



ALGERIA BRITISH BUSINESS COUNCIL



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

DEPUTY CHAIRMAN: **Yassine Bouhara**

PRESIDENT ALGERIA: **Arslan Chikhaoui**

CEO / COUNTRY MANAGER ALGERIA: **Maya Boumedine** (maya.boumedine@abbc.org.uk)

UK OFFICE: 73 Cornhill, London, EC3V 3QQ | Tel: +44 7778 917133 | Email: office@abbc.org.uk
ALGERIA OFFICE: ABBC, 3 Chemin Mohamed Drareni, Hydra 16405, Alger | Tel: +213 (0) 556604950



Produced exclusively for the ABBC& its members by Itri Insights. Itri Insights provides reliable, up-to-date Algeria market intelligence. Visit www.itriinsights.com or contact info@itriinsights.com to find out more about our research products and services.

ABBC Monthly Business Environment Round-Up

June 2023

UK launches new Developing Countries Trading Scheme in Algeria

During a reception held at the Ambassador's residence in Algiers, H.M.E. Sharon Wardle announced the official launch of a new trade programme that the United Kingdom has designed to support Algerian companies wishing to export to, or invest in, the United Kingdom

The Developing Countries Trading Scheme offers simplified and generous trade preferences to Algeria as well as 64 other countries. Under DCTS, Algeria can export thousands of products to the UK duty-free, with 92% of goods eligible for duty-free treatment. The scheme aims to strengthen economic ties and facilitate trade between the UK, Algeria, and other developing economies. Less developed neighbouring least developed countries can also benefit from using Algerian components in their duty-free exports to the UK. The DCTS presents significant opportunities for Algerian businesses to access the growing UK market.

Besides its significant tariff reductions, DCTS also offers reduced monitoring and compliance requirements, more favourable rules of origin, and access to the thriving UK market with a demand for sustainable and fair products. The scheme simplifies trade processes and provides various resources to facilitate access to trade and investment-related information. Overall, DCTS aims to support Algeria's export diversification and foster economic growth.

New monetary and banking law published in Official Gazette

In late June, the new monetary and banking law designed to modernise the banking system and boost regulatory oversight has been published in the latest Official Gazette. The law contains several new features, including boosting the governance of the Bank of Algeria (BA) in a number of ways, notably by introducing mandates for the governor and vice-governors of the BA, as well as extending the prerogatives granted to the Money and Credit Council, and creating a national committee tasked with drafting a national strategy to develop payment methods. The text proposes the creation of other new committees, including one for financial stability, which will be responsible for 'macro-prudential oversight and crisis management', and whose main mission is to prepare an annual report for the President. In addition, the new text consecrates the concepts of Islamic financing and green finance, as well as the possibility of issuing a digital currency, which will be developed, issued, managed and controlled by the BA, and known as a central bank digital currency (Algerian Digital Dinar).

This new law forms part of President Abdelmadjid Tebboune's 54 commitments, which included carrying out major reforms of financial governance in Algeria. The Minister of Finance, Laziz Faïd, presented the bill to the National People's Assembly (Lower House of Algerian Parliament) on 2nd April 2023. By the following day, the Finance and Budget Committee had proposed several key amendments. The committee suggested introducing 'three vice-governors of the Bank of Algeria instead of two' as well as including 'five members instead of four at the meeting of its board of directors', among other amendments. The APN subsequently adopted the text unanimously.

World Bank publishes new Algeria forecasts revising down growth expectations

Also in June, the World Bank has published its latest report on the economic situation in Algeria. In its report, the World Bank estimated that GDP growth will reach 1.8% in 2023, as a result of growth in non-hydrocarbon activity (2.2%) and the stability of GDP from oil and gas activities (0.6%). The institution also suggests that gas production will increase and crude oil production will decrease, constrained by the reduction in production quotas from November 2022, as well as those that were announced in March



ALGERIA BRITISH BUSINESS COUNCIL



CHAIRMAN: **Lady Olga Maitland** (olga.maitland@abbc.org.uk)
DEPUTY CHAIRMAN: **Yassine Bouhara** PRESIDENT ALGERIA: **Arslan Chikhaoui**
CEO / COUNTRY MANAGER ALGERIA: **Maya Boumedine** (maya.boumedine@abbc.org.uk)

UK OFFICE: 73 Cornhill, London, EC3V 3QQ | Tel: +44 7778 917133 | Email: office@abbc.org.uk
ALGERIA OFFICE: ABBC, 3 Chemin Mohamed Drareni, Hydra 16405, Alger | Tel: +213 (0) 556604950



Produced exclusively for the ABBC& its members by Itri Insights. Itri Insights provides reliable, up-to-date Algeria market intelligence. Visit www.itriinsights.com or contact info@itriinsights.com to find out more about our research products and services.

2023 and came into force in May. As such, the services sector should remain the main contributor to growth.

Previously, in its report published in January 2023, the World Bank had forecast a less significant drop in growth, to 2.3% in 2023. The World Bank forecasts remain conservative compared to those of the Algerian government. President Abdelmadjid Tebboune announced in January 2023 that Algeria's economy saw growth of 4.1% in 2022 it was expected that this would increase to 5,0% in 2023.

Eni and Var move to acquire Neptune Energy including Algeria assets

In early June, media sources suggested that the Italian company Eni had entered into 'exclusive talks' to acquire Neptune Energy, which is backed by the Carlyle Group Inc. and CVC Capital Partners. The two companies were said to have entered a new phase of exclusive discussions after months of 'slow negotiations' that began late last year. The new phase of talks also followed rumours that France's TotalEnergies had shown an interest in acquiring Neptune.

On 23rd June, Eni finally announced that it had reached an agreement with the Norwegian company Vår Energi to acquire Neptune. Eni will acquire the entire Neptune portfolio except for its operations in Germany and Norway but including its assets in Algeria (Touat Gas). Press sources estimated the value of the transaction at 4.9bn USD. Neptune's German operations will be spun off prior to the transaction involving Eni and its Norwegian operations will be acquired by Vår directly under a separate share purchase agreement.

--

****NOW AVAILABLE**** | Algeria Q1 2023 Macroeconomic report
The Itri Insights Q1 2023 Macroeconomic report is [now available](#).

Substantially re-written in the wake of event in Ukraine, the report provides high-level executives with the strategic insights they need to stay ahead of the game when visibility is at a premium.

Our quarterly macroeconomic reports include:

- Historical and forecast figures for key macroeconomic indicators
- A detailed analysis of the Algerian economic environment and recent developments
- Economic and regulatory updates by sector for the last quarter
- A summary of import and export activity
- The latest developments involving industrial and manufacturing projects across the whole country, covering all industries
- The latest developments involving infrastructure projects, including ports, airports and major road and rail projects
- Major transactions & contract activity
- And more...

--

Itri Insights provides reliable, up-to-date market intelligence for the Algeria market.

New and existing Itri Insights subscribers can now find daily, quarterly and ad-hoc Algeria insights directly on their Bloomberg terminal, including business and markets news, macroeconomic updates, country risk analysis, contracts and M&A news and more.

To find out more about Itri Insights' macroeconomic and country risk reports, market research reports, company profiles, proprietary databases and more, please visit www.itriinsights.com



ALGERIA BRITISH BUSINESS COUNCIL



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

DEPUTY CHAIRMAN: **Yassine Bouhara**

PRESIDENT ALGERIA: **Arslan Chikhaoui**

CEO / COUNTRY MANAGER ALGERIA: **Maya Boumedine** (maya.boumedine@abbc.org.uk)

UK OFFICE: 73 Cornhill, London, EC3V 3QQ | Tel: +44 7778 917133 | Email: office@abbc.org.uk
ALGERIA OFFICE: ABBC, 3 Chemin Mohamed Drareni, Hydra 16405, Alger | Tel: +213 (0) 556604950



Produced exclusively for the ABBC& its members by Itri Insights. Itri Insights provides reliable, up-to-date Algeria market intelligence. Visit www.itriinsights.com or contact info@itriinsights.com to find out more about our research products and services.

Or contact us at amy.turner@itriinsights.com or on +213 (0)770 341043 to design bespoke research products and services for your business, combining quantitative data with qualitative analysis from our local and global experts.

--

Would you like to promote your organisation to the ABBC membership? [Read more](#)
Interested in ABBC membership? ABBC membership offers you unique benefits including insights, advice and networking in and around Algeria - find out why leading British organisations choose ABBC membership. [Read more](#)