory licences cover the reproduction of musical works fixed lawfully on a sound medium and the broadcasting and cable distribution of broadcast works.

The system of compulsory licences is based on the provisions for the benefit of developing countries contained in the annex to the Berne Convention (Paris Act) and the Universal Copyright Convention revised in Paris in July 1971.

The term of protection of an author's proprietary rights on behalf of his/her successors in title is 50 years from the beginning of the calendar year following his/her death.

For certain categories of works (pseudonymous or anonymous works, photographic works and works of applied art), the 50-year term of protection runs from the date of publication.

In the case of audiovisual works, the 50-year term of protection is calculated from the date when the work is made accessible to the public; if the work has not been made accessible to the public, the term of protection expires 50 years after the date of production.

- Related rights

Order No. 97-10 introduced statutory protection of neighbouring rights for the first time in Algeria.

The beneficiaries of neighbouring rights are performers, producers of phonograms and videograms and broadcasting organizations.

The owners of neighbouring rights enjoy a right of authorization and a right to remuneration.

The right of authorization granted to all categories of beneficiaries implies that their consent is necessary before the protected work can be used.

The definition of this right varies according to the specific characteristics of each category of right holder.

In the case of performers, there is a right to authorize the reproduction and communication to the public of their live performance.

The authorization granted for fixation of the performance is considered to constitute an agreement for its reproduction in the form of phonograms or videograms.

The producers of phonograms are entitled to authorize the reproduction and supply of copies reproduced with full respect for the rights of the authors of the works contained in the phonogram.

Producers of videograms are entitled to authorize the reproduction of their videograms and communicate them to the public by any means, with due respect for the rights of the authors of the works contained therein.

They may not separately assign their rights to the videogram or the rights they acquire from the authors and performers of works fixed in the videogram.

Broadcasting organizations are entitled to authorize the rebroadcasting of their broadcasts and the reproduction of their programmes broadcast on media intended for distribution to the public, with due respect for the rights of the authors of the works contained in their programmes.

The right of prior authorization granted to the holders of neighbouring rights is subject to the same exceptions and limitations as are applicable to copyright under Articles 30 to 42 and 43 to 56.

Order No. 97-10 of 6 March 1997 also confers a right to remuneration on certain holders of neighbouring rights, namely:

- Performers in respect of the broadcasting and communication to the public of a fixed performance, by any means;
- phonogram producers in respect of the broadcasting and communication to the public, by any means, of their phonograms;
- videogram producers in respect of the broadcasting of videograms distributed by means of published copies.

The term of protection of the rights of performers, phonogram producers, videogram producers and broadcasting organizations is 50 years from the beginning of the calendar year following communication to the public of the performances, phonograms, videograms and broadcast programmes.

(b) Trade marks, including service marks

The Algerian legislation on trade marks is also applicable to service marks.

In order to qualify for protection, the mark must be filed for registration with the Algerian National Industrial Property Institute (INAPI). Such registration confers ownership of the mark on the first applicant.

To remain valid, the registered mark must be used within a year following registration.

The owner of a mark may demand the cancellation of the registration of another mark likely to create confusion with his own; such an action must be instituted within five years following the filing of the mark.

A registered mark may be obtained for several products or services, in accordance with the international classification.

The term of protection of the mark is ten years renewable.

Marks that have been validly filed are the subject of registration and publication in the Official Industrial Property Bulletin (BOPI).

A national register covering all registered marks enables any interested party to check the availability of marks.

A new draft law designed to bring the legal rules on marks into conformity with the TRIPS Agreement has been prepared and will be enacted in the near future.

(c) Geographical indications, including appellations of origin

To qualify for protection, an appellation of origin must be registered on the basis of a regulatory text concerning its creation.

Registration confers ownership of the appellation of origin for a renewable ten-year term, and the fact of registration is published in the Official Industrial Property Bulletin.

(d) Industrial designs

Protection is afforded to new and original designs.

Subject to fulfilment of the prescribed formalities, industrial designs may be granted protection for a period of ten years, which is not renewable.

Registrations attributing ownership of industrial designs are published in the Official Industrial Property Bulletin.

(e) Patents

Inventions which are new, which are the result of an inventive activity and which are capable of industrial application may be protected by a patent for invention.

An invention may relate to a product or a process.

The following are not protected:

- Plant varieties or animal breeds, and the processes for producing them;
- Strains of micro-organisms;
- foodstuffs, pharmaceuticals, cosmetics and chemicals, excluding the processes by which they are produced.

The term of protection for a patent is 20 years non renewable, subject to the fulfilment of annual formalities for maintenance in force.

Patents issued for inventions are the subject of publication in a regulatory enactment.

(f) Protection of plant varieties

Under Algerian legislation, plant varieties and the processes for producing them are excluded from patentability.

However, in the context of the application of the provisions of the TRIPS Agreement, a draft law on the specific protection of new varieties of plants and accession to the International Union for the Protection of New Varieties of Plants (UPOV) is under preparation.

(g) Layout-designs of integrated circuits

Algerian patent legislation contains no specific provisions for the protection of layout-designs of integrated circuits.

However, in the context of action to bring the law into conformity with the TRIPS Agreement, a draft text on the protection of layout-designs of integrated circuits is being prepared.

Similarly, the possibility of accession to the Washington Treaty concerning the protection of integrated circuits is under consideration.

(h) Requirements concerning undisclosed information, including trade secrets and test data

The criminal law of Algeria makes it a punishable offence for a worker to communicate or attempt to communicate to foreigners or Algerians resident in a foreign country information concerning the secrets of the enterprise in which he works, unless he is authorized to do so.

(i) Any other categories of intellectual property

The law on copyright specifically provides for the protection of the right to remuneration for private copies of works produced in the home, the protection of works belonging to the traditional cultural heritage, the rights of performers, the rights of producers of phonograms or videograms, and the rights of sound and television broadcasting organizations.

In addition, the law in question defines as a broadcasting act, subject to authorization by the author, the transmission of signals carrying programmes of protected works and stored in the memory of a satellite, as long as such transmission is intended for public reception.

3. Measures to prevent abuse of intellectual property rights

The new legislation on copyright provides for the protection of neighbouring rights, including the rights of performers, the rights of phonogram or videogram producers, and the rights of sound and television broadcasting organizations.

The author's proprietary rights are protected during his lifetime and for 25 years after his death, for the benefit of his successors in title.

Upon the expiration of this term, the work falls within the public domain.

Algerian copyright legislation makes the ONDA responsible for the protection of the moral and material interests of the producers of intellectual works and their successors in title, and the moral protection of works in their repertoire, used both in Algeria and abroad, as well as the collection and distribution of the fees payable for such use.

Intellectual property rights are guaranteed under judicial and administrative procedures.

The Algerian legislation on inventions, marks, designs and appellations of origin provides for measures to prevent abuse of the rights concerned.

The INAPI provides advice and assistance in the context of an information service for the benefit of the parties concerned by the exploitation of industrial property rights.

4. Enforcement

Intellectual property rights are guaranteed under judicial and administrative procedures.

(a) Civil judicial procedures and remedies

Algerian law (Code of Civil Procedure, Civil Code, Commercial Code, enactments relating to industrial property and copyright and those relating to competition) satisfies all the requirements of the Agreement on Trade-Related Aspects of Intellectual Property Rights in this respect.

In particular, the following principles are implemented:

- Any national or foreigner may refer to the Algerian courts any act by which he is adversely affected; any referral of a matter to a court must result in the pronouncement of a judgement, even if it is one for removal from the register;
- all proceedings take the form of adversarial hearings (thus ensuring compliance with the obligation to inform the defendant of the action brought against him by the plaintiff);
- adherence to the rules of discovery if guaranteed;
- in accordance with the principle of due process, every party to a dispute is guaranteed the possibility of being represented at law by a lawyer of his choice;
- the parties bear the burden of proof. In addition the judge has the authority to order any investigation, procedural step or expert report *ex officio*, with a view to facilitating the settlement of the dispute placed before him. The plaintiff has the possibility of proving his case, just as the defendant may provide proof of the contrary;
- all courts decisions are written and reasoned. They are notified or transmitted at the mere request of the parties;
- all ordinary or special remedies are available to all the parties. This is the case for ordinary appeals, applications to set aside judgements, third party applications to set aside judgements, retractions and appeals on points of law;
- illegality proceedings may be brought by anyone wishing to contest administrative decisions by the State or its organs;
- in accordance with the provisions of the 1996 Constitution, contentious proceedings are dealt with by the administrative courts and the Council of State, while ordinary law proceedings fall within the jurisdiction of courts of first instance, courts of appeal and the Supreme Court;
- the following penalties may be imposed: damages to compensate for the injury sustained, seizure, destruction of goods and confiscation of goods.

Moreover, under the Civil Code a right is considered to be unreasonably exercised in the following cases:

- If the sole purpose is to injure other parties;
- if the exercise of the right tends to the satisfaction of an interest of negligible importance in relation to the resulting injury to other parties;
- if it tends to the satisfaction of an unlawful interest.

The legislation on inventions provides for the invalidity of clauses imposing obligations and of limitations not derived from the rights conferred on the licensee by the patent for invention. In addition, any interested party may obtain a compulsory licence from the competent court on the grounds of failure to work or insufficient working of the patent.

However, the new legislation on competition contains specific provisions authorizing the exercise of competition and prohibiting anti-competitive practices.

As a result, Algeria is in full compliance with the provisions of the General Agreement and does not need to establish any separate or new judicial system for the enforcement of intellectual property rights.

Algerian legislation guarantees the availability of judicial remedies against any action which might cause injury to any party.

The above-mentioned procedures serve to ensure that disputes are settled with due respect for the rules of law and equity, and on the basis of fairness and equality before the law.

(b) Provisional measures

In urgent cases, the Code of Civil Procedure and the specific laws relating to intellectual property provide for referral to the urgent applications court whose ruling takes the form of an order and may even be given on the sole basis of an ex parte application, with the possibility of immediate enforcement, even before the decision is registered.

(c) Any administrative procedures and remedies

In the event of counterfeiting or piracy, the owner of the mark or the victim of piracy may apply to the customs service to suspend the unloading of the disputed goods:

- Pending the settlement of the criminal complaint;
- pending an emergency interim ruling to deal with the suspension of customs clearance, which takes the form of an administrative decision requiring referral to the administrative division of the Supreme Court.

All other administrative decisions relating to the acquisition, maintenance and revocation of rights may be the subject of a judicial review on the grounds of illegality, as an automatic remedy even where not provided for by law, and one also applicable to any special border measures.

Consequently, Algerian legislation in this field meets the requirements of the General Agreement in respect of intellectual property.

(d) Any special border measures

The owner of a registered mark may submit an application to the customs administration, explaining that he is the owner of the registered mark and inviting the administration to suspend customs clearance of the goods suspected of being counterfeits of trade mark goods.

An owner of copyright may submit an application to the customs administration, explaining that he is the owner of the copyright and inviting the administration to suspend customs clearance of goods suspected of being pirated.

The above-mentioned provisions may be extended to the holders of exclusive licences and of related rights.

Any application submitted on these grounds should specify the length of time for which the customs administration is to provide the requisite assistance.

The period of time in question may, on request, be further extended.

When the period of validity of the trade mark or copyright expires for any reason, the owner or holder is required to inform the above-mentioned administration.

The customs administration may also intervene ex officio on the basis of domestic statutes and the international conventions on intellectual property rights.

In the latter case, the customs administration may, on its own initiative, suspend customs clearance of the goods concerning which there is a presumption of infringement or potential infringement of an intellectual property right.

If need be, it may request the holder of the right to provide free of charge any information and assistance, including the assistance of technical experts and other means required to determine whether the suspect goods are counterfeit or pirated or whether they infringe an intellectual property right in any other way.

The customs authority shall promptly inform the holder of the right of the place and date of the suspension of customs clearance.

In this connection, the customs administration acts within a framework of international cooperation, on the basis of the exchange of information and databases.

(e) Criminal procedures

Out of concern to protect intellectual property, the Algerian legislature has established a section of five articles in the Criminal Code for the punishment of infringements. These criminal provisions are supplemented by the specific laws guaranteeing the same rights as in the civil and administrative fields.

The Criminal Code provisions establishing penalties for infringements of literary and artistic ownership were repealed by Order No. 97-10 of 6 March 1997 on copyright and neighbouring rights.

Criminal penalties for infringements of copyright and neighbouring rights are set out in Order No. 97-10 which provides for deterrent penalties for acts of counterfeiting.

Any persons found guilty of counterfeiting a work or a performance, and their accomplices, are liable to a term of imprisonment of six months to three years and a fine of DA 500,000 to 1 million. In the event of further offences, the penalty is doubled and the court may also order:

- Temporary closure of the establishment used by the counterfeiter or his accomplices for up to six months, or definitive closure;
- confiscation of sums equivalent to the amount of the proceeds of the unlawful exploitation of the work or performance, of any equipment specially installed to carry out such unlawful activity and of any counterfeit copies or items;
- newspaper publication of convictions and posting thereof on the door of the convicted person's residence and of any establishment belonging to him.

5. Laws, decrees, regulations and other legal instruments relating to the above

The following is the list of laws, decrees, regulations and other legal instruments relating to the various points mentioned above:

- The 1996 Constitution (Articles 36 and 49);
- Order No. 48 of 25 February 1966 on the accession of the People's Democratic Republic of Algeria to the Paris Convention for the Protection of Industrial Property of 20 March 1883, and Order No. 75-02 of 9 January 1975 on accession to the 1967 Stockholm Act to the said Convention;
- Order No. 66-57 of 19 March 1966 on trade or service marks;
- Order No. 66-86 of 28 April 1966 on designs;
- Order No. 73-14 of 3 April 1973 on copyright;
- Order No. 73-26 of 5 June 1973 on Algeria's accession to the Universal Copyright Convention of 1952, revised at Paris on 24 July 1971;
- Order No. 76-65 of 16 July 1976 on appellations of origin;
- Law No. 89-23 of 19 December 1989 on standardization;
- Law No. 90-07 of 3 April 1990, as amended and supplemented, on information;
- Decree No. 90-132 of 15 May 1990 on the organization and functioning of the standardization system;
- Decree No. 91-537 of 25 December 1991 on the national system of measurement;
- Order No. 66-156 of 8 June 1966, as amended and supplemented, on the Criminal Code;
- Order No. 72-10 of 22 March 1972 on Algeria's accession to certain agreements;
- Order No. 75-58 of 26 September 1975, as amended and supplemented, on the Civil Code;

- Order No. 75-59 of 26 September 1975, as amended and supplemented, on the Commercial Code;
- Law No. 79-07 of 21 July 1979, as amended and supplemented, on the Customs Code;
- Law No.85-05 of 16 February 1985, as amended and supplemented, on the protection and promotion of health;
- Law No. 89-02 of 7 February 1989 on the general rules of consumer protection;
- Law No. 90-07 of 3 April 1990, as amended and supplemented, on information;
- Law No. 90-22 of 18 August 1990, as amended and supplemented, on the Commercial Register;
- Order No. 95-06 of 25 January 1995 on competition;
- Legislative Decree No. 93-17 of 7 December 1993 on the protection of inventions;
- Legislative Decree No. 93-12 of 5 October 1993 on the promotion of investment;
- Executive Decree No. 92-65 of 12 February 1992 on conformity controls on locally manufactured or imported products;
- Executive Decree No. 93-286 of 23 November 1993 regulating phytosanitary border controls;
- International conventions ratified by Algeria (1973 Washington Convention on the Protection of Fauna and Flora, Ratification Decree No. 82-492);
- Decree No. 84-85 of 21 April 1984 on Algeria's accession to the Nairobi Treaty on the Protection of the Olympic Symbol;
- 1996 Constitution (Article 38);
- Order No. 97-10 of 6 March 1997 on copyright and neighbouring rights;
- Presidential Decree No. 97-341 of 13 September 1997 on the accession, subject to reservation, of the People's Democratic Republic of Algeria to the Berne Convention for the Protection of Literary and Artistic Works (1971 Paris Act);
- Executive Decree No. 366-98 of 21 November 1998 on the statutes of the National Office of Copyright and Neighbouring Rights (ONDA);
- Executive Decree No. 41-2000 of 22 February 2000 on the procedures for declaration and collection of fees for private copies;

VI. TRADE-RELATED SERVICES REGIME

1. General

Algerian policy on trade in services has undergone substantial revision in the following areas:

(a) Transport

Laws have been enacted to regulate the conditions under which maritime and air transport are to be opened up to competition.

Rail transport, for its part, is to be the subject of a public service concession.

The reform of maritime and air transport is designed to:

- Satisfy the conditions for balanced development of transport, by meeting users' needs in respect of passenger and goods transport, under optimum conditions of safety, economy and efficiency;
- ensure the operation and development of transport services;
- define the rules governing the use of national air space in the context of the international conventions ratified.

The following laws have been enacted for this purpose:

- Law No. 98-05 of 25 June 1998 amending and supplementing Order No. 76-80 of 23 October 1976 on the Maritime Code and Decree No. 2000-81 of 9 April 2000 establishing the conditions and procedures for the operation of maritime services;
- Law No. 98-06 of 27 June 1998 establishing general rules applicable to civil aviation and Executive Decree No. 2000-337 of 26 October 2000 on the concession fee for the operation of public air transport services.

The texts of these laws are annexed hereto (WT/ACC/DYA/14/Add.4).

(b) Posts and telecommunications

The legal framework governing posts and telecommunications has been revised for the following purposes:

- Separation of postal and telecommunication entities;
- reorganization of the State's role give it more administrative and regulatory responsibilities;
- guaranteeing universal service throughout the national territory, irrespective of the operator responsible for services open to competition;
- encouraging both public and private investment in the infrastructure of posts and telecommunications;
- removing administrative obstacles which prevent development of the sector from keeping pace with demand;
- guaranteeing high quality services at reasonable prices by introducing new fair and transparent rules of competition;
- defining the general conditions for the establishment of operators in the field of posts and telecommunications, under the concession system.

In order to achieve these aims, the new law provides for institutional measures on the organization of markets, which relate to the rules governing the exercise of governmental authority and sanctions for failure to comply with the regulations, together with transitional measures.

The following institutional measures are proposed:

- Separation of postal and telecommunication activities;
- separation of regulatory and operational functions;
- transfer of assets to these different entities;
- guarantees in respect of workers' acquired rights.

With regard to the organization of markets in the postal and telecommunication fields, provision is made for the following:

- Regimes governing the different forms of concession for both posts and telecommunications;
- conditions of access to the different regimes in question;
- rights and obligations of the various concession holders.

With regard to the rules governing the exercise of governmental authority and penalties for failure to comply with the regulations, the relevant measures specify:

- The categories of offences;
- the regime of applicable sanctions;
- the procedures for control and regulation of activities subject to the competition regime under the concession system.

Lastly, the transitional measures are concerned with the methods of transferring activities from the system of State administration to a concession-based system of management in a competitive framework. The measures in question relate to:

- The State's prerogatives in the field of posts and telecommunications;
- confirmation of the opening up of postal and telecommunication activities by means of concession;
- definitions of terms commonly used by the sector, in order to facilitate understanding of the law;
- the essential functions of the regulatory authority;
- the legal rules governing telecommunications and other types of concession system, namely: licensing, authorization, simple declaration and approval;

- the legal rules governing the postal service, which provide for three types of concession in respect of postal activities (exclusive rights, authorization and simple declaration);
- criminal offences and penalties for failure to comply with the regulations on posts and telecommunications;
- procedures for the transfer of assets and the assignment of personnel.

The new law reaffirms the main prerogatives of the State in respect of the control and regulation of the postal and telecommunication sector, while authorizing the opening to competition of operational activities. It entrusts the State with the following functions:

In the field of telecommunications:

- Control of telecommunication networks;
- guaranteed universal service comprising the minimum services that should be accessible to all citizens irrespective of the operator providing them;
- continuity and regularity of services offered to the public;
- respect for the rules of fair competition between operators and with regard to users;
- exercise of the functions of defence and security of the State and functions relating to the public interest (education, research);
- control and management of the frequency spectrum;
- setting of tariffs for services not subject to competition;

In the postal field:

- The monopoly in respect of the issue of postage stamps and any other franking marks on postal items;
- exclusive use of the postal territory for any consignment of a weight not exceeding the maximum limit laid down by regulatory enactment;
- exploitation of the different markets by operators in accordance with the conditions and rules of concession;
- respect for the secrecy of correspondence;
- initiation and termination of international postal relations;
- specification of franking tariffs and of postal services not subject to competition;
- application by operators of the conventions, rules and agreements of the International Telecommunication Union.

In addition, the Law grants exclusive use of the radio-frequency spectrum to the State, which fully exercises its exclusive right to regulate and control the whole of its radio domain and sets the fees for use of the frequency spectrum within the framework of the concession. It also establishes the

rules governing the use of the public domain and the rights and obligations relating to deployment of telecommunication networks and use of the radio domain.

In order to facilitate the effective exercise by the State of its regulatory and control function in the postal and telecommunication markets, the Law provides for the establishment of a regulatory authority which is required to oversee the proper functioning of the market and of competition, and to ensure that the public interest and the interests of users are preserved. The authority has the following main functions:

- Ensuring that effective and fair competition prevails on the postal and telecommunication markets, and adoption of the measures needed to promote or restore competition on those markets;
- the right of access to information from operators, as required for fulfilment of the control and regulatory functions assigned to it;
- arbitration of disputes between operators;
- coordination of the national numbering plan, establishment of conditions for satisfying the requests for numbers formulated by operators;
- use of radio frequencies by the different operators;
- the authority to sanction violations of the regulations.

The Law gives concrete expression to the principle of opening up the postal and telecommunication sector to competition and defines the concession regimes applicable to them.

Concessions are granted for specific periods of time stipulated in the instrument by which they are assigned, and they are withdrawn in the same manner.

Four types of concession are proposed for the telecommunication sector:

- Licensing regime: licences are granted by executive decree for a term determined in advance in the schedule of conditions. They are awarded to any natural or legal person who submits a successful bid in response to an invitation to tender. Licences are granted subject to a financial consideration;
- authorization regime: authorizations are issued by the regulatory authority to any natural or legal person who undertakes to respect the pre-established conditions. The granting of authorization is subject to the payment of a fee;
- simple declaration regime: operators wishing to exploit a service subject to this regime must submit a declaration to the regulatory authority. A fee is payable for the issue of a certificate of registration by the regulatory authority;
- certification regime: in order to avoid any disruption of the public telecommunication network in respect of connections of devices earmarked for sale on the domestic market, any terminal equipment or radio installation is subject to prior certification issued by the regulatory authority or by a laboratory approved by the latter.

The regulatory authority is also given the possibility to authorize recognition of the certification of telecommunication equipment obtained in other countries, as well as self-certification for equipment manufactured by constructors of global repute.

The telecommunication services subject to these regimes are defined by regulation.

Three types of concession are proposed for the postal sector:

- Exclusive rights regime: this involves an exclusive concession to the public operator to provide letter services in respect of postal consignments not exceeding a weight determined by regulatory enactment, the issue of postage stamps, postal orders and postal cheques;
- authorization regime: an authorization is issued to any natural or legal person who undertakes to abide by the conditions set out in the specifications for the operation of services open to competition and defined by regulatory enactment;
- simple declaration regime: any operator wishing to run a service under this regime is required to submit a simple declaration to the regulatory authority.

(c) Information

There is a free press and numerous publications are available, both public and private, national and foreign.

Printing activities are also unrestricted in law. However, they remain under the de facto control of several competing public enterprises.

Investments for the purchase of rotary presses by private sector interests were being finalized at the end of 2000.

Radio and television information services are still a public monopoly, although the exercise of this activity is unrestricted, on the basis of specifications laying down the technical conditions for the use of frequencies to broadcast radio and television programmes.

(d) Advertising

The former monopoly of the public advertising agency (ANEP) has been abolished. Private agencies have thus entered the market; in practice competition remains limited, mainly because most of the demand for advertising comes from the State, organs of the State and public enterprises.

(e) Tourism

This sector has always been open to private initiative. However, public enterprises still have substantial infrastructure.

As a State-run sector, comprising mainly major hotels, it was singled out for priority privatization beginning at the end of 1995. Eventually, it is planned to privatize all tourist activities.

State withdrawal from this sector to make way for domestic and foreign private investment will contribute to strengthening competition and improving and diversifying services.

However, some tourist trades and activities are regulated, as in the case of tourist and travel agencies, which require authorization by the Ministry of Tourism, based on standing and professional competence. Permits also have to be issued for holiday villages and camping grounds.

Thus, more than ten major tourist infrastructure projects were submitted for approval by foreign promoters to the public authorities at the end of 2000. The first phase of these projects relates to the building of luxury complexes on the Algerian coast.

(f) Financial services

(i) *Banking*

There have been no restrictions on the establishment of financial institutions since 1990, pursuant to the Currency and Credit Act, and on the basis of the approval of the Currency and Credit Board, an administrative organ of the Algerian Central Bank.

The establishment of branch offices of foreign financial institutions is subject to the procedure applicable to Algerian financial institutions. There are currently 17 private banks and 7 major State-owned banks in Algeria.

(ii) *Insurance*

This sector was liberalized quite recently, with the promulgation of Order No. 95-07 of 25 January 1995 on insurance.

Under the new provisions, insurance and reinsurance companies may be freely established and this freedom extends to brokers and general insurance agents.

Insurance and reinsurance companies must be approved by the Minister of Finance.

Since the monopoly was abolished only recently, the sector continues to be the exclusive preserve of four long-established public insurance companies: the CAAR, the SAA, the CAAT and the CCR (Central Reinsurance Company), and of two private friendly societies: the farmers' mutual benefit society and the mutual insurance company for workers in education and culture.

(g) Business services

For the most part, such services were fully open to private initiative and competition, even before the liberalization of production and service activities in 1988.

With the liberalization of the rental market, the only restrictions on access to service activities, in some cases, derive from trade regulations designed to guarantee standards of qualification or professional competence.

(h) Wholesale distribution services

This area of activity has been fully liberalized in law since 1988; however, a few public enterprises continue to dominate certain niche markets, on account of their substantial distribution networks. Their ascendancy is evaporating with the privatization processes that are under way. The entire distribution sector is marked out for gradual privatization.

(i) Environmental services

Sewage, sanitation and refuse disposal services are for the most part the subject of public service concessions granted by the local authorities responsible for them.

The local authorities are gradually reducing their involvement in these services, in the light *inter alia* of the level of control exercised by private entrepreneurs over the terms and conditions of concessions, as well as their capabilities and powers of initiative in this field.

However, the impact of these services on public health frequently requires every possible precaution in granting concessions.

(j) Educational services

The Algerian Constitution guarantees free access to educational services and provides for compulsory schooling at the basic levels.

For the time being, State services are responsible for providing education at all levels.

At present, a single window of opportunity exists vis-à-vis the State education system, namely the establishment of private vocational training institutes, which is regulated by a 1991 decree.

(k) Health-related and social services

Law No. 85-05 of 16 February 1985 authorizes the opening of private hospitals under certain conditions. Few have as yet been established in response to this opportunity, in view of the substantial resources required. This sector continues, therefore, to be controlled mainly by Government funding.

The other human health services have seen a major infusion of private investment in surgeries, medical laboratories, X-ray laboratories, dispensaries and the like, and this has opened the way for genuine competition in this field.

Animal health services are also fully accessible to private investment and initiative.

Other social services

The various social security services are entirely State controlled. Other social services remain completely dependent on private initiative, together with State incentives to the development of the voluntary sector.

2. Policies affecting trade in services

Generally speaking, as far as the main services are concerned, the regulations authorize service activities under the following conditions:

- On the basis of a simple declaration, following entry in the commercial register;
- or after certain conditions have been met in respect of professional qualifications, availability of adequate equipment or safety standards governing the activity, under the control of a State-run public institution;

- or again, after approval or authorization by a State-run public institution at central government or regional level, or by a trade organization legally empowered to conduct activities relating to the trade.

Such activities are authorized on the basis of statutory requirements or selection criteria, following a competition.

Public service concessions are granted on the basis of contract specifications, following competitive bidding or public tendering.

- (a) Ministries, institutions, trade associations or other bodies with responsibilities or a role in the conduct of service activities

Generally speaking, services may be supplied to enterprises without restriction, simply on the basis of an entry in the commercial register, except in the case of a trade regulated for reasons of public order or security.

Services involving recourse to a State-owned industry, public property or public lands are provided through public service or public interest concessions, which have to be arranged with the State or the decentralized local authorities in accordance with the established legal rules.

Some public enterprises which manage assets in the public domain on behalf of the State are authorized to establish specifications for the concession of services.

Other services concerned with public health, education or the environment, as well as services for which charges may be set by the State, are subject to authorization or concession.

Legally authorized trade associations are also entitled to engage in certain regulated trades.

- (b) Courts or judicial, arbitral or administrative procedures which serve to review administrative decisions affecting trade in services or to apply remedies in respect of such decisions

Administrative decisions concerning trade in services are subject to two types of appeal:

- An administrative appeal to the authority which took the administrative decision or to any commission set up for that purpose;
- an application to the administrative courts which have a statutorily defined hierarchy.

With regard to listing in the commercial register, which is not strictly speaking an administrative decision (since the officials responsible for the commercial register are persons involved in the administration of justice), appeals may be made to the ordinary courts.

- (c) Provisions, including those of international agreements concerning requirements and procedures in respect of qualifications, technical standards and licensing and/or registration requirements for the provision of services

The norms and regulations governing all transactions, including licensing and/or registration, are as a rule compatible with the international agreements and conventions to which Algeria has acceded.

- (d) The water, electricity and telecommunication distribution services will be the subject of concessions to all public and private enterprises, in the context of legislation currently being framed or already in force

- (e) Provisions relating to safeguard measures which are applicable to trade in services.

There are no safeguard measures applicable to trade in services in particular.

- (f) Provisions relating to international transfers and payments for current services-related transactions

The provisions relating to international transfers and payments for current transactions in regard to the supply of services are the same as those governing current transactions in respect of goods.

As far as enterprises are concerned, the applicable provisions are the regulations laid down by the Bank of Algeria.

As regards transactions involving services supplied by private individuals, in the absence of a fully convertible national currency, transfers and payments are effected solely for the requirements of health or education abroad, subject to control thresholds.

- (g) Provisions relating to capital transactions affecting the supply of services

Capital transactions affecting services are governed by the ordinary law relating to capital transactions in respect of goods (Currency and Credit Act and Investment Act).

- (h) Provisions concerning the procurement of services by government agencies

There are no particular provisions concerning the procurement of services by government agencies.

However, the decree organizing government procurement gives general preference to resident suppliers of goods or services.

- (i) Provisions concerning any form of aid, grant, domestic subsidy, tax incentive or programme of promotion affecting trade in services

A number of tax incentives to promote investment are enshrined in the provisions of the Investment Act and the Finance Acts.

Similarly, other tax exemptions or rebates are granted under the Finance Acts, in the context of the promotion of exports of goods or services.

3. Market access and national treatment

- (a) Limitations on the number of service providers

There are no limitations on the number of service providers.

- (b) Limitations on the total value of service transactions or assets

There are no limitations on the total value of service transactions or assets.

- (c) Limitations on the total number of service operations or on the total quantity of service output

There are no limitations on the total number of service operations or on the total quantity of service output.

- (d) Limitations on the total number of persons who may be employed in a particular service sector

Under the existing labour legislation, the number and professional qualifications of natural persons are subject to prior authorization, on a standard basis for all service activities. In the field of government procurement services, the professional requirements are more restrictive, the aim being to encourage the employment of qualified nationals.

However, these restrictive conditions do not apply to foreign investment.

- (e) Limitations on the total number of specific legal entities through which a service may be provided

There are no restrictions or requirements concerning the specific types of legal entity through which a service may be provided in Algeria.

- (f) Limitations on the participation of foreign capital

There are no limitations on the participation of foreign capital (pursuant to the 1993 Investment Act).

- (g) Measures providing for treatment less favourable than that accorded to national service or service providers

There is no discrimination between national and foreign service providers, except under the government procurement regulations, which as a rule favour resident enterprises in all cases other than open international invitations to tender, where projects are to be covered by international funding.

VII. INSTITUTIONAL BASE FOR TRADE AND ECONOMIC RELATIONS WITH THIRD COUNTRIES

Algeria has consistently accorded particular importance to stepping up and diversifying its trade relations, and it practises a policy of openness to international cooperation, relying on several bilateral and multilateral agreements to facilitate the development of such cooperation.

1. Bilateral or plurilateral agreements relating to foreign trade in goods and trade in services

- (a) Bilateral trade agreements

Such agreements have been concluded with a hundred or so countries in Africa, Latin America and Asia. Their aim is to encourage merchandise trade flows with some developing countries, through the periodical exchange of indicative schedules of products available for export, circulated among foreign trade operators. These agreements give rise to the de facto application of the most-favoured-nation clause, but they do not include a system of preferences.

(b) Trade and tariff conventions

The conventions currently in force were signed with Libya, Morocco, Mali, Syria, Senegal, Jordan, Mauritania, Niger, Iraq, Egypt and Tunisia. They are designed to strengthen economic relations, particularly with the neighbouring countries. These conventions, which were drawn up well before the liberalization of Algerian trade, in a highly regulated trade environment overburdened with numerous non-tariff barriers, have not thus far been the subject of concrete implementation.

2. Economic integration, customs union and free-trade area agreements

(a) Agreement with the Arab Maghreb Union (AMU)

On 1 April 1989, Algeria ratified the Treaty setting up the Arab Maghreb Union, the other members being Libya, Mauritania, Morocco and Tunisia.

Maghreb integration is scheduled to take place in four successive stages, viz. free-trade area, customs union, common market, and lastly, economic union.

At the trade level, two conventions have been concluded:

(i) *The Trade and Tariff Convention, ratified by Algeria on 21 April 1992, which provides for:*

- Total exemption from customs duties and charges of equivalent effect for all products meeting Maghreb rules of origin. Such products remain subject to taxes on local production in the importing country, including VAT or its equivalent;
- a schedule of products exempted from non-tariff barriers;
- the application of a countervailing charge of 17.5 per cent on products incorporating inputs of foreign origin, to which a special customs regime has been applied. This provision is aimed at ensuring fair competition between like products of the region;
- the implementation of safeguard measures, in accordance with the provisions of the WTO Agreements, as well as mechanisms to compensate for losses incurred as a result of exemptions from customs charges.

The Convention has not yet been implemented, as the process of ratification by member States has not been completed.

(ii) *The Convention on Trade in Agricultural Products, signed in July 1990, which provides for:*

- A total exemption from duties and charges of equivalent effect for all agricultural products of Maghreb origin;
- a schedule of products exempted from non-tariff barriers;
- the application of safeguard measures;
- the application of a countervailing charge of 17.5 per cent under the same conditions as those laid down in the Trade and Tariff Convention.

These two conventions are of an interim nature, pending the establishment of a Maghreb free-trade area. In this connection, a draft agreement is currently being considered by the member countries of the AMU.

The convention has not yet come into force, despite ratification by all the member countries of the AMU, because not all the protocols of implementation have been finalized.

(b) Cooperation agreement with the European Economic Community

On 26 April 1976, Algeria concluded a cooperation agreement with the European Economic Community. The purpose of the agreement is to introduce wide-ranging cooperation between Algeria and the European Economic Community in the technical, financial, trade and social fields.

In trade matters, the European Economic Community has granted Algeria the following benefits:

- Free market access, with no quantitative restrictions and with exemption from customs duties and charges of equivalent effect, for industrial products;
- access for certain products, subject to annual ceilings above which customs duties may be restored;
- 20 to 100 per cent reduction of customs duties on certain agricultural products.

Subject to particular provisions relating to border trade, Algeria grants to the Community treatment no less favourable than most-favoured-nation treatment, except in connection with the establishment of customs unions and free-trade areas, or steps taken with a view to Maghreb economic integration or on behalf of developing countries.

Moreover, Algeria is in the final stages of negotiating a new association agreement with the European Union aimed at the establishment of a free-trade area.

(c) Treaty establishing the African Union, signed at Abuja (Nigeria) in 1991

This Treaty is part of a scheme of long-term regional integration and provides for the following stages:

- Strengthening of the subregional economic communities (five years);
- stabilization of the tax regimes applied to trade within each regional group, strengthening of sectoral integration;
- coordination and harmonization of the activities of subregional economic groupings;
- establishment of free-trade areas within each regional group;
- stabilization and harmonization of tariff and non-tariff regimes between the subregional groupings;
- African Common Market;
- African Economic Community.

3. Labour market integration agreements

Algeria has concluded no agreement of this type with its partners.

4. Multilateral economic cooperation, membership of multilateral economic organizations, trade-related programmes of other multilateral organizations

Algeria takes part in the work of all the institutions in the United Nations system, as well as the Bretton Woods institutions.

Moreover, Algeria has acceded to the following multilateral agreements:

- The New York Convention of 10 June 1958 on the Recognition and Enforcement of Foreign Arbitral Awards (since 18 July 1988);
- the Belgrade Agreement of 13 April 1988 on the Global System of Trade Preferences (GSTP) among Developing Countries;
- the Convention on the Settlement of Investment Disputes (ICSID) (since 17 April 1995);
- the Multilateral Investment Guarantee Agency (MIGA) (since 17 April 1995).

ANNEX

Statistics and Publications

1. Foreign trade statistics and responsible agencies

The preparation, management and publication of foreign trade statistics are the responsibility of the following national institutions:

The National Informatics and Statistics Centre (CNIS) of the General Customs Directorate, the main source of information on foreign trade statistics. The CNIS has a documentation and archives centre, which is open to the public free of charge. It also has the necessary technical capacity to respond to specific requests for data from businesses or administrative bodies, a service it also provides free of charge.

The customs administration has its head office in Algiers

Direction Générale des Douanes
Rue du Docteur Saadane – Alger – Algérie
Tel: (021) 71.16.16
T élex: 56.300
Fax: (021) 74.69.74;

The National Statistics Office (ONS), the implementing agency for national policy on the production and dissemination of statistics. It handles all statistics on socio-economic activity and the social situation of the country (population, health, employment, agricultural and industrial output, foreign and domestic trade).

The ONS has its registered office in Algiers, at the following address:

Office National des Statistiques
8 et 10 Rue des Moussebiline (ex. des Fontaines)
BP No. 202 Ferhat Boussad – Alger – Algérie
Tel: (021) 64.77.90 to 92
Télex: 67.190
Fax: (021) 63.81.10

The Bank of Algeria, which prepares and manages statistics on the banking and monetary situation. It also produces and disseminates statistics on the balance of payments.

The Bank's address is the following:

Banque d'Algerie
Villa Jolie, 38 Avenue Franklin Roosevelt
Tel: (021) 59.06.59
Télex: 66.499. and 66.437
Fax: (021) 73.96.79 and 60.07.11

2. Publications related to foreign trade statistics

- Annual bulletin of foreign trade statistics, published by the CNIS (National Customs);
- annual bulletin on foreign trade results, published by the National Statistics Office;

- annual report by the Bank of Algeria on the balance of payments.

3. Statistical data (annex)

- (a) Main macroeconomic indicators (Bank of Algeria and ONS)
- (b) Foreign trade statistics (CNIS, Customs)
- (c) Domestic output statistics (ONS)
- (d) Agricultural statistics (Ministry of Agriculture)

(a) Main macroeconomic indicators (Bank of Algeria and ONS)

Country: Algeria

Surface area: 2,383 million km²

Currency: Dinar (DA)

| | UNIT | 1985 | 1990 | 1993 | 1994 | 1995 | 1996 | 1997 | 1998 | 1999 | 2000 |
|--|------------|--------|--------|---------|---------|---------|---------|---------|---------|---------|---------|
| I - GDP | DA billion | 295.00 | 536.70 | 1161.80 | 1471.00 | 1966.60 | 2564.70 | 2762.40 | 2781.60 | 3168.00 | 4011.80 |
| | DAbillion | 58.67 | 59.91 | 49.76 | 41.91 | 41.23 | 46.89 | 47.89 | 48.17 | 47.55 | 53.29 |
| Final consumption | DA billion | 161.60 | 394.00 | 839.60 | 1098.70 | 1407.00 | 1759.00 | 1872.40 | 2028.10 | 2176.50 | 2238.70 |
| Investment (change, including stocks, except from 1997 to 2000) | DA billion | 103.90 | 151.00 | 339.20 | 472.30 | 632.40 | 644.60 | 657.50 | 770.30 | 866.00 | 886.20 |
| Gross domestic savings | DA billion | 94.70 | 142.70 | 335.10 | 298.30 | 559.50 | 805.70 | 890.00 | 753.50 | 991.50 | 1773.10 |
| Change in volume of GDP | % | 5.50 | -1.30 | -1.70 | | 3.80 | 3.80 | 1.10 | 5.10 | 3.30 | 2.40 |
| Investment/GDP | % | 35.22 | 28.13 | 29.20 | 32.11 | 32.20 | 25.10 | 23.80 | 27.69 | 27.34 | 22.09 |
| Gross savings/GDP | % | 32.10 | 26.59 | 28.84 | 20.28 | 28.50 | 31.40 | 32.22 | 27.09 | 31.30 | 44.20 |
| II - PUBLIC FINANCE | | | | | | | | | | | |
| Budgetary receipts | DA billion | 108.59 | 160.20 | 320.10 | 434.20 | 600.80 | 824.80 | 926.70 | 774.50 | 950.50 | 1578.10 |
| Budgetary expenditure | DA billion | 99.02 | 142.50 | 390.50 | 461.90 | 589.10 | 724.70 | 845.10 | 876.00 | 961.70 | 1178.10 |
| Balance on budget | DA billion | 9.57 | 17.70 | -70.40 | -27.70 | 11.70 | 100.10 | 81.60 | -101.50 | -11.20 | 400.00 |
| Treasury balance excluding stabilization fund | DA billion | -28.30 | 20.20 | -76.30 | -33.70 | 8.60 | 99.30 | 84.00 | -108.30 | -16.50 | 398.80 |
| Stabilization fund | DA billion | 0.00 | 0.00 | 24.30 | 31.70 | -22.90 | -24.40 | -17.90 | 0.10 | 0.00 | 0.00 |
| Overall Treasury balance | DA billion | -28.30 | 20.20 | -100.60 | -65.40 | -28.20 | 74.90 | 66.10 | -108.20 | -16.50 | 398.80 |
| Budgetary receipts/GDP | % | 36.81 | 29.85 | 27.60 | 29.30 | 30.55 | 32.16 | 33.30 | 27.60 | 29.60 | 27.70 |
| Budgetary expenditure/GDP | % | 33.57 | 26.55 | 33.60 | 31.20 | 29.96 | 28.26 | 30.40 | 31.20 | 30.00 | 29.00 |

| | UNIT | 1985 | 1990 | 1993 | 1994 | 1995 | 1996 | 1997 | 1998 | 1999 | 2000 |
|------------------------------|------|-------|------|-------|-------|-------|------|------|-------|-------|-------|
| Budget balance/GDP | % | 3.24 | 3.30 | -6.10 | -1.90 | 0.59 | 3.90 | 2.90 | -3.60 | -0.30 | -1.30 |
| Overall Treasury balance/GDP | % | -9.59 | 3.76 | -8.70 | -4.40 | -1.43 | 2.92 | 2.39 | -3.89 | -0.52 | 9.94 |

| | Unit | 1985 | 1990 | 1991 | 1992 | 1993 | 1994 | 1995 | 1996 | 1997 | 1998 | 1999 | 2000 |
|--|------------|--------|---------|---------|---------|---------|--------|--------|--------|--------|--------|--------|--------|
| III - BALANCE OF PAYMENTS | | | | | | | | | | | | | |
| Exports of goods and services | DA billion | 13.59 | 13.40 | 12.87 | 12.13 | 11.01 | 9.58 | 10.94 | 13.97 | 14.89 | 10.88 | 13.04 | 22.56 |
| Imports of goods and services | DA billion | 12.78 | -11.48 | -9.54 | -10.06 | -9.60 | -11.08 | -12.11 | -11.24 | -10.28 | -10.85 | -11.52 | -11.71 |
| Balance of goods and services | DA billion | 0.81 | 1.92 | 3.33 | 2.07 | 1.41 | -1.50 | -1.17 | 2.73 | 4.61 | 0.03 | 1.52 | 10.85 |
| Capital income (net) | DA billion | -1.35 | -2.09 | -2.22 | -2.16 | -1.75 | -1.72 | -2.19 | -2.35 | -2.22 | -1.99 | -2.29 | -2.71 |
| Current transfers (net) | DA billion | 1.36 | 1.53 | 1.29 | 1.39 | 1.14 | 1.40 | 1.12 | 0.88 | 1.06 | 1.06 | 0.79 | 0.79 |
| Current account balance | DA billion | 0.82 | 1.35 | 2.40 | 1.30 | 0.80 | -1.82 | -2.24 | 1.26 | 3.45 | -0.9 | 0.02 | 8.93 |
| Capital balance | DA billion | 0.55 | -1.57 | -1.89 | -1.07 | -0.81 | 2.54 | -4.09 | -3.34 | -2.29 | -0.63 | -2.4 | -1.36 |
| Overall balance | DA billion | 1.37 | -0.22 | 0.51 | 0.23 | -0.01 | -4.36 | -6.32 | -2.09 | 1.16 | -1.53 | -2.38 | 7.57 |
| Financing of the overall balance | DA billion | | 0.22 | -0.51 | -0.23 | 0.01 | 4.36 | 6.32 | 2.09 | -1.16 | 1.53 | 2.38 | -5.17 |
| Of which: | | | | | | | | | | | | | |
| Rescheduling | DA billion | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 4.49 | 4.94 | 3.53 | 2.22 | 0.52 | 0 | 0 |
| Change in gross reserves (-) | DA billion | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | -1.14 | 0.53 | -2.24 | -3.96 | 1.2 | 2.4 | -7.51 |
| Imports of goods and services/GDP | % | 21.78 | -19.16 | -22.04 | -21.01 | -19.29 | -26.44 | -29.37 | -23.97 | -21.47 | -22.52 | -24.23 | -21.97 |
| Current account balance/GDP | % | 1.40 | 2.25 | 5.54 | 2.71 | 1.61 | -4.34 | -0.05 | 0.03 | 0.07 | -1.87 | 0.04 | 16.76 |
| Current rate of imports | % | 106.34 | -116.72 | -134.91 | -120.58 | -114.69 | -86.46 | | | | | | |
| Overall balance/GDP | | 2.34 | -0.37 | 1.18 | 0.48 | -0.02 | -10.40 | -15.33 | -4.46 | 2.42 | -3.18 | -5.00 | 14.20 |
| Average exchange rate | | | | | | | | 47.7 | 54.7 | 57.68 | 57.74 | 66.62 | 75.28 |
| Reserves in months of imports (goods and non-facture services) | months | 2.67 | 0.76 | 1.87 | 1.74 | 1.84 | 2.90 | 2.08 | 4.48 | 9.39 | 7.56 | 4.58 | 12.19 |
| IV - EXTERNAL DEBT | | | | | | | | | | | | | |
| Total debt | DA billion | 17.31 | 26.00 | 27.27 | 22.00 | 24.71 | 29.34 | 31.573 | 33.651 | 31.222 | 30.473 | 24.315 | 25.261 |
| Medium and long-term debt | DA | 16.51 | 26.46 | 26.44 | 25.42 | 24.01 | 28.71 | 31.317 | 33.23 | 31.06 | 30.261 | 24.14 | 25.088 |

| | Unit | 1985 | 1990 | 1991 | 1992 | 1993 | 1994 | 1995 | 1996 | 1997 | 1998 | 1999 | 2000 |
|--|---------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| | billion | | | | | | | | | | | | |
| Short-term debt | DA billion | 0.80 | 1.79 | 1.24 | 0.79 | 0.70 | 0.63 | 0.256 | 0.421 | 0.162 | 0.212 | 0.175 | 0.173 |
| | | | | | | | | | | | | | |
| Debt servicing | DA billion | 4.79 | 8.89 | 9.51 | 9.28 | 9.43 | 8.96 | 4.244 | 4.281 | 4.465 | 5.18 | 5.116 | 4.5 |
| Debt servicing/exports, goods and services | % | 35.25 | 66.34 | 73.89 | 76.50 | 85.65 | 93.53 | 38.79 | 30.64 | 29.99 | 47.61 | 39.23 | 19.95 |
| Debt servicing/GDP | % | 8.16 | 14.84 | 21.97 | 19.38 | 18.95 | 21.38 | 10.29 | 9.13 | 9.32 | 10.75 | 10.76 | 8.44 |
| Debt/exports of goods and services | % | 127.38 | 194.03 | 215.00 | 181.37 | 224.45 | 306.26 | 288.60 | 240.88 | 209.68 | 280.08 | 186.46 | 111.97 |
| Debt/GDP | % | 29.50 | 43.40 | 63.92 | 45.94 | 49.67 | 70.01 | 76.58 | 71.77 | 65.19 | 63.26 | 51.13 | 47.40 |

| | Unit | 1985 | 1990 | 1992 | 1993 | 1994 | 1995 | 1996 | 1997 | 1998 | 1999 | 2000 |
|---|------------|--------|-------|--------|--------|---------|--------|--------|---------|---------|--------|--------|
| VI - MONETARY SITUATION | | | | | | | | | | | | |
| External assets (net) | DA billion | 14.89 | 6.5 | 22.6 | 23.9 | 60.40 | 26.3 | 133.9 | 350.31 | 280.71 | 169.4 | 776 |
| Internal assets (net) | DA billion | | 336.5 | 496.4 | 601.3 | 663.30 | 773.2 | 781.1 | 731.2 | 1007.2 | 1299 | 880.5 |
| Internal claims | DA billion | 251.24 | 414 | 639.3 | 753.6 | 774.40 | 967.2 | 1057.4 | 1164.93 | 1273.45 | 1594.9 | 1267.7 |
| Claims on the State | DA billion | 76.63 | 167 | 174.1 | 522.2 | 468.60 | 401.6 | 280.5 | 423.65 | 542.3 | 661.31 | 503.9 |
| Claims on the economy | DA billion | 174.61 | 247 | 465.2 | 231.4 | 305.80 | 565.6 | 776.8 | 741.28 | 731.15 | 933.6 | 763.9 |
| Other headings (net) | DA billion | 10.86 | -77.5 | -142.9 | -152.3 | -111.10 | -59.3 | -167.5 | -365.5 | -213.6 | -243.2 | -343.4 |
| Of which: Medium and long-term external commitments | DA billion | 23.07 | -93.1 | -145.7 | -113.7 | -145.00 | -129.9 | -96.5 | -55.3 | -39 | -39.5 | -27.9 |
| Money supply (M2) | DA billion | 300.5 | 343 | 515.9 | 625.2 | 723.70 | 799.5 | 915.1 | 1081.52 | 1287.87 | 1468.3 | 1656.4 |
| Money | DA billion | 202.23 | 270.1 | 369.7 | 443.2 | 476.00 | 519.1 | 589.1 | 671.57 | 813.68 | 889.78 | 1034 |
| Of which: Money in circulation | | 76.64 | 134.9 | 184.9 | 211.3 | 223.00 | 249.7 | 290.9 | 337.6 | 390.78 | 440.26 | 485.4 |
| Quasi-money | DA billion | 21.63 | 72.9 | 146.2 | 182 | 247.70 | 280.4 | 325.9 | 409.95 | 474.19 | 578.6 | 621.5 |
| Liquidity ratio (average M2/GDP) | % | 101.87 | 61.2 | 48.1 | 52.2 | 49.20 | #REF! | #REF! | #REF! | #REF! | #REF! | #REF! |
| Money in circulation/GDP | % | 25.98 | 23.9 | 17.6 | 18.1 | 15.16 | #REF! | #REF! | #REF! | #REF! | #REF! | #REF! |
| Money in circulation/M2 | % | 25.5 | 39.4 | 35.8 | 33.8 | 30.81 | 31.23 | 31.79 | 31.22 | 30.34 | 29.98 | 29.30 |
| Claims on the economy | % | 58.11 | 41.5 | 44.51 | 19.92 | 20.79 | #REF! | #REF! | #REF! | #REF! | #REF! | #REF! |
| VII - OTHER INDICATORS | | | | | | | | | | | | |
| Population | Millions | 21.75 | 24.7 | 25.94 | 26.58 | 27.20 | 28.28 | 28.87 | 29.45 | 29.507 | 29.95 | 30.369 |
| Density/inhabitants per km ² | | 9.13 | 10.37 | 10.89 | 11.16 | 11.42 | | | | | | |
| Economically active population | Thousands | 4.49 | 5.85 | 6.28 | 6.45 | 6.82 | 7561 | 7811 | 8072 | 8326 | 8583 | 8703 |
| Employed population | Thousands | 3.88 | 4.66 | 4.9 | 5.03 | 5.16 | 5436 | 5625 | 5815 | 5993 | 6073 | 6158 |
| Unemployment rate | % | 13.71 | 19.76 | 21.97 | 22.02 | 24.36 | 28.1 | 28 | 28 | 28 | 29.2 | 29.2 |
| Population growth | | | 2.59 | 2.44 | 2.46 | 2.33 | | | 1.639 | 1.52 | 1.46 | 1.4 |

| | Unit | 1985 | 1990 | 1992 | 1993 | 1994 | 1995 | 1996 | 1997 | 1998 | 1999 | 2000 |
|-----------------------------------|------|---------|---------|---------|--------|---------|-------|-------|---------|---------|--------|--------|
| Trend in consumer prices | | | | | | | 29.8 | 18.7 | 5.7 | 5 | 2.6 | 0.33 |
| (City of Algiers) base 100-1982 | % | 10.5 | 16.7 | 32.2 | 20.54 | 28.98 | | | | | | |
| Average exchange rate DA/\$ | | 5.03 | 8.96 | 21.82 | 23.35 | 35.10 | 47.7 | 54.7 | 57.68 | 58.74 | 66.62 | 75.28 |
| Change | % | | 17.93 | 18.13 | 7 | 50.32 | | | | | | |
| End of period DA/\$ exchange rate | | 4.77 | 12.19 | 22.78 | 24.12 | 42.89 | | | | | | |
| Change | % | | 51.78 | 6.49 | 5.88 | 77.83 | | | | | | |
| Average price of oil \$/barrel | | 27.5 | 24.32 | 19.93 | 17.52 | 16.31 | 17.6 | 21.7 | 19.49 | 12.94 | 17.91 | 28.5 |
| Change | % | | 31.46 | -2.5 | -12.09 | -6.91 | | | | | | |
| Per capita GDP | \$ | 2697.17 | 2425.33 | 1846.25 | 1872.1 | 1541.05 | #REF! | #REF! | 1649.16 | 1606.39 | 1599.3 | 1778.8 |
| Annual change | % | | -2951 | 7.99 | 1.4 | -17.69 | - | #REF! | #REF! | -2.59 | -0.44 | 11.22 |

(b) Statistics on foreign trade in goods (CNIS, Customs)

Trade Balance from 1989 to 2000

| | US\$ millions | | | | | | | | | | | |
|------------------------------------|---------------|--------|--------|--------|--------|-------|--------|----------|----------|--------|----------|----------|
| | 1989 | 1990 | 1991 | 1992 | 1993 | 1994 | 1995 | 1996 | 1997 | 1998 | 1999 | 2000 |
| 1. TRADE BALANCE FROM 1989 TO 2000 | | | | | | | | | | | | |
| Exports f.o.b. | 9,491 | 12,785 | 12,350 | 11,442 | 10,163 | 8,898 | 10,227 | 13,220 | 13,820 | 10,140 | 12,320 | 21,650 |
| Imports c.i.f. | 9,208 | 9,652 | 7,680 | 8,642 | 9,298 | 9,431 | 10,399 | 9,098 | 8,687 | 9,403 | 9,164 | 9,201 |
| Trade balance | -283 | 3,133 | 4,670 | 2,800 | 1,865 | -533 | -173 | 4,122 | 5,133 | 737 | 3,156 | 12,449 |
| 2. COMPOSITION OF EXPORTS f.o.b. | | | | | | | | | | | | |
| Hydrocarbons | 9,096 | 12,348 | 11,975 | 10,979 | 9,763 | 8,606 | 9,769 | 12,653,4 | 13,181,3 | 9,774 | 11,904,9 | 21,061,3 |
| - Of which: crude oil | 1,894 | 2,730 | 2,207 | 2,090 | 1,963 | 1,978 | 2,164 | 2,870 | 2,662 | 1,943 | 2,724 | 4,815 |
| - Distillate | 2,535 | 3,549 | 3,220 | 2,946 | 2,558 | 2,189 | 2,375 | 3,011 | 2,801 | 1,953 | 2,432 | 4,000 |
| - Refined products | 1,985 | 2,622 | 2,280 | 2,250 | 1,864 | 1,691 | 1,869 | 2,238 | 2,275 | 1,487 | 1,996 | 3,282 |
| - Natural gas | 884 | 1,015 | 1,343 | 1,253 | 1,100 | 476 | 587 | 1,788 | 1,995 | 1,700 | 1,768 | 3,555 |
| - Liquefied natural gas | 1,412 | 1,761 | 2,147 | 1,834 | 1,741 | 1,381 | 1,422 | 1,851 | 2,460 | 1,925 | 1,832 | 3,291 |
| - Liquefied petroleum gas | 386 | 671 | 778 | 606 | 536 | 891 | 1,352 | 895 | 988 | 767 | 1,152 | 2,119 |
| Semi-finished products | 173 | 210 | 169 | 233 | 207 | 196 | 263 | 340 | 486 | 255 | 272 | 477 |
| Finished products | 164 | 145 | 108 | 116 | 69 | 38 | 65 | 104 | 55 | 32 | 77 | 40 |
| Foodstuffs | 34 | 50 | 55 | 81 | 98 | 35 | 95,9 | 93 | 47 | 33 | 22 | 30 |
| Other raw materials | 24 | 32 | 43 | 33 | 26 | 24 | 33,6 | 30 | 51 | 46 | 44 | 42 |
| Total exports f.o.b. | 9,491 | 12,785 | 12,350 | 11,442 | 10,163 | 8,898 | 10,227 | 13,220 | 13,820 | 10,140 | 12,320 | 21,650 |
| 3. COMPOSITION OF IMPORTS c.i.f. | | | | | | | | | | | | |
| Food | 2,904 | 2,133 | 1,938 | 2,150 | 2,158 | 2,809 | 2,699 | 2,601 | 2,381 | 2,325 | 2,438 | 2,356 |
| Consumer goods | 998 | 1,142 | 720 | 1,186 | 1,010 | 1,225 | 1,535 | 1,037 | 1,024 | 1,211 | 1,329 | 1,841 |
| Intermediate goods | 2,980 | 2,618 | 2,525 | 2,739 | 2,652 | 2,849 | 3,549 | 2,396 | 2,055 | 2,193 | 2,168 | 2,291 |
| Capital goods | 2,336 | 3,759 | 2,479 | 2,567 | 2,478 | 2,548 | 2,616 | 3,064 | 2,672 | 2,903 | 3,025 | 2,857 |
| Total imports c.i.f. | 9,208 | 9,652 | 7,680 | 8,642 | 8,298 | 9,431 | 10,399 | 9,098 | 8,132 | 8,632 | 8,960 | 9,345 |

Trends in Foreign Trade by Economic Area

| | 1995 | 1996 | 1997 | 1998 | 1999 | 2000 |
|----------------------------------|---------------------------------|-------------|-------------|-------------|-------------|-------------|
| Imports | (percentage of total imports) | | | | | |
| | | | | | | |
| European Union | 59.33 | 62.53 | 56.75 | 57.40 | 56.22 | 57.97 |
| OECD (outside EU) | 25.88 | 21.98 | 25.11 | 24.67 | 22.63 | 22.39 |
| Other European countries | 2.52 | 2.45 | 4.87 | 4.25 | 5.29 | 5.47 |
| South America | 3.42 | 3.92 | 5.95 | 1.97 | 3.71 | 2.77 |
| Asia (other than Arab countries) | 5.35 | 5.48 | 1.78 | 6.84 | 8.41 | 8.05 |
| Arab countries (non-AMU) | 1.24 | 1.44 | 3.87 | 2.82 | 1.75 | 1.68 |
| Maghreb countries | 1.84 | 1.36 | 0.28 | 0.26 | 0.39 | 0.46 |
| Other African countries | 0.42 | 0.82 | 1.39 | 1.80 | 1.59 | 1.21 |
| Total | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 |
| | | | | | | |
| Exports | | | | | | |
| | | | | | | |
| European Union | 64.82 | 60.25 | 62.37 | 65.04 | 64.35 | 65.27 |
| OECD (outside EU) | 24.62 | 25.24 | 26.65 | 24.85 | 24.72 | 24.81 |
| Other European countries | 3.17 | 5.53 | 1.08 | 1.07 | 0.62 | 0.98 |
| South America | 2.92 | 5.49 | 6.46 | 7.11 | 7.21 | 7.59 |
| Asia (other than Arab countries) | 1.90 | 1.39 | 1.63 | 0.33 | 1.16 | 1.67 |
| Arab countries (non-AMU) | 0.18 | 0.12 | 0.15 | 0.22 | 0.64 | 0.71 |
| Maghreb countries | 2.21 | 1.88 | 1.55 | 1.33 | 1.01 | 1.33 |
| Other African countries | <u>0.18</u> | <u>0.10</u> | <u>0.10</u> | <u>0.05</u> | <u>0.29</u> | <u>0.20</u> |
| Total | 100 | 100 | 100 | 100 | 100 | 100 |

Source: Algerian Customs

Trends in Foreign Trade by Economic Area

In US\$ billions

| | 1995 | 1996 | 1997 | 1998 | 1999 | 2000 |
|----------------------------------|-------|-------|-------|-------|-------|-------|
| Imports | | | | | | |
| | 1995 | 1996 | 1997 | 1998 | 1999 | 2000 |
| European Union | 6385 | 5689 | 4930 | 5397 | 5152 | 5334 |
| OECD (outside EU) | 2785 | 2000 | 2181 | 2320 | 2074 | 2060 |
| Other European countries | 271 | 223 | 423 | 400 | 485 | 503 |
| South America | 368 | 357 | 517 | 185 | 340 | 255 |
| Asia (other than Arab countries) | 576 | 499 | 155 | 643 | 771 | 741 |
| Arab countries (non AMU) | 133 | 131 | 336 | 265 | 160 | 155 |
| Maghreb countries | 198 | 124 | 24 | 24 | 36 | 42 |
| Other African countries | 45 | 75 | 121 | 169 | 146 | 111 |
| Total | 10761 | 9098 | 8687 | 9403 | 9164 | 9201 |
| | | | | | | |
| Exports | | | | | | |
| | | | | | | |
| European Union | 6638 | 8059 | 8663 | 6643 | 8058 | 12777 |
| OECD (outside EU) | 2521 | 3376 | 3702 | 2538 | 3095 | 4857 |
| Other European countries | 325 | 740 | 150 | 109 | 78 | 191 |
| South America | 299 | 734 | 897 | 726 | 903 | 1485 |
| Asia (other than Arab countries) | 195 | 186 | 227 | 34 | 145 | 326 |
| Arab countries (non-AMU) | 18 | 16 | 21 | 22 | 80 | 139 |
| Maghreb countries | 226 | 251 | 215 | 136 | 127 | 260 |
| Other African countries | 18 | 13 | 14 | 5 | 36 | 40 |
| Total | 10240 | 13375 | 13889 | 10213 | 12522 | 19575 |

(c) Domestic output statistics (ONS)

| YEAR | 1995 | 1996 | 1997 | 1998 | 1999 | 2000 |
|------|------|------|------|------|------|------|
|------|------|------|------|------|------|------|

I. TRENDS IN THE INDEX OF INDUSTRIAL PRODUCTION (Base 1989=100)

| | | | | | | |
|-----------------------------------|------|------|------|------|------|---------|
| Total industry | 87.6 | 81.1 | 78.2 | 83.8 | 84.6 | 85,6152 |
| Industry (excluding hydrocarbons) | 82.9 | 73.7 | 68.9 | 75.6 | 75.8 | 75,2694 |
| Manufacturing industries | 78.9 | 68.3 | 63.1 | 69 | 68.4 | 67,3056 |

II. TRENDS IN THE MAIN BRANCHES OF INDUSTRIAL PRODUCTION

| | | | | | |
|------------------------------|--------|--------|--------|--------|--------|
| Iron (thousand tonnes) | 2,237 | 2,244 | 1,614 | 1,783 | 1,337 |
| Zinc (tonnes) | 6,974 | 5,912 | 6,797 | 8,594 | 9,808 |
| Lead (tonnes) | 1,388 | 1,016 | 1,342 | 1,160 | 1,215 |
| Mercury (34.5 kg. pots) | 8,464 | 11,069 | 14,214 | 6,495 | 6,966 |
| Phosphates (thousand tonnes) | 757 | 1,051 | 1,063 | 1,155 | 1,097 |
| Salt (thousand tonnes) | 147 | 152 | 139 | 173 | 164 |
| Baryta (tonnes) | 29,334 | 31,343 | 38,999 | 35,651 | 50,510 |
| Bentonite (thousand tonnes) | 20 | 20 | 22 | 20 | 18 |

STEEL MAKING AND METALLURGY (thousand tonnes)

| | | | | | |
|------------------------------|--------|--------|--------|--------|---------|
| Pig iron | 962 | 851 | 526 | 757 | 807 |
| Crude steel | 780 | 590 | 361 | 581 | 768 |
| Concrete reinforcing bars | 177 | 132 | 92 | 48 | 49 |
| Steel tubes, welded | 101 | 141 | 115 | 67 | 91 |
| Seamless tubes | 29.5 | 16 | 17.3 | 11 | 12.7 |
| Metallic frameworks (tonnes) | 27,425 | 23,337 | 15,368 | 18,344 | 18,614 |
| Boiler works (tonnes) | 8,334 | 7,120 | 7,142 | 7,038 | 4,857.7 |
| Ironwork (tonnes) | 706 | 679 | 3,230 | 3,390 | 2,131 |

MECHANICAL PRODUCTS

(Units)

| | | | | | |
|-----------------------------|--------|-------|--------|--------|--------|
| Lorries, coaches, buses | 3,634 | 2,609 | 1,557 | 2,069 | 2,445 |
| Tractors | 2,712 | 1,279 | 321 | 1,703 | 1,911 |
| Combine harvester threshers | 46 | 328 | 79 | 59 | 247 |
| Cranes and shovels | 432 | 241 | 140 | 84 | 79 |
| Vans and wagons | 216 | 75 | 3 | 0 | 0 |
| Cycles | 15,100 | 5,700 | 16,000 | 13,900 | 9,107 |
| Mopeds | 9,100 | 3,000 | 3,700 | 6,900 | 2,056 |
| Pumps for liquids | 19,683 | 7,701 | 7,042 | 8,175 | 10,147 |

ELECTRICAL AND ELECTRONIC PRODUCTS (tonnes)

| | | | | | |
|-----------------------------------|--------|-------|-------|--------|--------|
| Electric wires and cables (t.) | 14,613 | 6,680 | 9,552 | 11,094 | 12,557 |
| Telephone cables (t.) | 3,420 | 1,170 | 2,784 | 2,499 | 2,936 |
| Air-conditioners (thousand units) | 13.3 | 14.5 | 2.2 | 21.4 | 10.1 |
| Refrigerators (thousand units) | 131.4 | 137.4 | 175.2 | 214.9 | 181 |
| Television sets (thousand units) | 194.1 | 249.8 | 171.7 | 251.2 | 173.3 |

CONSTRUCTION MATERIALS (thousand tonnes)

| | | | | | |
|---------------------------------------|-------|-------|-------|-------|-------|
| Cement | 6,783 | 7,470 | 7,146 | 7,835 | 7,587 |
| Bricks | 1,488 | 1,567 | 1,507 | 1,612 | 1,611 |
| Plaster | 170 | 181 | 199 | 207 | 212 |
| Tiles | 20 | 24.1 | 19.8 | 25.3 | 29.7 |
| Flat glass (thousand m ²) | 145.9 | 145.9 | 205.8 | 212 | 151.3 |

| YEAR | 1995 | 1996 | 1997 | 1998 | 1999 | 2000 |
|---|---------|--------|----------|----------|---------|------|
| Hollowed glass | 24 | 17 | 18 | 16 | 93 | |
| Ceramic sanitary ware (thousand units) | 1,092.4 | 1,230 | 1,075 | 1,160.9 | 1,119.3 | |
| Safety glass (t.) | 95 | 130 | 60 | 28.2 | 24.3 | |
| Windscreens (thousand units) | 2,223.3 | 21,923 | 15,211 | 11,153 | 14,069 | |
| CHEMICALS (thousand tonnes) | | | | | | |
| Ammonia | 216.7 | 175.6 | 458.1 | 425.7 | 487 | |
| Phosphatic fertilizers | 80 | 46 | 118 | 183 | 201 | |
| Detergents | 100 | 85 | 86 | 107 | 113 | |
| Paints and varnishes | 94.3 | 89.3 | 89.7 | 90.9 | 96.9 | |
| Methanol | 97.9 | 71.8 | 75.8 | 69.2 | 93.8 | |
| Ethylene | 95.4 | 79.4 | 95.6 | 68 | 91.8 | |
| Acetylene (thousand m ³) | 1,068 | 911 | 844 | 840 | 795 | |
| AGRI-FOODSTUFFS (thousand tonnes) | | | | | | |
| Flour and meal | 2,454 | 2,384 | 2,441 | 3,106 | 3,198 | |
| Refined edible oils | 285 | 291 | 289 | 307 | 280 | |
| Refined sugar in pellets | 169 | 170 | 68 | 64 | 53 | |
| Pasta and couscous | 55 | 53 | 52 | 60 | 61 | |
| Fruit juice and nectar | 19.5 | 13.9 | 17.7 | 23.9 | 24.3 | |
| Manufactured tobacco | 24.22 | 24.15 | 23.93 | 26.39 | 26.65 | |
| Mineral water | 424 | 498 | 599 | 652 | 628 | |
| FABRICS, MADE-UP TEXTILE PRODUCTS AND LEATHER | | | | | | |
| Finished fabrics, cotton and wool (10 ⁶ linear meters) | 65,92 | 45,859 | 42,488 | 38,227 | 30,905 | |
| Blankets and travelling rugs (thousand units) | 2,090.9 | 1887 | 1239.5 | 1,428 | 1,745 | |
| Shirts (thousand units) | 1,039.6 | 497.8 | 329.9 | 519 | 598.2 | |
| Work clothing (thousand units) | 959.2 | 671.9 | 666.8 | 710.6 | 487.1 | |
| Cattle upper leather (thousand) | 16,526 | 11,121 | 10,324.4 | 11,239.2 | 10,319 | |
| Sheep upper leather (thousand) | 11,050 | 11,216 | 7,530.6 | 7,223.9 | 5,850.7 | |
| Footwear (thousand pairs) | 3,986 | 2,320 | 2,541.8 | 2,148.9 | 1,167.2 | |
| General joinery and carpentry of wood (thousand m ²) | 1,016.4 | 782.6 | 669.5 | 595.2 | 584.9 | |
| Agglomerated cork (thousand m ³) | 22.3 | 22.9 | 23.6 | 29.4 | 15 | |
| Paper, paperboard and packings (thousand tonnes) | 31.2 | 20.3 | 21 | 20.6 | 25.3 | |
| Printing and writing paper (thousand tonnes) | 32.8 | 23.8 | 27.7 | 23.6 | 14.3 | |
| Tissue paper (tonnes) | 1,840 | 2,342 | 2,606 | 3,027 | 2,602 | |

(d) Agricultural statistics (Ministry of Agriculture)Trends in Agricultural Production from 1990 to 1999

Unit: Q1

| Year | 1990 | 1991 | 1992 | 1993 | 1994 | 1995 | 1996 | 1997 | 1998 | 1999 | Average |
|--------------------------------------|-----------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|
| | Crop production | | | | | | | | | | |
| Product | | | | | | | | | | | |
| 1. Winter cereals | 16,247,170 | 38,074,880 | 33,279,320 | 14,517,720 | 9,632,350 | 21,380,000 | 49,000,000 | 8,693,400 | 30,252,460 | 20,200,060 | 24,127,736 |
| - Durum wheat | 5,549,460 | 12,917,890 | 13,455,310 | 7,960,650 | 5,624,280 | 11,886,700 | 20,345,700 | 4,554,640 | 15,000,000 | 9,000,000 | 10,629,463 |
| - Common wheat | 1,951,340 | 5,775,990 | 4,912,210 | 2,204,380 | 1,515,360 | 3,112,500 | 9,480,340 | 2,060,500 | 7,800,000 | 5,700,000 | 4,451,262 |
| - Barley | 8,333,560 | 18,099,580 | 13,982,900 | 4,080,230 | 2,340,670 | 5,849,800 | 18,002,220 | 1,908,920 | 7,000,000 | 5,100,000 | 8,469,788 |
| - Oats | 412,810 | 1,281,420 | 928,900 | 272,460 | 152,040 | 531,000 | 1,171,740 | 168,150 | 450,000 | 400,000 | 576,852 |
| - Triticale | - | - | - | - | - | - | - | 1,190 | 2,460 | 60 | 1,237 |
| 2. Summer Cereals | 6,950 | 8,150 | 9,820 | 3,250 | 1,850 | 4,570 | 5,050 | 3,770 | 3,590 | 5,910 | 5,291 |
| - Maize (corn) | 2,310 | 5,000 | 6,620 | 2,250 | 1,850 | 4,190 | 4,460 | 2,570 | 3,100 | 5,370 | 3,772 |
| - Sorghum | 4,640 | 3,150 | 3,200 | 1,000 | 0 | 380 | 590 | 1,200 | 490 | 540 | 1,519 |
| 3. Total fodder (a+b) | 5,187,950 | 13,377,410 | 10,718,320 | 6,449,510 | 5,466,530 | 7,328,210 | 12,600,000 | 3,239,720 | 8,651,470 | 8,820,470 | 8,183,959 |
| (a) Man made fodder | 4,257,760 | 11,016,650 | 8,315,070 | 4,749,280 | 3,915,340 | 5,257,030 | 9,349,000 | 2,240,240 | 6,240,030 | 6,292,230 | 6,163,263 |
| - Vetch-oats | 2,439,470 | 6,787,980 | 3,974,920 | 2,576,920 | 1,633,500 | 2,065,620 | 3,265,700 | 781,460 | 2,259,910 | 1,408,610 | 2,719,409 |
| - Lucerne (alfalfa) | 72,920 | 78,720 | 12,890 | 63,230 | 63,380 | 154,090 | 11,000 | 26,630 | 77,660 | 126,140 | 68,666 |
| - Other | 1,745,370 | 4,149,950 | 4,327,260 | 2,109,130 | 2,218,460 | 3,037,320 | 6,072,300 | 1,432,150 | 3,902,460 | 4,757,480 | 3,375,188 |
| (b) Natural fodder | 930,190 | 2,360,760 | 2,403,250 | 1,700,230 | 1,551,190 | 2,071,180 | 3,251,000 | 999,480 | 2,411,440 | 2,528,240 | 2,020,696 |
| - Natural grassland | 318,140 | 914,320 | 450,870 | 470,100 | 567,080 | 700,130 | 941,370 | 354,970 | 635,860 | 679,470 | 603,231 |
| - Mown fallow land | 612,050 | 1,446,440 | 1,952,380 | 1,230,130 | 984,110 | 1,371,050 | 2,309,630 | 644,510 | 1,775,580 | 1,848,770 | 1,417,465 |
| 4. Dried pulses | 350,890 | 630,190 | 633,860 | 481,470 | 382,970 | 414,380 | 680,000 | 276,360 | 450,500 | 394,650 | 469,527 |
| - Broadbeans and field beans | 162,250 | 325,700 | 311,510 | 203,010 | 191,450 | 214,540 | 369,590 | 90,670 | 213,520 | 217,060 | 229,930 |
| - Dried peas | 22,460 | 47,190 | 43,470 | 14,830 | 28,190 | 34,110 | 46,620 | 12,950 | 35,480 | 30,040 | 31,534 |
| - Lentils | 7,730 | 9,500 | 8,930 | 7,810 | 4,580 | 4,540 | 8,390 | 4,340 | 6,010 | 3,670 | 6,550 |
| - Chick-peas | 147,720 | 241,870 | 261,320 | 248,870 | 153,940 | 157,250 | 244,780 | 161,580 | 181,430 | 130,700 | 192,946 |
| - Dried beans | 8,760 | 4,870 | 6,960 | 5,860 | 3,440 | 3,080 | 5,610 | 6,460 | 10,790 | 9,390 | 6,522 |
| - Vetch | 1,970 | 1,060 | 1,670 | 1,090 | 1,370 | 860 | 5,010 | 360 | 3,270 | 3,790 | 2,045 |
| 5. Industrial crops | 1,150,140 | 2,289,380 | 3,272,170 | 5,368,100 | 4,590,930 | 5,640,610 | 4,480,830 | 3,734,120 | 4,514,260 | 6,075,970 | 4,111,651 |
| - Tomatoes grown as industrial crops | 1,061,280 | 2,190,700 | 3,151,930 | 5,248,860 | 4,485,160 | 5,542,570 | 4,371,320 | 3,591,210 | 4,355,240 | 5,935,730 | 3,993,400 |
| - Tobacco | 35,780 | 33,580 | 61,810 | 68,770 | 37,200 | 27,900 | 40,450 | 81,530 | 66,500 | 55,970 | 50,949 |
| - Groundnuts | 18,770 | 20,140 | 36,100 | 32,550 | 33,280 | 30,930 | 30,780 | 23,830 | 41,350 | 47,490 | 31,522 |
| - Other | 34,310 | 44,960 | 22,330 | 17,920 | 35,290 | 39,210 | 38,280 | 37,550 | 51,170 | 36,780 | 35,780 |
| 6. Market garden produce | 22,607,550 | 29,371,790 | 30,665,210 | 29,638,050 | 25,706,200 | 32,000,000 | 31,467,000 | 30,093,740 | 32,859,130 | 33,158,300 | 29,756,697 |
| - Potatoes | 8,085,410 | 10,773,480 | 11,575,250 | 10,652,210 | 7,159,360 | 12,000,000 | 11,500,000 | 9,475,180 | 11,000,000 | 9,962,680 | 10,218,357 |
| - Onions | 1,729,740 | 3,175,440 | 2,506,490 | 2,511,450 | 2,479,090 | 3,140,290 | 3,128,810 | 3,517,290 | 3,926,430 | 3,824,540 | 2,993,957 |

| Year | 1990 | 1991 | 1992 | 1993 | 1994 | 1995 | 1996 | 1997 | 1998 | 1999 | Average |
|-------------------------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| - Garlic | 217,550 | 257,620 | 258,330 | 343,000 | 298,660 | 302,740 | 287,430 | 265,260 | 296,580 | 295,620 | 282,279 |
| - Tomatoes | 2,958,920 | 3,153,570 | 2,813,490 | 3,038,610 | 2,462,390 | 3,043,800 | 2,818,680 | 3,294,060 | 3,167,530 | 3,612,310 | 3,036,336 |
| - Carrots | 1,009,340 | 1,170,610 | 1,591,830 | 1,284,610 | 1,584,920 | 1,324,770 | 1,285,440 | 1,254,280 | 1,411,450 | 1,349,500 | 1,326,675 |
| - Melons and watermelons | 2,641,240 | 3,715,150 | 4,472,280 | 4,900,580 | 4,011,680 | 4,033,960 | 4,553,580 | 4,013,000 | 5,020,160 | 5,383,080 | 4,274,471 |
| - Green beans | 169,180 | 183,270 | 216,610 | 247,280 | 205,060 | 204,510 | 209,900 | 236,480 | 222,830 | 263,060 | 215,818 |
| - Chillies | 577,100 | 604,040 | 722,290 | 824,740 | 659,630 | 597,930 | 566,960 | 799,230 | 674,750 | 668,730 | 669,540 |
| - Peppers | 1,010,400 | 974,140 | 875,220 | 866,460 | 803,040 | 897,620 | 884,450 | 1,107,790 | 894,920 | 886,800 | 920,084 |
| - Cucumbers | 287,760 | 349,780 | 366,350 | 324,360 | 404,690 | 444,720 | 423,900 | 353,520 | 419,830 | 463,290 | 383,820 |
| - Courgettes | 682,730 | 701,040 | 880,750 | 774,050 | 1,004,450 | 872,610 | 873,000 | 820,820 | 869,120 | 920,640 | 839,921 |
| - Aubergines (eggplants) | 216,140 | 178,900 | 194,620 | 190,930 | 379,830 | 327,700 | 280,870 | 330,980 | 310,340 | 340,890 | 275,120 |
| - Cauliflowers | 250,080 | 246,470 | 381,100 | 386,100 | 391,550 | 407,440 | 388,000 | 432,970 | 387,400 | 403,920 | 367,503 |
| - Cabbages | 132,670 | 151,450 | 255,890 | 206,140 | 236,630 | 223,290 | 236,580 | 210,240 | 193,780 | 219,710 | 206,638 |
| - Turnips | 646,500 | 750,080 | 763,360 | 716,530 | 763,150 | 879,490 | 820,890 | 734,880 | 803,300 | 799,070 | 767,725 |
| - Fresh beans | 782,980 | 1,146,930 | 1,199,860 | 734,050 | 818,660 | 1,105,150 | 1,113,560 | 1,038,660 | 1,024,480 | 1,193,380 | 1,015,771 |
| - Peas | 237,220 | 426,750 | 472,960 | 421,360 | 386,590 | 416,120 | 449,950 | 293,620 | 465,690 | 453,990 | 402,425 |
| - Artichokes | 62,500 | 47,030 | 75,880 | 48,720 | 56,870 | 71,690 | 194,000 | 310,520 | 452,250 | 301,320 | 162,078 |
| - Other vegetables | 910,090 | 1,366,040 | 1,042,650 | 1,166,870 | 1,599,950 | 1,706,170 | 1,451,000 | 1,604,960 | 1,318,290 | 1,815,770 | 1,398,179 |
| 7. Olives (1+2) | 1,779,070 | 877,360 | 2,655,200 | 2,060,730 | 1,703,600 | 1,309,640 | 3,133,340 | 3,194,740 | 1,240,600 | 3,633,810 | 2,158,809 |
| 1- Table olives | 131,070 | 141,960 | 220,290 | 206,770 | 196,970 | 140,890 | 345,130 | 422,870 | 305,110 | 425,910 | 253,697 |
| 2- Olives for oil making | 1,648,000 | 735,400 | 2,434,910 | 1,853,960 | 1,506,630 | 1,168,750 | 2,788,210 | 2,771,870 | 935,490 | 3,207,900 | 1,905,112 |
| - Oil (HL) ¹ | 259,960 | 106,040 | 473,850 | 291,870 | 247,310 | 162,930 | 516,090 | 505,890 | 151,500 | 570,360 | 328,580 |
| 8. Seed fruit and stone fruit | 1,721,940 | 2,505,970 | 2,581,430 | 3,146,560 | 2,505,400 | 2,859,340 | 3,730,000 | 2,901,890 | 3,278,570 | 4,094,950 | 2,932,605 |
| - Apricots | 349,790 | 592,630 | 407,850 | 691,870 | 426,890 | 412,330 | 800,000 | 398,500 | 581,100 | 741,400 | 540,236 |
| - Plums | 167,350 | 268,210 | 271,870 | 281,250 | 238,840 | 253,940 | 299,610 | 242,670 | 206,660 | 253,210 | 248,361 |
| - Peaches | 153,360 | 331,030 | 356,310 | 411,910 | 362,170 | 386,540 | 452,910 | 386,970 | 451,530 | 609,110 | 390,184 |
| - Loquats | 135,750 | 106,950 | 122,480 | 111,230 | 145,220 | 131,290 | 147,970 | 125,460 | 117,040 | 144,520 | 128,791 |
| - Pears | 244,610 | 396,660 | 470,670 | 518,200 | 432,310 | 583,560 | 558,100 | 472,360 | 601,320 | 816,860 | 509,465 |
| - Apples | 389,410 | 478,270 | 619,840 | 634,090 | 492,970 | 641,400 | 738,690 | 655,250 | 753,850 | 873,180 | 627,695 |
| - Cherries | 26,840 | 30,950 | 40,660 | 50,560 | 30,120 | 52,960 | 32,110 | 33,450 | 25,960 | 38,750 | 36,236 |
| - Pomegranates | 98,860 | 87,010 | 85,060 | 160,820 | 156,160 | 169,540 | 214,480 | 228,130 | 185,200 | 211,660 | 159,692 |
| - Carobs | 38,640 | 56,580 | 27,680 | 39,780 | 29,660 | 29,090 | 32,230 | 24,000 | 37,660 | 41,350 | 35,667 |
| - Almonds | 117,330 | 157,680 | 179,010 | 246,850 | 191,060 | 198,690 | 335,610 | 193,960 | 216,410 | 256,020 | 209,262 |
| - Quinces | - | - | - | - | - | - | 23,880 | 25,190 | 20,720 | 19,020 | 22,203 |
| - Other | - | - | - | - | - | - | 94,410 | 115,950 | 81,120 | 89,870 | 95,338 |
| 9. Fresh figs (1+2) | 583,900 | 414,140 | 864,240 | 852,150 | 457,320 | 600,080 | 570,000 | 467,470 | 422,090 | 506,090 | 573,748 |
| 1 - Consumed fresh | 503,020 | 339,470 | 600,020 | 565,730 | 297,770 | 353,470 | 456,000 | 354,150 | 347,330 | 416,530 | 423,349 |
| 2 - For drying | 80,880 | 74,670 | 264,220 | 286,420 | 159,550 | 246,610 | 114,000 | 113,320 | 74,760 | 89,560 | 150,399 |

¹ Oil extracted from olives.

| Year | 1990 | 1991 | 1992 | 1993 | 1994 | 1995 | 1996 | 1997 | 1998 | 1999 | Average |
|-------------------------------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|
| - Dried figs ² | 46,580 | 32,760 | 82,860 | 87,880 | 59,620 | 95,770 | 57,920 | 63,130 | 33,070 | 38,750 | 59,834 |
| 10. Citrus fruit | 2,809,530 | 3,235,700 | 3,618,890 | 3,608,330 | 3,759,900 | 3,227,480 | 3,337,440 | 3,504,040 | 4,179,860 | 4,535,550 | 3,581,672 |
| - Oranges | 1,838,300 | 2,219,650 | 2,519,370 | 2,498,420 | 2,528,780 | 2,267,160 | 2,367,240 | 2,432,840 | 2,803,930 | 3,073,490 | 2,454,918 |
| - Mandarins | 223,230 | 153,780 | 160,820 | 166,640 | 205,490 | 178,390 | 171,380 | 175,370 | 193,450 | 202,250 | 183,080 |
| - Clementines | 599,600 | 756,180 | 759,930 | 725,740 | 789,760 | 600,430 | 631,880 | 726,590 | 915,500 | 952,620 | 745,823 |
| - Lemons | 119,210 | 92,030 | 155,950 | 192,540 | 211,770 | 156,660 | 145,380 | 154,410 | 253,140 | 290,820 | 177,191 |
| - Pomelos | 29,190 | 14,060 | 22,820 | 24,990 | 24,100 | 24,840 | 21,560 | 14,830 | 13,840 | 16,370 | 20,660 |
| 11. Dates | 2,059,070 | 2,090,920 | 2,605,150 | 2,616,120 | 3,171,840 | 2,851,550 | 3,606,370 | 3,029,930 | 3,873,130 | 4,275,830 | 3,017,991 |
| - "Deglet-nour" | 1,074,590 | 1,028,240 | 1,264,290 | 1,249,840 | 1,542,610 | 1,424,130 | 1,670,480 | 1,513,220 | 1,771,820 | 1,971,030 | 1,451,025 |
| - "Ghars" and the like | 499,610 | 471,530 | 677,930 | 550,680 | 801,860 | 628,440 | 849,430 | 391,780 | 872,330 | 849,740 | 659,333 |
| - "Degla-beida" | 484,870 | 591,150 | 662,930 | 815,600 | 827,370 | 798,980 | 1,086,460 | 1,124,930 | 1,228,980 | 1,455,060 | 907,633 |
| 12. Total wine growing (1+2) | 1,236,810 | 1,991,080 | 2,290,040 | 2,126,520 | 1,412,940 | 1,963,730 | 1,954,000 | 1,921,900 | 1,466,700 | 1,779,050 | 1,814,277 |
| 1- Table grapes (quintals) | 812,810 | 1,462,080 | 1,689,040 | 1,459,520 | 1,194,940 | 1,583,730 | 1,321,420 | 1,457,500 | 1,182,930 | 1,342,960 | 1,350,693 |
| 2- Wine grapes (quintals) | 424,000 | 529,000 | 601,000 | 667,000 | 218,000 | 380,000 | 632,580 | 464,400 | 283,770 | 436,090 | 463,584 |
| 3- Dried grapes | 3,020 | 21,430 | 12,150 | 26,080 | 2,420 | 3,280 | 8,410 | 2,570 | 2,330 | 2,480 | 8,417 |
| - Wine production (hl) ³ | 288,650 | 361,710 | 409,570 | 443,940 | 134,410 | 268,500 | 312,270 | 243,890 | 162,900 | 263,190 | 288,903 |
| 13. Livestock numbers (head) | | | | | | | | | | | |
| (I) Bovine | 1,392,700 | 1,300,180 | 1,341,550 | 1,313,820 | 1,269,130 | 1,266,620 | 1,227,940 | 1,255,410 | 1,317,240 | 1,650,000 | 1,333,459 |
| - Cows | 797,410 | 733,950 | 778,580 | 752,850 | 713,990 | 698,650 | 676,720 | 635,660 | 675,730 | - | 718,171 |
| - Calves - 2 years | 425,960 | 396,140 | 407,130 | 405,940 | 414,790 | 410,440 | 396,440 | - | - | - | 408,120 |
| - Other bovine animals | 169,330 | 170,090 | 155,840 | 155,030 | 140,350 | 157,530 | 154,780 | - | - | - | 157,564 |
| (II) Ovine | 17,697,270 | 16,891,180 | 17,722,780 | 18,664,640 | 17,841,840 | 17,301,560 | 17,565,400 | 17,387,000 | 17,948,940 | 18,200,000 | 17,722,061 |
| - Ewes | 11,529,900 | 10,976,190 | 11,184,830 | 11,871,280 | 11,548,790 | 11,062,790 | 11,108,580 | 9,863,100 | 9,954,980 | - | 11,011,160 |
| - Males | 1,001,750 | 1,124,990 | 1,154,150 | 1,123,830 | 1,077,870 | 976,880 | 1,020,450 | | - | - | 1,068,560 |
| - Young -2 years | 5,165,620 | 4,790,000 | 5,383,800 | 5,669,530 | 5,215,180 | 5,261,890 | 5,436,370 | | - | - | 5,274,627 |
| (III) Caprine | 2,471,950 | 2,484,540 | 2,775,130 | 2,683,310 | 2,543,790 | 2,779,790 | 2,894,770 | 3,121,500 | 3,256,580 | 3,400,000 | 2,841,136 |
| - Goats | 1,475,700 | 1,468,240 | 1,662,180 | 1,626,790 | 1,575,820 | 1,647,400 | 1,703,540 | 1,730,230 | 1,706,530 | - | 1,621,826 |
| - Males | 211,850 | 232,410 | 261,190 | 243,370 | 222,830 | 274,530 | 280,240 | 243,000 | 198,940 | - | 240,929 |
| - Young -2 years | 784,400 | 783,890 | 851,760 | 813,150 | 745,140 | 857,860 | 910,990 | 1,148,270 | 1,351,110 | - | 916,286 |
| (IV) Equine | 479,980 | 481,660 | 446,240 | 420,410 | 374,220 | 366,680 | 345,500 | 320,540 | 278,300 | 220,000 | 373,353 |
| - Horses | 81,020 | 82,260 | 76,940 | 72,800 | 66,510 | 62,160 | 60,000 | 52,370 | 45,990 | - | 66,672 |
| - Mules | 100,180 | 101,010 | 91,780 | 88,140 | 81,440 | 80,080 | 75,500 | 68,740 | 49,690 | - | 81,840 |
| - Asses | 298,780 | 298,390 | 277,520 | 259,470 | 226,270 | 224,440 | 210,000 | 199,430 | 182,620 | - | 241,880 |
| (V) Camelidae | 122,450 | 126,270 | 114,300 | 114,380 | 114,120 | 126,350 | 136,000 | 150,870 | 154,310 | 220,000 | 137,905 |
| 14. Red meat | 2,445,000 | 2,600,000 | 2,900,000 | 2,952,000 | 2,952,000 | 2,996,000 | 3,090,000 | 2,980,000 | 3,000,000 | 3,100,000 | 2,901,500 |
| 15. White meat | 2,110,000 | 2,228,000 | 1,890,000 | 1,990,000 | 2,190,000 | 1,900,000 | 934,000 | 1,050,000 | 1,600,000 | 2,000,000 | 1,789,200 |

² Dried figs obtained from batches set aside for drying.

³ Net wine production obtained from wine grapes.

| Year | 1990 | 1991 | 1992 | 1993 | 1994 | 1995 | 1996 | 1997 | 1998 | 1999 | Average |
|---|-----------|-----------|-----------|-----------|-----------|------------|------------|------------|------------|------------|------------|
| 16. Farm produce | | | | | | | | | | | |
| - Milk (10+3L) | 1,100,000 | 1,156,000 | 1,229,000 | 1,016,000 | 1,057,000 | 1,050,000 | 1,100,000 | 1,050,000 | 1,200,000 | 1,560,000 | 1,151,800 |
| - Honey | 5,000 | 20,000 | 11,320 | 18,000 | 28,000 | 18,000 | 25,000 | 11,000 | 15,000 | 18,000 | 16,932 |
| -Wool | 194,420 | 200,570 | 201,600 | 219,300 | 220,000 | 210,000 | 220,000 | 200,000 | 216,000 | 230,000 | 211,189 |
| - Eggs (10+3) | 2,780,000 | 2,539,000 | 2,068,000 | 2,100,000 | 2,300,000 | 2,640,000 | 1,705,000 | 1,900,000 | 2,200,000 | 2,400,000 | 2,263,200 |
| 17. Fish | 910,610 | 796,900 | 952,740 | 1,018,960 | 1,354,020 | 1,058,720 | 1,163,510 | 938,950 | 923,340 | 898,170 | 1,001,592 |
| White fish | 99,220 | 103,750 | 86,500 | 131,650 | 127,310 | 116,990 | 151,170 | 106,780 | 130,460 | 114,670 | 116,850 |
| - Blue fish | 780,300 | 653,380 | 835,990 | 830,980 | 1,181,890 | 901,370 | 948,670 | 783,720 | 731,380 | 727,680 | 837,536 |
| - Crustaceans | 26,350 | 32,680 | 22,740 | 39,440 | 26,820 | 21,050 | 34,770 | 28,430 | 36,460 | 32,530 | 30,127 |
| - Dogfish and other sharks and swordfish | 4,740 | 7,090 | 7,510 | 16,890 | 18,000 | 19,310 | 28,900 | 20,020 | 25,040 | 23,290 | 17,079 |
| 18. Forestry products | | | | | | | | | | | |
| - Total wood (m ³) (1+2) | 123,990 | 172,048 | 138,711 | 239,220 | 165,980 | 193,893 | 189,868 | 201,181 | 221,702 | 148,664 | 179,526 |
| 1. Timber + industrial wood (m ³) | 80,267 | 85,559 | 97,647 | 195,429 | 133,475 | 152,379 | - | - | - | 103,280 | 121,148 |
| 2. Pulp wood and fuel wood (m ³) | 43,723 | 86,489 | 41,064 | 43,791 | 32,505 | 41,514 | - | - | - | 45,384 | 47,781 |
| - Pulp wood and fuel wood (Stacked cubic metres) ⁴ | 62,461 | 123,556 | 58,663 | 62,558 | 46,436 | 59,306 | - | - | - | - | 68,830 |
| - Alfa (esparto) (quintals) | 39,100 | 39,960 | 10,780 | 180,240 | 96,000 | 113,700 | 73,140 | 132,960 | 87,889 | 95,560 | 86,933 |
| - Cork (quintals) | 91,261 | 92,918 | 128,478 | 111,446 | 38,824 | 32,329 | 109,481 | 66,665 | 162,253 | 123,378 | 95,703 |
| - Charcoal (quintals) | 3,876 | 843 | 3,045 | 376 | 70 | 410 | - | - | - | - | 1,437 |
| - Seedlings (units) | | | | | | | | | | | |
| 1 - Forest seedlings | - | - | - | - | - | 38,260,000 | 67,881,982 | 62,000,000 | 58,573,000 | 24,824,000 | 50,307,796 |
| 2 - Fruit tree seedlings | - | - | - | - | - | 882,000 | 713,901 | 757,000 | 727,000 | 301,000 | 676,180 |
| 3 - Fodder seedlings | - | - | - | - | - | 7,925,000 | 10,912,967 | 13,000,000 | - | 7,828,000 | 9,916,492 |
| 4 - Standard seedlings | - | - | - | - | - | 4,913,000 | 5,812,301 | 2,600,000 | - | 1,703,000 | 3,757,075 |

⁴ The quantity of pulp wood and fuel wood in stacked cubic meters is equivalent to the quantity in m³.

Agricultural Production

I. CROP PRODUCTION

| | 1990 | | 1995 | | 1999 | |
|----------------------------|------------|------------|------------|------------|------------|------------|
| | Area | Production | Area | Production | Area | Production |
| | (hectares) | (quintals) | (hectares) | (quintals) | (hectares) | (quintals) |
| I.1 Cereals | 2,365,020 | 16,247,170 | 2,578,630 | 21,380,000 | 1,888,360 | 20,200,060 |
| Durum wheat | 867,940 | 5,549,460 | 1,175,860 | 11,886,700 | 889,090 | 9,000,000 |
| Common wheat | 319,880 | 1,951,340 | 504,860 | 3,112,500 | 483,310 | 5,700,000 |
| Barley | 1,095,120 | 833,560 | 824,170 | 5,849,800 | 468,960 | 5,100,000 |
| Oats | 82,080 | 412,810 | 73,740 | 531,000 | 46,990 | 400,000 |
| | | | | | | |
| I.2 Fodder | | | | | | |
| Man-made fodder | 439,970 | 4,257,760 | 324,700 | 5,257,030 | 368,130 | 6,292,230 |
| Natural fodder | 97,340 | 930,190 | 160,020 | 2,071,180 | 169,850 | 2,528,240 |
| | | | | | | |
| | | | | | | |
| I.3 Industrial crops | | | | | | |
| Industrial crops | 19,910 | 1,150,140 | 39,080 | 5,640,610 | 47,700 | 6,075,970 |
| of which: Tomatoes | 13,980 | 1,061,280 | 31,000 | 5,542,570 | 35,960 | 5,935,730 |
| | | | | | | |
| | | | | | | |
| I.4 Market garden produce | | | | | | |
| Market garden produce | 298,790 | 22,607,550 | 293,360 | 32,000,000 | 275,450 | 33,158,300 |
| of which: potatoes | 102,430 | 8,085,410 | 87,740 | 12,000,000 | 64,890 | 9,962,680 |
| | | | | | | |
| | | | | | | |
| I.5 Tree cultivation | | | | | | |
| Seed fruit and stone fruit | 87,530 | 1,721,940 | 88,000 | 2,859,340 | 94,090 | 4,094,950 |
| Citrus fruit | 37,740 | 2,809,530 | 40,280 | 3,227,480 | 40,780 | 4,535,550 |
| Wine growing | 86,470 | 1,236,810 | 56,290 | 1,963,730 | 50,540 | 1,779,050 |
| Olives | 13,561,300 | 1,779,070 | 15,295,620 | 1,309,640 | 15,397,670 | 3,633,810 |
| Fig trees | 4,530,690 | 583,900 | 4,335,500 | 600,080 | 3,840,080 | 506,090 |
| Dates | 6,225,070 | 2,059,070 | 7,026,260 | 2,851,550 | 8,833,880 | 4,275,830 |

II - ANIMAL PRODUCTION

| | 1990 | 1995 | 1999 |
|--|------------|------------|------------|
| II.1 Livestock numbers | | | |
| Cattle | 1,392,700 | 1,266,620 | 1,650,000 |
| Sheep | 17,697,270 | 17,301,560 | 18,200,000 |
| Goats | 2,471,950 | 2,779,790 | 3,400,000 |
| Camelidae | 122,450 | 126,350 | 220,000 |
| Horses | 81,020 | 62,160 | 46,000 |
| Others (mules, asses) | 398,960 | 304,520 | 220,000 |
| | | | |
| II.2 Farm produce | | | |
| (Q1 unless otherwise specified) | | | |
| Red meat | 2,445,000 | 2,996,000 | 3,100,000 |
| White meat | 2,110,000 | 1,900,000 | 2,000,000 |
| Milk (hectolitres) | 11,000,000 | 10,500,000 | 15,600,000 |
| Eggs (million units) | 2,780 | 2,640 | 2,400 |
| Honey | 5,000 | 18,000 | 18,000 |
| Wool | 194,420 | 210,000 | 230,000 |
| | | | |
| II.3 Fishery products | | | |
| (Q1 unless otherwise unspecified) | | | |
| White fish | 99,220 | 116,990 | 114,670 |
| Blue fish | 780,300 | 901,370 | 727,680 |
| Crustaceans | 26,350 | 21,050 | 32,530 |
| Dogfish and other sharks and swordfish | 4,740 | 19,310 | 23,290 |
| | | | |
| | | | |
| III. Forestry products | | | |
| | | | |
| Wood (m ³) | 123,990 | 193,893 | 201,520 |
| Cork (quintals) | 91,261 | 32,329 | 123,378 |
| Alfa (esparto) (quintals) | 39,100 | 113,700 | 109,150 |

TRENDS IN THE AREA UNDER CULTIVATION FROM 1990 TO 1999

| Area (hectares) | | | | | | | | | | |
|--------------------------------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| YEAR | 1990 | 1991 | 1992 | 1993 | 1994 | 1995 | 1996 | 1997 | 1998 | 1999 |
| PRODUCT | | | | | | | | | | |
| 1. Winter cereals | 2,365,020 | 3,417,310 | 3,529,540 | 1,958,730 | 1,286,330 | 2,578,630 | 3,663,000 | 1,115,320 | 3,575,190 | 1,888,360 |
| - Durum wheat | 867,940 | 1,201,120 | 1,332,720 | 972,660 | 683,640 | 1,175,860 | 1,585,500 | 590,920 | 1,707,240 | 889,090 |
| - Common wheat | 319,880 | 528,320 | 515,290 | 282,760 | 208,960 | 504,860 | 693,000 | 234,320 | 869,910 | 483,310 |
| - Barley | 1,095,120 | 1,555,670 | 1,558,050 | 652,630 | 361,080 | 824,170 | 1,282,500 | 264,840 | 939,210 | 468,960 |
| - Oats | 82,080 | 132,200 | 123,480 | 50,680 | 32,650 | 73,740 | 102,000 | 25,210 | 58,640 | 46,990 |
| - Triticale | - | - | - | - | - | - | - | 30 | 190 | 10 |
| 2. Summer cereals | 420 | 390 | 370 | 200 | 410 | 290 | 300 | 150 | 200 | 260 |
| - Maize (corn) | 140 | 260 | 290 | 180 | 410 | 260 | 260 | 120 | 180 | 240 |
| - Sorghum | 280 | 130 | 80 | 20 | 0 | 30 | 40 | 30 | 20 | 20 |
| 3. Total fodder (a+b) | 537,310 | 585,420 | 562,610 | 482,410 | 505,430 | 484,720 | 480,400 | 485,910 | 487,660 | 537,980 |
| (a) Man-made fodder | 439,970 | 439,440 | 417,340 | 363,140 | 389,980 | 324,700 | 311,240 | 309,270 | 324,660 | 368,130 |
| - Vetch oats | 223,190 | 250,310 | 177,920 | 153,200 | 137,840 | 108,740 | 116,000 | 79,560 | 91,740 | 60,950 |
| - Lucerne (alfalfa) | 4,350 | 2,960 | 360 | 5,320 | 8,860 | 16,210 | 360 | 3,850 | 2,350 | 4,190 |
| - Other | 212,430 | 186,170 | 239,060 | 204,620 | 243,280 | 199,750 | 194,880 | 225,860 | 230,570 | 302,990 |
| (b) Natural fodder | 97,340 | 145,980 | 145,270 | 119,270 | 115,450 | 160,020 | 169,160 | 176,640 | 163,000 | 169,850 |
| - Natural grassland | 26,060 | 35,370 | 32,050 | 32,710 | 36,940 | 39,710 | 40,440 | 42,390 | 42,060 | 35,210 |
| - Mown fallow land | 71,280 | 110,610 | 113,220 | 86,560 | 78,510 | 120,310 | 128,720 | 134,250 | 120,940 | 134,640 |
| 4. Dried pulses | 92,150 | 104,530 | 102,420 | 100,880 | 111,230 | 105,980 | 90,280 | 79,950 | 77,510 | 72,410 |
| - Broadbeans and field beans | 46,160 | 48,100 | 48,470 | 47,050 | 49,820 | 51,950 | 45,560 | 37,780 | 36,630 | 34,890 |
| - Dried peas | 7,440 | 8,910 | 9,420 | 9,160 | 11,940 | 13,710 | 8,220 | 8,180 | 7,790 | 6,460 |
| - Lentils | 3,530 | 1,950 | 1,540 | 1,810 | 1,970 | 1,510 | 1,370 | 1,440 | 1,150 | 980 |
| - Chick-peas | 33,560 | 44,530 | 41,840 | 41,590 | 46,000 | 37,860 | 33,240 | 30,810 | 29,550 | 27,720 |
| - Dried beans | 1,010 | 850 | 900 | 980 | 990 | 590 | 1,200 | 1,400 | 1,850 | 1,740 |
| - Vetch | 450 | 190 | 250 | 290 | 510 | 360 | 690 | 340 | 540 | 620 |
| 5. Industrial crops | 19,910 | 24,650 | 29,420 | 43,930 | 36,080 | 39,080 | 35,880 | 38,490 | 42,760 | 47,700 |
| - Tomatoes grown as industrial crops | 13,980 | 18,110 | 21,400 | 32,930 | 28,140 | 31,000 | 27,300 | 28,040 | 30,160 | 35,960 |
| - Tobacco | 2,900 | 2,710 | 4,570 | 6,310 | 3,660 | 2,650 | 3,800 | 6,170 | 7,330 | 5,670 |
| - Groundnuts | 1,510 | 1,860 | 2,220 | 3,030 | 2,840 | 2,650 | 2,880 | 2,290 | 3,380 | 4,260 |
| - Other | 1,520 | 1,970 | 1,230 | 1,660 | 1,440 | 2,780 | 1,900 | 1,990 | 1,890 | 1,810 |
| 6. Market garden produce | 298,790 | 330,620 | 319,720 | 296,130 | 279,150 | 293,380 | 290,750 | 267,060 | 267,440 | 275,450 |
| - Potatoes | 102,430 | 118,720 | 107,260 | 95,780 | 75,300 | 87,740 | 85,420 | 67,180 | 68,640 | 64,890 |
| - Onions | 22,530 | 24,610 | 26,000 | 22,080 | 22,280 | 25,730 | 25,420 | 27,010 | 27,070 | 27,750 |
| - Garlic | 7,740 | 7,250 | 7,670 | 8,240 | 8,420 | 8,440 | 8,350 | 7,810 | 8,060 | 8,220 |
| - Tomatoes | 18,020 | 18,840 | 17,030 | 15,490 | 13,380 | 15,690 | 15,720 | 15,290 | 16,010 | 19,250 |

| YEAR | 1990 | 1991 | 1992 | 1993 | 1994 | 1995 | 1996 | 1997 | 1998 | 1999 |
|-------------------------------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
| - Carrots | 13,960 | 14,490 | 14,680 | 12,490 | 12,150 | 11,150 | 10,980 | 9,970 | 10,280 | 11,090 |
| - Melons and water melons | 31,980 | 35,700 | 38,890 | 35,260 | 34,910 | 34,920 | 36,280 | 29,950 | 33,080 | 35,180 |
| - Green beans | 4,220 | 4,940 | 5,910 | 5,510 | 4,780 | 4,760 | 4,840 | 4,880 | 5,440 | 7,110 |
| - Chillies | 10,000 | 11,520 | 10,050 | 9,040 | 8,110 | 7,640 | 7,240 | 6,930 | 7,170 | 7,070 |
| - Peppers | 9,340 | 9,390 | 8,760 | 8,070 | 8,110 | 8,750 | 8,660 | 8,680 | 8,260 | 8,260 |
| - Cucumbers | 2,350 | 2,540 | 2,780 | 2,430 | 3,040 | 3,110 | 3,230 | 2,650 | 2,770 | 2,490 |
| - Courgettes | 7,400 | 7,000 | 7,580 | 6,820 | 8,730 | 7,500 | 8,100 | 7,210 | 8,070 | 8,410 |
| - Aubergines (eggplants) | 2,090 | 1,860 | 2,030 | 1,990 | 2,940 | 2,640 | 2,310 | 2,480 | 2,780 | 2,860 |
| - Cauliflowers | 3,130 | 2,900 | 3,520 | 3,570 | 3,980 | 4,270 | 4,010 | 3,690 | 3,470 | 3,640 |
| - Cabbages | 1,640 | 1,720 | 2,440 | 2,160 | 2,980 | 2,450 | 2,520 | 2,300 | 2,150 | 2,280 |
| - Turnips | 9,690 | 9,380 | 9,040 | 8,210 | 8,600 | 9,060 | 8,960 | 7,780 | 7,440 | 7,180 |
| - Fresh beans | 19,770 | 24,120 | 21,190 | 21,630 | 22,040 | 20,780 | 20,430 | 20,850 | 19,360 | 19,980 |
| - Peas | 15,790 | 16,830 | 19,210 | 20,880 | 19,220 | 17,240 | 16,710 | 14,620 | 16,780 | 16,340 |
| - Artichokes | 1,170 | 1,110 | 880 | 630 | 670 | 860 | 2,590 | 3,790 | 5,390 | 3,700 |
| - Other vegetables | 15,540 | 17,700 | 14,800 | 15,850 | 19,510 | 20,650 | 18,980 | 23,990 | 15,220 | 19,750 |
| 7. Olives | 170,170 | 164,520 | 164,290 | 161,380 | 161,260 | 160,780 | 165,040 | 162,840 | 165,260 | 165,600 |
| 8. Seed fruit and stone fruit | 87,530 | 85,460 | 86,600 | 89,960 | 89,590 | 88,000 | 90,000 | 92,110 | 92,630 | 94,090 |
| - Apricots | 14,010 | 12,010 | 12,290 | 12,560 | 13,170 | 13,040 | 13,460 | 13,770 | 13,680 | 13,950 |
| - Plums | 7,350 | 6,980 | 6,630 | 6,740 | 6,730 | 6,520 | 6,770 | 6,250 | 5,780 | 5,800 |
| - Peaches | 7,660 | 7,530 | 7,680 | 7,990 | 8,370 | 8,500 | 9,070 | 8,800 | 9,590 | 10,000 |
| - Loquats | 1,910 | 1,910 | 1,800 | 1,810 | 1,930 | 1,890 | 1,950 | 1,850 | 1,980 | 1,940 |
| - Pears | 8,840 | 8,740 | 8,900 | 9,780 | 9,500 | 9,930 | 9,540 | 9,300 | 10,420 | 10,470 |
| - Apples | 10,740 | 10,960 | 11,140 | 12,020 | 11,800 | 11,930 | 12,190 | 12,260 | 12,870 | 13,020 |
| - Cherries | 2,660 | 2,560 | 2,590 | 2,700 | 2,680 | 2,510 | 2,520 | 2,320 | 2,230 | 2,270 |
| - Pomegranates | 2,270 | 1,890 | 1,970 | 2,690 | 2,680 | 2,890 | 3,270 | 3,810 | 3,890 | 3,890 |
| - Carobs | 1,960 | 1,850 | 1,770 | 1,720 | 1,670 | 1,250 | 1,280 | 1,270 | 1,270 | 1,240 |
| - Almonds | 25,010 | 24,240 | 24,970 | 25,880 | 26,130 | 24,860 | 25,190 | 27,440 | 26,490 | 26,820 |
| - Quinces | - | - | - | - | - | - | 520 | 500 | 500 | 520 |
| - Other | 5,120 | 6,790 | 6,860 | 6,070 | 4,930 | 4,680 | 4,240 | 4,540 | 3,930 | 4,170 |
| 9. Figs | 44,700 | 44,370 | 41,200 | 42,030 | 41,900 | 40,110 | 36,760 | 35,980 | 34,910 | 35,730 |
| 10. Citrus fruit | 37,740 | 37,140 | 39,170 | 41,460 | 41,180 | 40,280 | 38,810 | 40,240 | 41,110 | 40,780 |
| - Oranges | 24,290 | 23,600 | 25,840 | 27,590 | 26,810 | 25,420 | 25,020 | 25,710 | 27,130 | 26,740 |
| - Mandarins | 2,530 | 2,150 | 1,980 | 1,970 | 2,220 | 2,400 | 2,060 | 2,200 | 1,910 | 1,890 |
| - Clementines | 9,610 | 10,040 | 9,530 | 9,900 | 10,130 | 10,320 | 9,630 | 10,200 | 9,590 | 9,450 |
| - Lemons | 1,020 | 1,170 | 1,490 | 1,740 | 1,770 | 1,880 | 1,890 | 1,960 | 2,330 | 2,560 |
| - Pomelos | 290 | 180 | 330 | 260 | 250 | 260 | 210 | 170 | 150 | 140 |
| 11. Dates | 78,640 | 81,890 | 83,440 | 84,410 | 85,230 | 87,020 | 96,560 | 96,520 | 97,990 | 100,120 |
| 12. Total wine growing (1+2) | 86,470 | 78,940 | 73,100 | 69,690 | 68,970 | 56,290 | 55,400 | 51,870 | 51,600 | 50,540 |
| 1. Table grapes (1) | 31,250 | 30,360 | 32,270 | 31,950 | 32,220 | 29,100 | 29,700 | 29,730 | 30,080 | 29,790 |

| YEAR | 1990 | 1991 | 1992 | 1993 | 1994 | 1995 | 1996 | 1997 | 1998 | 1999 |
|--------------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| 2. Wine grapes (2) | 55,220 | 48,580 | 40,830 | 37,740 | 36,750 | 27,190 | 25,700 | 22,140 | 21,520 | 20,750 |
| 3. Dried grapes | 1,260 | 940 | 820 | 780 | 430 | 290 | 270 | 160 | 130 | 110 |
