

Algeria – a brief overview

Algeria is a country in the Maghreb region of North Africa on the Mediterranean coast. Its capital and most populous city is Algiers. With a total area of 2,381,741 square kilometers, 90% of which is desert. Algeria is the tenth-largest country in the world, and the largest in Africa and in the Mediterranean. The country is bordered in the northeast by Tunisia, in the east by Libya, in the west by Morocco, in the southwest by Western Sahara, Mauritania, and Mali, in the southeast by Niger, and in the north by the Mediterranean Sea having a population of 37.9Mn.

Economy of Algeria

Algeria's economy remains dominated by the state, a legacy of the country's socialist post-independence development model. In recent years, the Algerian Government has halted the privatization of state-owned industries and imposed restrictions on imports and foreign involvement in its economy. Algeria has struggled to develop industries outside of hydrocarbons in part because of high costs and an inert state bureaucracy. The government's efforts to diversify the economy by attracting foreign and domestic investment outside the energy sector have done little to reduce high youth unemployment rates or to address housing shortages. Algerian Economic reforms and its social sectors are playing major role for the betterment of its people as well as it offers great opportunities for investment in various industrial and agricultural sectors. The city of Algiers is the capital and main seaport of Algeria in northern Africa. Built on the slopes of the Sahel Hills, Port of Algiers stretches for ten miles along the Bay of Algier. Of the total 8,600 meters of quays in the Port of Algiers, 6,900 meters of quays handle trade cargoes, 300 meters handle passengers, and 821.8 meters handle port services.

Key Industries of Algeria

The key industries of Algeria are petroleum, natural gas, light industries, mining, electrical, petrochemical, food processing.

Algeria's major trading commodities and partners

The major trading commodities exported by Algeria are petroleum, natural gas, and petroleum products. The major export partners of Algeria are US 20.6%, Italy 14.2%, Spain 9.8%, France 8.9%, Netherlands 6.7%, Canada 6.1%, Brazil 4.4%. However, the commodities imported by Algeria include capital goods, foodstuffs, and consumer goods. The important import partners of Algeria are France 15.1%, China 10%, Italy 9.9%, Spain 7.3%, Germany 5.4%, US 4.6%.

Economic Relations between Pakistan and Algeria

Pakistan and Algeria have been enjoying extremely cordial political and friendly relations. There is tremendous trade potential between the two brotherly countries. Pakistani entrepreneurs and investors can develop trade relations with Algeria that will mutually benefit both the countries. Both countries should expand business-to-business ties by tapping all available channels as Algerian businessmen are dealing with only few major Pakistani businessmen calling for further penetration.

Bilateral Trade Relations between Pakistan and Algeria

The bilateral trade relations between Pakistan and Algeria are not significant as the trade volume between the two countries is extremely low. However, Algeria has shown its intention to boost trade ties with Pakistan by establishing direct contact with the Pakistani business community. In FY14, Pakistan's exports to Algeria stood at \$ 34.07Mn while Pakistani imports from Algeria stood at \$ 0.71Mn. However in the first quarter FY15, the imports from Algeria to Pakistan witnessed an increase on the back of high imports of Soybean and Colza Seeds.

Algeria is predominantly an oil exporting country and most of their imports are from EU. Some of these countries are indirectly exporting textile products to Algeria. Pakistani businessmen should also explore the opportunities for exporting rice and textile products directly to Algeria. Pakistani entrepreneurs have an excellent opportunity to collaborate in different sectors of Algeria and start their business in relevant fields.

Trading Commodities between Pakistan and Algeria

Pakistan's major export commodities to Algeria are cotton, cereals, manmade staple fibers, articles of leather, animal gut, harness, travel goods, articles of apparel, accessories and knit or crochet while imports from Algeria are pulp of wood, fibrous cellulose material, waste, precious metal compound, isotopes, organic and inorganic chemicals.

Potential for enhancing bilateral trade relations between Algeria and Pakistan

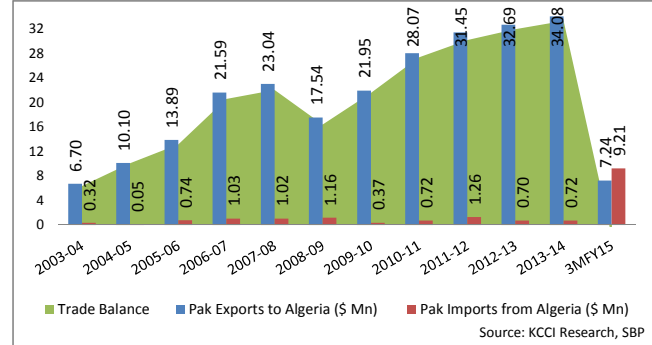
- There is a vast prospect of expansion of bilateral trade between Pakistan and Algeria including joint venture in Textile, agro-based industry, leather goods, oil, gas and IT.
- Pakistan can invest in textile industry of Algeria as there is great demand of Pakistani textile products in Algerian market.
- As Pakistan is in deep energy crisis, Algeria can help Pakistan in increasing exports of Liquefied Natural Gas (LNG).

Economic Indicators

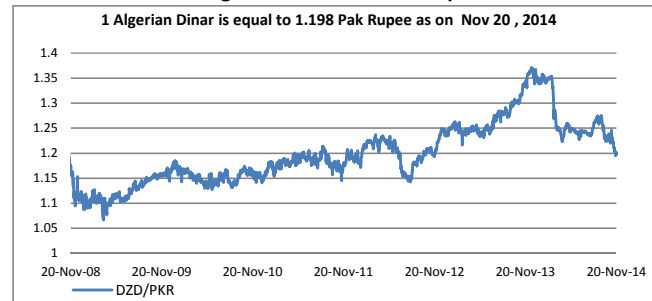
Indicators	Unit	2012	2013	Change
GDP (PPP)	\$ Bn	274.50	284.70	3.72%
GDP per Capita	\$	7,500	7,500	0.00%
GDP growth	%	2.6	3.1	0.50%
Forex Reserves	\$ Bn	190.50	192.50	1.05%
External Debt	\$ Bn	5.94	5.28	-11.17%
Exports	\$ Bn	76.84	68.25	-11.18%
Imports	\$ Bn	47.53	55.02	15.76%
Trade Balance	\$ Bn	29.31	13.23	-54.86%
Current Account	\$ Bn	19.95	-	NA
CPI	%	8.5	3.9	-4.60%
Unemployment	%	10.7	10.3	-0.40%
Lending Rate	%	4.00	4.0	0.00%

Sources: KCCI Research, CIA Factbook, TDAP, SBP

Pak Algeria Trade Data



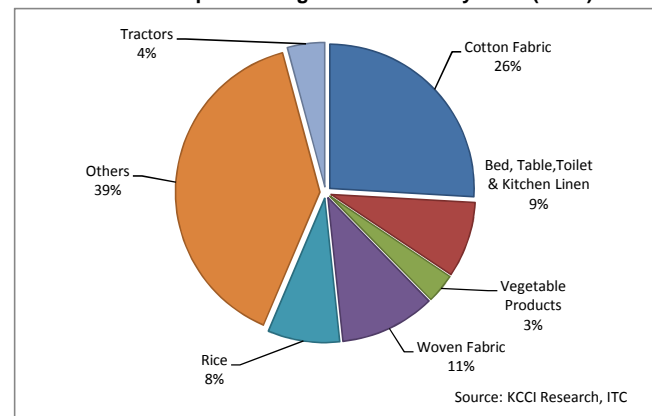
Algerian Dinar Vs. Pak Rupee



Key Memberships

Algeria has an international membership in ABEDA, AfDB, AFESD, AMF, AMU, G-15, G-24, G-77, IAEA, IBRD, IDA, IDB, IFAD, IFC, IFRC, IHO, ILO, IMF, IMO, IMSO, IOC, IOM, IPU, ISO, OPEC, UN, UNCTAD, UNESCO, UNHCR, UNIDO, UNITAR, UNWTO, UPU, WCO, WHO, WIPO, WTO

Pakistan Exports to Algeria - Commodity Wise (FY14)



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