

The key to export development in North Africa is industrial cooperation, joint venturing and technology transfers. At present, there are 85 ongoing industrial cooperation projects in the Maghreb involving as many Canadian companies and targeted mostly at the manufacturing sector.

There is a common understanding amongst the North African countries that a key to economic development is closer cooperation within the concept of a common market (Union du Maghreb Arabe and partnership with the EEC). As the political situation of Libya evolves, the UMA should assist in fuelling new opportunities in sectors such as transportation and telecommunications and in encouraging the development of joint ventures.

On the horizon of 1997, new gas pipelines will likely boost Europe's dependency on North African resources.

MARKET POTENTIAL (OVERVIEW)

Egypt (52 million), Algeria (25 million) and Morocco (25 million) represent a relatively homogeneous market of some 100 million people looking for assistance in developing their economies. North Africa is strategically located between Europe and Sub-Saharan Africa. As economic development accelerates, the region can be expected to play an active role in the development of the rest of Africa.

The proximity of North Africa to Europe and the pressure that could result from increased immigration from the region to major European cities are factors that explain Europe's commitment to assist in the political stability and the economic development of North Africa. In the longer term, it can be expected that North Africa will be associated to the EC. Morocco is already negotiating a partnership treaty with the European Community.

For the most part, the key to North Africa's economic development is the oil and gas sector which provides a major share of these countries revenues (95% in the case of Algeria). This is a sector in which Canada has recognized expertise and which we can service in both French and English.

Other priority sectors, influenced by structural and financial reforms as well as population growth, urbanization and pressing social needs, are all sectors of Canadian expertise (consulting, telecommunications, construction, management of water resources, transportation, etc.).

In many instances, the needs of the different markets in the region are quite similar; this allows for a multi market approach in promotion initiatives and support private sector strategy for regional market penetration.

MARKET POTENTIAL (INDIVIDUAL REVIEWS)

Algeria

- Business as usual notwithstanding the recent events. Last Fall, 143 Canadian business contacts visited the Post and important projects are progressing including the signing of three oil and gas exploration investments by Canadian companies and the sale of 90,000 tonnes of wheat (\$17 million). The next few months (as of April 1993) should also see the opening of an office by a building contractor, a major investment in the pharmaceutical sector, the conclusion of the sale of 10 locomotives, and the purchase of a helicopter from Bell Helicopter.
- Relations between Canada and Algeria are based on economic development and cooperation, with Canadian exports exceeding \$289 M in 1990.
- Construction has been made a priority with the enormous shortage of housing and plans to build 60,000 dwellings in the next 12 months. The World Bank is currently negotiating a line of credit for the housing sector to address this shortage.