

# Algeria: Housing Shortage Provides Potential Construction Opportunities

The Algerian government has made construction a major priority and has ambitious plans for the construction of social housing and other dwellings.

There is an enormous shortage of housing and, with a rapidly expanding population, Algeria faces grim social problems if solutions are not found promptly.

The government estimates that there is a current shortage of 1.5 million dwellings and has recently announced plans to construct 60,000 dwellings within the next twelve months.

These will be social housing units, subsidized by the state, intended to alleviate the worst of the housing crisis. Even this ambitious program will not satisfy the ever increasing need for more construction.

With such a pressing need, the Algerian construction sector has enormous potential and Canadian firms have the opportunity to capitalize on the priority given to this

sector by the Algerian government.

In particular, the government is encouraging joint ventures and other forms of Canadian-Algerian partnership in an attempt to enlist Canadian firms in the struggle with the housing crisis.

The Algerian government also is attempting to revitalize its industry and to improve both production and productivity.

The opportunities for the Canadian firms lie, therefore, not so much in the export of raw building materials, but rather in the export of the valuable experience and techniques perfected by Canadians.

Joint ventures with Algerian firms to modernize and replace aging factories are much sought after by Algerian companies.

Canadian firms willing to form partnerships or joint ventures with Algerian firms, and willing to transfer technology and management techniques to Algeria, have an enormous potential for success in the Algerian market.

True, Algeria is a difficult market to crack and requires a great deal of patience and frequent visits to establish personal contacts. It is essential that a Canadian firm contemplating doing business in Algeria establish a local presence, either through a joint venture partner, a local representative or even a branch office.

Despite the effort, once a company has become established there is a great deal of potential for expansion.

One difficult aspect of the market involves the financing of projects. Currently Algeria is suffering, due to the level of world oil prices, from a shortage of hard currency. Virtually all contracts signed in Algeria must bring with

them a package of financing.

The Export Development Corporation (EDC) is very active in Algeria and financing from other international banking institutions is on the increase. The World Bank is currently negotiating a \$250 million line of credit, specially for the construction and housing sector.

The political situation in Algeria is very volatile, but the government is attempting to deal with the social problems, such as the shortage of housing and high unemployment, that have caused the discontent which has led to political upheaval.

Despite such irritants, the Algerian government is committed to opening its markets to the outside, to increasing productivity and to rationalizing state-run industries.

State-owned enterprises are now controlled by "Participation Funds" designed to remove the government from the day-to-day workings of the corporations. The government is committed to moving Algeria away from its socialist roots and firmly towards a free market economy.

In a recent meeting with the Canadian Ambassador, Mr. Marc C. Lemieux, the heads of some of the most important Algerian construction companies indicated that they had not only the license, but indeed the obligation, to make their companies more efficient and productive through better use of existing facilities, reduction of excess personnel, and an increased emphasis on sound business practices.

For further information, contact Loreta Giannetti, Desk Officer for Algeria, Africa and Middle East Trade Development Division (GBT), External Affairs and International Trade Canada, 125 Sussex Drive, Ottawa K1A 0G2. Tel.: (613) 990-8134. Fax: (613) 990-7437.

## Australian — from page 6

position and in as permanent a manner as practicable.

The Customs Notice also addresses the marking requirements for prepacked goods as well as for textile and apparel items.

For a copy of Australian Customs Notice No. 92/194, contact Info Export (as per box at bottom of page 12 and quoting code number 242 CA).

Questions on Australian marking regulations may be directed to Ray Buciak, Asia Pacific South Trade Development Division (PST), External Affairs and International Trade Canada, 125 Sussex Drive, Ottawa K1A 0G2. Tel.: (613) 996-5945. Fax: (613) 996-4309.