

ALGERIA TRADE & TARIFF UPDATE (2017)

Regional Economic Communities

- Algeria is a member of the Arab Maghreb Union (AMU), and the Pan-Arab Free Trade Area (PAFTA) also known as the Greater Arab Free Trade Area (GAFTA)
- African countries with preferential agreements with Algeria through various FTAs include Egypt, Libya, Mauritania, Morocco, Sudan and Tunisia
- Algeria ratified the African Continental Free Trade Area on 23 June 2021.
- Algeria is not a member of the WTO

AMU

- AMU members include Algeria, Libya, Mauritania, Morocco and Tunisia.
- There is not yet a free trade agreement (FTA) in AMU.



PAFTA

PAFTA is an FTA between 18 Arab countries (Algeria, Bahrain, Egypt, Iraq, Jordan, Kuwait, Lebanon, Libya, Morocco, Oman, Palestinian territories, Qatar, Saudi Arabia, Sudan, Syria, Tunisia, United Arab Emirates, and Yemen).



Intra-Africa total trade (imports & exports) 2017

4%

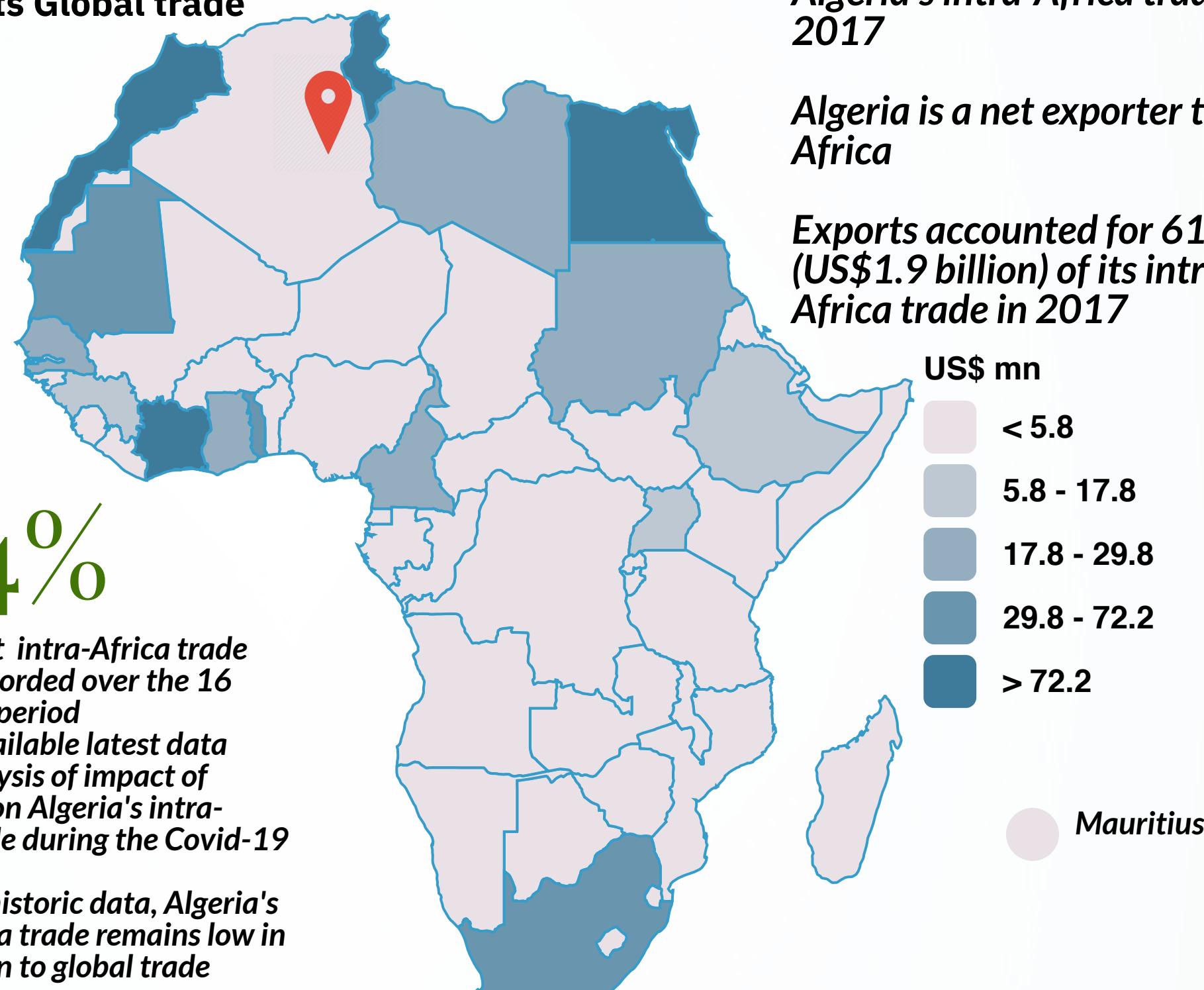
Algeria's intra-Africa trade as share of its Global trade

US\$3.1 bn

Algeria's intra-Africa trade in 2017

Algeria is a net exporter to Africa

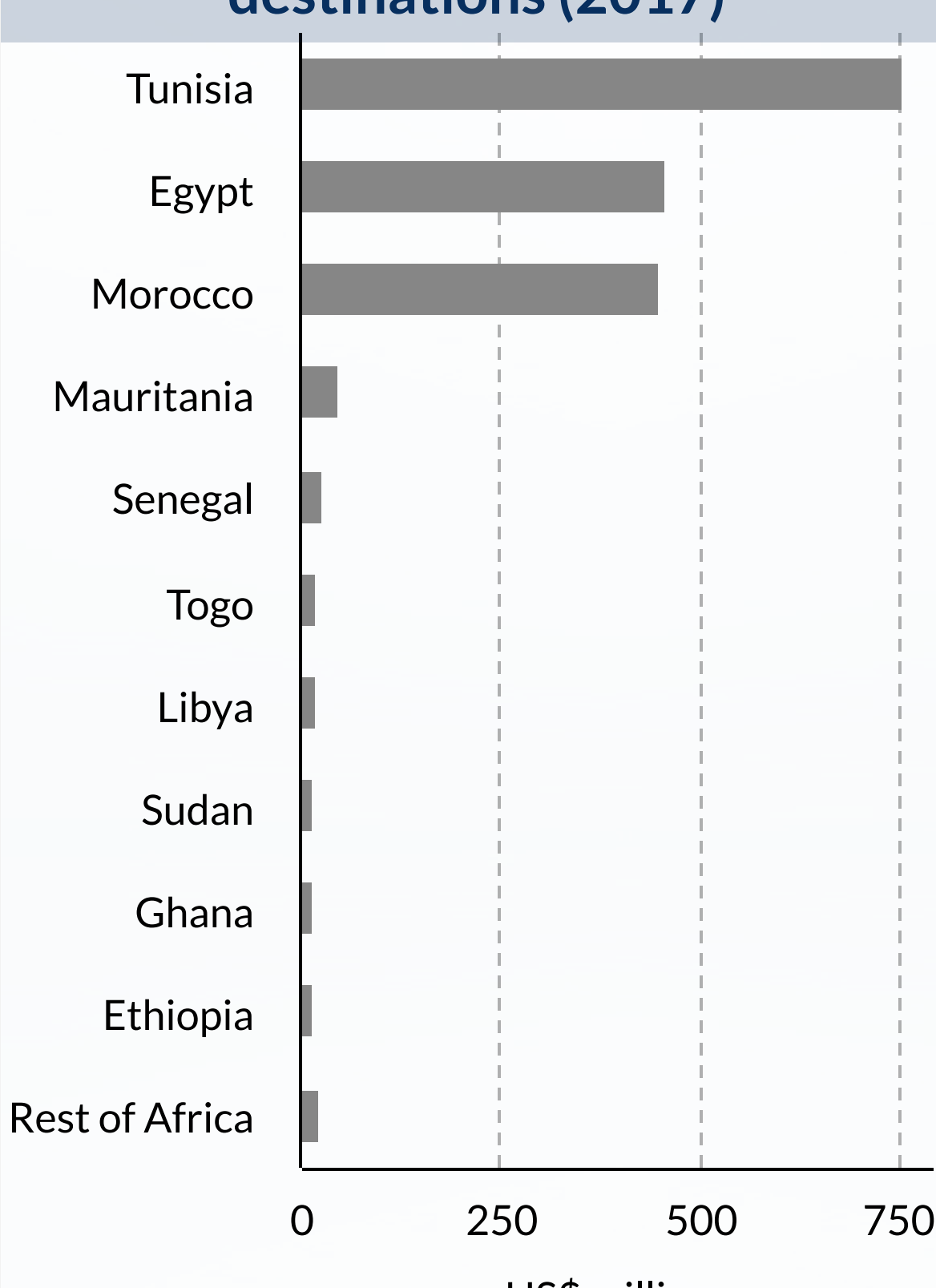
Exports accounted for 61% (US\$1.9 billion) of its intra-Africa trade in 2017



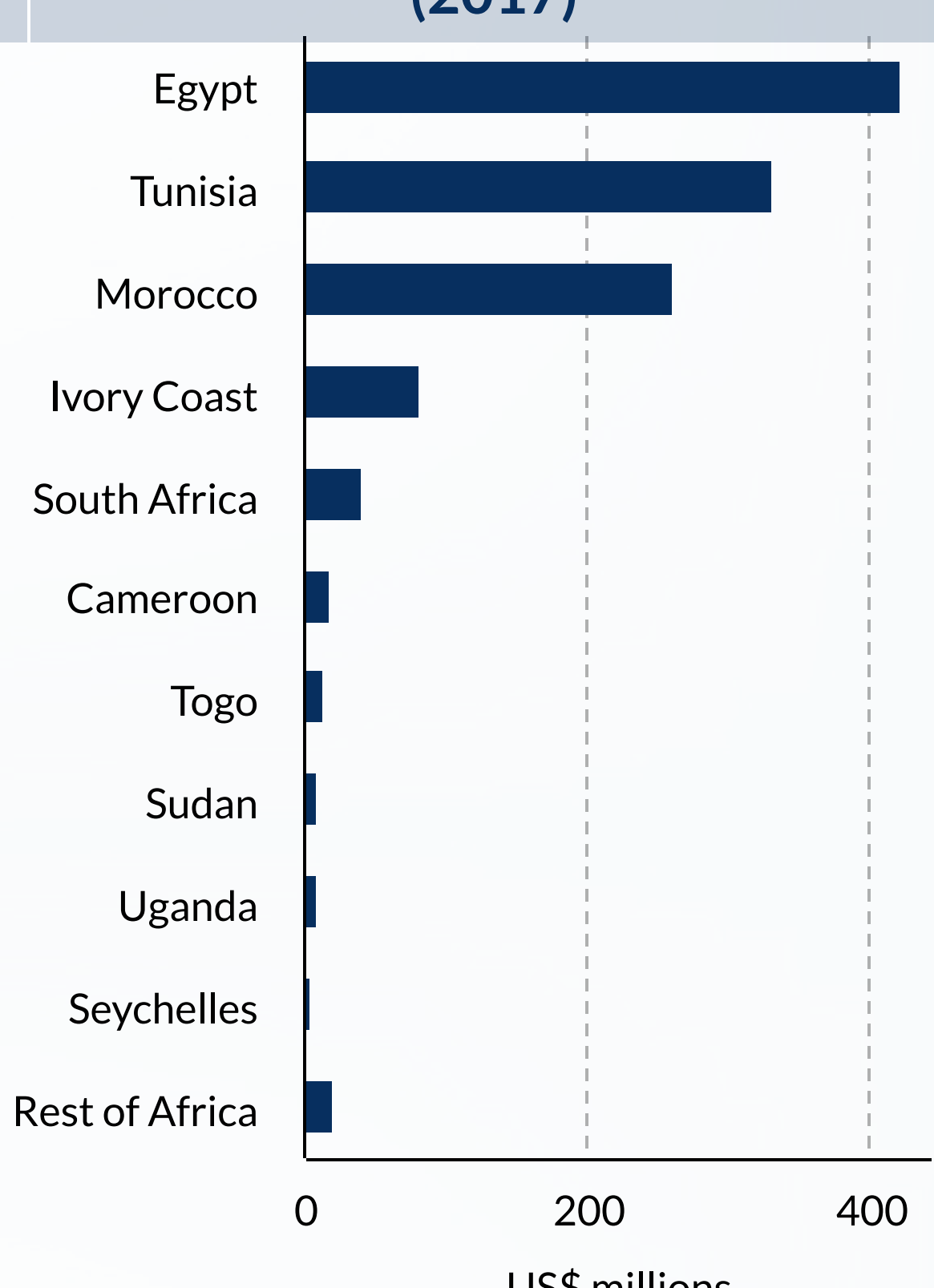
4%

- Single digit intra-Africa trade growth recorded over the 16 and 2017 period
- Lack of available latest data limits analysis of impact of Covid-19 on Algeria's intra-Africa trade during the Covid-19 pandemic
- Based on historic data, Algeria's intra-Africa trade remains low in comparison to global trade

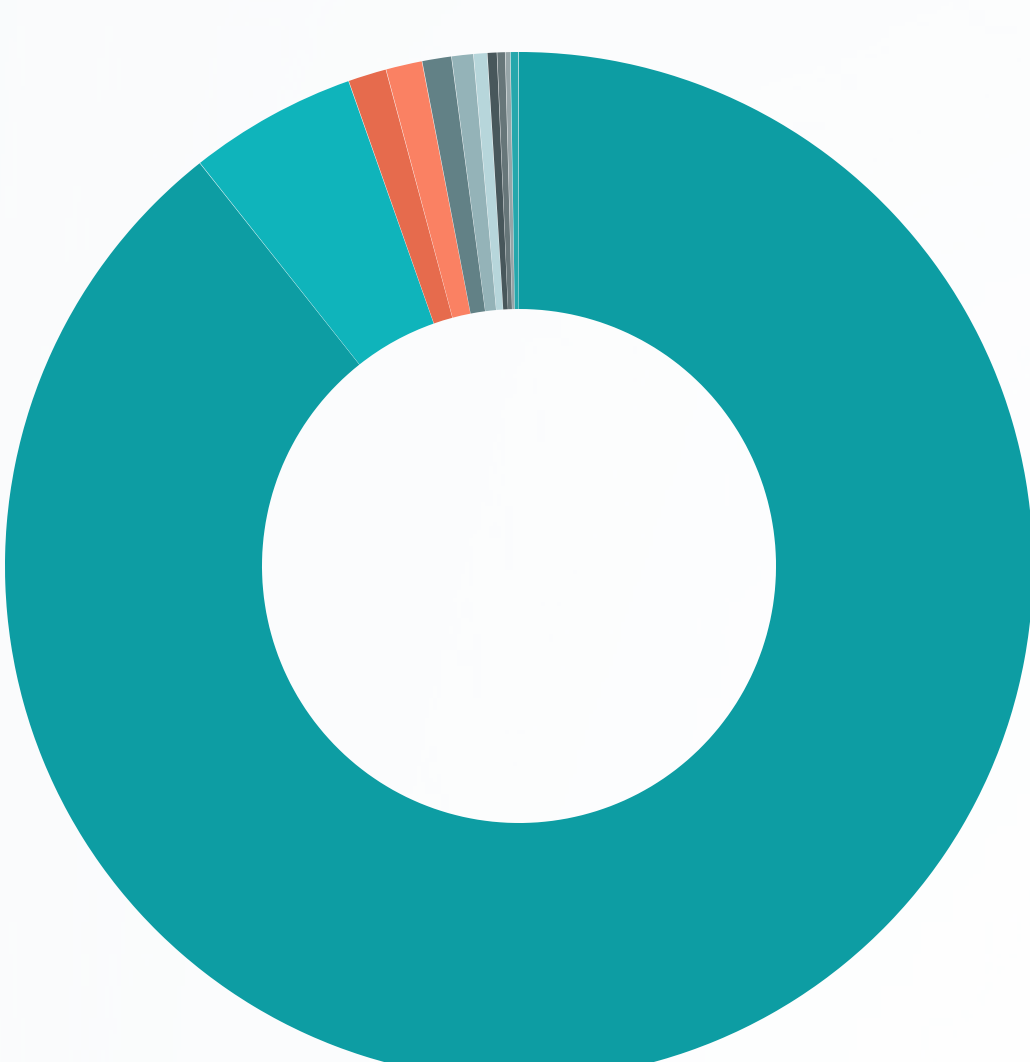
Top 10 intra-Africa export destinations (2017)



Top 10 intra-Africa import sources (2017)



Algeria's intra-Africa exports by product group (2017)

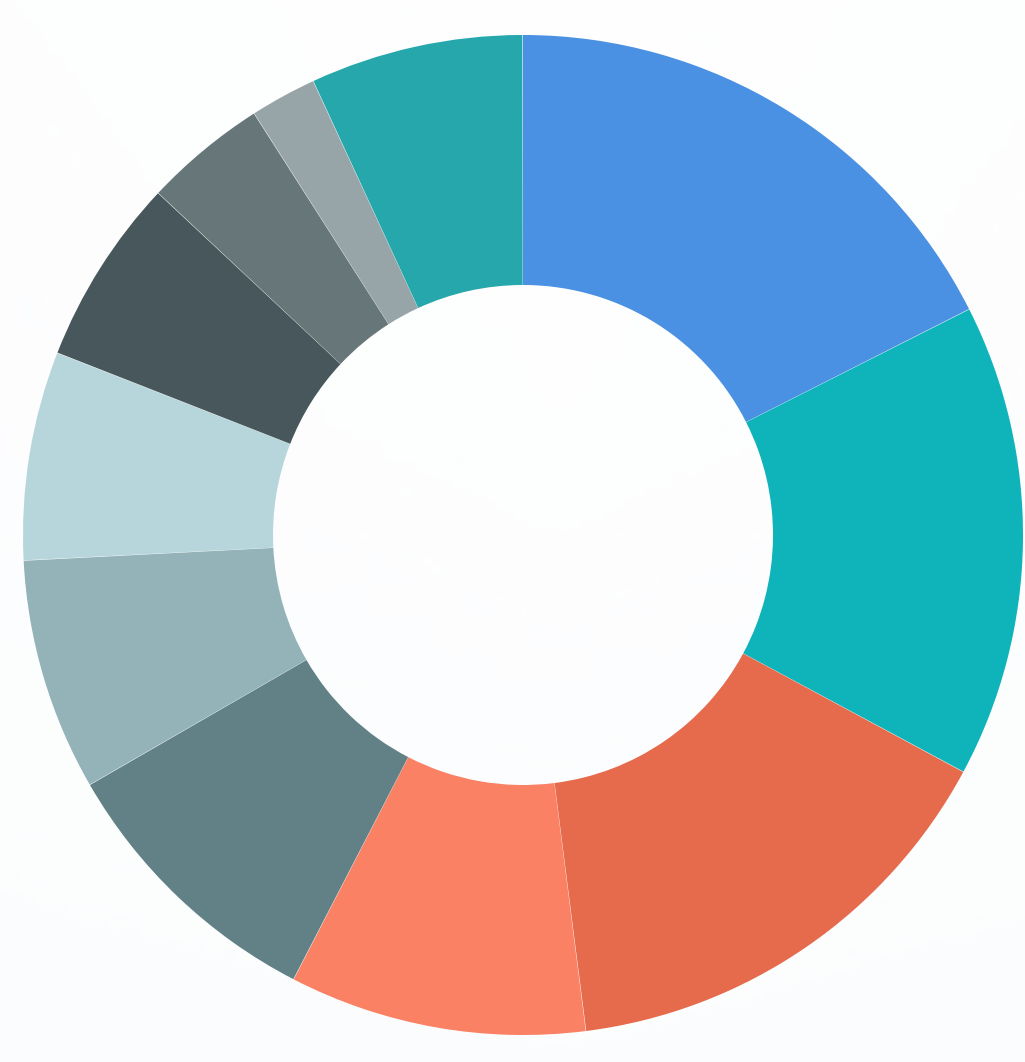


- Mineral products (89.35%)
- Food, beverages & tobacco (5.29%)
- Non-metallic minerals (1.21%)
- Chemical products (1.15%)
- Machinery (0.91%)
- Animal or vegetable fats & oils (0.68%)
- Vegetable products (0.43%)
- Paper products (0.31%)
- Base metals (0.25%)
- Plastic products (0.15%)
- Other (0.27%)

- Algeria's intra-Africa exports are concentrated in mineral products which account for almost 90% of the country's intra-Africa exports
- Food, beverages & tobacco account for an additional 5% share of Algeria's intra-Africa exports
- Tunisia, Egypt and Morocco are Algeria's main intra-Africa export destinations accounting for 90% of Algeria's intra-Africa exports
- Top 10 intra-Africa export destinations are mainly in North and West African regions accounting for 97% of its intra-Africa exports
- Sudan and Ethiopia are the only East African countries in the Top 10 destinations

Algeria's intra-Africa imports by product group (2017)

- Algeria's intra-Africa imports are relatively diversified and spread across various product groups
- Base metals, Vegetable products and Food beverages & tobacco top Algeria's intra-Africa imports basket accounting for 48% share
- 84% of Algeria's intra-Africa imports originate from Egypt (35%); Tunisia (27%) and Morocco (22%)
- Intra-Africa imports are concentrated in North and West Africa regions
- South Africa, Sudan, Uganda and Seychelles are the only countries outside North and West Africa region that feature in the Top 10 import sources accounting for 5% share



- Base metals (17.55%)
- Vegetable products (15.31%)
- Food, beverages & tobacco (15.13%)
- Textiles & clothing (9.61%)
- Chemical products (9.08%)
- Mineral products (7.52%)
- Plastic products (6.75%)
- Machinery (6.04%)
- Non-metallic minerals (3.98%)
- Misc. manufacture articles (2.15%)
- Other (6.88%)

5 year growth performance (exports)

Algeria's intra-Africa exports experienced a 15% (CAGR) decline over review period 2013 - 2017

Exports to top destinations Tunisia, Egypt, and Morocco declined by 18%, 8% and 19% (CAGR) respectively over review period 2013 - 2017.

Countries that experienced positive growth over the review period (2013-2017) include Togo, Tanzania and Ivory Coast

5 year growth performance (imports)

Algeria's intra-Africa imports have been declining by 13% (CAGR) over review period 2013 - 2017

Top import suppliers - Egypt, and Tunisia's exports to Algeria declined by 4% and 9% (CAGR) respectively over the review period (2013-2017)

Morocco, the third ranked top supplier recorded a positive growth rate of 5% (CAGR) over the review period (2013-2017)

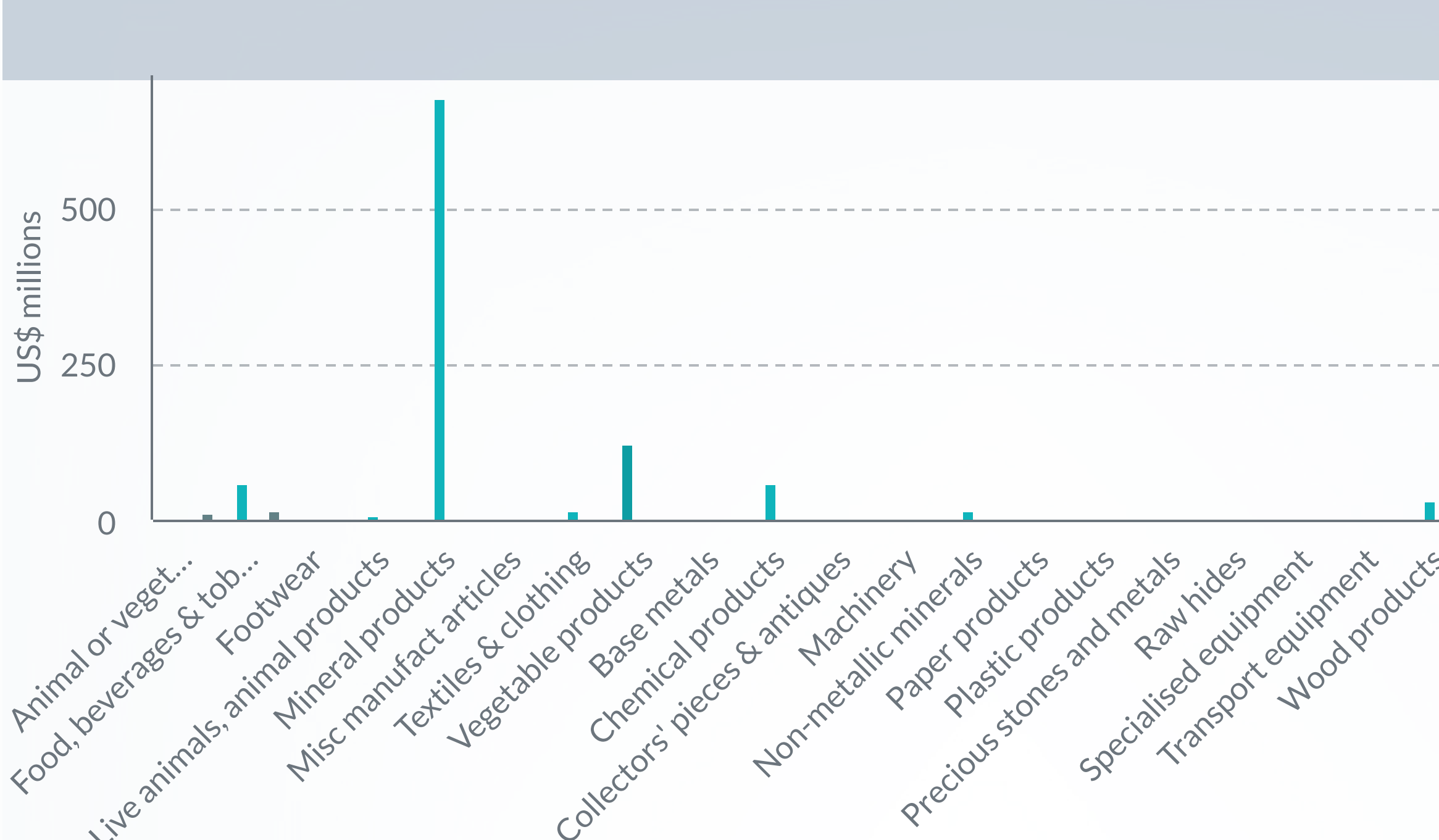
Export markets showing significant growth

Algeria's trade as with most African countries' trade is regional and trade is with neighbouring countries where distance, preferential access and knowledge of the market play a major role in influencing trading partners

Togo, Tanzania, Ivory Coast and Senegal demonstrated potential markets for increased supply based on their respective markets' growth performance over the review period (2013-2017)

Important to note that the trade dynamics may have changed and not reflected in this analysis given the lack of latest available data

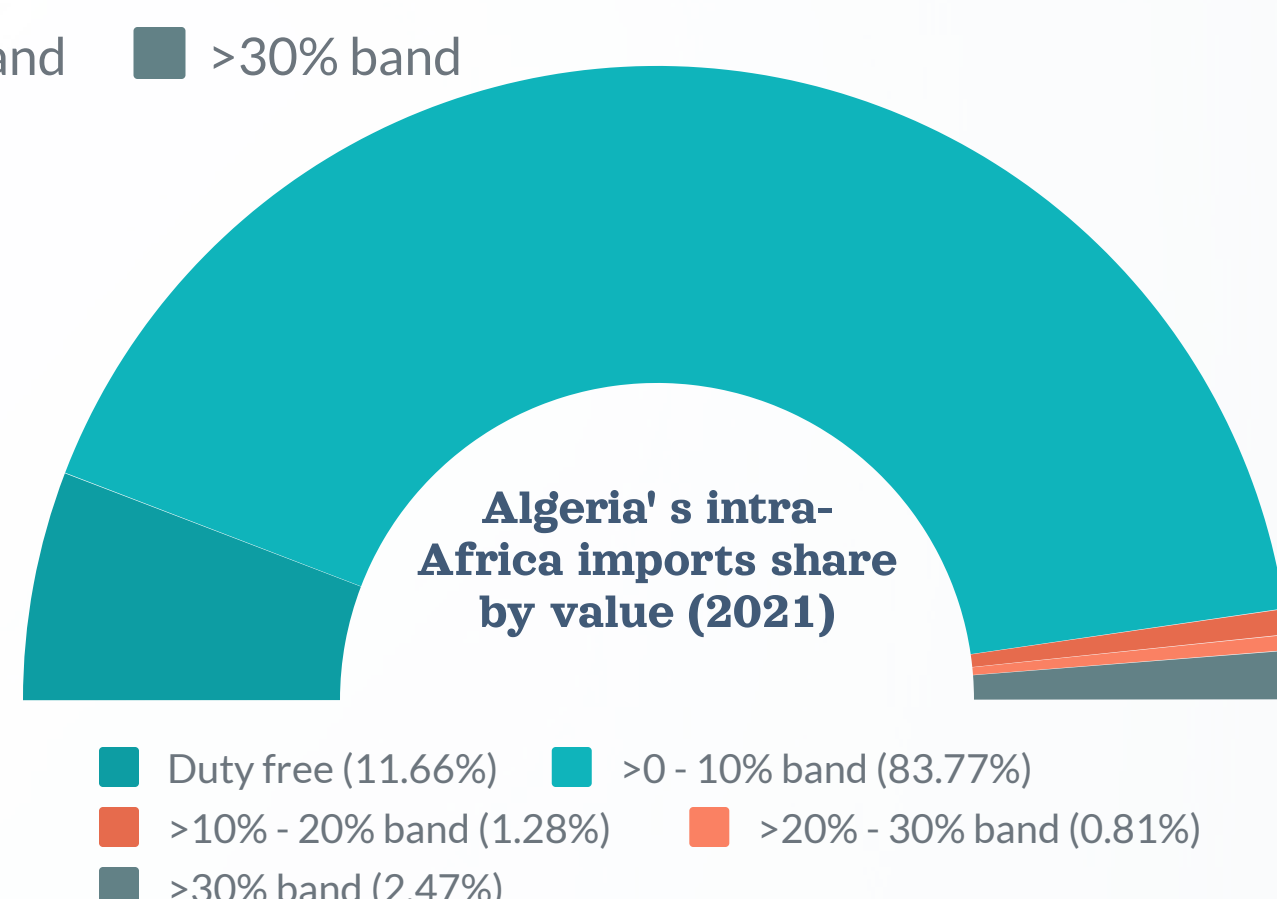
MARKET ACCESS - Algeria's MFN tariff regime



- Algeria has an FTA with Egypt, Libya, Tunisia and Sudan, which get preferential tariffs under PAFTA. Mauritania also enjoys preferential treatment.
- Imports from African countries outside PAFTA do not enjoy any preferential access.
- Mineral products are imported the most by value outside PAFTA states and attract duties >0% and 10% (AVE)
- The AfCFTA will see more African countries enjoying preferential treatment

ALGERIA'S TRADE POLICY & THE AfCFTA

- Algeria's state enterprise-dominated economy is challenging for most businesses, but multiple sectors offer opportunities for long-term growth.
- The government is prioritizing investment in agriculture, information and communications technology, mining, hydrocarbons (both upstream and downstream), renewable energy, and healthcare.
- International integration, which hampers opportunities to rely on international supply chains.
- Algeria's ratification of the AfCFTA demonstrates its willingness to a gradual opening of the domestic market through preferential trade liberalization



Algeria's average intra-Africa non-tariff trade costs for manufactured & agricultural goods (2013-2017)

ALGERIA'S MANUFACTURED PRODUCTS NON-TARIFF TRADE COSTS (2013-2017) AD VALOREM EQUIVALENT

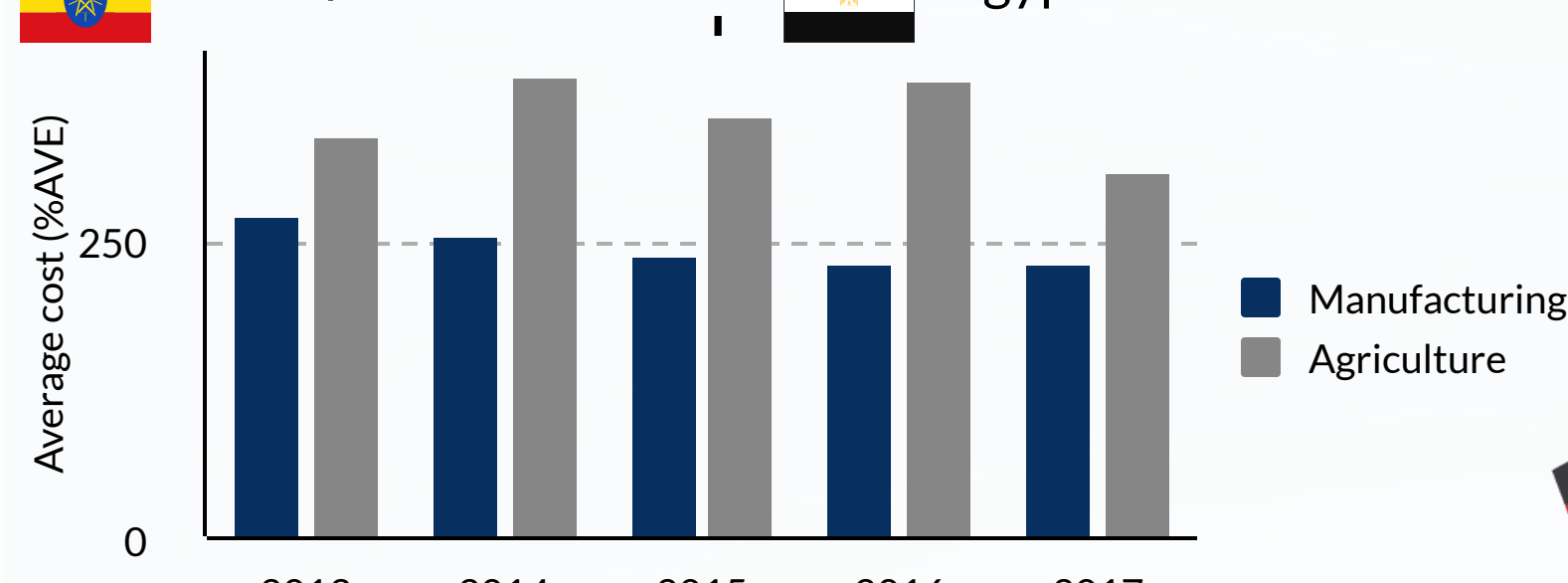
- Highest average non-tariff trade cost countries**
- Mauritius - 557%
 - Madagascar - 395%
 - Ethiopia - 363%

- Lowest average non-tariff trade cost countries**
- Tunisia - 62%
 - Morocco - 65%
 - Egypt - 88%

ALGERIA'S AGRICULTURAL PRODUCTS NON-TARIFF TRADE COSTS (2013-2017) AD VALOREM EQUIVALENT

- Highest average non-tariff trade cost countries**
- Senegal - 577%
 - Nigeria - 466%
 - Cameroon - 397%

- Lowest average non-tariff trade cost countries**
- Tunisia - 189%
 - Ivory Coast - 231%
 - Morocco - 235%



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