



# ALGERIA BRITISH BUSINESS COUNCIL



CHAIRMAN: **Lady Olga Maitland** ([olga.maitland@abbc.org.uk](mailto:olga.maitland@abbc.org.uk))

DEPUTY CHAIRMAN: **Yassine Bouhara**

PRESIDENT ALGERIA: **Arslan Chikhaoui**

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## ABBC Monthly Business Environment Round-Up

October 2022

### One-stop shop for major projects and foreign investment inaugurated...

In mid-October, the Prime Minister Aymane Benabderrahmane inaugurated the new headquarters of the Algerian Agency for the Promotion of Investment (AAPI) in Dar El Beïda (Algiers) as well as the Agency's one-stop shop for major projects and foreign investments. The AAPI and the one-stop shop were both created as part of Algeria's new investment law and are intended to make it easier and simpler for investors to interact with local administrations.

At the same time, the Prime Minister oversaw the launch of a digital investment platform designed to make it possible to 'guide, support and monitor' investments from their initial registration, all the way through to their operational stage and beyond. The digital platform will also 'speed up the processing and evaluation of investor applications by the administrations involved' and allow investors to follow the progress of their applications remotely.

### ...while local entrepreneurship is also encouraged

Also in October, an executive decree setting out the conditions for employees to create their own businesses was published in the Official Gazette. The decree sets out the rules that will enable employees to take a period of leave from their positions, either in a full or part-time capacity, to create their own businesses. According to the text, employees wishing to take leave must meet five main conditions:

- Be a current employee
- Hold a permanent employment contract (CDI)
- Be under the age of 55
- Have spent at least three years, consecutive or not, at the company
- Commit to respecting the rules of fair competition

Potential entrepreneurs would have a one-year period to work on their new businesses before returning to their previous positions or making the leap to work on their businesses indefinitely.

### Algeria's foreign exchange reserves to increase by end of 2022

In late October, the Minister of Finance, Ibrahim Djamel Kassali, stated that Algeria's foreign exchange reserves should reach 54.6bn USD by the end of 2022, which is equivalent to 14.3 months of imports of goods and services. Kassali forecast that foreign exchange reserves would increase to 59.7bn USD by the end of 2023, the equivalent of 16.3 months of imports of goods and services. Algeria's trade balance is also expected to see a surplus of 17.7bn USD at the end of 2022, compared to 1.1bn USD in 2021. The improvement of Algeria's foreign trade position and the recovery of its reserves represents a significant development in the country, which had been running a persistent trade deficit since 2015.

### Authorities tighten their grip on illegal food stockpilers

In the wake of reported shortages of some essential foodstuffs over recent months, authorities have been leading a charge against operators that they accuse of illegally stockpiling goods in an attempt to manipulate the market. In early October, the public prosecutor at the Court of Sidi M'hamed (Algiers) announced that 30 people were being prosecuted for 'illicit speculation' of widely consumed foodstuffs. The individuals were from eight wilayas: Boumerdès, Djelfa, El-Tarf, Tébessa, Ouargla, Tamanrasset, Sétif and Souk Ahras. Of the 30, 25 individuals were placed in pre-trial detention, four others were placed under judicial supervision, and one person was released. The individuals were reportedly arrested for possession of stockpiles of vegetable oil, milk, flour and semolina along with the equipment required to repackage and distribute the products.



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## Blockage in automotive industry appears to near its end

After imports of new vehicles were blocked in 2016 and manufacturing was suspended in 2019, it appeared that the blockages facing the automotive industry may be reaching their end in October 2022. Early in the month, Prime Minister Aymane Benabderrahmane confirmed that advanced negotiations were 'underway' with international automobile manufacturers wishing to invest in Algeria. He expected the negotiations to be concluded in short order. According to Benabderrahmane, 'in exchange for the advantages granted to foreign manufacturers who want to invest in Algeria, they will have to work in partnership with Algerian companies, notably by including locally manufactured parts in their production process'.

Shortly afterwards, it was confirmed that a framework agreement had been signed between the Algerian Ministry of Industry and the Italian car manufacturer Fiat, a subsidiary of the Stellantis group, to pave the way for a car manufacturing plant in the Tafaoui industrial zone in the Wilaya of Oran. The Minister of Industry, Ahmed Zeghdar, indicated that the first Fiat vehicles manufactured in Algeria should be available from the end of 2023.

In parallel, Renault Algérie Production (RAP) in Oued Tilet in Oran, was 'preparing to resume production' during the month of October. RAP's Managing Director, Remi Houillons, announced that three activities took place at the beginning of October 'to prepare for the upcoming resumption of production at the factory'. Specifically, this included 'the arrival of the first training vehicle on the assembly line, a question-and-answer session with plant managers and welcome sessions for all employees with the launch of a standard training programme'.

Finally on 9<sup>th</sup>, President Abdelmadjid Tebboune announced that citizens would be authorised to import vehicles under three years' old 'at their own expense and for their own needs and not for commercial purposes'. The press release did not provide any additional details about how the measure would be applied, however it is expected that it will be included in the 2023 Budget Bill.

## Final Covid-19 entry requirements relaxed

In travel news, as the month of October came to a close, Algerian diplomatic representations overseas announced that travellers to Algeria, whether Algerians or foreigners, were no longer required to present a vaccination pass or a negative PCR test. The vaccination passes and PCR testing were the final remaining travel restrictions in place for travellers wishing to visit the country. As such, travel to Algeria has effectively now returned to its pre-pandemic status.

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