

WORLD TRADE ORGANIZATION

RESTRICTED

WT/ACC/DZA/1

11 July 1996

(96-2692)

Original: French

ACCESSION OF ALGERIA

Memorandum on Foreign Trade Regime

In a communication dated 25 September 1995 (WT/L/23), the Government of Algeria applied for accession under Article XII of the Agreement Establishing the World Trade Organization (WTO).

Following Algeria's application and having regard to the Decision adopted by the General Council on 31 January 1995 (WT/GC/M/1), the Working Party on the Accession of Algeria to the GATT 1947 was transformed into a WTO Accession Working Party. The terms of reference of the Working Party are also contained in document WT/L/23.

The memorandum on Algeria's foreign trade regime is reproduced below.

In accordance with procedures (WT/ACC/1), Members are invited to communicate to the Secretariat any questions they may wish to put concerning the matters dealt with in the Memorandum by 17 September 1996 for transmission to the authorities of Algeria.

TABLE OF CONTENTS

	<u>Page</u>
I. INTRODUCTION	1
II. ECONOMY, ECONOMIC POLICIES AND FOREIGN TRADE	2
1. Economy	2
(a) General description	2
(b) Current economic situation	3
2. Economic policies	4
(a) Main directions and goals of economic policy	4
(b) Monetary policy and interest rates	8
(c) Foreign-exchange regime and liberalization of foreign trade	10
(d) Investment promotion policies	10
(e) Price and competition policies	12
3. Foreign trade in goods and services	14
(a) Trade in goods	14
(b) Foreign trade in services	16
4. Domestic trade in services	18
(a) Trends in domestic trade in services	18
(b) Breakdown of domestic trade in services by main areas of activity and by sector	19
5. Information on financial movements related to nationals working abroad	19
6. Information on growth in trade in goods and services over recent years and forecasts for years to come	19
III. FRAMEWORK FOR MAKING AND ENFORCING POLICIES AFFECTING FOREIGN TRADE	20
1. Powers of executive, legislative and judicial branches of government	20
(a) The Executive	20
(b) The Legislature	21
(c) The Judiciary	22
2. Government entities responsible for the elaboration and implementation of foreign trade policy	22

	<u>Page</u>
3. Division of authority between central government and local authorities	24
4. Any legislative programmes or plans to change the regulatory regime	24
(a) The regime applicable to import and export operations	25
(b) Identification of unfair practices and action to combat them	25
(c) Export promotion	25
(d) Supervision of foreign trade	25
(e) Other provisions	26
5. Laws and legal acts	26
(a) List of laws and legal acts regulating the activity of the customs authorities	26
(b) Laws and legal acts relating to:	29
- Non-tariff regulation of imports	29
- Non-tariff export regulations	30
(c) Laws and regulations relating to foreign investment	30
(d) Other laws and legal acts dealing with economic issues that affect trade	31
(e) Existing laws, regulations or administrative guidelines which significantly affect trade in services	40
6. Description of judicial tribunals and procedures	41
(a) Administration of justice	41
(b) Criminal law	41
(c) Civil law	42
(d) Administrative law	43
(e) Arbitration	43
IV. POLICIES AFFECTING TRADE IN GOODS	45
1. Import regulation	45
(a) Registration requirements for engaging in importing	45
(b) Characteristics of the national tariff	45
(c) Tariff quotas, tariff exemptions	48
(d) Other duties and charges, including charges for services rendered	48
(e) Quantitative import restrictions, including prohibitions, quotas and licensing systems	48
(f) Import licensing procedures	48
(g) Other border measures	48
(h) Customs valuation	48
(i) Preshipment inspection	49
(j) Application of internal taxes on imports	49

	<u>Page</u>
(k) Rules of origin	49
(l) Anti-dumping regime	49
(m) Countervailing duty regime	49
(n) Safeguard regime	50
2. Export regulation	50
(a) Registration requirements for engaging in exporting	50
(b) Customs tariff nomenclature, types of duties, duty rates, weighted averages of rates	50
(c) Quantitative export restrictions, including prohibitions, quotas and licensing systems	50
(d) Export licensing procedures	50
(e) Other measures (minimum export prices, voluntary export restrictions, orderly marketing arrangements)	50
(f) Export financing, subsidy and promotion policies	51
(g) Export performance requirements	51
(h) Import duty drawback schemes	51
3. Internal policies affecting foreign trade in goods	51
(a) Industrial policy	51
(b) Quality control policy, technical regulations and standards	54
(c) Sanitary and phytosanitary measures	59
(d) Trade-related investment measures	63
(e) State-trading practices	63
(f) Free zones	64
(g) Free economic zones	64
(h) Trade-related environmental policies	64
(i) Mixing regulations	65
(j) Government-mandated counter-trade and barter	65
(k) Trade agreements leading to country-specific quota allocation	66
(l) Government procurement practices	66
(m) Regulation of trade in transit	67
4. Policies affecting trade in agricultural products	67
(a) Imports	68
(b) Exports	68
(c) Export prohibitions and restrictions	68
(d) Export credits, credit guarantees and insurance	68
(e) Internal agricultural policies	68
5. Policies affecting foreign trade in other sectors	71
(a) Textiles regime	71
(b) Policies affecting foreign trade in other major sectors	71

	<u>Page</u>
V. TRADE-RELATED INTELLECTUAL PROPERTY REGIME	71
1. General	71
(a) Intellectual property policy	71
(b) Agencies responsible for policy formulation and implementation	72
(c) Membership of international intellectual property conventions and of regional or bilateral agreements	73
(d) Application of national and most-favoured-nation (MFN) treatment to foreign nationals	73
(e) Fees and taxes	74
2. Substantive standards of protection, including procedures for the acquisition and maintenance of intellectual property rights	75
(a) Copyright and related rights, including rights of performers, producers of phonograms and broadcasting organizations	75
(b) Trade marks, including service marks	76
(c) Geographical indications, including appellations of origin	76
(d) Industrial designs	76
(e) Protection of plant varieties	77
(f) Layout-designs of integrated circuits	77
(g) Requirements concerning undisclosed information, including trade secrets and test data	77
(h) Any other categories of intellectual property	77
3. Measures to control abuse of intellectual property rights	77
4. Enforcement	78
(a) Civil judicial procedures and remedies	78
(b) Provisional measures	79
(c) Any administrative procedures and remedies	79
(d) Any special border measures	80
(e) Criminal procedures	80
5. Laws, decrees, regulations and other legal acts relating to the above	80
6. Statistical data	82
VI. TRADE-RELATED SERVICES REGIME	84
1. General	84
2. Policies affecting trade in services	86

	<u>Page</u>
VII. INSTITUTIONAL BASE FOR TRADE AND ECONOMIC RELATIONS WITH THIRD COUNTRIES	89
1. Bilateral or plurilateral agreements relating to foreign trade in goods and trade in services	89
(a) Bilateral trade agreements	89
(b) Trade and tariff conventions	89
2. Economic integrations, customs union and free-trade area agreements	89
3. Labour market integration agreements	90
4. Multilateral economic cooperation, membership of multilateral economic organizations, trade-related programmes of other multilateral organizations	90
(a) Cooperation agreement with the European Community	91
(b) Treaty establishing the African Economic Community, signed at Abuja (Nigeria) in 1991	91
ANNEX - STATISTICS AND PUBLICATIONS	92

I. INTRODUCTION

Since regaining its political independence in 1962, Algeria has, it is true, remained formally outside the multilateral framework of the GATT and, more recently, 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 around 60 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 almost all the countries of the world.

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 and gas, 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 the export sector.
- The second objective is **to raise the general level of competitiveness of the manufacturing 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, without an offsetting rise 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.
- Finally, the third objective is **to establish control over imports of agricultural and food products** intended for home consumption. In 1995, these imports, which have developed amid a general context of domestic farming inefficiency and have been encouraged by a trade policy based, in particular, on an over-valued currency and consumer subsidies, reached a total of some US\$2.5 billion. The increasingly heavy pressure on the foreign trade balances likely to be exerted in the future by excessive demand for food imports and the upsets that could result from sudden movements in the international prices of basic products will be a fundamental concern of Algerian trade policy in the years to come.

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 objectives.

Above all, it is convinced that its accession will enable it to participate more effectively in the general growth of world trade to which the success of the recent Uruguay Round negotiations will undoubtedly lend further impetus over the next few years.

II. ECONOMY, ECONOMIC POLICIES AND FOREIGN TRADE

1. Economy

(a) General description

Situated in North-West Africa, Algeria, with its 2,383,741 km.², 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 wilayat (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 1 January 1966 it had reached 28.8 million.

The average annual rate of growth, which was more than 3 per cent between 1962 and 1987, has since fallen appreciably but remains high, having been estimated at 2.4 per cent in 1995.

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 240,000 per year.

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. 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 90 per cent of exports and from 40 to 45 per cent 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 in order to make 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.

The conversion programme, which began slowly but has accelerated strongly in the last two years, is receiving substantial support from the international financial institutions (IMF and IBRD) and other multilateral institutions, from certain economic groupings (European Union) and from industrialized countries. Its principal objectives are 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.

The changes brought about by this programme, in a context of tighter external financial constraints, have been accompanied by a relatively weak performance in terms of growth. However, the results recorded in 1995, with a growth rate of almost 5 per cent (substantially greater, for the very first time, than the rate of population increase), hold promise of a coming reversal of the trend thanks, in particular, to the rescheduling of the foreign debt, which has 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 birth rate (in 1995 it was 2.4 per cent), which is placing the social programme under very heavy and excessive strain;
- severe unemployment (an employment rate of 25 per cent), with the younger segments of the population being the hardest hit;
- the weight of social demand, which is increasingly stretching the State services and maintaining a heavy pressure on budget resources. A series of budget deficits was recorded over the period from 1992 to 1994. The deficit persisted into 1995, albeit at a much reduced level thanks to extremely tight management of the budget;

- the low level of efficiency of the industrial sector, apart from hydrocarbons, 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 1995 amounted to almost US\$3 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 economic policy

(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 huge public investment programmes aimed at creating an industrial base which could meet the objectives of economic and social development and the furtherance of national prosperity.

The State set itself up as a direct developer and 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 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 despite the strong trend towards rising prices and latent crises in the world oil market.

Thus organized, the efforts to develop the Algerian economy began by enabling the emergence of a sizeable industrial base and, to a considerable extent, were to make it possible to meet the basic social needs of the people. The programme relied upon 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 and 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. In fact:

- The inefficient use of capital and the low rates of utilization of installed capacity were leading to the deterioration of the financial structure of the public enterprises whose operating deficits were becoming chronic;
- in agriculture low yields resulted in an increase in food imports. At the beginning of the 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 the public enterprises and to balance the budget;
- 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.

A system for making enterprises, banks and farms completely autonomous was introduced and supported by the gradual freeing of prices, the liberalization of foreign trade and the foreign exchange regime, and a reform of the 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 aim of this reform programme was to stabilize the macroeconomic framework by taming domestic inflation and bringing 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 this 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 tightening of 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 people.

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, 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 regime to a flexible regime 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, the Algerian economy remains beset by numerous fundamental problems. These include, in particular, the overdependence on the hydrocarbon sector, which accounts for almost all Algeria's export earnings, and the still excessive burden imposed by a high debt-service/exports ratio. These two major constraints constitute 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 consider that, basically, the return of strong growth is still linked with the completion of the task of economic stabilization and have accordingly decided to extend the structural adjustment programme for a further period of three years.

(iv) Objectives of the medium-term economic programme

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

Thus, it is 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 next three years, with a strong emphasis on job creation. Priority is to be 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 the aim of achieving the convergence of the inflation rate on that of Algeria's principal trading partners. This will help to reduce the element of uncertainty in the negotiations with the social partners and to improve the competitiveness of the national economy at a time when it is opening up to the world market;
- a progressive reduction in the deficit on the current account, which should fall from 6.9 per cent of GDP in 1994-1995 to 2.2 per cent in 1997-1998, together with a level of imports consistent with the objectives established in terms of economic growth;
- a progressive increase in the contribution of domestic savings to the financing of investment and an improvement in investment efficiency. It is expected that between 1995 and 1998 domestic savings will increase by about 5 percentage points in terms of GDP, thanks mainly to the continuation of the government's efforts to restrict the growth of its current expenditure. This will make possible an improved redistribution of resources to the productive sector calculated to support overall household consumption;
- an increase in the accumulation of fixed capital, at a rate similar to that of the GDP, with a reorientation towards non-hydrocarbon productive investment made possible by the tight control of public expenditure on infrastructure and a gradual reduction in hydrocarbon investment as the programme of expansion of gas export capacity is completed. These developments will be accompanied by an increase in non-hydrocarbon investment efficiency thanks to the convergence of relative prices on their equilibrium level and the increasing opening of the economy to foreign competition and participation.

(v) Economic and social development policy

Today, the Algerian economy is faced with important choices which it must make in order to be able to enter the 21st century under conditions that permit its harmonious integration into 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 performance of the system of production and the handling of the social demand. Thus, economic growth is essential to lighten the burden of unemployment and gradually raise the general standard of living of the population.

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 the food requirements of the people, reduce dependence on imports and check the flight from the countryside.

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, the organization of a reasonable 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 help, firstly, to stabilize the economy but also to finance growth by releasing the resources needed to revitalize investment.

(vi) Programme of privatization of public enterprises

In general, Algerian public 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.

Thus, since 1988, the State has been almost totally relieved of responsibility for the management of these enterprises. A number of them (23 enterprises) which are experiencing serious structural imbalances are the subject of a specific reorganization and restructuring programme supported in 1994 by the World Bank.

Moreover, a privatization Order and its implementing regulations were adopted in 1995. An initial privatization programme, based on this Order, is to be launched at the beginning of 1996. It will comprise:

- The selling-off of 60 local public enterprises;
- the offer of 78 other local public enterprises to be run as concessions;
- the selling-off of 50 national enterprise units;
- the privatization of five hotel enterprises;
- the winding up of 84 local public enterprises.

In carrying out this programme various formulas authorized by the law will be employed: transfer of assets, disposal of equity or management contracts.

This programme, however, is only the prelude to a much longer-term operation. In fact, the Government's subsequent policy will be progressively to withdraw from all the competitive sectors.

The sectors initially concerned will be public works and hydraulic engineering, hotels and tourism, trade and distribution, mechanical, electrical and electronic engineering, wood and wood products, paper, chemicals, plastics, leather, road transport, insurance, port and airport services and, finally, building design and construction.

(b) Monetary policy and interest rates

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.

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 estimated at 29 per cent in 1994. In particular, the M2 aggregate money supply grew by only 15.8 per cent, while basic money stabilized between March and December 1994.

Correlatively with the effect of the exchange rate adjustment, business loans increased by 32.2 per cent in 1994.

In general, the six point fall in the liquidity ratio in 1994 as compared with 1993 bears witness to the progress made in the area of monetary stabilization.

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 to such an extent that at the end of December 1995 it represented 66 per cent of the resources allocated by the Bank of Algeria through its intervention on the money market.

Thus, in 1995, with the expansion of the interbank market, the money market began to play a more important part in the allocation of refinancing resources.

Moreover, in the fourth quarter of 1995 the switch in monetary policy instruments was carried a stage further 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, has helped to ease the tensions in the area of bank liquidity inherent in the balance-of-payments shock.

Despite the sharp increase in business loans, namely 85 per cent in 1995, due to unfavourable external factors, the rate of expansion of the money supply was 10.5 per cent in 1995 as against 15.8 per cent in 1994. The growth in basic money rose to 7.6 per cent in 1995. The declining trend in the rates of monetary expansion was combined with stabilization of the rate of price inflation, which was 29 per cent for the year 1995, the same as in 1994.

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, since December 1995, the ceiling imposed on bank margins has been abolished. This is intended to stimulate interest rate formation on a competitive basis and to develop stable long-term 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.

At the same time, the development of a government securities market, linked, in particular, with the management of the public debt, will make it possible to conduct open-market operations in 1996.

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

The trend towards the emergence of indirect instruments of monetary policy is consistent with the objective of positive real interest rates.

(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 regime 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 foreign travel expenses.

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

Moreover, foreign exchange controls will be 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 increasingly active part. It reached 54.11 dinars to the US dollar at the end of April 1996, against a background of incipient exchange-rate stabilization.

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 promotion policies

The basis of the policy for encouraging investment is the basic law on the promotion of investment (Ordinance of 5 October 1995).

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 national development.

(i) General principles

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

It also guarantees that any natural or juridical person, of public or private law, resident or non-resident, shall be free to invest. Moreover, the Order:

- 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.

In this connection, Algeria has ratified a series of arrangements, in particular the Seoul (MIGA), Washington (ICSID) and New York Conventions.

The implementation of this policy of encouraging investment 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 wilayat (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 difficult economic and social context.

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

In fact:

- 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;
- the free price regime. Initially, this regime was 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. In 1996, only pasteurized milk is still subsidized to a limited extent.

This gradual dismantling of budgetary price support subsidies also extends to the implicit subsidies granted to certain specific products not eligible for 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.

However this may be, it is intended to speed up the complete liberalization of all prices in 1996 and 1997 and eliminate most of the restrictions in 1998.

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, trade and industry are to be totally free, the management of public enterprises is to be normalized, they are to be made subject to the universal rules of the commercial code, and all statutory monopolies and exclusive arrangements are to be abolished.

These developments are gradually creating a new situation in which enterprises enjoy complete economic freedom, and the Government is busy drawing up a law on competition essentially intended to protect the freedom of the economic operators by establishing rules to govern the relations between them and setting up machinery to monitor compliance with those rules. This is the basic objective of the new law on competition promulgated in January 1995.

This law introduces a system for controlling and protecting competition based on 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 is resulting in the explicit application of free competition, with observance of the rules of fair trading and business transparency.

Current efforts are directed towards developing competition in all those activities where it has been lacking, extending it where it has been restricted, and protecting it where it already exists.

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 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.

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 in which 95 per cent of its exports are priced.

The foreign trade results for 1995 are characterized by a considerable increase in global value from 18.3 to 20.6 billion dollars, almost 12.5 per cent more than in 1994, mainly because of a joint increase of 15 per cent in exports (+ 1.329 billion dollars) and 10.3 per cent in imports (+ 968 million dollars)

(ii) Trade balance

In surplus since 1990, in 1995 for the second year in succession the trade balance recorded a deficit. Admittedly, this deficit was less than that of the previous year (US\$173 million in 1995 as compared with US\$533 million in 1994).

This reduction of the trade deficit reflected the efforts made to bring the external balances under control, taking into account the difficulties associated with the adverse trend in the services balance. This result was made possible by a substantial increase in exports of energy products, the fruit of heavy

investment in that sector since 1993, thanks in particular to the broader opening of the sectoral development programme to foreign participation.

In 1995, 98.3 per cent of imports were covered by exports, as compared with 94.3 per cent in 1994.

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

(iii) Exchange rate

The average dollar exchange rate rose from DA 24.37 in 1993 to DA 36.32 in 1994 and DA 49.24 in 1995, i.e. in the last two years the Algerian dinar depreciated by some 35.57 per cent, while the value of the United States dollar increased by DA 12.92.

In April 1996, the average exchange rate stood at DA 56 to the dollar.

(iv) Export trends

In current United States dollars, f.o.b. exports were worth US\$10.227 billion in 1995 as compared with 12.8 billion in 1984 and over 14 billion in 1980. The heaviest decline came during the period 1986/89, with export earnings of between US\$7.8 and 9.5 billion.

Oil and gas remained the most important item in 1995 with a value equivalent to 95.5 per cent of export earnings as compared with 96.7 per cent in 1994.

Oil and gas export earnings rose from US\$8.606 billion in 1994 to US\$9.769 billion in 1995 i.e. an increase of 13.5 per cent.

It is also worth noting the almost 56 per cent increase in non-hydrocarbon exports in 1995, when they were worth US\$457.5 million as compared with US\$293 million in 1994.

The share of non-hydrocarbon exports in total exports rose from 3.3 per cent in 1994 to 4.5 per cent in 1995.

The structure of Algerian exports, characterized by the predominance of oil and gas, indicates the extent of the efforts made to promote non-hydrocarbon exports and break away from dependence on a single source of income, the price of which depends entirely on the ups and downs of the international market.

(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 and the foreign debt rescheduling agreements.

Thus, imports rose from US\$9.4 billion in 1994 to 10.4 billion in 1995, i.e. an increase of 10.3 per cent. The individual items which recorded an increase in import value were:

- Raw materials and semi-finished products: imports rose from US\$2.845 billion to 3.549 billion, i.e. an increase of 24.6 per cent (about US\$700 million). This indicates increased procurement by the productive sector and hence a revival in production.

raw materials and semi-finished products represented 34.1 per cent of total imports for 1995;

- capital goods: imports of agricultural equipment remained weak (US\$40 million), compared with industrial equipment (US\$2.576 billion), which rose about 2.7 per cent (US\$68 million) in 1995;
- consumer goods: up 25.3 per cent in 1995 (or about US\$310 million) to reach US\$1.535 billion, as compared with 1.225 billion in 1994.

(vi) Geographical distribution of trade

By geographical region, Europe remains Algeria's principal trading partner with 62.8 per cent of foreign trade in 1995, which was higher than in the preceding year (58.2 per cent). This trade was worth US\$12.5 billion, US\$12 billion (96 per cent) of which was with the European Union.

North America came second, with 17.7 per cent of trade worth US\$3.4 billion.

Asia occupied third place, with 6 per cent of trade worth US\$680 million.

South America was fourth, with 3 per cent of trade worth US\$576 million.

Trade with Africa, which represents 2.2 per cent of the total, or about US\$439 million, continued to grow only slowly, particularly bearing in mind that 90.4 per cent of Algeria's trade with Africa is with other members of the Arab Maghreb Union (AMU).

Finally, the Arab countries represent 0.8 per cent of trade with a value of US\$162 million.

At the bilateral level, France remains Algeria's foremost supplier with 25 per cent of Algerian imports, followed by the United States (12.1 per cent), Italy (10 per cent) and Spain (9 per cent).

In 1995, Italy became Algeria's foremost customer with 22 per cent of Algerian exports, followed by the United States (16.8 per cent) and France (14.4 per cent).

(b) Foreign trade in services

Global trend

Foreign trade in services is characterized by an irregular up-and-down trend against the background of a sharp devaluation of the national currency whose average exchange rate with the US dollar was DA 50 to the dollar in 1995 as compared with DA 8.96 in 1990.

In fact, it has not proved possible to exceed the trade level for 1990 (US\$2.570 billion), and the provisional results for 1995 (US\$2.394 billion) tend to confirm the trend towards relative stagnation.

The sharpest decline in trade was recorded in 1991 (-19.5 per cent), while the most significant increase was 11.4 per cent in 1992. In 1995, trade in services increased by 6.7 per cent.

There has also been a continuous, though modest increase in the contribution of foreign trade in services to gross domestic product. This contribution rose from 4.2 per cent in 1990 to 6.2 per cent in 1995.

Imports of services

Like the global trade in services, imports have been unstable, fluctuating between US\$1.4 billion (in 1994) and 1.8 billion (in 1990). The biggest increase over the period was recorded in 1995, namely 14.7 per cent (US\$1.655 billion).

Exports of services

Exports of services have also tended to fluctuate, although at levels considerably lower than those for imports, over the range from US\$500 million (in 1991) to 800 million (in 1994). In fact, the 1990 level (US\$770 million) was not exceeded until 1994 when exports reached US\$804 million, an increase of 9.2 per cent.

The biggest increase was in 1992 (+ 30.5 per cent) and the sharpest fall in 1991 (-26.2 per cent).

Services balance

Since imports have regularly exceeded exports, the services balance has naturally recorded a persistent deficit ranging between US\$600 million and US\$1,030 million, the figures for 1994 and 1990 respectively. In 1995, the deficit amounted to US\$925 million.

Statistics on Foreign Trade in ServicesTrend of Foreign Trade in Services

(in millions of US dollars)

Year	1990	1991	1992	1993	1994	1995 (provisional)
Imports	1,800	1,500	1,563	1,700	1,443	1,655.6
Exports	770	568.5	742	736	804	729.6
Total	2,570	2,068.5	2,305	2,436	2,247	2,385.2
Balance	-1,030	-931.5	-821	-964	-639	-925

Trend of Foreign Trade in Services, Year on Year, Since 1990

Year	1990	1991	1992	1993	1994	1995 (provisional)
Imports	-	-16.7%	+ 4.2%	+ 8.8%	-15.1%	+ 14.7%
Exports	-	+ 26.2%	+ 30.5%	-0.8%	+ 9.2%	-9.3%
Total	-	-19.5%	+ 11.4%	+ 5.7%	-7.8%	+ 6.5%

Contribution of Foreign Trade in Services to Gross Domestic Product (GDP)

Year	1990	1991	1992	1993	1994	1995 (provisional)
Foreign trade in services	4.7%	5.1%	5.5%	5.6%	6.2%	6.2%

Source: ONS.

Foreign Trade in Services (Provisional) by Main Sector, 1995

(in millions of US dollars)

Services sector	Exports		Imports		Balance
	Value	% of total exports	Value	% of total exports	
Transport	245.0	33.6	624.0	37.7	-379
Travel	24.0	3.3	182.0	11.0	-158
Communications	1.62	0.2	8.92	0.5	-7.30
Public works	2.3	0.3	243.0	14.7	-240.7
Insurance	5.75	0.8	61.4	3.7	-55.65
Financial	22.3	3.0	63.9	3.9	-41.6
Information	0.15		4.0	0.2	-3.85
Royalties/fees/ licences			4.3	0.2	-4.3
Other business services	83.0	11.4	116.7	7.1	-33.7
Personal/cultural/ leisure			1.33	0.1	-1.33
Public services (N.I.E.)	345.5	47.4	345.0	20.9	+ 0.5
Total services	729.6	100	1,654.6	100	-925

Source: Bank of Algeria.

4. Domestic trade in services

The value of domestic trade in services amounted to US\$3 billion in 1994, 60 per cent of which was accounted for by private sector activities.

(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 growth in value has been accompanied by a steady increase in the importance of domestic trade in services, from 21.7 per cent in 1991 to 24 per cent in 1994. Provisional results for 1995 point to a level of 23 per cent.

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

The general trend since 1990 has remained substantially unaltered and the provisional results for 1995 show the following breakdown:

-	Trade	49%
-	Tourism	5%
-	Business services	6%
-	Postal and telecommunication services	22%
-	Transport and transport aids	12%
-	Household services	6%

It will be noted that the private sector, which has grown steadily, accounting for between 60 and 65 per cent of the total value of domestic trade in services since 1990, occupies a dominant position, particularly in the following areas: trade (55 per cent), tourism (85 per cent) and household services (97 per cent).

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.

Transfers by Algerians from foreign countries amounted to US\$300 million in 1995, compared with close to US\$1 billion in 1980.

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, as a result of greater exposure to the rigours of the market place, given the persistence of structural imbalances in the national economy.

Much higher levels of growth are forecast for the five years ahead, taking into account the objectives of the five-year economic recovery programme, which emphasize stricter management of macroeconomic balances, to be achieved in particular through:

- A substantial increase in foreign trade in goods, with exports expected to reach a level of US\$16 billion (US\$14 billion for energy products and US\$2 billion for non-hydrocarbon exports), while imports should come close to US\$15 billion;
- the maintenance of a reasonable level of external debt servicing;
- a revitalization of investment, backed up by the privatization programme currently being finalized.

III. FRAMEWORK FOR MAKING AND ENFORCING POLICIES AFFECTING FOREIGN TRADE

1. Powers of 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 in the economic field, with the aim of streamlining the system of national production, perfecting production management methods and adapting the system to international economic and technical changes.

The Constitution of 23 February 1989 confirmed the 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 for five years, personifies "the unity of the nation ... He personifies the State at home and abroad (Article 67). He exercises the functions of the highest office within the limits laid down by the Constitution (Article 69)".

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 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 which he submits to the Council of Ministers (Article 75).

The Head of Government submits his programme to the Parliamentary Assembly for approval.

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, with due respect for the provisions of the Constitution;
- he presides over the Government Council;
- he monitors the implementation of laws and regulations;
- he signs executive decrees, etc.

(b) The Legislature

Legislative power is exercised by a single assembly which elaborates and adopts laws on a sovereign basis. It supervises Government action. The right to initiate legislation is vested conjointly in the Head of Government and the members of the Legislative Assembly.

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

Other matters coming within the scope of legislation are:

- The conditions of establishment for private individuals;
- 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;
- the establishment, basis of assessment and rate of taxes, contributions, charges and fees of all kinds;
- the customs regime;
- the rules governing banks, credit and insurance;
- the general rules relating to the right to work and social security;
- the general rules relating to the protection of fauna and flora;
- the general forestry regime;
- the general regime for mines and hydrocarbons.

(c) The Judiciary

The principle of the independence of the judicial branch is enshrined in various articles of the Constitution. The judiciary is independent, it protects society and freedoms. It guarantees the protection of the fundamental rights of all persons.

Judges are subject solely to the authority of the law. They are protected against all forms of pressure, intervention or manipulation likely to jeopardize the fulfilment of their tasks or respect for their authority.

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 supervises respect for the status of the judiciary and disciplinary procedures for members of the judiciary.

2. Government entities responsible for the elaboration and implementation of foreign trade policy

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".

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.

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 elaborate 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 concrete realization of the 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, 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, intellectual property etc.).

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, the Currency and Credit Act of April 1990 conferred very 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 Act 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;
- foundation-building for the establishment of 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 established as a result of the enactment of new laws. They include the Investment Promotion, Support and Monitoring Agency (APSI) and the National Competition Council.

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

3. Division of authority between central government and local authorities

In the context of the organization of powers in Algeria, the executive, represented by the President of the Republic and the Head of the Government, who personify 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 wilayat in Algeria.
- the daïra chief, who is the Government representative at daïra level. The daïra 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:

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 draft Order on foreign trade

Article 19 of the Constitution stipulates that "the organization of foreign trade is the responsibility of the State and the law shall determine the conditions for the control and exercise of foreign trade".

Pursuant to that Article and with a view to ensuring a coherent and unified approach to the organization and control of foreign trade, a draft Order on foreign trade is currently under consideration.

The content of the draft centres on the following provisions concerning:

- Rules applicable to import and export operations;
- identification of unfair practices and action to combat them;
- supervision of foreign trade;
- counter-trade, samples and gifts;
- conditions of establishment for foreign firms, offences and penalties.

(a) The regime applicable to import and export operations

The draft text, which is based on the customary principles and rules of international trade, explicitly recognizes the principle of the liberalization of foreign trade.

Provision is, however, made for three exceptions to the principle, namely:

- (i) 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;
- (ii) 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;
- (iii) 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 is the improved definition of the provisions and measures to be implemented for the sake of effective action against dumping and subsidization, in accordance with the customary rules of international trade, and pursuant to Article VI of the GATT.

(c) Export promotion

The aim is to provide a legal basis for State intervention to promote 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 Order provides 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.

(e) Other provisions

The draft also contains special provisions designed to provide a legal foundation for regulations to govern:

- Countertrade, particularly in the context of frontier trade with neighbouring countries to the south;
- samples and gifts;
- free zones;
- conditions of establishment for foreign firms in Algeria;
- evaluation and formulation of trade policy;
- organization of choices and priorities in respect of foreign trade;
- tariff policy evaluation, and implementation of protective measures;
- definition of goods qualifying for the different regimes;
- readjustment of export promotion in the context of an enterprise-oriented strategy.

5. Laws and legal acts

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

All the following laws and legal instruments have been elaborated and implemented under the ongoing supervision of the Ministry of Finance:

- Law No. 79-07 of 21 July 1979, as amended and supplemented, on the Customs Code.
- Law No. 91-25 of 18 December 1991 on the 1992 Finance Act, 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
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: (9) 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: (4) 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 acts relating to:

Non-tariff regulation of imports

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

Responsible agency: Ministry of Trade.

Non-tariff export regulations

An export suspension rule is applicable to the following products:

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

Responsible agency: Ministry of Trade

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

Rules of origin

- Customs Code: Article 14 *et seq.*;
- 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 1995 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 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.

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

(d) Other laws and legal acts dealing with economic issues that affect trade:

(i) Constitution, registration and organization

- The 1989 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.
- 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, 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.
- Executive Decree No. 95-160 of 3 June 1995, on the organization and functioning of the National Statistical 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.

(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 in 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 Belgium-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.

(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.

(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.

(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.
- Law No. 90-14 of 2 June 1990 on the procedure for the exercise of the right to organize.
- Decree No. 90-209 of 14 July 1990 on the organization and functioning of the general labour inspectorate.
- Decree No. 85-30 of 9 February 1985 establishing the breakdown of social security contribution rates.

(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 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 national 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. 94-90 of 10 April 1994 on the monitoring of the quality and conformity of products for export.
- 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.

(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, exploitation 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.
- 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. 93-01 of 3 January 1993 laying down the conditions for the foundation of banks and financial institutions and the establishment of branches of foreign banks and financial institutions.
- Regulation No. 93-02 of 3 January 1993 on the issue of surety and counter-surety bonds by licensed banking intermediaries.
- Regulation No. 95-08 of 23 December 1995 on the foreign exchange market.

(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 Act, 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 Act.

- (e) (i) Existing laws, regulations or administrative guidelines which significantly affect trade in services
- Financial services - Banking and insurance;
 - Transport;
 - Tourism;
 - Posts and telecommunications;
 - Legislation and regulations relating to the exercise of professional services (lawyers, solicitors, doctors, veterinary surgeons, auditors, etc.).
- (ii) Publications or sources of information concerning measures of general application of relevance to the GATS
- There are no currently no publications on the subject.
- *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: telecommunication 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.
- (iii) Enquiry points, if any, as foreseen in Article III of 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

Its task is to regulate the activities of national courts, ensure the unification of jurisprudence and monitor observance of the law.

(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) and two non-voting assessors, selected according to their personal status.

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, solicitors, judicial experts and the criminal investigation department.

(b) Criminal law

(i) Constitutional principles

A number of fundamental principles have been 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.

- The criminal law is applicable 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 and commercial 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 (Articles 1 and 2).
- The courts hear appeals from judgements given in all types of cases by the first-instance tribunals (Article 5).
- 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 (Article 10).
- Finally, any Algerian may be brought before the Algerian courts in connection with obligations assumed in a foreign country, including obligations to an alien (Article 11).

(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 (Article 9).
- 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 (Article 10).

- 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 (Article 52);
- contracts are binding on the parties to them (Article 106);

- 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 the field of 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 since 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 (2) arbitrators, selected by each of the parties, and a third arbitrator selected by the two (2) 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.

Nevertheless, for the sake of expediting proceedings, national operators have been made subject to compulsory arbitration since 1975.

(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.

In this connection, company managers are beginning to familiarize themselves with domestic and international arbitration procedures, especially in the wake of 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.

With this aim in view, the Code of Civil Procedure has recently been expanded to make international arbitration possible and to revoke the rule prohibiting the State, in international trade relations, from seeking compromise settlements both in arbitration proceedings and in the enforcement of arbitral awards. The Code of Civil Procedure may be considered up to date.

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 thoroughgoing reform is under way, with the aim of improving the response to the effects of economic reform.

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

- The specialization of courts (commercial, land and community tribunals etc.);
- the establishment of administrative tribunals;
- the classification of courts according to the place where they are established and taking into account the social and economic conditions of the judicial district;
- a review of judicial district boundaries.

IV. POLICIES AFFECTING TRADE IN GOODS

1. Import regulation

(a) Registration requirements for engaging in importing

The following are the basic rules to be observed for the 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 wilayat, 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 1990, 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).

(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 Harmonized Commodity Description and Coding System (HS). This tariff includes a substantially smaller range of rates than those of the previous tariff, namely exemption, 3, 7, 15, 25, 40 and 60 per cent.

Weighted Average Level of Duties on Main Customs Tariff Groupings in 1994

	Number of tariff positions	Unweighted average rate	Variable coefficient	Weighted average rate	Imports	Percentage of imports
Total imports	4,539	15.9	79.9	14.1	340,016	100
Agriculture	134	13.3	105.2	4.3	45,379	13.35
Mining	56	10.8	118.3	6.8	1,872	0.55
Manufactures	4,347	23.5	78.6	16.9	292,764	86.1
Consumer goods	1,422	38.03	51.6	18.5	94,073	27.67
Intermediate goods	1,891	16.6	79.7	16.6	103,311	30.38
Capital goods	1,034	15.9	72.7	15.6	95,379	28.05
Food, beverages, tobacco	340	32.8	65.8	18.1	69,348	20.4
Textiles and leather	581	39.2	48.5	27.4	6,573	19.33
Wood, corks and stoppers and products derived therefrom	82	42.6	45.8	17.9	8,278	2.43
Paper and printing	137	23.7	80.2	12.9	7,401	2.18
Chemical products, petroleum oils and coal	1,041	14.4	89.9	11.1	46,285	13.6
Non-metallic minerals	181	33	54.8	20.1	8,407	2.47
Base metals industry	320	12	71.9	12.2	24,322	7.15
Metals and machinery	1,510	20.8	72.7	18.6	120,290	35.37
Other manufactures	155	35.5	52.4	28	1,859	0.55

(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, applied 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 also includes the following customs duty rates: exemption, 3, 7, 15, 25, 40 and 60 per cent. The tariff is composed of eight product groups representing 6,112 tariff subheadings.

The 1996 Finance Act lowered the maximum 60 per cent rate. The maximum rate currently applied is 50 per cent.

The distribution of subheadings by product group, in accordance with the Harmonized System classification, is as follows:

-	Food	657
-	Energy and lubricants	88
-	Unprocessed products	514
-	Semi-finished products	1,989
-	Agricultural capital goods	52
-	Industrial capital goods	1,114
-	Consumer goods	1,691
-	Industrial gold	7

Following the amendment of 354 tariff subheadings in 1996, the current breakdown of customs tariff rates compared with 1994 is as follows:

	<u>1994</u>	<u>1996</u>
Exemption	137	104
3%	656	670
7%	1,192	1,290
15%	1,219	1,293
25%	754	790
40%	933	790
50%	0	1,520
60%	1,221	0

(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 the regulations stand at present, no non-tariff measures (quotas or licences) are applied.

Moreover, the total number of subheadings in the national tariff, to which import duty exemptions are applicable, fell from 137 to 104 between 1994 and 1996.

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 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;
- customs fee, fixed at 4 per mil.

The latter two fees are collected with every import declaration. As far as exports are concerned, only the fee of 4 per mil is collected with the declaration.

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

The restrictions on merchandise imports into Algeria take the form of prohibitions applicable to certain products such as narcotic drugs, weapons, etc.

Moreover, the current size of the food bill and the further increases and repercussions to which it could give rise in the years ahead, taking into account population growth and the upward spiral of international prices for the different products, call for consideration to be given to the introduction of import controls, including quotas over a limited period if necessary.

(f) Import licensing procedures

Algeria does not at present have an import licensing system.

(g) Other border measures

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) and bookshop articles (Ministry of Information and Culture).

(h) Customs valuation

Algeria is a contracting party to the Brussels Convention on the Valuation of Goods for Customs Purposes of 5 December 1950. Customs value is defined in Article 16 of the Customs Code.

(i) Preshipment inspection

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

(j) Application of internal taxes on imports

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

- 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.

(k) 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.

(l) Anti-dumping regime

Article 8 *bis* of the Customs Code provides for surcharges to ensure that a State does not take discriminatory measures likely to entail less-favourable treatment for Algerian products than for the products of other States, or adopt measures likely to impede Algerian trade. Increases in customs duties are adopted by executive decree.

To date, no provisions have been adopted pursuant to this article.

(m) Countervailing duty regime

Article 8 *ter* of the Customs Code 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.

(n) Safeguard regime

To date, the measures prescribed under the safeguard regime have never been implemented in practice.

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;
- mandatorily 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 temporarily barred from export, the following goods are subject to export restrictions in Algeria:

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

(d) Export licensing procedures

Algeria has no export licensing regime.

(e) Other measures (minimum export prices, voluntary export restrictions, orderly marketing arrangements)

Minimum prices are established for the export of dates and raw hides or skins. 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.

In addition, a special institution, CAGEX (Algerian Export Insurance and Guarantee Fund), takes responsibility for some of the guarantees - especially those of a political nature - 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

Two import duty drawback schemes are operated in Algeria:

- The temporary admission scheme for the reexport of goods after processing. Under this scheme, no import duties are paid;
- the drawback scheme proper, which makes it possible to recover some of the duties imposed on products incorporated in export merchandise (Article 190 of the Customs Code).

3. Internal policies affecting foreign trade in goods

(a) Industrial policy

A fundamental feature of the industrial sector is the striking disparity between:

- On the one hand, industries involved in the production of hydrocarbon resources, both liquid and gaseous, which constitute the most dynamic segment of the Algerian economy, occupy a comfortable niche in the highly volatile world energy market and, above all, continue to account for the bulk of the country's export earnings; and
- on the other hand, the wide range of other highly diversified industrial activities, whose economic performance remains moderate overall and which are currently undergoing a radical restructuring made necessary *inter alia* by the effects of the liberalization of Algeria's economic and foreign trade management procedures.

(i) Energy sector policy

The energy sector accounts for approximately 30 per cent of GDP. More importantly, however, its contribution to the generation of external resources is of vital importance to the national economy. Exports by this sector regularly represent more than 95 per cent of the total volume of national exports.

The sector was 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 distillates, natural gas and refined products.

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 Algerian energy policy over the long term is the achievement of a balance between the satisfaction of internal needs and exports. A three-pronged strategy is being pursued: development of hydrocarbon resources and of production and transport capacity; rationalization and internal use of energy; and finally, the reorganization and diversification of exports to achieve maximum returns.

The implementation of this strategy called for a gradual overhaul of the legislative framework in 1986 and 1991. The following are the most important new provisions of the Basic Law on hydrocarbons:

- Extension to gas production of the regime previously applicable to liquid hydrocarbons;
- extension of the involvement of foreign companies to include the operation of newly discovered deposits as well as deposits already being worked;
- greater fiscal incentives, with possibilities of rebates on fees and income taxes, in order to direct research to areas of inadequate development;
- finally, the introduction of international arbitration for the settlement of disputes that might arise between Algerian companies and their foreign partners.

The development plan

The energy strategy has also given rise to the elaboration of a sectoral development plan aimed essentially at a long-term increase in the level of exports. The plan lays down the following lines of approach:

Intensification of exploration activities

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 prospecting activities and has given a real boost to production in cooperation with the foreign partners.

Prospecting efforts are concentrated 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, with the aim of making them more attractive from the exploration standpoint.

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 basic aim of this programme is a concrete increase in the volume of deposits available for export.

Increase in natural gas export capacity by means of:

- Completion of the ongoing modernization of liquefied natural gas (LNG) complexes, to obtain a capacity of between 20 and 30 billion m³ per year;
- increase in the capacity of the "Transmed" gas pipeline from 16 to 24 billion m³ per year (gas pipeline to Italy, in service);
- construction of the Maghreb-Europe Gas Pipeline (GME) to achieve an export capacity of 7 billion m³ per year in the first phase (gas pipeline to the Spanish and Portuguese markets, under construction).

The following are the main results expected from the development plan:

- Doubling of natural gas exports (from 35 to 60 billion m³ per year);
- doubling of liquefied petroleum gas (LPG) exports (from 3.7 to 8 million tonnes);
- increase in the production of petroleum and distillate (from 51.3 to 56.3 MT per year).

(ii) Restructuring of Algerian industry

The restructuring of the national non-energy sector is today an essential prerequisite for economic recovery. This judgement is largely borne out by the overall lacklustre performance of the established industrial production system, which has continued to post zero or negative growth rates for a number of years.

Moreover, this restructuring is made inevitable by the inability of the hydrocarbon sector to continue by itself to guarantee the financing of economic development, as well as by the worldwide 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;
- increasingly extensive participation by the private sector in industrial activities, both through the stimulation of new investment by national or foreign private entrepreneurs and through the more extensive privatization of government assets.

The conduct of public industrial policy is based on the following guidelines:

- Identification of sectors in decline and of sectors or branches of activity in which the State wishes to maintain a presence as a permanent or temporary shareholder;
- lessening of the current heavy dependence on imported inputs, through the promotion of substitute facilities and resources and, of course, through the liberalization of stocks, and particularly through efforts to team up with foreign industrial partners;
- support for the development of sectors concerned with infrastructure, food and the social requirements of the population, as well as the sectors producing construction equipment, public works equipment, pharmaceuticals and hydraulic equipment;
- promotion of new export activities, outside the traditional hydrocarbon sector;
- promotion of human resources, training, innovation and research and development, designed to improve the overall performance of the industrial sector.

Industrial policy is geared essentially to the strengthening and promotion of 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 commercial 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) Quality control policy, technical regulations and standards

(i) Monitoring and promotion of quality

The implementation of economic reforms and the liberalization of foreign trade have resulted in a 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.

It is against this background that, since 1989, the public authorities have pursued a national policy for the monitoring and promotion of quality, 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 the economic operators, on the one hand, and the operational services responsible for control, on the other hand.

Strengthening of the legislation governing quality

Law No. 89-02 of 7 February 1989 on general consumer protection rules constitutes 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 implementing regulations has been adopted and has served to strengthen the force of the legal machinery put in place. The implementing regulations are mainly concerned with:

- Quality control and the suppression of fraud (Decree No. 90-39 of 30 January 1990);
- guarantees for goods and services (Executive Decree No. 90-266 of 15 September 1990);
- labelling of foodstuffs and non-food household products (Decrees Nos. 90-366 and 90-367 of 10 November 1990);
- control of the quality and conformity of imported or exported products (Decree No. 93-47 of 6 February 1993) and of locally manufactured products.

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

For example, the provisions on product labelling, hygiene, guarantees and conformity provide an appropriate legal framework enabling 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 competition.

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

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

The public authorities have in recent years made a major effort to strengthen quality control capabilities, in terms of both sanctions and prevention.

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

It is worth mentioning that as a result of the reorganization of the quality control structures, completed during the 1991 financial year, the following structures and agencies have been established:

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 elaborate general or specific regulations on the quality of goods and services.

Central inspectorate for economic investigation and the suppression of fraud

This body exercises supervisory powers in the economic field. In this connection, it draws up monitoring programmes and ensures optimum economic performance, *inter alia* through quality control and the suppression of fraud carried out by operational units of the Ministry of Trade.

At the decentralized level

Competition and price directorates of the wilayat

These operational units, which are established in every provincial capital, exercise economic supervision, particularly in the context of quality control and suppression of fraud.

Regional inspectorates for economic investigation and the suppression of fraud

Within their territorial jurisdiction, these regional inspectorates, of which there are seven, bear overall responsibility for the competition and price directorates and have monitoring and follow-up power regarding the operational units responsible for economic controls.

Intermediate agencies

There are three important agencies with administrative powers, namely:

- The Algerian Quality and Packaging Control Centre (CACQE);
- the Algerian Standardization and Industrial Property Institute (INAPI);

- the National Metrology Office (ONML).

The operational units active in quality control have been given supplementary human and material resources, which has made it possible to strengthen the control mechanism in recent years, particularly as regards 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 is worth mentioning 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, existing national capabilities capacities were evaluated and a study was initiated to establish a national assessment and test network (laboratory network).

Side by side with the project for the establishment of a national assessment network, a plan has been worked out for the development of quality control laboratories and the suppression of fraud.

Strengthening of information arrangements 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 public authorities have been concerned mainly with:

Strengthening the community-based consumer protection movement

This movement is expected to grow stronger in the years ahead. A noteworthy development over the very short term will be the establishment of the National Consumer Protection Council set up by Executive Decree No. 92-272 of 6 July 1992. The Council will be responsible for issuing opinions, *inter alia* on:

- Any measure likely to contribute to improved prevention of potential risks from goods and services placed on the market, with a view to safeguarding the interests of consumers;
- the establishment and implementation of assistance programmes adopted for the benefit of consumer associations;
- any matter concerning the quality of goods and services.

The development of communication and assistance

With the development of a communication policy, particularly in the course of 1995, it has been possible to initiate three types of project:

- Establishment of a database capable of supplying economic operators with specific information;
- organization of media information and awareness campaigns, through television and the written press (production of adverts, press articles) and the creation of a bulletin concerned with quality;

- efforts to establish new agencies concerned with communication and consultation in the field of quality (Chambers of Commerce, consumer associations and quality improvement groups).

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

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

(ii) Standards and certificates

The Algerian Standardization and Intellectual Property Institute (INAPI), set up in 1973, is responsible for standardization and certification matters.

The INAPI is a governmental industrial and commercial institution, under the supervision of the Ministry of Industry and Restructuring. It is responsible for:

- Implementing standardization procedures;
- centralizing and coordinating all standardization activities undertaken by existing bodies or those to be set up for the purpose;
- the elaboration, publication and dissemination of Algerian standards;
- the adoption of marks of conformity with standards and quality marks, and the issue of authorizations for such marks and control of their use, within the framework of the legislation in force;
- the promotion of studies, research and tests in Algeria or abroad, and the development of testing facilities needed to establish and guarantee implementation of standards.

Within the limits of its powers and for the implementation of Law No. 89-23 of 19 December 1989 on standardization, the INAPI is assisted by a Council on standardization guidelines and coordination, composed of all the sectors concerned by standardization questions.

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 which lays down the general framework for standardization activity and its direct corollary, certification;
- Executive Decree No. 90-132 of 15 May 1990, on the organization and operation of the standardization System;
- the four implementing orders which, *inter alia*, define the necessary technical organs and the standardization procedures.

The Algerian Standardization System provides for two categories of standards:

- Approved standards, which are mandatory;

- registered standards, which are optional.

To date, 47 national technical committees have adopted 4,000 Algerian standards, nearly 200 of which are approved standards.

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

The project is aimed at establishing an Algerian system for the certification of conformity with product standards. The first phase has been completed and the second phase will cover the following fields:

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

The system will be in conformity with ISO-IEC certification and accreditation guidelines.

(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 1991 on veterinary inspections at border posts.

Imports of animals and animal products capable of propagating contagious animal diseases to men or animals are 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 supplied by:

- (a) Countries with which Algeria enjoys relations in the field of animal health (signed agreement between the two countries);

- (b) the International Office of Epizooties (IOE), an international organization to which Algeria is affiliated.

Imports of animals are authorized only from countries where the sanitary situation is at least the same as 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

Animals are exported in accordance with 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, essentially fishery products, a scheme for the licensing of establishments responsible for processing such products is currently being carried out jointly with the EEC, 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 special waiver issued by the veterinary services of the Ministry of Agriculture.

(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. 93-139 of 14 June 1993, which assigns the role of national phytosanitary authority to the National Plant Protection Institute (INPV).

This governmental authority exercises phytosanitary and agricultural pesticide controls within the national territory and at the borders.

Internal phytosanitary controls

These controls are based on surveillance operations and action to combat prohibited crop pests within the national territory. The machinery developed covers animal and vegetable organisms, the

manifestation or propagation of which must be rigorously prevented by establishing a strict system of detection.

The laws currently being enacted establish a list of plant pests considered dangerous. The species or genera on the list were included on account of the economic damage they have actually done 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, etc.).

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 pests. 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. 306 SPM of 18 November 1995 requiring technical authorization for imports of potato tubers laying down specific phytosanitary requirements.

These regulations focus on three main lines of approach, namely:

The 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 1962 establishes the list of fruit and horticultural species barred from importation because they might introduce epidemic diseases.

Order No. 306 SPM of 18 November 1995 requires technical authorization for imports of potato tubers 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 (10) sea entry points (ports);
- six (6) land entry points;

- eight (8) air entry points (airports).

Each of these points of entry is manned by an inspector, working full-time (in ports) or depending on the frequency of consignments (at airports). No import or export controls of plants, plant products or plant material can be effected outside these entry points.

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 Decision No. 1032 DCT/IMPV of 16 August 1995 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.

Control of agricultural pesticides

This activity is governed by Law No. 87-17 of 1 August 1987 and the implementing regulations thereto, which 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 enables 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

With a view to guarding against the harmful effects of the inappropriate use of pesticides, the relevant measure is designed to regulate this activity by authorizing specialized and qualified enterprises or agencies to handle phytosanitary products.

International relations

The Institute, in its capacity as a Designated National Authority (AND), represents Algeria in relations with regional and international plant protection organizations.

Accordingly, it 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;

- 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);
- 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 General Agreement.

(e) State-trading practices

Since 1988, 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.

In the meantime, two laws adopted in 1995 - on the privatization of public enterprises and on the management of the State's commercial capital - 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 those applicable to private companies.

In practice, the importation of food products continues to be controlled by two major government agencies which have not yet undergone a change of status in accordance with the rules governing companies, namely:

- The Algerian Inter-Trade Cereals Office (OAIC), and
- the National Food Supply Enterprise (ENAPAL).

However:

- Delays in harmonizing the statutes of these government agencies are due mainly to the need for financial rationalization, having regard to the burdens imposed upon them by the State in the context of its earlier price stabilization policy applied to food products for public consumption;
- these government agencies have none of the attributes of a trading monopoly. Any other enterprise, whether public or private, continues to enjoy freedom to import the same products.

Nevertheless, the elimination of monopolies is a slow process, particularly in sectors requiring substantial investment, and de facto monopolies continue to exist, although they are being broken up. For the most part, such monopolies are exercised by firms importing strategic foodstuffs and raw material and semi-finished products 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

Algeria has no free zones at the present time. 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 Interior, which includes a general directorate for that purpose in its organizational structure.

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 Basel 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

- 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.

- 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 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;
- 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 3 million is not subject to prior control and may take the form of direct orders by the administration.

(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, administrative adjustment and restructuring of public enterprises in the sector.

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.

(a) Imports

The estimated overall annual bill for imports of agro-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 the possibility of controlling imports by introducing a quota system for a limited period.

The list of imported agricultural products and foodstuffs, with a heavy predominance of cereals and dairy products, comprises 429 products under the Harmonized System (HS) classification, with a weighted average level of protection of 8.4 per cent.

Finished agricultural products and foodstuffs are subject to a maximum customs duty of 50 per cent.

These tariff measures are supplemented by technical and control regulations for the purpose of phytosanitary and sanitary protection.

(b) Exports

The agricultural trade balance shows a substantial deficit. The percentage ratio of exports to imports is only 0.4 per cent, and hence the need to give new impetus to this sector.

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

(c) Export prohibitions and restrictions

Apart from date palm seedlings and breeding sheep, no other exports are subject to any prohibition or restriction.

(d) Export credits, credit guarantees and insurance

No specific system of credits, credit guarantees or insurance is applied to agricultural exports.

(e) Internal agricultural policies

These are based on pricing systems, budgetary measures, investment grants and taxation.

(i) Pricing policy

Since 1994, the prices of all the factors and means of agricultural production have been freely determined by market forces.

The same is true of producer prices, except in the case of wheat, which is still subject to guaranteed minimum prices owing to the particular characteristics of cultivated areas from the standpoint of natural and socio-economic conditions.

(ii) Budgetary measures, development grants and taxation

Budgetary adjustments have involved a review of previous policies in relation to investment and incentives to enhanced productivity.

For example, the State bears exclusive responsibility for investments in clearly identified areas of activity involving a public and strategic interest, namely:

- Vocational training;
- research and extension services;
- protection of assets, particularly through reafforestation;
- mobilization of water resources for irrigation purposes;
- hydro-agricultural schemes;
- fishery port infrastructure;
- strategic storage infrastructure;
- protection and development of genetic resources (plant and livestock);
- electrification;
- opening up backward regions.

With regard to investment by producers, the State has set up a system of incentives which is managed in cooperation with farmers.

This system enables producers to receive various forms of aid:

- Investment grants, ranging from 30 to 50 per cent of the total amount of the investment, depending on the nature of the activities concerned. The activities currently eligible for assistance under this form of aid are dairy production, irrigation, fruit plantations and cold storage plants.
- interest rate subsidies ranging from 8 per cent for crop season credits, to 5 or 6 per cent for investment credits.

This aid is currently channelled through special funds managed behind a "single window" in the National Agricultural Insurance Fund (CNMA), which was recently assigned the task of handling credit associations for farmers. These forms of assistance are decided and acted on openly and ensure maximum efficiency through participation by farming circles.

In addition, promoters of agricultural activities may receive benefits under the special Investment Code scheme.

(iii) 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.

The Aggregate Income Tax (IRG):

- Permanent exemption for income earned from cereals and dried vegetables;
- exemption for a period of five years for income earned from mountain farming, from the date of commencement of production. The period of exemption is increased to 10 years for desert and development areas;
- exemption for income generated by non-industrial poultry and rabbit production activities carried out on agricultural holdings.

Value-added tax (VAT)

- Investments in durum wheat and common wheat are exempt from VAT;
- a reduced rate (7 per cent) is applied to the following products: corn, rice in the husk, grain sorghum, insecticides, herbicides, fungicides, fertilizers and agricultural equipment.

Miscellaneous fees and taxes

- A usufruct fee is paid by farmers on agricultural land in the public domain, on the basis of agricultural capacity and depending on whether or not the land is irrigated.

However, a 50 per cent reduction is granted where the land is used for cereals and dried pulses. The fee is structured as follows:

Areas of agricultural capacity	Irrigated land per hectare/year	Dried crops per hectare/year
A	DA 7,500	DA 1,250
B	DA 5,625	DA 937
C	DA 2,982	DA 497
D	DA 375	DA 375

- A 3 per cent land tax, calculated by hectare and type of area, is payable on agricultural land, based on the rental value of the land. The structure of the tax is the same as that indicated above for the usufruct fee.
- A slaughter fee of DA 1/kg. is levied on fresh, chilled, frozen, salted and processed meat of horses, camels, goats, sheep and cattle. It is paid into a special fund for the protection of animal health.

Lastly, parafiscal taxes, for the benefit of the Chambers of Agriculture, have been introduced on the following products:

- Wine grapes: DA 10/ql collected via the Public Wine Marketing Office (ONCV);
- cereals and dried pulses: DA 3/ql collected via the Public Cereals Office (OAIC);

- cattle feed: DA 10/ql collected via the Cereals and Cattle Office.

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 trade mark 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 guarantees 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 rights 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.

(b) Agencies responsible for policy formulation and implementation

Three national agencies currently administer intellectual property matters, 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 the protection of inventions;
- the National Commercial Register Centre (CNRC), which deals with trade or service marks, industrial designs and appellations of origin; and
- the National Copyright Office (ONDA), which deals with copyright.

(i) The INAPI exercises the following functions:

- Receipt, examination, registration and issue of patents for inventions, and publication thereof;
- implementation of the provisions relating to industrial property and the protection of industrial property, and industrial rewards;
- receipt and registration of documents affecting the ownership of rights relating to patents for invention, and updating of the register of inventions to reflect the various changes affecting the holders of such rights;
- keeping and management of the national register of inventions from which any interested person may obtain information about protected inventions in Algeria;
- conduct of research on the state of the art in the fields of interest to inventors.

(ii) The CNRC exercises the following functions:

- Organization and management of statutory protection for intellectual creations in the field of industrial and commercial property (marks, industrial designs and appellations of origin);

- pooling of all information on industrial and commercial property and the management of the machinery for the protection of business names and trade names;
 - listing in the industrial property register of documents entailing changes in transfers of the different protected rights;
 - production and publication of the Official Industrial Property Bulletin (BOPI), and of any document and/or information relating to industrial and commercial property.
- (ii) The ONDA exercises the following functions:
- Protection of the rights of producers and their works;
 - receipt and registration in Algeria, on an exclusive basis, of all copyright declarations;
 - action to promote the production of creative works;
 - protection of works classified as part of the national cultural heritage.

Moreover, the three above-mentioned agencies represent Algeria internationally, each in the intellectual property area with which it is concerned.

(c) Membership of international intellectual property conventions and of regional or bilateral agreements

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

- The Paris Convention for the Protection of Industrial Property, with ratification of the most recent Act thereto, namely the Stockholm Act (1967);
- the Convention Establishing the World Intellectual Property Organization (WIPO);
- the Madrid Agreement Concerning the International Registration of Marks (Stockholm Act of 1967);
- the Nice Agreement Concerning the International Classification of Goods and Services for the Purposes of the Registration of Marks (Stockholm Act of 1967);
- the Madrid Agreement for the Repression of False or Deceptive Indications of Source on Goods (Lisbon Act of 1963);
- the Lisbon Agreement for the Protection of Appellations of Origin (Stockholm Act of 1967);
- the Nairobi Treaty on the Protection of the Olympic Symbol (1981).

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

In order to secure the recognition of rights in the field of intellectual property 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 office. This can be relied upon in dealings with the competent courts, where necessary.

However, non-resident nationals are required to appoint an agent domiciled in Algeria.

(e) Fees and taxes

Under Algerian tax law, the definition of profits derived from a non-commercial professional activity includes income from charges collected on 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) differs depending on the kind of recipient (natural or legal persons) and on their place of residence (resident or non-resident in Algeria).

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

A. Tax treatment of fees - ordinary law system

(i) Tax treatment of fees paid to natural persons

(a) Natural persons domiciled in Algeria

The income derived from the above-mentioned fees paid to natural persons domiciled 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 table contained in Article 104 of the Code of Direct Taxes and Equivalent Charges.

(b) Natural persons domiciled abroad for tax purposes

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

(ii) Fees paid to legal persons

(a) Legal persons with registered offices in Algeria

The sums collected by enterprises with registered offices in Algeria in exchange for the granting of licences for the use of patents belonging to them and the licensing or assignment 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 the rate of 38 per cent.

(b) Foreign companies with no permanent base in Algeria

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

B. Tax treatment of fees under tax agreements

Algeria has concluded double taxation agreements with a number of countries. In those agreements, fees are defined as remuneration of any kind paid for the use or licensed use of copyright

or property rights relating to 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 charged - 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 and 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.

The tax rates vary from 5 per cent to 15 per cent.

C. Rules for deduction at source

Debtors (natural or legal persons) who pay sums (fees) liable to tax are required under the terms of 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 a foreign currency, it is converted into Algerian dinars at the exchange rate on the date of payment of the fees.

It should also be pointed out that, under Algerian law, applications lodged with the competent agencies (CNRC and/or INAPI) for the registration of industrial property rights are subject to the payment of parafiscal taxes, the rates of which are set out in the provisions of the Finance Act. The rates are available from the agencies 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 and maintenance of intellectual property rights

(a) Copyright and related rights, including rights of performers, producers of phonograms and broadcasting organizations

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

The economic rights of the author are protected during his life, and 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 performance repertoire, both in Algeria and abroad, as well as the collection and distribution of the fees earned from such performance.

(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 National Commercial Register Centre (CNRC). 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 (5) 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 (10) 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.

(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 term of 10 years renewable, and the fact of registration is published in the Official Industrial Property Bulletin.

(d) Industrial designs

Protection is afforded to original and new designs.

- Subject to fulfilment of the formalities, protection may be granted for a period of 10 years, which is not renewable.
- Registrations attributing ownership of industrial designs are published in the Official Industrial Property Bulletin.
- Protection by means of a patent of invention may be provided for inventions which are new, which are the result of inventive activity or which are capable of industrial application.
- 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 duration of protection of a patent of invention 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.

(e) Protection of plant varieties

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

However, in the context of environmental protection, a list of non-cultivated plant species subject to protection has been drawn up by regulatory enactment.

(f) Layout-designs of integrated circuits

With the development of computer technology as an economic activity and a means of organizing the economic life of Algeria, it was only natural that the scope of the law on copyright should be extended to include protection of software (computer programs and technical documentation describing such programs and enabling them to be understood or used).

(g) 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.

(h) 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 control abuse of intellectual property rights

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

The CNRC and INAPI provide 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:

- (i) 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;
- (ii) 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);
- (iii) adherence to the rules of discovery is guaranteed;
- (iv) 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;
- (v) 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;
- (vi) all court decisions are written and reasoned. They are notified or transmitted at the mere request of the parties;
- (vii) all ordinary or special remedies are available to all the parties. This is the case for ordinary appeals, applications to vacate judgement, third party applications, retractions and appeals on points of law;
- (viii) illegality proceedings may be brought by anyone wishing to contest administrative decisions taken by the State or its organs;
- (ix) unlike other countries which have a Council of State and administrative courts, Algeria has established a unified court system, the only split being between ordinary contentious proceedings (criminal, civil, commercial, social and personal status) and administrative proceedings dealt with exclusively by the administrative divisions of courts and those of the Supreme Court;
- (x) 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 limitations not derived from the rights conferred on the licensee by the patent of 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.

Indeed, 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:

- (i) Pending the settlement of the criminal complaint;
- (ii) 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 are subject to 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 the customs clearance of goods suspected of being counterfeit 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 the 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 should 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 needed to determine whether the suspect goods are counterfeit or pirated or whether they infringe an intellectual property right in some 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.

5. Laws, decrees, regulations and other legal acts 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 Constitution (Articles 36 and 49);

- Order No. 66-48 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 standardization procedures;
- 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.

6. Statistical data

- (a) List of States with which Algeria has concluded double taxation agreements in respect of intellectual property

Contracting States	Date of signature	No. and date of the ratification decree	No. of the JORA* and year
France	17 May 1982	No. 83-575 of 22 October 1983	No. 44/1983
Tunisia	9 February 1985	No. 85-161 of 11 June 1985	No. 25/1985
Libya	19 June 1988	No. 89-180 of 22 September 1989	No. 04/1989
Morocco	25 January 1990	No. 90-299 of 13 October 1990	No. 44/1990
Arab Maghreb Union	23 July 1990	No. 90-124 of 22 December 1990	No. 06/1991
Italy	3 February 1991	No. 91-231 of 20 July 1991	No. 35/1991
Turkey	2 August 1994	No. 94-305 of 2 October 1994	No. 65/1994

*JORA: Journal Officiel de la République Algérienne (Official Journal of the Algerian Republic).

- (b) Statistical data on applications for and grants of intellectual property rights, as well as any statistical data on their enforcement

Table of Product and Service Marks Filed From 1966 to 1994

Year	Marks filed in Algeria ¹			Marks filed internationally with extension to Algeria ²	Total
	Of national origin	Of foreign origin ³	Subtotal		
1966	-	15,215	15,215	-	15,215
1967	245	1,236	1,481	-	1,481
1968	207	913	1,120	-	1,120
1969	234	928	1,162	-	1,162
1970	323	839	1,162	-	1,162
1971	236	727	963	-	963
1972	77	1,543	1,620	3,764	5,384
1973	108	645	753	4,968	5,721
1974	122	797	919	4,542	5,461
1975	132	1,124	1,256	4,686	5,942
1976	124	2,504	2,628	4,133	6,761
1977	144	1,166	1,310	3,549	4,859
1978	99	792	891	3,012	3,903
1979	133	775	908	3,033	3,941
1980	313	648	961	3,221	4,182
1981	107	646	753	3,227	3,980
1982	160	1,134	1,294	3,352	4,646
1983	294	599	893	2,742	3,653
1984	174	678	852	2,922	3,774
1985	236	885	1,121	2,787	3,908
1986	543	1,544	2,087	3,028	5,115
1987	375	846	1,221	2,578	3,799
1988	290	668	958	2,887	3,845
1989	477	694	1,171	3,118	4,289
1990	461	619	1,080	3,226	4,306
1991	480	695	1,175	3,120	4,259
1992	460	1,101	1,561	3,685	5,246
1993	667	662	1,329	4,228	5,557
1994	518	733	1,251	3,956	5,207
Total	7,739	41,356	49,095	79,764	128,859 ⁴

Notes:

¹National marks are protected for 10 years and may be renewed for periods of the same duration.

²International marks are protected for 20 years and may also be renewed; they are extended to Algeria under the provisions of the Madrid Agreement Concerning the International Registration of Marks.

³Marks of foreign origin are protected under the terms of the Paris Convention for the Protection of Industrial Property, to which Algeria has been a party since 1 March 1966.

⁴Out of the total number of marks filed, 75,000 continue to be valid (taking account of expiry dates, waivers and cancellations).

VI. TRADE-RELATED SERVICES REGIME

1. General

Transport sector

The maritime, air and rail transport sectors are operated exclusively by State-run public enterprises. Draft legislative enactments are being prepared to lay down the conditions under which maritime and air transport services may be opened to competition. Rail transport, for its part, will have to be the subject of a public service concession contract.

The activities related to these sectors, though unrestricted, are still a de facto monopoly controlled by public corporations; they include lighterage, handling, repair and maintenance.

Fuelling, consignment and brokerage are demonopolized, regulated activities.

The monopoly on the carriage of goods and passengers by land was totally eliminated by Law No. 88-17 of 10 May 1988, paving the way for a broad measure of internal competition in these areas of activity.

In addition, Algeria's accession to the TIR Convention in 1989 will contribute to the development of international road haulage.

Telecommunications

Postal and telecommunication activities are operated exclusively by State-run public institutions.

The following services are, however, open to the private sector, on the basis of specific regulations:

- Telecommunication services;
- carriage of mail;
- telephone wiring.

Information

There is a free press and numerous publications, both public and private, are unvalued.

Printing activities are also unrestricted in law; however, they remain under the de facto control of several competing public enterprises.

The supply of information by radio and television is 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.

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 still comes from the State, organs of the State and public enterprises.

Tourism

This sector has always been open to private initiative. However, public enterprises still have substantial infrastructure.

Major hotels run by the State were singled out for priority privatization, beginning at the end of 1995. Eventually, it is planned to privatize all tourist activities.

The priority assigned to opening up this sector to national and foreign private investment will also make for stronger competition in the sector.

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.

Financial services

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.

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 mutual insurance societies: the farmers' mutual benefit society and the mutual insurance society for workers in education and culture.

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.

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 expected to evaporate with the restructuring and privatization processes that are under way. The entire distribution sector is marked out for gradual privatization.

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.

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.

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) 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) 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) 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) In the fields of air, maritime and rail transport, the network concessions authorized by the State to date have been granted exclusively to national public enterprises.

Similarly, the water, electricity and telecommunication distribution services are currently the subject of exclusive concessions to State-owned companies, pending the introduction of arrangements

making public service concessions available to all enterprises, in the context of legislation currently being framed.

- (e) There are no safeguard measures applicable to trade in services in particular.
- (f) 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) 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) 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) 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.

Market access and national treatment

- (a) There are no limitations on the number of service suppliers.
- (b) There are no limitations on the total value of service transactions or assets.
- (c) There are no limitations on the total number of service operations or on the total quantity of service output.
- (d) 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) There are no restrictions or requirements concerning the specific types of legal entity through which a service may be supplied in Algeria.
- (f) There are no limitations on the participation of foreign capital (pursuant to the 1993 Investment Act).

- (g) There is no discrimination between national and foreign service suppliers, 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

Such conventions have been 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, i.e. 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.

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).

(a) 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 preparing to negotiate a new association agreement with the European Union aimed at the establishment of a free-trade area.

(b) Treaty establishing the African Economic Community, 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.

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:

- National Customs, one of the main sources of information on foreign trade statistics. The customs administration has a national informatics and statistics centre.

The customs administration has its head office in Algiers, at the following address:

Direction Générale des douanes
Rue du Docteur Saadane - Alger - Algérie
Tel: (02) 71.16.16
Telex: 56.300
Fax: (02) 74.69.74

- The National Statistical Office (ONS), the implementing agency for national policy on statistics. It handles all statistics on socio-economic activity (population, health, employment, agricultural and industrial output and foreign 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: (02) 64.77.90. to 92
Telex: 67.190
Fax: (02) 63.81.10

- The Bank of Algeria, which prepares and manages statistics on the balance of payments.

The Bank's address is the following:

Banque d'Algerie
Villa Jolie, 38, avenue Franklin Roosevelt
Tel: (02) 59.06.59
Telex: 66.499 and 66.437
Fax: (02) 73.96.79 and 60.07.11

2. Publications related to foreign trade statistics

- Annual Bulletin of Foreign Trade Statistics, published by the National Customs.
- Annual Bulletin on Foreign Trade Results, published by the National Statistical Office.
- Annual report by the Bank of Algeria on the balance of payments.

3. Statistical data

- (a) Main economic indicators.
- (b) Foreign trade statistics.

MAIN INDICATORS OF THE ALGERIAN ECONOMY

Table A

Country: Algeria
Surface area: 2,382 million km²
Currency: Dinar (DA)

	Unit	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995
I. REAL SIDE OF THE ECONOMY												
GDP	DA billion	295.00	301.70	326.20	350.10	422.40	536.70	799.70	1,045.10	1,161.80	1,471.00	1,974.80
	US\$ billion	58.67	64.16	67.26	59.19	55.51	59.91	43.29	47.89	49.76	41.91	41.49
Final consumption	DA billion	161.60	183.80	195.50	219.50	274.00	394.00	522.50	708.50	839.60	1,098.70	1,175.70
Investment (change, including stocks)	DA billion	103.90	102.70	92.10	97.80	127.40	151.00	232.30	322.40	339.20	472.30	632.10
Gross savings	DA billion	94.70	71.80	83.70	73.00	85.60	142.70	277.30	353.90	335.10	298.30	589.70
Change in volume of GDP	%	5.50	-0.30	-1.20	-1.80	4.40	-1.30	0.20	2.30	-1.70		
Investment/GDP	%	35.22	34.04	28.23	27.93	30.16	28.13	29.05	30.85	29.20	32.11	32.01
Gross savings/GDP	%	32.10	23.80	25.66	20.85	20.27	26.59	34.68	33.86	28.84	20.28	29.86
II. PUBLIC FINANCE												
Budgetary receipts	DA billion	108.59	92.38	92.26	93.45	116.41	160.20	272.40	316.80	320.10	434.20	600.85
Budgetary expenditure	DA billion	99.02	105.24	103.75	119.65	124.52	142.50	239.60	308.70	390.50	461.90	589.09
Balance on budget	DA billion	9.57	-12.86	-10.79	-26.20	-8.11	17.70	32.80	8.10	-70.40	-27.70	11.76
Treasury balance excluding stabilization fund	DA billion	-28.30	-35.10	23.10	-44.40	-8.40	20.20	36.10	11.50	-76.30	-33.70	8.64
Stabilization fund	DA billion	0.00	0.00	0.00	0.00	0.00	0.00	21.80	23.70	24.30	31.70	36.88
Overall Treasury balance	DA billion	-28.30	-35.10	-23.10	-44.40	-8.40	20.20	14.30	-12.20	-100.60	-65.40	-28.24
Budgetary receipts/GDP	%	36.81	30.62	28.50	26.69	27.56	29.85	34.0	30.30	27.60	29.30	30.43
Budgetary expenditure/GDP	%	33.57	34.88	31.81	34.18	29.48	26.55	29.96	29.50	33.60	31.20	29.83
Budget balance/GDP	%	3.24	-4.26	-3.31	-7.48	-1.92	3.30	4.10	0.8	-6.10	-1.90	0.60
Overall Treasury balance/GDP	%	-9.59	-11.63	-7.08	-12.68	-1.99	3.76	1.79	-1.20	-8.70	-4.40	-1.43

		1985	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995
III. BALANCE OF PAYMENTS		Unit										
Exports of goods and services	US\$ billion	13.69	8.11	9.39	8.36	10.08	13.40	12.87	12.13	11.01	9.58	10.94
Balance of goods and services	US\$ billion	12.78	11.78	9.28	9.74	11.07	-11.48	-9.64	-10.06	-9.60	-11.08	-12.2
	US\$ billion	0.81	-3.27	0.11	-1.38	-0.99	1.92	3.33	2.07	1.41	-1.50	-1.26
Capital income (net)	US\$ billion	-1.35	-1.43	-1.53	-2.01	-1.89	-2.09	-2.22	-2.16	-1.75	-1.72	-2.17
Current transfers (net)	US\$ billion	1.36	1.80	1.49	1.51	1.73	1.53	1.29	1.39	1.14	1.40	1.12
Current account balance	US\$ billion	0.82	-3.30	0.07	-1.88	-1.15	1.35	2.40	1.30	0.80	-1.82	-2.31
Capital balance	US\$ billion	0.55	2.16	-0.05	1.10	0.49	-1.57	-1.89	-1.07	-0.81	2.54	-3.86
Overall balance	US\$ billion	1.37	-1.14	0.01	-0.80	-0.66	-0.22	0.51	0.23	-0.01	-4.36	-6.17
Financing of the overall balance	US\$ billion						0.22	-0.51	-0.23	0.01	4.36	6.17
Of which:												
Rescheduling	US\$ billion	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	4.49	4.8
Change in gross reserves (-)	US\$ billion	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	-1.14	0.53
Imports of goods and services/GDP	%	21.78	18.36	13.80	16.46	19.94	-19.16	-22.04	-21.01	-19.29	-26.44	-29.41
Current account balance/GDP	%	1.40	-5.14	0.10	-3.18	-2.07	2.25	5.54	2.71	1.61	-4.34	-5.57
Current rate of imports	%	106.34	68.85	101.19	85.83	91.06	-116.72	-134.91	-120.58	-114.69	-86.46	
Overall balance/GDP		2.34	-1.78	0.01	-1.35	1.19	-0.37	1.18	0.48	-0.02	-10.40	-14.87
IV. EXTERNAL DEBT												
Total debt	US\$ billion	17.31	21.72	25.85	25.83	26.81	26.00	27.27	22.00	24.71	29.34	
Medium- and long-term debt	US\$ billion	16.61	20.72	24.53	24.21	24.35	26.46	26.44	25.42	24.01	28.71	
Short-term debt	US\$ billion	0.80	1.00	1.32	1.62	1.84	1.79	1.24	0.79	0.70	0.63	
Use of IMF loans	US\$ billion	0.00	0.00	0.00	0.00	0.62	0.67	0.91	0.71	0.43		
Debt servicing	US\$ billion	4.79	5.13	5.28	6.55	7.01	8.89	9.51	9.28	9.43	8.96	
Debt servicing/exports, goods and services	%	35.25	63.26	56.23	78.35	69.54	66.34	73.89	76.50	85.65	93.53	
Debt servicing/GDP	%	8.16	8.00	7.85	11.07	12.63	14.84	21.97	19.38	18.95	21.38	
Debt/exports of goods and services	%	127.38	267.82	275.24	308.98	265.96	194.00	215.00	181.37	224.45	306.26	
Debt/GDP	%	29.50	33.85	38.43	43.64	48.29	43.40	63.92	45.94	49.67	70.01	

		Unit	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995
V. INTERNATIONAL LIQUID ASSETS													
International liquid assets		US\$ billion	2,340.86	1,700.84	1,714.44	918.32	859.76	723.94	1,485.32	1,456.76	1,475.00	2,874.00	
Special Drawing Rights (SDRs)		US\$ billion	137.36	167.10	202.17	2.23	3.98	1.94	1.92	0.76	7.00	23.00	
IMF reserve position		US\$ billion	168.00	181.20	153.15	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
Foreign exchange		US\$ billion	2,534.99	1,352.54	1,359.12	916.09	855.78	722.00	1,484.00	1,456.00	3,468.90	2,540.00	2,110
Reserves in months of imports		Months	2.67	1.73	2.22	1.13	0.93	0.76	1.87	1.74	1.84	2.90	2.1
VI. MONETARY SITUATION													
External assets (net)		US\$ billion	14.89	9.32	9.15	9.28	6.52	6.5	24.3	22.6	23.9	60.40	26.3
Internal assets (net)		US\$ billion						336.5	387.8	496.4	601.3	663.30	773.27
Internal claims		US\$ billion	251.24	278.01	303.8	339.24	366.6	414	485.7	639.3	753.6	774.40	967.23
Claims on the State		US\$ billion	76.63	101.09	123.19	147.25	157.21	167	159.9	174.1	522.2	468.60	401.59
Claims on the economy		US\$ billion	174.61	176.92	180.61	191.99	209.39	247	325.8	465.2	231.4	305.80	565.64
Other headings (net)		US\$ billion	10.86	17.41	5.04	-9.49	-8.33	-77.5	-97.9	-142.9	-152.3	-111.10	193.97
Of which: Medium- and long-term external commitments		US\$ billion	23.07	33.32	39.7	53.79	60.48	-93.1	-157.8	-145.7	-113.7	-145.00	-120.88
Money supply (M2)		US\$ billion	300.5	316.38	354.77	402.72	428.01	343	416.2	515.9	625.2	723.70	799.56
Money		US\$ billion	202.23	204.82	223.91	252.21	250.01	270.1	325.9	369.7	443.2	476.00	519.11
Of which: Money in circulation		US\$ billion	76.64	89.36	96.87	109.75	119.87	134.9	157.2	184.9	211.3	223.00	249.77
Quasi-money		US\$ billion	21.63	22.2	33.99	40.76	58.13	72.9	90.3	146.2	182	247.70	280.46
Liquidity ratio (average M2/GDP)		%	101.87	104.87	108.76	115.03	101.33	61.2	48.1	48.1	52.2	49.20	40.49
Money in circulation/GDP		%	25.98	29.62	29.69	31.35	28.38	23.9	18.5	17.6	18.1	15.16	12.65
Money in circulation/M2		%	25.5	28.24	27.3	27.25	28.01	39.4	37.8	35.8	33.8	30.81	31.24
Claims on the economy		%	58.11	55.92	50.91	47.67	48.92	41.5	36.3	44.51	19.92	20.79	28.64
VII. OTHER INDICATORS													
Population		Millions	21.75	22.19	22.83	23.48	24.08	24.7	25.32	25.94	26.58	27.20	27.79
Density/inhabitants per km ²			9.13	9.32	9.58	9.86	10.11	10.37	10.63	10.89	11.16	11.42	11.67
Economically active population		Millions	4.49	4.71	5.34	5.56	5.53	5.85	6.07	6.28	6.45	6.82	
Employed population		Millions	3.88	3.95	4.2	4.38	4.58	4.66	4.82	4.9	5.03	5.16	
Unemployment rate		%	13.71	16.16	21.37	21.26	17.11	19.76	20.61	21.97	22.02	24.36	

	Unit	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995
Population growth			2	2.88	2.84	2.56	2.59	2.5	2.44	2.46	2.33	
Trend in consumer prices (City of Algiers) base 100-1982												
Average exchange rate DA/\$	%	10.5	12.4	7.4	5.9	9.3	16.7	21.88	32.2	20.54	28.98	29.85
Change	%	5.03	4.7	4.85	5.92	7.61	8.96	18.47	21.82	23.35	35.10	47.6
End of period DA/\$ exchange rate			-6.48	3.15	21.96	28.64	17.93	106.22	18.13	7	50.32	35.61
Change	%	4.77	4.82	4.94	26.73	8.03	12.19	21.39	22.78	24.12	42.89	52.18
Average price of oil-\$/barrel			1.07	2.32	36.37	19.33	51.78	75.47	6.49	5.88	77.83	21.65
Change	%	27.5	14.85	18.55	16.88	18.5	24.32	20.44	19.93	17.52	16.31	17.58
Per capita GDP	\$	2,697.17	-46	24.92	-9	9.6	31.46	-15.95	-2.5	-12.09	-6.91	7.79
Change	%		2,891.71	2,846.3	2,521.1	2,305.46	2,425.33	1,709.66	1,846.3	1,872.1	1,541.05	1,492.67
							-2 951	7.99	7.99	1.4	-17.69	-3.14

Table B
STATISTICS ON FOREIGN TRADE IN GOODS

	1986	1987	1988	1989	1990	1991	1992	1995
(US\$ millions)								
I. TRADE BALANCE FROM 1984 TO 1993								
Exports f.o.b.	7,477	8,745	7,772	9,491	12,785	12,350	11,442	10,227
Imports c.i.f.	9,213	7,056	7,324	9,208	9,652	7,680	8,642	10,399
Trade balance	1,736	1,689	448	-283	3,133	4,670	2,800	-173
II. COMPOSITION OF EXPORTS f.o.b.								
Hydrocarbons	7,279	8,531	7,352	9,096	12,348	11,975	10,979	9,769
Of which:								
- Crude oil	1,511	1,718	1,340	1,894	2,730	2,207	2,090	2,164
- Distillate	1,613	2,383	1,744	2,535	3,549	3,220	2,946	2,375
- Refined products	1,685	1,975	1,792	1,985	2,622	2,280	2,250	1,869
- Natural gas	782	852	831	884	1,015	1,343	1,253	587
- Liquefied natural gas	1,354	1,162	1,237	1,412	1,761	2,147	1,834	1,422
- Liquefied petroleum gas	334	442	407	386	671	778	606	1,352
Semi-finished products	120	108	179	173	210	169	233	263
Finished products	12	37	164	164	145	108	116	65
Foodstuffs	26	30	30	34	50	55	81	95.9
Other raw materials	40	38	47	24	32	43	33	33.6
Total exports f.o.b.	7,477	8,745	7,772	9,491	12,785	12,350	11,442	10,227
III. COMPOSITION OF IMPORTS c.i.f.								
Food	1,848	1,749	1,804	2,904	2,133	1,938	2,150	2,699
Consumer goods	1,332	926	875	998	1,142	720	1,186	1,535
Intermediate goods	3,123	2,485	2,683	2,980	2,618	2,525	2,739	3,549
Capital goods	2,910	1,896	1,962	2,336	3,759	2,479	2,567	2,616
Total imports c.i.f.	9,213	7,056	7,324	9,208	9,652	7,680	8,642	10,399

Source: Algerian Customs.

[illegible]

I. TRENDS IN INDUSTRIAL OUTPUT FROM 1986 TO 1995
(excluding hydrocarbons)

Year	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995
Evolution	101.8	102.5	102.0	100	102.1	99.0	95.2	94.7	88.5	87.6

Source: National Statistical Office (ONS).

II. TRENDS IN THE MAIN BRANCHES OF INDUSTRIAL PRODUCTION FROM 1986 TO 1995

Year	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995
1. Mines and quarries (thousand tonnes)										
Iron	3,400	3,400	3,100	2,748	2,959	2,350	2,563	2,311	2,014	2,237
Zinc	26	17	12	11.6	8	8	7.5	6.8	5.6	6
Lead	6	3	4	2.7	1.9	1.9	1.5	1.5	1.1	1.4
Mercury ¹	0.8	0.8	0.7	0.6	0.6	0.4	0.5	0.5	0.4	0.3
Phosphate	1,200	1,200	1,350	1,254	1,128	1,090	1,173	718	714	757
Salt ²	191	233	232	229	225	207	197	175	169	148
Baryta	60	44	43	49.2	53.1	44.4	51.2	47.2	22.3	29.3
Bentonite	32	25	26	39	42	30	35	24	25	20
2. Steel-making and metallurgy (thousand tonnes)										
Pig iron	1,246	1,470	1,500	1,301	1,037	879	930	925	919	962
Crude steel	1,120	1,378	1,301	943	767	797	768	798	772	781
Concrete reinforcing bars	238	269	243	170	150	153	134	129	190	177
Steel tubes, welded	270	236	156	120	121	94	106	131	170	101
Seamless tubes	20	14	24	18	22	14	21	23	24	30
Metallic frameworks	143	163	49	41.3	37.3	37.4	43.5	30.5	30.4	23.2
Boiler works	8.2	9	6	7.4	8.4	8.3	11.1	7.8	6.3	8.6
Ironwork	2.3	2.7	2.5	1.1	1.0	0.9	0.5	0.8	0.4	0.7
3. Mechanical and metal products (units)										
Lorries, coaches, buses	7,401	6,410	3,824	4,223	4,291	3,818	3,442	2,900	1,698	3,895
Tractors	6,323	3,513	3,404	2,965	3,505	3,203	3,009	4,632	3,385	2,712
Combine harvester-threshers	1,162	280	661	314	567	510	530	291	176	46
Cranes and shovels	1,242	768	921	836	764	698	634	631	406	435
Vans and wagons	708	503	350	379	253	111	105	210	48	145
Cycles	53,000	46,000	46,000	45,800	39,000	16,000	19,454	17,500	30,500	15,000
Mopeds	48,000	44,000	34,000	35,600	21,000	13,000	9,000	12,681	6,900	9,000
Pumps for liquids	32,143	26,855	32,000	36,608	39,324	38,652	36,566	29,085	19,284	19,829
Machine tools		1,220	724	492	780	908	1,213		1,141	1,320

¹In 34.5 kg. pots.

²Industrial and domestic.

Source: Ministry of Industry and Mines and ONS.

	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995
4. Electrical and electronic products										
Electric wires and cables (t.)	21,489	17,574	25,053	26,087	22,218	27,600	24,944	19,304	13,399	18,817
Telephone cables (t.)	3,111	2,432	2,434	2,579	2,606	2,958	3,866	3,649	3,054	3,420
Accumulators (10.3U)	562	656	637	585	587	548	566	546	501	456
Refrigerators (10.3U)	104	225	382	369	387	388	317	183	119	131
Television sets (10.3U)	382	318	322	211.7	283	176	218	258	166	194
5. Construction materials (thousand tonnes)										
Cement	6,448	7,541	7,195	6,778	6,337	6,323	7,093	6,951	6,094	6,750
Bricks	1,594	1,701	1,710	1,633	1,644	1,617	1,776	1,691	1,548	1,488
Plaster	148	156	142	135	166	209	174	184	165	170
Tiles	70	60	58	40	35	31	31	29	31	20
Flat glass	9	10	29	27	30	19	14	6	0.2	0.1
Hollowed glass	40	34	34	29	28	37	25	25	29	24
Ceramic sanitary ware (10.3 units)				1,044	1,044	1,200	1,051	873	853	1,092
Ceramic materials and tiles (t.)	2,157	2,207	1,875	1,769	2,610	2,549	2,580	2,379	2,104	2,717
Safety glass (t.)				293	548	703	274	149	189	108
Windscreens (10.3 units)				31	20	30	40	28	31	22
6. Chemical industries (thousand tonnes)										
Nitrogenous fertilizers	267	271	248	390	263	230	193	236	220	61
Phosphatic fertilizers	257	278	239	170.8	173	155	154	204	179	80
Detergents	76	112	131	123	138	142	93	114	138	99
Paints and varnishes	150	132	130	116	99	83	91	84	102	94
Methanol	64	90	97	91	93	81	95	84	80	98
Articles of plastic materials	83	62	58	68	53	34	45	33		
Carbon dioxide	13	14	15	17.6	14	16	12.1	16.3	14.2	13
Acetylene (thousands of m ³)	1,375	1,423	1,400	1,395	1,124	1,150	1,031	1,099	1,166	1,068
7. Agri-foodstuffs (thousand tonnes)										
Flour and meal	2,334	2,487	2,588	2,601	2,592	2,634	2,540	2,739	2,572	2,453
Refined edible oils	295	304	318	338	338	301	277	296	303	285
Refined sugar in pellets	219	205	222	214	209	211	192	201	193	169
Pasta and couscous	107	111	111	116.4	111.1	115.7	106.1	100.7	963	549
Preserved fruit and vegetables	63	49	65	57.9	69.7	81	48.1	48.5	38.6	40
Manufactured tobacco	28	26	25	25.2	28	26.1	23.7	24	23.5	24.2
Mineral water (10.3 hl.)	1,259	1,216	1,054	970	873	657	830	741	662	429

	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995
8. Textiles and leather										
Yarn, cotton, bonded fibre, wool (10 ³ tonnes)	35	24	32	32	32	31	33.4	26.2	22	24
Finished fabrics (10 ⁶ linear metres)	133	136	87	84	89	88	92	95	74	62
Blankets and travelling rugs (thousand units)	1,357	2,079	1,731	2,011	2,397	2,689	2,895	3,237	3,034	2,901
Shirts (thousand units)	3,078	2,736	1,774	1,682	1,868	2,028	1,518	1,331	1,265	1,040
Work clothing (thousand units)	2,093	1,300	1,290	1,392	1,648	1,602	950	767	800	959
Cattle upper leather (tonnes)	660	178	309	398	408	163	94	27	202	185
Upper leather (thousand m ²)	46,729	41,277	41,533	40,915	46,144	36,248	27,833	21,242	30,891	29,817
Footwear (thousand pairs)	23,035	26,654	14,689	14,943	16,376	11,824	9,040	7,170	6,467	3,986
9. Wood, paper, miscellaneous (thousand tonnes)										
Mass produced joinery and carpentry (thousand m ²)	2,169	1,239	1,214	1,820	2,154	1,337	1,056	1,443	1,115	1,016
Agglomerated cork (thousand m ³)	71	55	51	50	47	39	41	38	24	22
Paper, paper board and packings (10 ³ t.)	153	135	138	124	117	101	96	106	98	89
Printing and writing paper (10 ³ t.)	28	21	21	26	29	28	24	32	33	33
Thin paper (10 ³ t.)	11	9	11	11	12	12	10	6	2	2

III. TRENDS IN SOME AREAS OF AGRICULTURAL PRODUCTION FROM 1986 TO 1995

Year	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995
1. Livestock status (million head)										
Goats	2,514	2,568	2,232	2,404	2,472	2,484	2,775	2,663	2,544	2,780
Cattle	1,346	1,416	1,435	1,405	1,393	1.3	1,334	1,314	1,269	1,267
Camelidae	121	134	114	122	122	126	114	114	114	126
Sheep	13,766	16,148	16,429	17,316	17,698	16,891	17,723	18,664	17,842	17,302
Horses (thousand)	79	84	85	86	81	82	77	73	-	-
Other (thousand)	471	481	440	424	399	399	369	348	374	350
2. Trends in the main livestock products (thousand tonnes)										
Raw milk (thousand litres)	750	857	900	970	1,100	1,136	1,229	1,000	1,000	1,052
Red meat	163	195	221	235	244	260	290	300	295	299
White meat	217	236	224	231	211	223	189	199	225	190
Eggs (million)	110	154	154	2,800	2,780	2,539	2,068	1,750	2,300	2,640
3. Trends in the production of wood, cork and alfa										
Constructional/ industrial (10.3m ³)		50,803		48,620	49,718	36,940	95,559	239,200	144,919	193,893
Fuel wood (stacked cubic metres)		61,487	40	62.4	62.4	123.6	-	-	120	130
Wood charcoal (quintals)		2,772	3,241	5,550	3,876	843	-	-	2,800	3,500
Natural cork (10.3 quintals)		197.5	138.4	127.3	91.2	92.9	128.5	111.4	26.8	32.5
Alfa (10.3 tonnes)	23.85	23.955	32.4	21.1	23.9	4	-	18	96	11.3
4. Production of salt water or sea fish by species (10.3 tonnes)										
Seasonal fish	71,661	71,565	62,123	60,033	78,030	65,338	65,868	65,603	65,736	66
White fish	21,605	14,896	19,778	9,930	9,922	10,375	8,656	13,165	12,731	11,699
Crustaceans	3,334	1,302	1,248	2,191	2,635	3,268	2,274	3,944	2,686	2,105
Dogfish and other sharks and swordfish (t.)	1,298	405	402	326	473	709	751	1,689	1,800	1,531
Total	1,395	492.76	485.1	398.15	563.6	787.98	827.8	1,771.7	1,881.2	1,610.8

IV. TRENDS IN PLANT PRODUCTION FROM 1983 TO 1993 TO 1993

Year	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995
(Thousand tonnes)										
Cereals	2,404	2,065	1,035	2,001.6	1,625	3,807	3,328	1,452	963	2,138
Durum wheat	785	777	415	813	555	1,292	1,346	796	562	1,113
Common wheat	444	398	199	339	195	577	491	220	152	313
Barley	1,088	820	390	790	833	1,810	1,398	408	234	578
Other	92	70	30	61	42	128	93	28	15	
Dried pulses	68	67	34	48	35	63	63	48	38	47
Broadbeans and field beans	41	33	15	23	16	32	30	20	19	22
Chickpeas	18	26	15	20	15	24	26	25	15	19
Other	9	8	4	4	4	7	7	3	4	
Market garden produce	2,341	2,567	2,421	2,765	2,261	2,937	3,067	2,964	2,571	3,200
Potatoes	812	905	899	1,001	809	1,077	1,158	1,065	716	1,100
Tomatoes	302	291	283	307	296	315	281	304	246	315
Melons and watermelons	318	360	232	301	264	371	500	490	401	338
Onions	165	200	200	228	173	312	250	251	244	439
Carrots	142	135	136	153	101	117	128	128	117	169
Other	602	676	670	776	618	632	1,000	726	-	-
Industrial crops	198	175	165	212	115	229	327	537	459	624
Tomatoes grown as industrial crops	170	166	159	205	106	219	315	525	449	609
Tobacco	4	5	4	4	4	3	6	7	4	1
Other	24	32		4	5	4	6	5	5	6

¹The production of alfa fell to a level of 4,000 tonnes in 1991, mainly on account of problems with the organization of gathering.

Source: ONS and Ministry of Agriculture.

Year	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995
(Thousand tonnes)										
Fodder crops	1,273	1,207	807	1,115	519	1,338	1,110	736	800	1,000
Vetch - oats	1,120	575	366	638	244	679			663	800
Mown fallow land		199	147	99	61	145			98	100
Natural grassland	153	52	27	65	32	91			56	90
Other		381	267	313	182	423				400
Wine growing										
Grape vines	92	112	123	119	81	146	169	146	89	100
Vines for wine ¹	151	153	104	84	48	36.2	68	44	13	24
Citrus fruit	254	277	312	268	281	324	362	361	376	383
Oranges	167	183	208	177	184	222	252	250	253	258
Clementines	58	72	76	62	60	76	76	73	79	80
Mandarins	21	72	17	17	22	15	16	17	21	21
Other	8	10	11	12	15	11		21	23	24
Olives	201	168	143	92	178	88	266	206	170	132
Olives for oil making	192	153	130	82	165	74		185	151	130
Table olives	9	15	12	11	13	14		21	20	22
Dates	189	224	196	210	206	209	261	262	317	308
Figs	11	58	48	70	58	41		85	46	37
Fruit crops		204	189	241	172	251	258	315		

¹In thousands of hectolitres.

Source: ONS and Ministry of Agriculture.