

COUNTRY ALGERIA



COUNTRY:	ALGERIA
CAPITAL:	ALGER (ALGIERS)
LANGUAGE:	ARABIC, FRENCH
LAND AREA:	2.381.741 SQ.KM
POPULATION:	39,5 MILLION (PROJECTION 2050: 50 MILLION)
FORM OF STATE:	REPUBLIC
CURRENCY:	ALGERIAN DINAR
GDP:	US\$ 208.8 BILLION (2013); US\$ 216.4 BILLION (2014, estimate); US\$ 184.7 BILLION (2015, prevision)
GDP PER CAPITA:	US\$ 13.545 (2013); US\$ 13.840 (2014, estimate); US\$ 14.047 (2015, prevision)
REAL GDP GROWTH:	2.8% (2013) 2.9% (2014, estimate); 2.7% (2015, prevision)
ORIGIN OF GDP:	- SERVICES - AGRICULTURE - INDUSTRY

FOREIGN RESERVES:	US\$ 195.013 MILLION (2013); US\$ 182.015 MILLION (2014, estimate); US\$ 167.359 MILLION (2015, prevision)
INFLATION:	2.9% (2014, estimate); 4.9% (2015, prevision)
UNEMPLOYMENT RATE:	10,6% (2014, estimate); 11.3 (2015, prevision)
ACTIVE POPULATION:	12 MILLION (2013); 11.5 MILLION (2014, estimate); 11.8 MILLION (2015, prevision)
COUNTRY RATING:	BB (EIU) 2015

Source: EIU

POLITICAL & ECONOMIC OUTLOOK

The president, Abdelaziz Bouteflika, who has been in power since 1999, won a fourth five-year term in the April 2014 presidential election. However doubts over Mr. Bouteflika's health and capacity to serve out another term will weigh on political stability. The next presidential election is due in 2019.

Algeria also remains at risk from the kind of social and political unrest that has led to violent disruption across much of the rest of the Arab world in recent years, but it does not expect it to threaten overall political stability.

The public security has considerably improved in the big cities were, nowadays, it is perfectly controlled.

The government will seek to diversify the economy away from oil and gas into other heavy industries such as mining, but will have limited success. The private sector will stay relatively small because of a different business climate. An ambitious public investment program, coupled with a drop in oil prices, will cause the fiscal deficit to widen sharply in 2015. The deficit will then narrow as oil prices recover slightly and the authorities rein in spending.

The economy will grow by 3.3% a year on average in real terms in 2015/2019. Rising gas production and public investment will be the main drivers of growth, but lower oil prices pose risks to the government's balance sheet.

The current-account deficit will widen from an estimated 2.4% of GDP in 2014 to 9.9% of GDP in 2015 as oil prices fall. Growing gas production and gradually rising oil prices will cause the deficit to narrow to 7.1% of GDP in 2019.

Inflation, is forecasted to average 4.9% in 2015, up from 2.9% in 2014, as local food availability worsens on the back of a weak harvest in 2014.

The external balances are dominated by oil and gas exports. This heavy reliance on hydrocarbons is a structural risk for the economy, and the government is encouraging export-oriented diversification into petrochemicals and metals manufacturing.

OPPORTUNITIES FOR ITALIAN COMPANIES

The foreign companies are highly attracted for the construction of highways, railways, subways, tramways, airports, dams and houses.

A program for re-launching the national industry has been started, it is aimed at upgrading the existing industry and at encouraging new investments as an alternative to imports. All these new investments regard all business activities and the partnership with foreign companies is strongly encouraged. Investments are ruled by the "code of investments" and enjoy many tax benefits. However, the foreign participation is limited to 49% of the value of each project.

MAIN CORRESPONDENT BANKS FOR UBAE

PUBLIC BANKS

- 1 - BANQUE EXTERIEURE D'ALGERIE
- 2 - BANQUE DE L'AGRICULTURE ET DU DEVELOPPEMENT RURAL
- 3 - BANQUE NATIONALE D'ALGERIE
- 4 - CREDIT POPULAIRE D'ALGERIE
- 5 - BANQUE DE DEVELOPPEMENT LOCAL

PRIVATE BANKS

- 1 - ALGERIA GULF BANK
- 2 - ARAB BANKING CORPORATION
- 3 - BANQUE AL BARAKA D'ALGERIE
- 4 - BANQUE DU MAGHREB ARABE POUR L'INVESTISSEMENT ET LE COMMERCE
- 5 - TRUST BANK
- 6 - HOUSING BANK
- 7 - AL- SALAM BANK

PUBLIC HOLIDAYS (2015)

January 1st, 2015	New Year's Day
January 3rd, 2015	Mawled Nabawi (the prophet's birth)
May 1st, 2015	Labour Day
July 5th, 2015	Independence Day
July 17th, 2015	Eid al-Fitr
September 23rd, 2015	Eid al-Adha
October 14th, 2015	Islamic New Year
November 1st, 2015	Revolution Day

USEFUL CONTACTS IN THE COUNTRY

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