

U.S. Country Commercial Guides



Algeria
2020

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Doing Business in Algeria

Market Overview

With a population of approximately 43 million (comparable to California's), Algeria is a large market, located ideally between the European Union and developing countries in Africa. In geographic terms, Algeria is the largest country in Africa (roughly 3.5 times the size of Texas) situated on the Southern Mediterranean coast due south of Spain. In addition to its impressive size, Algeria has the fourth-largest economy in Africa, and is one of the continent's most competitive. The World Bank classifies Algeria as an upper-middle-income country, in the league with South Africa, Brazil, Mexico, and Turkey. Algeria's relatively high levels of development are due to wealth generated by significant hydrocarbon resources. Oil and natural gas account for 95 percent of export revenues and 60 percent of total government revenues.

Despite being the most developed country in North Africa, Algeria remains underexplored by American companies except for large multinational corporations and companies working in the energy sector. The reasons for this include decades of a state-controlled economy largely insulated from the global economy, a lack of economic diversification, and lingering security concerns related to Algeria's national struggle with terrorism in the 1990s. The United States is Algeria's seventh largest trading partner, with export volumes equal to 20 percent of Chinese exports to Algeria and 40 percent of French exports to Algeria. Following the 2019 election of the country's first new president in 20 years, Algeria may have reached an inflection point in its history. Should Algeria follow-through with its economic reform and diversification plans, new trade and investment opportunities for American companies will arise, albeit tempered in the short term by the effects of the COVID-19 pandemic and related economic crises.

Market Challenges

Multiple challenges face U.S. companies seeking to operate in Algeria, some of which resemble other markets in Africa (e.g., language barriers, customs delays, protectionist trade policies, complicated business start-up processes, etc.) and others that are more pronounced in Algeria. The most significant differentiating challenges for U.S. companies are as follows:

- **Unstable Regulatory Framework** - International firms operating in Algeria complain that laws and regulations continually shift and are applied unevenly. Likewise, business contracts are subject to interpretation and revision. A constant churn of leadership teams within state-owned enterprises amplifies both problems.
- **Influence of State-Owned Enterprises (SOEs)** – SOEs dominate the economy, with procurement opportunities issued by these companies accounting for 20 percent of GDP. Politics or personal interests frequently govern these SOEs, rather than value creation and efficiency. As a result, American companies are often stunned by the time and effort needed to reach even the most routine business decisions.
- **Procurement Regulations Favoring Low-Cost Bidders** - Current procurement regulations favor the lowest cost bidder over the best value bidder. This emphasis puts American companies, with higher quality technology at a distinct disadvantage, vis-a-vis Chinese and European competitors that bid with lower up-front cost solutions that are often more expensive to operate and maintain in the long term.
- **Payment Delays Associated with International Funds Transfers** - Current financial regulations create hurdles for the international transfer of funds. These obstacles can result in significant delays in payments and the repatriations of dividends that are particularly damaging to small- and medium-sized American firms.

Market Opportunities

Despite the challenges, Algeria offers U.S. exporters significant sales opportunities, primarily in government sectors. The most promising areas for U.S. trade and investment include:

- **Oil and Gas** –In January 2020, the government passed a new law designed to attract additional foreign investment by International Oil Companies (IOCs) because Algeria needs foreign partners to meet its goal of

doubling exploration and production in the next five to ten years. To support these efforts, Algeria's national oil company estimates that it will work with hundreds of smaller companies in reservoir management, well selection and completion, drilling, gas processing, site management, and digital monitoring and decision support.

- **Power** - By the end of the decade, Algeria hopes to add more than 18,500 megawatts of additional capacity to the power grid by hybridizing existing diesel and gas turbines, adding renewable energy to the power generation mix, and constructing seven new combined cycle power plants. It will also build a new smart grid and metering system, along with more than 30,000 km of transmission systems.
- **Defense** - With a 2020 defense budget of \$10.3 billion, Algeria is Africa's largest defense market. Given the size of its local defense industry, Algeria depends on foreign suppliers for most of its equipment. American companies stand to gain potentially large contracts in defense subsectors like military communications, surveillance electronics, drones, and ground vehicles despite their current relatively small market share and Algerians' distaste of U.S. end-use monitoring requirements.
- **Agriculture** - Agriculture is a priority for Algeria and, through new policies, the government has encouraged the development, modernization, and industrialization of the agricultural sector to achieve self-sufficiency and promote exports. U.S. companies can contribute to this development since they provide advanced agricultural technologies, livestock, and seeds needed to establish and operate integrated production models in Algeria.

Market Entry Strategy

Given the intricacy of the Algerian bureaucracy, language barriers, and the difficulty securing meetings with Algerian government officials, U.S. exporters need to form partnerships with qualified and reputable Algerian agents and distributors who understand the business culture, maintain reliable government contacts, and possess industry expertise. The Commercial Section at the U.S. Embassy in Algiers provides matchmaking services for U.S. exporters to identify Algerian partners. It can also give industry-specific guidance to firms interested in the Algerian market. Since English is not widely spoken, the Commercial Service can refer U.S. exporters to local translators. U.S. firms are encouraged to consult with local attorneys or advisors regarding technical and legal matters. Again, the Commercial Section can refer U.S. firms to local experts.

Quick sales are not frequent in this market. Companies must invest significant time to persuade Algerian decision-makers to adopt new solutions, particularly if they involve new technologies or concepts. U.S. firms should, therefore, consider the Algerian market from a long-term perspective. The Algerian government favors foreign companies that contribute to the country's long-term development in terms of employment and technology transfer.

U.S. firms working directly with Algerian partners, rather than managing their relationship through one of the neighboring countries, have reported better relationships. Many have stated that access to opportunities, especially government-related projects, dramatically increases when managed directly from the United States via a local partner (rather than managing via France or Morocco). Companies should be aware the Algerian government limits access to specific sites and offices if the company representative is from a neighboring country.

Leading Sectors for U.S. Exports and Investment

Oil & Gas

Overview

In terms of market size, Algeria has the tenth largest proven reserves of natural gas globally, is the world's sixth-largest gas exporter, and has the world's third-largest untapped shale gas resources with 20 trillion cubic meters of technically recoverable shale gas. It also ranks sixteenth in proven oil reserves, with 12.2 billion barrels of proven oil reserves, and exports roughly half of its total production (e.g., 584k of 1.1 mmb/d). All of the country's proven oil reserves are onshore, though the government is beginning to consider the development of two large offshore areas. According to Sonatrach, about two-thirds of Algerian territory remains underdeveloped or unexplored with an estimated 100 undeveloped discoveries and fewer than 20 wells per 10,000 square miles.

The Algerian government has stated it needs foreign partners to double exploration and production in the next five years, including exploring and developing its shale oil and gas resources. To encourage more foreign investment in exploration and production (E&P), the government passed a new law in January 2020 designed to attract additional foreign investment by International Oil Companies (IOCs). The new law eases taxes, simplifies license procedures, and shortens the timeframes for E&P agreements. The law also designates the national oil company, Sonatrach, as the Algerian party to contracts, wholly eliminating the former hydrocarbons contractual regulator. For more details on this reform, read our [Market Intelligence Article on Algeria's Hydrocarbons Law](#).

Sonatrach is the leading player in Algeria's oil and gas sector, overseeing Algeria's oil and gas exploration, production, transport, processing, and distribution. It controls roughly 80 percent of hydrocarbon production in Algeria, while IOCs account for the remaining 20 percent. Due to the unexpected drop in oil prices in Spring 2020, Sonatrach announced a cut in its expenditures by half (50 percent) to \$7 billion for 2020, noting that it remained committed to upstream exploration and production, as well as oil reservoir activities. With most of its hydrocarbons derived from mature fields, Sonatrach is focused on optimizing production, notably through enhanced recovery technology, and actively seeks foreign partners able to transfer quickly technology in this area.

In terms of market competition, Algeria's oil and gas sector includes a diverse mix of more than two-dozen IOCs working on more than 30 significant projects. These IOC's partner with a wide variety of local and international oil field services companies. A comprehensive list of these companies is in the [Algeria Oil and Gas Energy Resource Guide](#).

Natural Gas (million cubic meters)

	2017	2018	2019	2020 estimated
Total Local Production	94,778	95,898	89,583	
Total Exports	53,891	51,424	42,497	
Total Imports	0	0	0	
Imports from the U.S.	0	0	0	
Total Market Size	40,887	44,656	47,086	
Exchange Rates (DA/USD)	115.876	117.409	119.402	

Source: OPEC Annual Statistical Bulletin

Crude Oil (thousand barrels/day)

	2017	2018	2019	2020 estimated
Total Local Production	1,059	1,040	1,023	
Total Exports	633	571	584	
Total Imports	5	6	4	
Imports from the U.S.	0	0	0	
Total Market Size	431	475	443	
Exchange Rates (DA/USD)	115.876	117.409	119.402	

Source: OPEC Annual Statistical Bulletin

Leading Sub-Sectors/Best Prospects

To develop its vertically layered deposits of conventional, non-conventional, and technically challenging deposits, Sonatrach is selecting specific blocks for targeted partnerships with either existing partners or new, highly specialized partners. To support these efforts, Sonatrach estimates that it will work with hundreds of new smaller companies to support future production in the areas below. Small- to medium-sized, independent U.S. companies providing equipment and services in these areas are well-positioned to partner with Sonatrach or its IOC joint venture partners.

- Reservoir Management
- Well Selection and Completion
- Drilling and Hydrocarbon Production
- Processing of Gas
- Site Management/Site Safety/Environmental Management
- Decision Support and Data Flow

A more detailed list of best prospects is in the [Algeria Oil and Gas Energy Resource Guide](#).

Opportunities

Despite the impacts of the COVID-19 pandemic on global oil and gas prices, Sonatrach is moving forward with a \$7 billion mid-term program focused on upstream development. To identify opportunities for U.S. companies related to this effort, the Commercial Service and U.S. Trade and Development Agency (USTDA) are working together with Sonatrach to conduct multiple feasibility studies and organize a Reverse Trade Mission for Sonatrach officials. The primary areas of opportunity identified by USTDA include smart well technologies, horizontal drilling, flare gas capture at LNG terminals, and photovoltaic solar.

Resources

Major Trade Shows

- North African Petroleum Exhibition and Conferences (NAPEC) - *September, Oran*
- Hassi Messaoud Expo – *October, Hassi Messaoud*
- OGEX – Oil and Gas Exhibition – *December, Algiers*

Listings of Public Procurement Announcements

- For more detailed information on Sonatrach-related procurement, please visit the [BAOSEM](#) website, the Official Gazette for Energy & Mines Government Procurement Tenders.

Commercial Specialist

- For further information and or assistance in exploring opportunities in Algeria's oil and gas sector contact:
Kamal Achab, Senior Commercial Specialist, U.S. Commercial Service Algiers, Kamal.Achab@trade.gov

Power

Overview

Algeria has an electrification rate of more than 99 percent and is the most electrified country in Africa. Its power generation, distribution, and transmission systems are reasonably modern and similar to those of many U.S. utilities. Over the last six decades, its electricity production has grown at a sustained annual growth rate of seven percent. By 2030, the Government of Algeria aims to introduce renewable energy to the local power market and produce up to 27 percent of domestic power from renewables. Of that, up to 72 percent will come from solar photovoltaic (PV), making use of the abundant solar and wind resources in the Saharan desert in southern Algeria. Algeria's renewable energy potential, its role as a major supplier to Europe's energy market, and its ability to expand into neighboring power markets in Africa make the Algerian power sector a promising market for American businesses.

In terms of market size, the Algerian power sector is large and is growing considerably. In the last two decades, Algeria invested approximately \$40 billion in power infrastructure, including 50 powerplants. To accommodate continued increases in summer peak demand for electricity (15 percent year over year), Algeria will invest further in the expansion and modernization of the network, increasing efficiency, and building renewable energy powerplants. By the end of the decade, Algeria will add more than 18,500 megawatts of additional capacity to the grid by hybridizing existing diesel and gas turbines, adding renewable energy to the power generation mix, and constructing seven new combined cycle power plants. It will also build a new smart grid and metering system, along with more than 30,000 km of transmission systems.

The state-owned company Sonelgaz and its subsidiaries have been responsible for Algeria's power sector development. Sonelgaz holds a monopoly in electricity transmission and distribution, gas transportation, and distribution. It also carries out equipment manufacturing, and research and development. Its subsidiaries in the power sector are: Power Generation Company (SPE), Electricity Transmission Grid Management (GRTE), Electricity and Gas Distribution Company (SADEG), Electricity System Operator (OS), and Electricity & Gas Engineering Company (CEEG). Shariket Kahraba wa Taket Moutadjadida (SKTM) is responsible for renewable energy production plants.

In the power generation and power transmission space, the main competition for U.S. firms comes from Europe (mainly Germany, Spain, France, Greece, and Turkey) and Asia (predominantly South Korea). There are only two European competitors, Schneider Electric and Ekos, in the distribution segment of this market. U.S. companies that enter the market intending to invest in local manufacturing and technology or are seeking to develop business plans to export jointly power equipment and services from Algeria to neighboring countries will be competitive.

Electricity (GWh)

	2017	2018	2019 (est)	2020 estimated
Total Local Production	88,999	90,231	108,325	N/A
Total Exports	880	597	N/A	N/A
Total Imports	537	506	N/A	N/A
Imports from the U.S.	0	0	0	N/A
Total Market Size	75,674	76,572	N/A	N/A
Exchange Rates (DA/USD)	115.876	117.409	119.402	128.42

Source: Algeria Ministry of Energy *Bilan Énergétique*

Leading Sub-Sectors/Best Prospects

To expand and modernize its network, increase efficiency, and build renewable energy power plants, Sonelgaz actively seeks American partners with EPC capabilities, advanced and specialized training services, and spare parts manufacturers with operations and maintenance expertise. Small- to medium-sized, independent U.S. companies providing equipment and services in the areas below are well-positioned to partner with Sonelgaz and its subsidiaries or supply larger international companies already working in Algeria's power sector.

- Solar energy plant equipment and processes
- EPC services for power plants
- Gas power plant equipment and processes
- Project engineering, management, technical assistance
- Maintenance and repair services
- Energy storage systems and design
- Digital control and demand systems
- Smart grid solutions
- Digital substations

Opportunities

Between 2021 and 2030, increasing demand will require 5,000 to 7,000 MW of new conventional power generation. This will lead to an estimated investment of close to \$1 billion per year for the construction of up to seven power plants, Engineering, Procurement, and Construction (EPC) and related services, and spare parts and O&M contracts. GE-certified U.S. suppliers are also well positioned to bid on subcontracts with GEAT (a joint venture between Sonelgaz and G.E. that manufactures gas and steam turbines, generators, and control systems in Algeria). There will also be opportunities for maintenance and repair services for both conventional and PV solar power plants, the expansion of the transmission grid by 30,000 Kilometers (19,000 Miles), and the development of smart-grid and smart-metering systems in the mid-term.

Resources

Major Trade Shows

- Electricity Expo – November, Algiers
- ERA – October, Oran

Listings of Public Procurement Announcements

- For more detailed information on Sonatrach-related procurement, please visit the [BAOSEM](#) website, the Official Gazette for Energy & Mines Government Procurement Tenders.

Commercial Specialist

- For further information and or assistance in exploring opportunities in Algeria's power sector contact: Kamal Achab, Senior Commercial Specialist, U.S. Commercial Service Algiers, Kamal.Achab@trade.gov

Defense

Overview

With a 2020 defense budget of \$10.3 billion, Algeria is Africa's largest defense market and the world's sixth-largest arms importer. Algeria's small, indigenous defense industry provides light weaponry in ground transport, explosives, warships, and Russian- and Chinese-licensed arms. Military modernization, terrorist threats from Libya, oil and gas field surveillance, and a quest for regional military superiority in the Sahel all drive Algeria's demand for new defense systems and equipment. The industry is expected to grow to \$11.9 billion by 2023, with expenditures reaching \$12.1 billion by 2025.

Given the size of its local defense industry, Algeria depends on foreign suppliers for most of its equipment. Russia enjoys preferential status and supplies nearly 75 percent of overall market share due to a long-lasting bilateral defense relationship and Algeria's competition with its Western-supplied neighbor and rival, Morocco. Industry analysts expect Russia to continue filling the lion's share of Algerian demand. Following Russia, China and Germany have been Algeria's second and third largest suppliers since 2014. The United States, Denmark, Finland, France, Italy, Netherlands, Poland, South Africa, Sweden, the U.A.E., Ukraine, and the U.K. compete for remaining market share.

Despite their relatively small market share, American companies could gain potentially large contracts in defense subsectors. Algeria recently committed to diversifying its weapons and equipment suppliers and intends to expand European and American purchases in its \$30 billion spending plan. Algerians look to U.S. suppliers mainly for military communications and electronics, and ground vehicles. In the future, there may also be opportunities for U.S. companies in military medical supplies and training, drones, and avionics. Despite its aims to reduce imports through international joint development equipment programs, Algeria depends on foreign cooperation for continued knowledge transfer.

The only buyer in the sector is the Algerian Ministry of National Defense, which announces tenders on its website. With American companies, all sales are Direct Commercial Sales (DCS). Qualifying for a U.S. export license through DCS is based on how a product or service is categorized. Licenses are granted by the State Department's Directorate of Defense Trade Controls and the Department of Commerce's Bureau of Industry and Security. Algeria does not participate in U.S. Foreign Military Sales (FMS) or Foreign Military Finance (FMF) programs, and it limits purchases of equipment that require end-use monitoring to the maximum extent possible. These factors typically reduce the total number of U.S. DCS transactions authorized per year to less than 30.

Defense and Arms Trade (\$USD million)

	2017	2018	2019	2020 estimated
Total Local Production	N/A	N/A	N/A	
Total Exports	0	0	0	
Total Imports	962	1,253	140	
Imports from the U.S.	N/A	624	N/A	
Total Market Size	962	1,253	140	
Exchange Rates (DA/USD)	115.876	117.409	119.402	128.42

Source: The Stockholm International Peace Research Institute

(Comment: The Algerian government does not release defense production statistics.)

Leading Subsectors

- Military Communications
- Military Electronics and Parts
- Ground Vehicles
- Medical Supplies
- Drones
- Avionics

Opportunities

American companies are limited mainly to non-lethal applications, subject to U.S. government regulations and licenses. Nonetheless, the most promising prospects are supplying ground vehicles, military electronics and parts, and military communications. Equipment developed and manufactured locally in Algeria is more attractive to Algerian buyers.

Resources

The Ministry of National Defense frequently announces new tenders on its website, found here: https://www.mdn.dz/site_principal/sommaire/appels/appels_an.php

Commercial Specialist

- For further information and or assistance in exploring opportunities in Algeria's defense sector contact: Kamal Achab, Senior Commercial Specialist, U.S. Commercial Service Algiers, Kamal.Achab@trade.gov

Agriculture

Overview

In 2019, the leading U.S. agricultural products exported to Algeria included wheat, soybeans, cotton, pulses, materials, and products destined for animal feed, live animals, milk powder, planting seeds, tree nuts, and lumber. These commodities are not included on the Algerian [list of goods subject to a temporary additional safeguard duty](#) (Droit Additionnel Provisoire de Sauvegarde or DAPs) implemented in January 2019. Most of the foods receiving an additional safeguard duty of (60%) are processed and high-value products. The original list published in January 2019 was revised by the [Ordinance of April 8, 2019, published in the Official Gazette No.26 of April 21, 2019](#). This ordinance removed the additional duty on food products such as tree nuts, peanuts, butter, dried fruits, and fresh or chilled beef.

The agriculture sector will remain a priority for the government in its attempt to diversify and revive the economy toward sustainable growth. Algeria's agricultural development strategy emphasizes improving food production and quality to reduce Algeria's import bill and ensure its food security. Therefore, new policies encourage the continued development, modernization, and industrialization of the agricultural sector to achieve self-sufficiency and promote exports. It actively encourages modern industrial agriculture, using new technologies, digitization, innovative tools, and renewable energies. The government also urges large-scale agricultural investments in the highlands and the "Sahara" (the southern areas of Algeria). The development strategy promotes foreign direct investment and partnerships, with particular focus on cereals, oilseeds, sugar production, and crushing and refinery projects that support the processing industry. Such projects include supporting the development of increased storage capacity, improved cold chain infrastructure, and packaging projects.

U.S. industry can contribute to this development by providing advanced agricultural technologies, livestock, and seeds needed to establish and operate integrated production models in Algeria. Potential also exists for expanded exports of U.S. agricultural products in Algeria due to Algeria's reliance on imports of strategic commodities like wheat, feed grains, and milk powder to fulfill domestic demand. U.S. exporters face stiff competition from E.U. suppliers because of their geographic proximity and the lack of direct shipping lines between the United States and North Africa.

Leading Sub-Sectors/Best Prospects

- Dairy industry
- Animal genetics
- Planting seeds
- Food processing industry
- Food distribution chains

Foreign Agricultural Service

Please reach out to the United States Department of Agriculture's Foreign Agricultural Service in Algeria by email at AgAlgiers@usda.gov or by telephone (213-770) 08-2111/2112. Please also visit our website at www.fas.usda.gov.

Customs, Regulations and Standards

Trade Barriers

On January 1, 2009, a law banned all imported pharmaceutical drugs and medical devices for which equivalents are produced in Algeria. For a list of these prohibited products, please contact the Department of Commerce Desk Officer Arica Young at 202-482-6219; Arica.Young@trade.gov. This import ban is a market access barrier for those firms relying on IPR protection because the ban explicitly targets non-generics. The pharmaceutical ban led the U.S. Trade Representative to place Algeria on its Priority Watch List in 2009, where it remains through 2020.

In January 2016, the Algerian government introduced a decree on import and export licenses designed to control or limit imports and exports of certain products. The purpose of these restrictive measures is to conserve limited amounts of natural resources, promote domestic production, and control foreign products' expenditures.

In addition to the trade barriers above, Algeria applies a value-added tax (VAT) to the sales of most goods, and VAT rates range from 7 to 19 percent, depending on the product.

Import Tariffs

Specific information on import tariff rates can be found (in French) at the [Algerian customs web page](#).

Import Requirements and Documentation

Customs declarations must be made in writing and signed by the declarant, who may be the owner, the customs agent, or the carrier. The declaration must be submitted to the customs office having jurisdiction over the port of entry. The submission must be made within 21 days from the date of registration of the document. In addition to the customs declaration, the customs clearance file must include an invoice with a bank domiciliation, a copy of the company's trade registration, a copy of the tax card issued by the relevant fiscal authorities, the border inspection document, documentary evidence of origin, an itemized list of contents (i.e., a detail note), certificates of conformity and quality from an independent third party, and the approval mandate of the customs agent.

Additional materials can be required in cases subject to specific administrative procedures. For example, the Ministry of Health must clear medical products and requires distributors to obtain authorizations to import and sell drugs. Drugs must have been marketed in their country of origin and a third country before they may be imported into Algeria. Other examples include hunting weapons cleared by the Ministry of Defense and the National Security Directorate, and books and magazines, which are cleared by the Ministry of Information and Culture.

Labeling and Marking Requirements

Algerian government regulations stipulate that imported products, particularly consumer goods, must be labeled in Arabic. This regulation is strictly enforced. Though not required, it is also helpful to label products in French.

U.S. Export Controls

The United States imposes export controls to protect national security interests and promote foreign policy objectives related to dual-use goods through implementation of the Export Administration Regulations (EAR). The Bureau of Industry and Security (BIS) is comprised of two elements: Export Administration (EA), which is responsible for processing license applications, counselling exporters, and drafting and publishing changes to the [Export Administration Regulations](#); and Export Enforcement (EE), which is responsible for the enforcement of the EAR. BIS works closely with U.S. embassies, foreign governments, industry, and trade associations to ensure that exports from the United States are secure and comply with the EAR. BIS officials conduct site visits, known as End-Use Checks (EUCs), globally with end-users, consignees, and/or other parties to transactions involving items subject to the EAR to verify compliance.

An EUC is an on-site verification of a non-U.S. party to a transaction to determine whether the party is a reliable recipient of U.S. items. EUCs are conducted as part of BIS's licensing process, as well as its compliance program, to

determine if items were exported in accordance with a valid BIS authorization or otherwise consistent with the EAR. Specifically, an EUC verifies the *bona fides* of transactions subject to the EAR, to include: confirming the legitimacy and reliability of the end use and end user; monitoring compliance with license conditions; and ensuring items are used, re-exported or transferred (in-country) in accordance with the EAR. These checks might be completed prior to the export of items pursuant to a BIS export license in the form of a Pre-License Check (PLC), or following an export from the U.S. during a Post-Shipment Verification (PSV).

BIS officials rely on EUCs to safeguard items subject to the EAR from diversion to unauthorized end uses/users. The verification of a foreign party's reliability facilitates future trade, including pursuant to BIS license reviews. If BIS is unable to verify the reliability of the company or is prevented from accomplishing an EUC, the company may receive, for example, more regulatory scrutiny during license application reviews or be designated on BIS's Unverified List or Entity List, as applicable.

BIS has developed a list of "red flags", or warning signs, and compiled "Know Your Customer" guidance intended to aid exporters in identifying possible violations of the EAR. Both of these resources are publicly available, and their dissemination to industry members is highly encouraged to help promote EAR compliance.

BIS also provides a variety of training sessions to U.S. exporters throughout the year. These sessions range from one to two-day seminars that focus on the basics of exporting to coverage of more advanced, industry specific topics. Interested parties can check a [list of upcoming seminars and webinars](#) or reference BIS provided [online training](#).

BIS and the EAR regulate transactions involving the export of "dual-use" U.S. goods, services, and technologies. For advice and regulatory requirements, exporters should consult the other U.S. Government agencies which regulate more specialized items. For example, the U.S. Department of State's Directorate of Defense Trade Controls has authority over defense articles and services, or munitions. A list of other agencies involved in export control can be found on the [BIS website](#) or in Supplement No. 3 to Part 730 of the EAR.

The EAR is available on the [BIS website](#) and on the e-CFR (Electronic Code of Federal Regulations) and is updated as needed.

The [Consolidated Screening List](#) (CSL) is a list of parties for which the United States Government maintains restrictions on certain exports, reexports or transfers of items. The CSL consolidates eleven export screening lists of the Departments of Commerce, State and the Treasury into a single data feed as an aid to industry in conducting electronic screens of parties to regulated transactions. Exporters are encouraged to classify their items prior to export, as well as consult the CSL to determine if any parties to the transaction may be subject to specific license requirements.

Temporary Entry

Equipment and machinery brought into Algeria temporarily for a specific project or exhibition are exempt from payment of customs duties and taxes. This exemption and approval, however, is limited to the specified event or purpose. Foreign companies are strongly advised to secure written permission from Algerian customs authorities before moving equipment or parts to a new location inside Algeria. To obtain waivers, importers must fill out a customs form and present it to the authorities when the goods are re-exported. In January 1998, Algeria ratified the Istanbul Convention related to temporary entry through presidential decree No 98-03.

Prohibited and Restricted Imports

The Algerian government bans the import of firearms, explosives, narcotics, around 260 pharmaceutical products (see below), some types of medical equipment, all types of used equipment, vehicles over three years old, genetically modified seeds, and pork products. Since 2010 Algeria has steadily increased the number of banned medications, medical devices, and other goods to promote the local manufacture of these products.

Phyto-sanitary and sanitary control regulations are in place. As a rule, animal and plant products that risk propagating diseases cannot be imported. In these matters, Algeria adheres to the principle of precaution. For example, meat of U.S.-origin is prohibited because of allegedly high hormone content. Additionally, when food products arrive in Algeria, they must have at least 80 percent of their shelf life remaining. While specific regulations exist for a few products, most food products must conform to the standards defined in the Codex Alimentarius.

Customs Regulations

Algeria applies customs tariffs to imported goods ranging from 0 to 30 percent, depending on the type of product. For more information, consult the [Customs Directorate website](#). Customs uses the CIF price (e.g., the price before tax) to calculate duties and taxes. Customs accounting procedures are mandatory even when the transaction in question is exempt from duties and taxes. It is forbidden to import firearms, explosives, drugs, certain pharmaceutical products (around 260 in total), specific categories of simple medical equipment, and all types of used equipment. The import of pork products is also banned for religious reasons.

Customs clearance is a common problem facing foreign companies in Algeria, with delays ranging from weeks to months. One reason for this is the numerous and bureaucratic documentation requirements described above in the Import Requirements and Documentation section. In addition to this, the Ministry of Commerce must also stamp the shipping documents with a "Visa Fraud" note indicating that the goods have been successfully subject to fraud inspection before they can clear customs.

If a U.S. firm encounters a problem involving Algerian Customs, they may fax a letter in French to the Direction Chargée de la Coopération et des Relations Internationales describing the situation in detail. This letter may be faxed to +213-21-72-59-75. The phone number is +213-21-72-2088.

Standards for Trade

Overview

Executive Decree no. 98-69 established the Algerian Institute for Normalization (IANOR) as the appropriate government body handling standardization issues. IANOR has since worked to assist Algeria's economic sector in conforming with globalization and international standards.

Standards Organizations

The Agence Algérienne de l'Accréditation (ALGERAC) falls under the authority of the Ministry of Industry. ALGERAC is the only Algerian accreditation organization. It ensures that national regulations concerning accreditation of laboratories and the organization of certification inspections meet international norms. ALGERAC certified some 50 assessment bodies since 2009.

IANOR oversees elaborating, publishing, and distributing all relevant data on Algerian standards. It is also responsible for providing conformity certifications to Algerian standards, issuing quality labels, and delivering appropriate authorizations to use brands according to the applicable regulations. The Algerian National Institute of Industrial Property (INAPI) is responsible for industrial and intellectual property rights protections. This entity primarily handles the deposit and registration of patents, trademarks, and copyrights.

Import Documentation

Multiple authorities regulate the conformity of imported products. For cosmetics and hygiene products, a compulsory declaration of ingredients is required. The formula must be submitted to a toxicology lab for analysis. Should the production be completed abroad, the details of the toxicology lab handling the tests must be forwarded to the appropriate Algerian authorities.

For other imported products, the following documents should be presented to the customs service upon entry: customs documents, banking documentation (invoice, banking domicile), the specific authorization from police services (if

required), and the health and safety authorization for selected products (if required). Customs will either provide an admission certificate or a non-admission certificate.

Product Certification

IANOR establishes and publishes standards applicable in Algeria. If a standard does not exist or if a disagreement needs to be settled, the International Standards Organization (ISO) standard will prevail.

Accreditation

ALGERAC is the only Algerian accreditation organization. It ensures that national regulations concerning the accreditation of the laboratories and the organization of certification inspections meet international standards.

Publication of Technical Regulations

Technical regulations are published in editions of the [Official Gazette](#) of the People's Democratic Republic of Algeria (Journal Officiel).

Labeling and Marking

Algerian government regulations stipulate that imported products, particularly consumer goods, must be labeled in Arabic. This regulation is strictly enforced. Though not required, it is helpful to also label products in French.

Contacts

[ALGERAC](#)

Tel: +213-017-033-325

E-mail: boudalgerac@hotmail.com

[Algerian Institute for Normalization \(IANOR\)](#)

Address: 5 et 7 rue Abou Hammou Moussa BP 104 RP Alger Algérie

Phone: +213 21 78 21 35

E- mail: cinfo@ianor.org

[Algerian National Institute of the Industrial Property \(INAPI\)](#)

42 Rue Larbi Ben MHidi

Phone: +213 21 73 57 74

Members of the World Trade Organization (WTO) are required under the Agreement on Technical Barriers to Trade (TBT Agreement) to notify the WTO proposed technical regulations and conformity assessment procedures that could affect trade. Notify U.S. (www.nist.gov/notifyus) is a free, web-based email registration service that captures and makes available for review and comment key information on draft regulations and conformity assessment procedures. Users receive customized email alerts when new notifications are added by selected country or countries and industry sector(s) of interest and can also request full texts of regulations. This service and its associated website are managed and operated by the USA WTO TBT Inquiry Point housed within the National Institute of Standards and Technology, part of the U.S. Department of Commerce.

Trade Agreements

Algeria has ratified several bilateral trade agreements with other countries, but there is no bilateral free trade agreement between the United States and Algeria. In 2001, the United States and Algeria signed a Trade and Investment Framework Agreement (TIFA) that created a platform for discussing trade and investment issues. Algeria ratified an

E.U. association agreement in September 2005 and began active membership in the Arab Free Trade Zone in 2009. Algeria is not a member of the WTO.

Web Resources

[Specific Algerian import tariff rates](#) (in French)

[Product subject to U.S. export control](#)

[The Official Gazette of the Republic of Algeria](#) (Journal Officiel)

[Department of State's Bureau of Economic and Business Affairs](#)

Licensing Requirements for Professional Services

Algerian trade law permits individuals and legal entities, both domestic and foreign, to establish themselves and have merchant status in Algeria. Service firms must either register with the Register of Commerce or open a representative office. Service companies must notarize their articles of incorporation before a notary and publish them in the Official Bulletin of Legal Announcements (BOAL) and two national newspapers. Notary fees are based on the amount of capital invested in the company, and publication fees are fixed.

The legal forms that professional services firms may take in Algeria are very similar to those in Western countries:

- **Joint Stock Company (SPA):** SPAs may be either publicly or privately owned. The minimum capital base is five million dinars for publicly traded companies and is one million dinars (DZD 1,000,000) for privately held companies. SPA's must have seven partners. The company must be governed by a board, including a President and Chief Executive Officer or only a Chief Executive Officer. The president and the CEO may be of foreign nationality.
- **Limited Liability Company (SARL):** SARL is the legal status of most small and medium-sized businesses. The minimum capital base for a SARL is 100,000 Dinars, divided into shares of equal nominal value of one 1,000 Dinars. There firm can have one to seven associates, and they are not required to be actively involved in the company. SARLs are headed by a manager who may be Algerian or a foreign national, a partner, or an employee.
- **Limited Liability Sole Proprietorship Company (EURL):** An EURL is an LLC consisting of a single person as the "sole associate." The minimum capital base for an EURL is 100,000 dinars, which are divided into shares of equal nominal value of one 1,000 Dinars.
- **General Partnership Company (SNC):** In an SNC, each partner must be actively involved in the business. They are jointly and severally liable for partnership debts. The shares are registered and can be transferred only with the unanimous consent of the partners.
- **Limited Partnership (SCS):** SCSs resemble SNCs. In the SCS, partners are responsible for the company's liabilities to the extent of their contributions.
- **Publicly Traded Partnership Company (SCA):** The SCA is a hybrid of a general partnership and joint-stock company.

In addition to the above, service companies may also choose to establish a representative office (a.k.a. liaison bureau). Several foreign companies opened representative offices because this legal structure allows for limited investment while ensuring a direct presence in Algeria. In this structure, the parent firm directly controls the representative office for market exploration, promotion, and business development and customer relationship management. The financing of a representative is exclusively in foreign currency since the office is not permitted to generate revenues or enter commercial contracts. Liaison bureaus are not required to register at the Register of Commerce and submit applications to the Ministry of Commerce instead. Representative offices must keep a reserve account with 100,000 dinars in a local bank.

For more information, please contact:

Ministry of Trade - HEAD OFFICE of Regulation and Organization of Activities – Phone: +213-(0) 21-89 00 74/
+213-(0) 21-89 00 75 à 85 Fax: +213-(0) 21-89 00 34. Web: <https://www.commerce.gov.dz/>

Additional resources:

<https://www.doingbusiness.org/en/data/exploreconomies/algeria/#>

<https://www.doingbusiness.org/content/dam/doingBusiness/country/a/algeria/DZA.pdf>

Selling U.S. Products and Services

Distribution & Sales Channels

Algeria has a well-developed distribution system with wholesale and retail outlets. State-owned marketing firms sell wholesale imported foodstuffs, pharmaceuticals, and industrial supplies and equipment. Private wholesalers are increasingly active in these sectors as well. Private businesses control retail trade almost exclusively.

Algeria's current road network extends over 100,000 kilometers, approximately 26,000 km of secondary roads and highways, and 23,000 km of provincial roads. Nonetheless, mountainous terrain, congestion, traffic accidents, and security checkpoints hamper road transportation.

Algeria has 16 international and 20 domestic airports open for civil air traffic. The national carrier, Air Algérie, serves 37 destinations in Europe, Africa, the Middle East, Asia, and North America (via a flight to Montreal, Canada). Several international airlines serve Algiers from major hubs, but there are no direct flights between Algeria and the United States. Six international express mail delivery services operate in Algeria: UPS, FedEx, TNT, DHL, CourierExpress, and Chronopost.

Algeria has 13 multipurpose ports, three hydrocarbon ports, and two hydrocarbon terminals. The railway network covers mainly the northern and coastal cities and includes 4,200 kilometers of track, 3,060 of which are standard gauge, and 1,140 narrow gauge.

Joint Ventures

Algerian companies are increasingly interested in joint venture opportunities with U.S. partners to modernize their factories or license technology. From 2009 to 2020, however, joint venture activity between Algerian and American companies remained limited due to the 51/49 capital share distribution rule, which required all foreign companies to comply with a 51% Algerian majority-ownership requirement for investment in Algeria. In June 2020, the Algerian government limited the scope of the application of the 51/49 rule to the following “strategic sectors”:

- Mining;
- Upstream energy activities and any other activity governed by the law on hydrocarbons;
- Industries initiated by or related to the military governed by the Ministry of National Defense;
- Transportation infrastructure (airports, ports, and railways);
- Pharmaceutical industries, excepting essential and innovative products.

Apart from these sectors, the government now permits foreign investment without any obligation to enter into a partnership with an Algerian entity.

Express Delivery

There are a limited number of express delivery service companies in Algeria that specialize in logistics, and most of them are foreign companies, including global leaders such as DHL, UPS, FedEx, and TNT. DHL Algeria controls 75 percent of the market. EMS Champion Post Algeria is the sole Algerian company specializing in logistics, and operates in more than 198 countries, including the United States. These companies' services are very reliable and used primarily for sending and receiving documents. Delivery times from the United States to Algeria vary depending on the type of delivery service used, size, and amount of product. Many of these companies also offer customs clearance services for an additional fee to ensure full compliance with customs formalities and the rapid delivery of goods. Such services help to reduce any risk of delays or penalties regardless of the mode of transport (air, sea, or land).

Due Diligence

Some market research firms and certified public accountants affiliated with major international companies are present in Algeria. These companies can supply limited credit information on a selective basis. However, it may be challenging to perform due diligence on Algerian banks, agents, and customers. Banks will not provide information

on business clients without explicit permission from the clients and may only offer limited details. Credit checks and reports are neither standardized nor readily available.

U.S. companies that require due diligence investigations are encouraged to contact the U.S. Commercial Service in Algeria and inquire about its International Company Profile (ICP) service. The ICP service can provide extensive background information about an Algerian company, including its capital, principals, foreign clients, and market share. Still, the financial details provided by the company's bank are usually vague.

e-Commerce

The Algerian e-commerce market is growing, but it is far from reaching its potential. There are no official figures for online sales in Algeria. However, according to the Algerian National Association of Traders and Craftsmen, the market potential is estimated to be \$5 billion. To boost e-commerce the government is seeking to increase the rate of Internet penetration and bandwidth. While the first Algerian online markets appeared in 2009, e-commerce began to take off in 2014 with the arrival of the Pan-African site Jumia, which remains the country's most popular online sales site. OuedKniss, Batolis, and IdealForme are the leading local online sales sites besides of Jumia. Note that the payments are made in cash upon delivery of items.

In February 2018, the Algeria government adopted a law that defines the country's first e-commerce regulations, which stipulate that online markets must host their website in Algeria and be registered at the Algerian Commercial Registry. The law prohibits any online purchase of tobacco and alcoholic beverages, as well as medicines, online gambling, and gaming services. Under the current law, Algerian citizens cannot purchase items online from abroad. Businesses, however, may buy items foreign items online for internal use. American businesspeople interested in online sales should note that the use of private credit cards is very limited in Algeria. Algerians have only recently started to use international credit cards (e.g., Mastercard and Visa) issued by local banks and accepted for use abroad.

Selling Factors & Techniques

The Algerian market is price sensitive. European and Asian brands have considerable market share, but discerning consumers with higher incomes value the quality of U.S. products.

Promotional sales material and technical documentation should be in French and Arabic. Managers, both private and parastatal, are very keen on the transfer of technology and know-how. Religious and cultural sensitivity should be considered when approaching the Algerian market. Algeria is a Muslim country, and all pork products are prohibited (i.e., an import license is impossible).

Trade Promotion and Advertising

The largest annual trade event is the Algiers International Trade Fair (FIA), encompassing all sectors in a single, high-profile, multinational event. Exhibitors are in national pavilions.

In Algiers and other major including Oran, Constantine, Annaba, and Hassi Messaoud, sector-specific trade events are rapidly developing and becoming important business gatherings. To obtain information about trade events, firms are encouraged to contact the U.S. Embassy Commercial Section. Firms can also contact the American Chamber of Commerce in Algeria at www.AmchamAlgeria.org or the U.S. – Algeria Business Council, www.US-Algeria.org.

Newspapers, television, and radio advertising are increasingly effective at the consumer level and for business-to-business marketing.

Pricing

Pricing has traditionally been the most critical consideration in government tenders, although technical offers are being more carefully scrutinized, and ministries are trying to tie technology transfer to tender bids. While Algerian consumers look for quality, the market remains very price sensitive. European exporters benefit from the EU-Algeria

Association Agreement, which exempts their products from a major portion of import duties. American products are competitive when quality and leading technology are the primary considerations.

Sales Service/Customer Support

Suppliers of capital goods to the Algerian market are required to provide post-sales service and customer support. Free sales service is usually required for a period of one or two years, depending on the nature of the transaction. U.S. firms are respected for their high quality of post-sale services. Suppliers may enter into agreements after that to provide customers with extended sales service, which is referred to as technical assistance in Algeria.

Foreign suppliers provide customer support via liaison offices or local business distributors in Algeria. Liaison offices are prohibited from engaging in commercial transactions and cannot import, distribute, or invoice any equipment, spare parts, or services. These items must be imported by the Algerian end-users either directly or through distributors.

Sales service for consumer goods is a relatively new development in Algeria. Distributors of foreign products must offer a six- to eighteen-month warranty, and stock parts locally to provide post-sales service to customers.

Local Professional Services

Firms should retain a lawyer with experience in Algeria to establish an Algerian business entity. The U.S. Embassy in Algiers maintains a list of local lawyers practicing in Algeria. However, the listing of an attorney should not be construed as an evaluation or endorsement of their services.

Algeria has two major categories of legal practitioners:

- An avocat is a lawyer who may render legal advice on all matters, draft agreements and contracts, handle commercial disputes and collection cases, and plead and defend civil and criminal cases before the Algerian courts to which they are admitted.

<https://www.dlapiper.com/en/us/locations/algiers/>

<https://www.lpalaw.com/en/office/algiers/>

<https://cms.law/fr/dza/>

<https://www.fareslegal.com>

- An Algerian notaire is a public official appointed by the Ministry of Justice. A notaire is not the equivalent of a public notary in the United States. A notaire's functions include the preparation and recording of notarial acts (e.g., wills, deeds, acts of incorporation, marriage, contracts), the administration and settlements of estates (excluding litigation in court), and serving as the repository of wills. They are not lawyers, but very specialized members of the legal profession. They may not litigate in courts.

Principal Business Associations

U.S. - Algeria Business Council (USABC) - Founded in 2002 and operating in Washington, D.C., the USABC is a non-profit, non-governmental business association composed of Algerian and U.S. companies. <https://www.us-algeria.org>

American Chamber of Commerce (AmCham) - The American Chamber of Commerce in Algeria (AmCham Algeria) is a non-profit, non-government organization representing American and Algerian businesses and individuals. The Chamber's mission is to provide support to American and Algerian companies to expand their market opportunities through advocacy, information, networking, and tailored services. Its membership consists of U.S. companies established in Algeria and of Algerian companies doing business with the United States. <http://amchamalgeria.org>

Forum des Chefs d'Entreprises (FCE) - The Forum of business leaders was created in October 2000 and is open to private Algerian companies, foreign companies under Algerian law, and public companies. <http://www.fce.dz>

Chambre Algérienne de Commerce et d'Industrie (CACI) - The Algerian Chamber of Commerce and Industry (CACI) is a national institution representing the general interests of the trade industry, services sectors, and public authorities. Each wilaya (province) has a local institution named the Chambre de Commerce et d'Industrie (CCI). The CACI is under the jurisdiction of the Ministry of Commerce, and its are public and private Algerian companies, and foreign companies operating under Algerian law. <https://caci.dz/en-us/Pages/Accueil.aspx>

Trade Financing

Methods of Payment

U.S. firms have encountered relatively few payment problems or disputes with Algerian companies or government bodies. Due to a 2009 Algerian government measure, Algerian companies importing more than USD 40,000 worth of goods per year must pay foreign suppliers by letter of credit. In 2010, the Algerian government also limited the terms of letters of credit to 60 days or less. This has created significant headaches for Algerian importers and has reportedly resulted in many smaller importers closing operations. The measure benefits large U.S. exporters and suppliers by expediting and guaranteeing payments by Algerian firms.

U.S. businesspeople should note that Algeria is a cash economy, and the use of credit cards and electronic payment is minimal. Most common payment terms are used in Algeria, except payment in advance. Payments for goods require an invoice with a bank domiciliation and customs clearance documents.

For more information about the methods of payment or other trade finance options, please read the Trade Finance Guide available at www.Export.gov/TradeFinanceGuide.

Banking Systems

Six state-owned banks dominate 90 percent of the commercial market. Citibank, HSBC, BNP Paribas, Société Générale, and other French and Arab banks are also active in Algeria. International money transfer services, such as Western Union, also operate in the country.

Barriers to outward transfers and an antiquated domestic transfer system pose challenges for investors. Though the central bank has created a system to permit payments by check and credit cards, this system is still very new, and not many vendors have adopted it. Neither checks nor credit cards are common. ATMs are installed at some locations, including five-star hotels. In late 2010, the Algerian government retroactively banned commercial loans from shareholders abroad made after July 2009.

Foreign Exchange Controls

The government tightly controls foreign exchange for Algerian firms. Algerian companies (except those in the hydrocarbons sector) may only receive up to 50 percent of their export earnings in U.S. dollars; the remainder must be paid in local currency. Algerian companies in the hydrocarbons sector must receive 100 percent of export revenue in local currency (dinars). With few exceptions, the Algerian government prohibits Algerians from holding financial assets abroad. It does make foreign exchange available to Algerians for importing goods provided they have the dinar equivalent of the hard currency cost of the imports. The Algerian dinar is convertible for current accounts for businesses.

U.S. Banks and Local Correspondent Banks

List U.S. banks operating in the market.

Citigroup, N.A. (Citibank)
07 Avenue Larbi Allik
Hydra, Alger 16035
Phone: +(213)-21-547-821

Public banks maintain correspondent banking relationships with several U.S. banks. Relationships with Banque Extérieure d'Algérie (BEA):

- Bank of New York
- Bank of America
- Bankers Trust
- JP Morgan Chase
- Chemical Bank
- Citibank
- First Chicago

Relationship with Crédit Populaire d'Algérie (CPA):

- Citibank
- Arab American Bank
- Chemical Bank
- Mellon Bank

Relationships with Banque Nationale d'Algérie (BNA):

- American Express Bank
- Bank of America
- Bank of New York
- Bankers Trust
- JP Morgan Chase
- Citibank
- CoBank Denver
- First-Interstate Bank of California
- Mellon Bank
- Pittsburgh National Bank
- United Bank for Africa

Relationships with Banque de Development Local (BDL):

- Citibank
- NY Rabobank
- United Bank for Africa

Protecting Intellectual Property

While the legal framework for intellectual property rights (IPR) in Algeria has improved, it remains weak, and the enforcement of IPR laws is still inadequate. Counterfeiting is common, especially in cosmetics, clothing, shoes, electrical appliances, automotive aftermarket products, computer hardware components and software, some consumer and food products (such as shampoo and baby formula), and medicine.

In comparison to the United States, intellectual property is subject to different protections in Algeria. IP rights holders must register and seek enforcement of their rights under local laws, as U.S. trademark and patent registrations are not immediately recognized in Algeria. Registration of patents and trademarks is on a first-in-time, first-in-right basis, so companies should consider applying for a trademark and patent protection even before selling products or services in Algeria. Intellectual property is a private right and the U.S. government cannot enforce private individuals' rights in Algeria. It is the rights holders' responsibility to register, protect, and enforce their rights, retaining their own counsel and advisors. Companies may wish to seek advice from local attorneys or IP consultants who are experts in Algerian law. Foreign companies entering into partnerships with local counterparts should take precautions when registering IP domestically to ensure that rights are not transferred to the local partner upon termination of their partnership agreement.

An "international copyright" that automatically protects an author's writings throughout the world does not exist. Protection against unauthorized use in a country depends on the country's laws. However, most countries do offer copyright protection to foreign works under certain conditions, and international copyright treaties and conventions have greatly simplified these conditions.

While the U.S. government stands ready to assist, there is little we can do if the rights holders have not taken the fundamental steps necessary to securing and enforcing their IP in a timely fashion. Moreover, in many countries, rights holders who delay enforcing their rights on a mistaken belief that the U.S. government can provide a political resolution to a legal problem may find that their rights have been eroded or revoked due to legal doctrines such as statutes of limitations, estoppel, or unreasonable delay in prosecuting a lawsuit. In no instance should U.S. government advice be seen as a substitute for the obligation of a rights holder to pursue its case promptly.

The following Algerian and American trade associations and organizations support efforts to protect IP and stop counterfeiting:

- The U.S. Chamber and local American Chambers of Commerce
- National Association of Manufacturers (NAM)
- International Intellectual Property Alliance (IIPA)
- International Trademark Association (INTA)
- The Coalition Against Counterfeiting and Piracy
- International Anti-Counterfeiting Coalition (IACC)
- Pharmaceutical Research and Manufacturers of America (PhRMA)
- Biotechnology Industry Organization (BIO)

American firms can file lawsuits against producers and sellers of counterfeit goods and requires experienced local legal representation, and precise documentation to have counterfeit products seized and destroyed.

On January 1, 2009, the government enacted a law banning all imported pharmaceutical drugs and medical devices for which equivalents are produced in Algeria. For a list of these prohibited products, please contact the Department of Commerce Desk Officer Arica Young at 202-482-6219; Arica.Young@trade.gov. This import ban is a market access barrier for those firms relying on IPR protection because the ban specifically targets non-generics. The pharmaceutical ban led the U.S. Trade Representative to place Algeria on its Priority Watch List in 2009, where it remains in 2020.

Companies seeking more information to protect their intellectual property should review the following resources for more information: [Protecting Intellectual Property](#) and [Stopfakes.gov](#).

- The IP Attaché for the eMENA region is Peter Mahravari peter.mehravari@trade.gov
- For more information, contact ITA's Office of Intellectual Property Rights Director, Stevan Mitchell at Stevan.Mitchell@trade.gov.

Selling to the Public Sector

Selling to the Government

Algerian government institutions, including ministries, agencies, and local governments, buy foreign-made goods and services by way of competitive or restricted tenders. For most security-related tenders, foreign bidders must deal directly with the client agency. Tender requests and documents may also be obtained through local representatives or by contacting Mr. Billal Zidi at the private firm Algerian Tenders at billal.zidi@tenders.com; tel: +213-21-28-41-13 or +213-21-28-41-18; fax: +213-21-28-41-15. Although the law on public tenders does not require the state-owned companies to purchase goods and services through tenders, many do.

Algeria has taken steps to improve the transparency of its contracting process. Most government contracts are awarded through a two-step tender process: technical bids are first reviewed to ensure compliance with tender requirements and to evaluate competing specifications, after which financial bids are reviewed. Competitors are sometimes short-

listed after the technical offers are opened, and sometimes companies are pre-qualified for large tenders, particularly in oil and gas development.

Military and security-related contracts are usually tendered on a restricted basis, whereby the agency will ask a number of companies to bid on a request for a proposal. U.S. firms that would like to send information about their goods and services to the Algerian military should contact the U.S. Commercial Service in Algeria.

U.S. companies should carefully adhere to all specific Algerian tender guidelines. Although Algeria is a member of the Arab League, there are no examples of U.S. firms that have been impacted by Algeria's acquiescence to the Arab League's boycott against Israel.

U.S. companies bidding on Government tenders may also qualify for U.S. government advocacy. The Advocacy Center, a unit of the U.S. Commerce Department's International Trade Administration, coordinates U.S. government interagency efforts on behalf of U.S. exporters bidding on public sector contracts with international governments and government agencies. The Advocacy Center works closely with our worldwide U.S. Commercial Service network and interagency partners to ensure that exporters of U.S. products and services have the best possible chance of winning government contracts. Advocacy assistance can take many forms but often involves the U.S. Embassy or other U.S. government agencies expressing support for the U.S. bidders directly to the foreign government. Consult [Advocacy for Foreign Government Contracts](#) for additional information.

Financing of Projects

For the most part, major infrastructure, civil engineering, and construction projects are fully funded by the Algerian government via six state-owned banks, which account for 90 percent of the assets in Algeria's finance sector. The largest of these state banks, Banque Estériеure d'Algérie (BEA) and the Banque Nationale d'Algérie (BNA), finance most large infrastructure projects of state-owned companies. The World Bank has no new projects planned, but the International Finance Corporation (IFC) continues to provide project financing in Algeria. The Development Finance Corporation, U.S. Export-Import Bank, and European Bank for Reconstruction and Development currently do not have projects in Algeria.

Multilateral Development Banks and Financing Government Sales

Price, payment terms, and financing can be significant factors in winning a government contract. Many governments finance public works projects through borrowing from the Multilateral Development Banks (MDB). A helpful guide for working with the MDBs is the [Guide to Doing Business with the Multilateral Development Banks](#). The U.S. Department of Commerce's (USDOC) International Trade Administration (ITA) has a Foreign Commercial Service Officer stationed at each of the five different Multilateral Development Banks (MDBs): the African Development Bank; the Asian Development Bank; the European Bank for Reconstruction and Development; the Inter-American Development Bank; and the World Bank.

Business Travel

Business Customs

Algeria has a unique business culture due to its location at the crossroads of Africa and the Mediterranean basin, its ethnic diversity of Arabs and Berbers, a 130-year history of French colonization, a guerrilla war for independence, and a decade-long struggle against violent terrorist activity. Algerians are very friendly and like to build business relationships based on trust and respect. Therefore, the most critical aspect of working with Algerian counterparts is to gain their confidence and allow them to participate fully in the business process. Other relevant customs to keep in mind include the following:

- Personal contact is the cornerstone of a business relationship in Algeria, and heads of Algerian organizations expect meetings with counterparts.
- Algerians attach great importance to titles and hierarchy, and requests, invitations, and proposals should be addressed to the head of an organization.
- Faxed letters in French on letterhead are more likely to elicit a response from Algerians than email communication since Algerians rarely respond to emails.
- Face-to-face communication is necessary to demonstrate or pitch a product or service. Algerians find PowerPoint presentations to be mundane; therefore, it is best to physically display your product or service.
- Business attire is formal in Algeria. Men should wear a suit and tie, and women should wear a business suit or dress.
- Greetings are an experience and should be treated respectfully, offer your hand when greeting others and be sure to make eye contact.
- For men meeting women, be aware that it is an Algerian woman's choice to shake hands with a man. Therefore, it is best to wait and see if the woman extends her hand.
- Algerians may not be punctual in keeping appointments, and typical delays may be up to 15 minutes.

Visa requirements

U.S. citizens must obtain a visa from an Algerian Embassy or Consulate before traveling to Algeria. Per the U.S.-Algeria visa reciprocity agreement, multiple-entry, two-year visas are available. Visa applicants need: a U.S. passport valid for a minimum period of six months from the date of entry into Algeria, two completed application forms typed online (with original signatures on both forms), two passport pictures with a white background, and a copy of an airline itinerary. Also, travelers should stipulate the intended date of entry and planned duration of stay on their application. A letter of invitation from an Algerian business or government agency is usually required. For more details on visa type and visa requirement, please visit the [Algerian Embassy in Washington D.C. website](#). Americans arriving without valid passports and the appropriate Algerian visa are not permitted to enter and can be subject to fines and immediate deportation at the traveler's expense.

Currency

The Algerian dinar (DZD or DA) is the currency of Algeria, and daily exchange rates are displayed at any bank. The use of ATMs and credit cards is confined to a limited number of hotels and other businesses in the larger cities. Most ATMs and stores/companies will only accept local bank cards, not international credit or debit cards. Travelers should check in advance if their hotel accepts international debit or credit cards. Only certain branches of a few banks (BNP Paribas, Société Générale and Credit Populaire d'Algérie) have ATMs that can service international credit or debit cards, and these do not always work. Algeria has strict foreign exchange laws, and the dinar cannot be exported. Exchanging currency outside of banks is illegal, and travelers should not change money on the streets or with individuals at the airport.

Telecommunications/Electronics

Algeria's telecommunications are mostly modern. Algeria's telecommunications infrastructure and procedures have improved significantly, making negotiations for service less difficult. GSM technology has made mobile phones commonplace, and service is available in almost all areas of the country. Easier access to the Internet, the introduction

of 3G/4G, and the deployment of fiber optic cable have helped Algeria boost its ICT development. Most hotels and private businesses have Internet service.

Visitors to Algeria can either utilize international services from their U.S. cellphone service providers (e.g. Verizon and AT&T), or buy an Algerian SIM card upon their arrival at the airport in Algiers by providing a copy of their passport. Internet and email penetration within government ministries is limited.

The Algerian standard is 230 volts/50 cycles. All 110-volt U.S. appliances need a transformer to use local current. Clocks and other appliances that require 60 cycle current will not function properly, even with a transformer. Algeria uses the type C and F Europlug with two small, round prongs, like much of continental Europe. Adapters and converters for small appliances are available at luggage or travel stores and Radio Shack in the United States.

Transportation

Several international airlines serve Algeria, though there are no direct flights between Algeria and the United States. Houari Boumediene Airport, typically shortened to ALG, is located about 10 miles east of Algiers' center. It is a short 20- to 30-minute ride by taxi from the airport to the city center. Taxis are located outside the lower level of the airport. Air Algérie and Tassili Airlines provide domestic flight services.

There is no shortage of taxis in Algeria, especially in major cities; travelers can either take a cab on the spot or call a taxi company. There are also several transportation services apps that can be downloaded for free and used on mobile phones. Simply insert your trip details, and a vehicle with a driver will be assigned to you. You will be asked to pay at the end of the trip.

Visitors can also use buses to travel around Algiers and to reach the central train station. Buses stop at Place Audin, Place des Martyrs, and Place Grande Poste in Algiers. A central terminal is outside of downtown, where visitors can take buses to major towns such as Oran, Ouargla, and Annaba.

There is a train between the major northern cities and can be more enjoyable and comfortable than by bus. There are two high-speed train routes in operation between Algiers, Oran, Annaba, and Constantine. Services in the capital converge at two main stations, the Gare de l'Agha and Gare Centrale, where tickets can be purchased.

Good paved roads cover the northern region and connect some oases, but congestion and security checkpoints impede overland travel. Rental cars are available, and prices are comparable to rates in Europe. Visitors who plan to drive should bring necessary documentation, and it may be advisable to hire a driver in addition to the car. There are many international companies in the airport offering car rentals with drivers.

Parking is also an issue in urban areas, and many companies hire a car and driver for their executives.

See [the State Department's Algeria travel advisory](#) for the most current information on travel within Algeria.

Language

Arabic is the official language of Algeria, with Algerian Arabic spoken by about 72 percent of the population and Berber spoken by the rest. Although it has no official status, French is widely used in government, business, culture, media (newspapers), and education due to Algeria's colonial history. English is often understood and increasingly used in the private sector. Competent interpreters are in high demand and are expensive, so plan in advance to secure interpretation for business meetings. Contact the Embassy's Commercial Section for suggestions on local translators, or visit the Embassy website on [additional resources for U.S. citizens](#).

Investment Climate Statement (ICS)

The U.S. Department of State's Investment Climate Statements provide information on the business climates of more than 170 economies and are prepared by economic officers stationed in embassies and posts around the world. They analyze a variety of economies that are or could be markets for U.S. businesses.

Topics include Openness to Investment, Legal and Regulatory systems, Dispute Resolution, Intellectual Property Rights, Transparency, Performance Requirements, State-Owned Enterprises, Responsible Business Conduct, and Corruption.

These statements highlight persistent barriers to further U.S. investment. Addressing these barriers would expand high-quality, private sector-led investment in infrastructure, further women's economic empowerment, and facilitate a healthy business environment for the digital economy. To access the ICS, visit the U.S. Department of State's [Investment Climate Statement](#) website.

Political Environment

For background information on the political and economic environment of the country, please click on the link to the U.S. Department of State [Countries & Areas](#) website.