

ALGERIA

*A Guide
for Canadian Exporters*

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ALGERIA

*A Guide
for Canadian Exporters*

Dept. of External Affairs
Min. des Affaires extérieures

JUN 11 1986

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I. THE COUNTRY

Geography

Algeria is part of the Maghreb region of North Africa. Its immediate neighbours are Morocco to the west and Tunisia to the east. With an area of 2,381,741 square kilometres, Algeria is the second-largest African country, after the Sudan (or about one-third the size of Canada), but 75 per cent of this land area is desert or semi-desert. The rest borders on the Mediterranean: 1,200 km of coastline that is generally steep and inaccessible, with high plateaux of the two chains of the Atlas range separated by plains and fertile valleys, occupying 381,000 square kilometres.

After Algiers, the capital, the largest administrative cities are Oran, Constantine, Annaba and Setif. The largest industrial zones are along the coastline at Arzew, near Oran, and Skikda, west of Annaba.

History

The country was peopled by various races from the dawn of its history; over the centuries many conquerors passed through it. Thus there are four stages in the history of Algeria: ancient Algeria; the period of the Arab conquest of Algeria in the Middle Ages; the period of Turkish rule; and the period following the French conquest. Finally, on July 1, 1962, the Democratic People's Republic of Algeria was born, after eight years of armed conflict and at a cost of one-and-a-half million martyrs.

Institutions

Algeria is a democratic popular republic, unique and indivisible; the Algerian state is socialist.

The People's National Assembly is the basic state institution, and it has an advisory role at the national level. The only party, the Front de Libération National (FLN), has the role of providing political impetus, controlling, and complementing the administrative structure. Management of the executive function is assumed by the President of the Republic, Head of State and Secretary General of the Party. The legislative function is performed by the People's National

Assembly, which legislates within the context of its prerogatives. The important control function is provided by appropriate national institutions and permanent state bodies. At the national level, the supreme authorities of the FLN are the following:

- the congress;
- the central committee (the highest authority of the FLN Party between the congresses); and
- the political bureau.

The country is divided into 48 political and administrative constituencies called *wilayas* and subdivided into communes or *dairas*.

Population

The population is estimated at 21.5 million. The birth rate is 3.2 per cent per year, one of the highest in the world. Approximately 57.3 per cent of the population is less than 20 years old.

Religion and Languages

Although the official language is Arabic, French is the prevailing language in business and the administration. Islam is the national religion.

Climate

The climate is Mediterranean and temperate, at least in the coastal region. The winters are relatively damp and cool (10°C to 15°C on the average), and the summers are hot and dry (25°C to 35°C). In the higher regions the climate is cooler, and in the desert regions there are marked temperature changes between night and day in all seasons.

Holidays and Local Timetables

There are two legal holidays, January 1 and May 1, and three national holidays, June 19, July 5 and November 1. There are also four Muslim holidays, the dates of which vary from year to year according to the lunar calendar. For 1985 they are: Ramadhan, May 19; Aid El Fitr, June 20; Aid El Adha, August 27, El-Mawlid, November 25.

The Muslim fasting period also varies from year to year. During this 30-day period Muslims must refrain from certain activities, including smoking, drinking and

eating, between sunrise and sunset. Restaurants and cafes are closed, except for the hotels for international clients. The beginning of Ramadhan occurs 10 days earlier each year; for 1986 it will be May 9 to June 10. The business day generally runs from 8:00 am to 5:00 pm, with a one-hour lunch break although during Ramadhan all public and other bodies work through the day without a noon break, starting later in the morning and finishing early in the afternoon. This fasting period tends to make individuals less patient and a little more irritable and slows down business. The normal weekly days of rest are Thursday afternoon and all day Friday. However, the Canadian Embassy is closed all day Saturday as well.

Weights and Measures

The country uses the metric system. Electricity is generally at 220 volts/50 Hz. The plugs are of the continental European type.

Local Time

Greenwich time minus one hour is used throughout the country.

Currency

The monetary unit is the dinar, which is issued in coins of 1, 5 and 10 dinars and bills of 10, 20, 50, 100 and 200 dinars. The exchange rate fluctuates from month to month. In the month of July 1985 the rate was 3.69 dinars to one Canadian dollar.

Officials Not Named in Mailing Addresses

It is the custom in Algeria, when sending mail or telexes to official institutions and Algerian firms, to address them to the title of the addressee, without using his name (eg., Director, Chief Engineer, etc.).

II. ECONOMIC ENVIRONMENT AND THE FIVE-YEAR PLAN

Companies looking for export opportunities around the world today have to come to terms with a different way of doing business from what they have been used to in the past. This pragmatism is essential in Algeria and can make the difference between winning or losing a client's trust and hence a valuable opportunity. Essential, in understanding the behavior of the Algerian buyers, is a short explanation of Algerian socio-economic priorities and business life.

The economy is highly socialized. The public sector controls the key industries and monopolizes imports. The private sector is limited to specific industries, but even its import requirements pass through the state agencies or companies. Local agents are not permitted. Furthermore, Algerian state organizations prefer to deal directly with manufacturers rather than through distributors.

These state firms answer to a minister responsible for policy and co-ordination of a given economic sector. A five-year development plan establishes over-all investment priorities. The first five-year plan terminates in 1984 and the second plan covers the period 1985-1990. Past plans have stressed the development of the hydrocarbons sector and heavy industry. The current and future plans emphasize agriculture, irrigation, education, social services, transport and housing. Important initiatives can also be expected to rationalize industrial efficiency.

Rapid population growth, the age of the population, and their growing incomes will shape economic policy and planning in the next several years. Algeria has one of the highest population growth rates in the world and what is so very striking about the population is its youthfulness. Well over half the population is under 20. The population exodus from rural areas, spurred by rapid industrialisation, has resulted in a serious shortage of the industrial and social infrastructure necessary to handle the demand. Housing,

hospitals, food, communications facilities and jobs will all have to be provided on a very large scale.

Secondly the Algerian government is faced with administering the second-largest African state after the Sudan. The task of co-ordinating regional aspirations, and creating efficient communications in a large country are great challenges and are likely to influence development programs for several years to come.

The social orientation of future investment plans with special emphasis on increased agricultural production is already clear and should provide the exporter with a feel for goods, services and projects likely to be in strong demand.

The Hydrocarbons Sector

Algeria owns the world's fourth-largest proven natural gas resources and substantial reserves of crude oil. The development of these reserves has been central to economic planning since independence, and hydrocarbons account for 98 per cent of Algeria's export earnings. These resources have been developed to finance the establishment of other industries and the provision of essential services to improve living standards. Within the hydrocarbons sector itself, emphasis will be on maintenance and efficiency of investments in order to ensure Algeria's capacity to deliver more pipeline gas and refined petroleum products for export.

Consumption

Measures are being taken to improve distribution of consumer goods. Over half of family income in Algeria is spent on food of which 70 per cent is imported. Consumer products are and will most likely continue to be limited to prevent excessive expenditures on non-essentials. Government imports of basic foodstuffs is expected to continue at about 20-30 per cent of annual earnings from hydrocarbon exports.

Agriculture

Since independence, agricultural yield has remained static largely because of planning problems. During the last two decades industry was emphasized at the expense of agriculture while the population increased

rapidly and large amounts of food had to be imported and subsidized for the consumer.

A clear commitment to agriculture, evident since the beginning of 1984, is likely to encourage investment in dam construction, water irrigation systems, increased acquisition of farm machinery, and training for maintenance of this infrastructure.

The goal of increasing cereal production and attaining self-sufficiency in eggs, poultry and livestock will create demand for related equipment and technology. The attempt to alleviate food distribution bottle-necks is likely to see development of major storage and distribution facilities, such as packing centres and laboratories.

Health Care and Education

Compulsory education for a young population and free medical care in Algeria have increased the requirements for schools and hospitals, and will create strong demand for medical laboratory equipment, training and other forms of educational equipment.

Urban Development and Housing

The housing crisis in Algeria is acute and has in recent years been a strong development priority. In addition to construction contracts, opportunities exist for Canadian expertise in town planning and development of urban services from water systems to sanitation programs.

Transport and Telecommunications

The transport sector should continue to expand because of the general distribution and communication problems in Algeria. Railways will play a major role and efforts are being made to integrate more closely the freight rail systems with industrial complexes and ports.

Port development and maintenance can be expected to continue as a priority with emphasis on such items as handling equipment, warehousing, and cranes.

Airports are being modernized and new regional airports are likely to be completed in the south. Algiers airport is to be expanded.

An urban transit system is already under construction in Algiers. Studies are underway to look at requirements in other large urban centres.

Telecommunications are currently problematic and likely to undergo massive modernization. Radio communication, airport and marine systems, and other telecommunication information systems can be expected to receive strong governmental support.

Quality of product, speed of delivery, cost, availability of financing and willingness to provide related training programs are all important criteria in the award of supply contracts in Algeria. Competition is vigorous from European and Japanese suppliers.

The Hydrocarbon Sector

Algeria owns the world's second largest natural gas reserves. The hydrocarbon sector is a major source of foreign exchange and is a key element in the country's economic development. The sector is currently undergoing a period of rapid expansion, with new oil and gas fields being discovered and developed. The government is investing heavily in the sector, and is expected to continue to do so in the future.

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III. DOING BUSINESS IN ALGERIA

Opportunities for Canadian Exporters

The Algerian market is Canada's largest market in Africa. For a number of years Canada has been supplying Algeria with a large part of its needs for wheat, dairy products, lumber, vegetable oils and asbestos.

In addition to its markets, Algeria is of interest to Canadian companies for other reasons: the imported products have a high technological content, for example "product in hand" projects and large-scale work and service contracts. These are in fields where Canada has experience, such as hydrocarbons and petrochemistry; primary industries; construction materials; transportation and communications infrastructures. These areas provide excellent opportunities for later supplying replacement equipment. Finally, the Algerian government has adopted a policy of diversifying its sources of supply, and particularly of reducing its commercial dependence on its traditional suppliers.

The Algerians see Canada's world political position in its relations with the Third World as neutral, and there is within the Algerian government a desire for increased relations between Algeria and Canada. Our access to North American technology and the ability of Canadian firms to work in French are factors that sometimes give us a slight advantage.

However, it is not easy to win a place in this market. Algerian organizations generally deal only with foreign partners who have succeeded in gaining their confidence through personal visits, careful follow-up, and the ability to honour their commitments. It is often necessary to have previous international experience and to spend considerable sums to develop the market, but the contracts are substantial.

The following sectors may be of special interest to Canadian firms:

- agricultural products: hard wheat, soft wheat, barley, dried vegetables, corn, potatoes, butter, powdered whole milk, powdered skim milk, evaporated milk, animal fat, mixed animal feed, canola oil and canola seeds;
- industrial chemical products, pharmaceuticals, steels, non-ferrous metals in wire, cable and bar form, metallurgical coal, iron, asbestos, all types of wood products, pulp and paper, some construction materials;
- industrial equipment, particularly for processing hydrocarbons, iron and steel, mining operations, processing of plastics, agri-food products, equipment for education and health services, transportation and telecommunications;
- services, design and establishment of industries, to an increasing extent for small units to produce prepared foods, plastic articles and construction materials, management and technical training for public bodies and national corporations, all types of work on economic infrastructures — particularly rail transport, telecommunications, electric power production and transmission — and on social infrastructures.
- town planning and water treatment, health and occupational training, agricultural projects, including market gardening, stock farming, and hydraulic and irrigation work.

(See Appendices for a list of Algerian imports and exports.)

Importing and Distribution Methods

Foreign trade is strictly regulated, and most importing is under state monopoly. Copies of each of the laws and regulations governing Algerian trade are available on request at the Embassy or the regional office of the External Affairs Department.

A limited number of state corporations share a state monopoly on importing. These are semi-public bodies operating independently, but under the authority of a department. Their survival is guaranteed by the state, but they have independent legal status.

Other state corporations and some public bodies can also import directly, by prior arrangement with the corporation holding the monopoly.

Most contracts and transactions leading to the importing or exporting of products, goods and services of any kind are under exclusive state control. However, new regulations now permit some private importing, to a maximum value of 100,000 Algerian dinars or \$25,000 Canadian. Only the private sector, with hard currency, generally has access to these imports.

Calls for Tenders (*see also Section IV*)

Any supplies or services to be obtained from abroad at a cost of more than 500,000 Algerian dinars (\$130,000 Canadian) by a public or semi-public organization, such as a state corporation, must be procured through an international call for tenders that is published or, in certain cases, addressed directly to a number of previously qualified companies.

The supplier is normally selected on the basis of a comparative analysis of a number of tenders in the case of a call for competition, and on the judgment made by the public operator concerning a partner consulted directly in the case of a private contract (one for less than \$130,000 Canadian).

For large contracts, a call for prequalification will precede the call for tenders per se, and will follow exactly the same terms and conditions. To prequalify a foreign operator must

- satisfy the applicable Algerian regulations and legislation and the basic conditions formulated by the Algerian public operator (according to the technical specifications for the tender);
- possess the technical, commercial and financial capabilities for completely carrying out all contractual obligations placed on him within the prescribed deadlines;
- have sufficient professional references, that is work already carried out, products already delivered, that demonstrate that the company is reliable and capable of performing the work according to standard practice in the field and under the best conditions of quality and effectiveness.

These requirements are set out in the administrative section of the specifications. The prequalification procedure is used systematically for building construction work, public works and water works, and only firms holding qualification certificates valid for two years will have access to this market. (*See Section IV for details on the tender procedure.*)

“Product in Hand” Industrial Projects

A large proportion of the equipment and services is bought by Algeria as part of major industrial projects that are designed, produced and marketed by a foreign partner. “Product in hand” agreements differ from the better known “turn-key” agreements in that the Algerian client requires not only that the industrial unit be produced but also requires guarantees that it will be operational.

In these cases it is essential for the foreign group to take over responsibility for the project. The group may be a consortium, a business firm, a supplier of equipment, or a firm of consulting engineers. What is essential is that the firm becomes the director of the project. If necessary, it can subcontract various phases of the production.

The negotiations are always very long, and personal contact is essential. Note that the state corporations, which are the main clients, do not like to write and seldom answer letters; thus a good deal of travel is required. The contracts must be drawn up very carefully. It is becoming increasingly important to include a detailed section on technical training during the start-up period of the project, and a financing program.

Contracts

The requirement to sign a contract with a foreign partner when the transaction is for over 500,000 dinars is regulated by Algerian law. The regulations cover some of the terms of the contract, such as lump-sum advance payments, performance bonds, etc. A contract may not take effect until all approvals have been given, including the essential approval by the finance department (FINEX) for the transfer of funds in currency. The clauses of the contract, especially for work and services, must be carefully studied to anticipate as far as possible any problems in interpreting it or carrying it out. The most frequent problems include the high

cost of living for teams on the site, delays in clearing equipment through customs, and bureaucratic delays in obtaining approvals and permits.

Representatives in the Country

Some foreign companies maintain liaison offices in Algiers that have no legal status or tax obligations, but make it possible to keep one or more employees of the company there more or less permanently. These employees are subject to the Algerian tax system for their salaries. Although it is burdensome, this procedure is essential in some cases to ensure that the required commercial follow-up is done. The official purchasing policy of Algerian state corporations and organizations is not to use the services of intermediaries or distributors, whether they are Algerian or foreign, but to obtain their supplies directly from the producers. All contracts signed with foreign firms must contain a statement by the vendor that no commission has been paid to a person acting as an agent or intermediary. However, that policy does not exclude international commercial firms, whose services may be required or accepted in certain specific cases, such as supply groups, selling consortia, after-sales technical service or emergency supply of foodstuffs.

Price Quotations

Foreign tenders are generally made in the currency of the supplying country. The call for tenders specifies whether the prices must be f.o.b., c.i.f. or both. It is strongly recommended that the phrase "plus all taxes" be inserted in tenders for service contracts. If a contract involves expenditures in Algerian dinars by the foreign supplier, those costs are generally billed and paid in Algerian dinars.

Shipping and Air Freight Services

Some ocean shipping companies have regular cargo service to Algeria, including the Compagnie Nationale Algérienne de Navigation (CNAN), which provides monthly service year round from Montreal and Saint John, New Brunswick. It is represented by March Shipping of Montreal. Canadian firms planning to export to Algeria would be well advised to consult their forwarding agents.

There is no direct air link. Shipments must be sent through large European cities such as Paris, London, Zurich, Brussels or Madrid.

Because there are often problems with harbour congestion and customs delays, shippers are advised to obtain insurance valid until the goods have in fact cleared customs. Note that the insurance is normally handled by the Algerian purchaser.

There is no free zone in Algerian ports. If the goods cannot be cleared through customs within 15 days, they become subject to a double charge (the standard charge and a charge for extended storage). They can be seized if they are not claimed within four months and 15 days, and sold if the delay extends beyond eight months and 15 days.

Payment Methods

Purchases by the state corporations and public bodies are occasionally payable on delivery of the documents, but credits of from 60 to 180 days are frequently granted by international competitors. Because of bureaucratic delays, letters of credit should be avoided, and the state corporations rarely consent to them, except in the case of shipments of perishable goods.

With contracts for service, work or equipment for industrial or infrastructure projects, the sale is in most cases tied to an offer of financing over 5 to 15 years at interest rates competitive with those on the international financial markets. Although the Algerian state corporations have the reputation of honouring their obligations, there may sometimes be fairly long bureaucratic delays in making currency payments, especially if the cases are not closely followed up. The supplier would be well advised to take that into account in his financial forecasting.

For shipments of a value greater than 100,000 dinars or \$25,000 Canadian to private firms in Algeria, make certain that the potential buyer has the license or export visa before shipping the goods.

Mail, Telegraph and Telephone Service

It is generally possible to reach an Algerian contact from Canada by telephone or telex within less than a day.

Allow about ten days for airmail and about a month for sea mail.

The size limit for sending parcels by mail is 25 cm × 30 cm × 10 cm; larger items must be sent by air freight. In all cases the contents and value must be clearly indicated on the wrapper to facilitate clearing through customs and to have a notice of arrival of the goods sent to the addressee.

Advertising and Information

Advertising is not widely used; however, advertising messages can be published in the local magazines and newspapers and in some movie theatres.

The best way of advertising a product is through direct contact with the procurement officers in the state corporations that import and use the product.

Credit and Banks

The banking system is state controlled. Besides the Banque Centrale, which issues the currency, controls exchanges and credit, and handles rediscounting, there is the Banque Algérienne de Développement (BAD), whose function is to provide and manage medium-term investment credits, particularly from abroad, and four commercial banks which have an important role in financial control, in the search for international credits, and in the selection of projects for the state corporations. Each of these banks is assigned sectors for which it has exclusive jurisdiction:

- the Banque Nationale d'Algérie (BNA) for textiles, wood, mines, metals processing, and Air Algeria;
- the Banque Extérieure d'Algérie (BEA) for hydrocarbons, iron and steel, construction materials, paper, electricity, and correspondence with foreign banks;
- the Crédit Populaire d'Algérie (CPA) for regional governments and firms, construction, transportation and tourism;
- the Banque de l'Agriculture et du Développement Rural (BADR) for the entire agri-business sector.

Foreign firms with contracts for work in Algeria that do not have independent establishments should open internal non-resident accounts (INR).

Trade Reciprocity

Although Algeria has so far made widespread use of compensatory trade in its international transactions, it is now common for the Algerian party to ask foreign firms to help in the sale of Algerian products abroad, either through their knowledge of international markets or as part of a commercial transaction with Algeria. Among Algerian products that lend themselves to exporting are wine, fresh fruit and vegetables, cork, olives and olive oil, phosphate, esparto pulp, some textiles, chemical and iron and steel products, and of course hydrocarbons.

Credit and Banks

The banking system is state controlled. Besides the Banque Générale, which issues the currency, controls exchanges and credit, and handles discounting, there is the Banque Algérienne du Développement (BAD), whose functions are to provide and manage medium-term investment credit, particularly for state and four commercial banks which have an important role in financial control in the sector for international credit, and in the selection of projects for the state corporations. Each of these banks is assigned sectors for which it has exclusive jurisdiction.

- the Banque Nationale d'Algérie (BNA) for textiles, wood, mines, metals processing, and air transport;
- the Banque Extérieure d'Algérie (BEA) for hydrocarbons, iron and steel, construction materials, paper, electricity, and correspondence with foreign banks;
- the Crédit Populaire d'Algérie (CPA) for regional governments and firms, construction, transportation and tourism.

— the Banque de l'Agriculture et du Développement Rural (BAGR) for the entire agricultural sector.

Foreign firms with contracts for work in Algeria that do not have independent establishments should open internal non-resident accounts (INR).

IV. TENDERING IN ALGERIA

Since virtually all Algerian purchases are by tender, knowing how this system works is vital in doing business in Algeria. The most important things to keep in mind when tendering in Algeria are timeliness, packaging of tender documents, and attention to including specific details required in all bids to Algerian buyers.

In Algeria, the state, through organizations which are state controlled, holds the monopoly for foreign trade. All imports are made by state organizations according to a statutory procedure in the "Code des Marchés Publics." Specific interpretations of how the procedure operates are contained in circulars from various ministries.

The basic principle of the "Code des Marchés Publics" is that the state, local administrations, public offices and socialist enterprises may only enter into supply contracts after having received competitive bids. Directly negotiated contracts are permitted in certain cases, but they are the exception. Depending on the nature of the product, the tenders are public or restricted.

Most international contracts are awarded following a public tender. This is particularly true of contracts for equipment and services. Tenders for primary raw materials, agricultural products, and construction are frequently limited to known suppliers. To be considered, bids must strictly conform to the regulations which are included in all tender documents. In addition, the corporate information summarized below is required with all bids. Bids must, of course, be in French.

In all types of tenders, (with the exception of some internationally quoted commodities), there is a requirement that bids be in double sealed envelopes. The outer envelope is addressed to the buyer and indicates the number of the tender. The inner envelope indicates that it contains the tender. If either envelope bears any mark which might identify the company bidding, the tender is rejected without being opened. Companies bidding should take great care in ensuring that nothing which can identify the company appears on either envelope. Tenders have been rejected because

of publicity in the postage franking machine. Registered letters are also rejected because the company sending the letter is identified in the registered mail receipt.

Public tenders are advertised in the national newspaper *El-Moudjahid* and sometimes in the international press. The Commercial Division of the Canadian Embassy in Algiers reviews the announced tenders each day and notifies the appropriate Geographic Bureau in External Affairs and the Industry Sector Branch of the Department of Regional Industrial Expansion in Ottawa by priority telex of tenders of particular interest. The Embassy will send notices directly to Canadian firms which have indicated a particular interest; otherwise, the Industry Sector Branch notifies potentially interested companies. Time is always of the essence since most Algerian tenders have a deadline of 30 days and extensions are usually impossible to obtain. Since our European and Japanese competition copes with this problem, Canadian firms wishing to do business in Algeria must meet these deadlines.

The tender documents are available against payment of \$30 to \$60 Canadian. The Embassy will therefore only draw tender documents on specific request from a Canadian firm. Again time is of prime importance and requests for documents should be made by priority telex.

Mail usually takes 10 to 12 days to reach Canada and so companies should begin to prepare their tenders before the documents are received. The best way to send the tender to Algeria is by airmail. This usually also takes 10 to 12 days, but is the fastest procedure. There is no courier service to Algeria any more and air freight packages can be seriously delayed by customs procedures. In cases where the contract is vital, companies should consider sending a representative with the tender. A number of companies do this.

Algerian organizations rarely buy at the tendered price. In most cases, a selection is made from a number of bids based on quality and price and these organizations are called in for negotiations. No information is available from the Algerian authorities on who or how many firms tender nor on who finally wins a tender although this information is sometimes available in the trade press.

Companies should be aware that bidding on a tender alone is not likely to result in a contract. Companies should visit the state organizations to introduce their products, first to get an idea of exactly what the product is to be used for as specifications are often very general; second to make the Algerian organization aware of the company's capabilities. It helps if members of the evaluation committee are familiar with the company's products. Firms making visits can sometimes obtain the specifications which will be in the tender. This information makes it easier to prepare a bid when the tender is announced.

The use of agents or other forms of intermediary are specifically prohibited by Algerian law. Thus, short of establishing a liaison office, a Canadian company must rely on its own resources to pursue business in this country. Frequent visits and attention to international tender calls are therefore necessary.

The following documents are required to be submitted with bids on Algerian tenders.

For supply of equipment:

- (1) The status of the enterprise: for Canadian companies, this should be the letters patent or the articles of association;
- (2) A list of the principal shareholders: the Ministry of Commerce has indicated that widely held companies should list shareholders with over 20 per cent;
- (3) Tax status in Canada: an auditor's statement that tax liabilities have been met should be sufficient;
- (4) Tax status in Algeria: Most companies supplying equipment will not have any liability for Algerian taxes. However, companies with offices in Algeria will be able to provide a *quitus fiscal*;
- (5) A list of the principal managers of the enterprise;
- (6) The financial statements for the last two years;
- (7) The declaration that the company has not had recourse to intermediaries.

For supply of projects or services

(In addition to the above):

- (1) The names of the project managers;
- (2) A list of the equipment the firm has at its disposal;
- (3) A list of the equipment which will be brought into Algeria;
- (4) Recommendations from Algerian companies which have used the bidding company's services;
- (5) Attestations from a chamber of commerce or a professional association in Canada certifying the firm's qualifications;
- (6) A bid bond of 1 per cent for contracts over 5 million dinars (not always demanded).

V. YOUR BUSINESS VISIT TO ALGERIA

How to Prepare

The Embassy's commercial section can help you make a preliminary identification of national firms and bodies that are potential clients, and if there is enough advance notice of your visit, it can help you draft a program of appointments.

Before you leave:

- be sure to obtain your entry visa and reserve a hotel room;
- confirm your appointments by telex;
- prepare a sufficient number of commercial pamphlets (in French).

The difficulties that arise in doing business in Algeria are often related to communications problems. For that reason it is useful to keep the commercial delegates in the country informed of the follow-up to be done on your initial contacts.

How to Get There

There is frequent air service from Canada via London, Paris, Rome, Madrid, Brussels, Geneva and Zurich.

When to Go

September to June are the best months for doing business. It is more difficult, but not impossible, to do business during the month of Ramadhan, which varies since it comes ten days earlier each successive year (for 1986 it is May 9 to June 10), and in August, when economic activity slows down significantly for the summer holidays.

Remember that the days of rest are Thursday and Friday.

Entry Formalities

Canadian citizens must have entry visas. These can be obtained from the Algerian Embassy in Ottawa (435 Daly Street, Ottawa, Ontario K1N 6H3 — Tel. 232-9453).

The visa is valid only for a period not exceeding three months.

Your personal baggage as well as 200 cigarettes or 50 cigars and one bottle of alcohol per person are admitted duty-free. Samples having no commercial value can be taken in without formalities, and duty and taxes on them are suspended. However, if it appears to the customs officers that the merchandise submitted is commercial in nature, they may require a written declaration that it is for consumption purposes, or a simplified declaration, depending on conditions set by the regulations in effect at the time.

There is no limit on currency imports. However, upon your arrival in Algeria there must be an exchange operation for the equivalent of 1,000 DA. It is essential that all foreign currency and items of value in your possession be declared on the form you are given at the port of entry. The form must be carefully completed and must be updated each time you carry out an exchange operation. It will have to be handed in when you leave the country, and the authorities may ask you to prove that you are re-exporting the amounts indicated on the form.

Expenses

Dinars can be purchased at the airport, in banks and in the large hotels. Budget the necessary amounts closely, since not more than 25 per cent of the total dinars purchased can be exchanged again when you leave the country. Dinars cannot be re-exported, but you can leave them on deposit for use during a later visit.

The large hotels accept traveller's cheques. AMERICAN EXPRESS and DINER'S CLUB cards can be used only in certain hotels and on certain airlines.

Health

The hospital system is inadequate, and there is a shortage of drugs. The Embassy can help you if you need a doctor or dentist.

Vaccinations

It is best to have a smallpox vaccination certificate, which may be requested at the border. If you are coming from a contaminated area, vaccination against cholera and yellow fever may be required.

Transportation

The urban public transportation systems are overburdened. There is less of a problem for longer distances. Air travel is the most practical; however, reservations should be made for some destinations. Be careful about flights toward the southern part of the country, which, except for those to Tamanrasset, are sometimes uncertain.

You can get from the airport to downtown Algiers by taxi; the trip should cost around 100 dinars. Taxis are the best way to get around the cities; in Algiers, part of the system is radio dispatched (telephone: 58.99.99). If you have a number of appointments, it is preferable to negotiate an overall rate (expect to pay about 60 dinars/hour) for half a day or a whole day, because cabs are not always available when needed. There is also a car rental service, which may be useful for travelling outside the large urban centres; however, cars must be reserved in advance, the cost is fairly high and the service is poor.

Hotels

Registers and cards: the hotels keep a record of the client's identification (card number, issuing authority and date of issue).

Algerian Hotel Rates

AVERAGE PRICE PER DAY IN DINARS (1980)	ROOMS SINGLE DOUBLE	
ALGIERS		
<ul style="list-style-type: none"> • AURASSI Avenue Frantz Fanon Tel.: 64.82.52 Telex: 52.475 	350	350 (breakfast not included)
<ul style="list-style-type: none"> • EL-DJAZAIR 24, avenue Souidani Boudjemaa Tel.: 59.10.00 Telex: 52.637 à 641 	350	350 (breakfast not included)
<ul style="list-style-type: none"> • ES-SAFIR Bld Zirout Youcef Tel.: 63.50.40 Telex: 52.142 	120	140
<ul style="list-style-type: none"> • ALBERT 1ER 5, avenue Pasteur Tel.: 63.00.20 à 22 	70	90
CONSTANTINE		
<ul style="list-style-type: none"> • CIRTA 1, rue Rahmani Achour Tel.: 94.30.33 	100	150
ANNABA		
<ul style="list-style-type: none"> • LE PLAZZA rue Sainte-Monique Tel.: 82.35.77 à 79 Telex: 81.953/81.996 	120/150	150/180
ORAN		
<ul style="list-style-type: none"> • LES ANDALOUSES Tel.: 38.52.51 Telex: 52.247 	80	100

SEASIDE HOTELS

(ALGIERS)

- | | | |
|---|-----|-----|
| • MORETTI
El Minzah: Staouéli
Tel.: 78.18.25 | 70 | 90 |
| • SIDI-FREDJ
Tel.: 78.24.41/42
Telex: 52.461 | 120 | 140 |
| • LES SABLES D'OR
(ZERALDA)
Tel.: 78.26.29/35 | 90 | 110 |

Restaurants

Many restaurants in Algiers offer traditional Algerian cuisine: Casbah (Khéelifa Boukhalifa Street), Bacour (Patrice Lumumba Street), Djénina (Franklin Roosevelt Street), Vieil Alger (across from the Mauretania — Air France); Kabyl specialities can be had at the Tanitia (Réda Houhou Street).

International cuisine is available at the Alhambra (Larbi Ben M'hidi Street), Dar Diaf (Chéraga), La Nouvelle Étoile (Didouche Mourad Street), the Carthage (Addis Ababa Square), the Columba (Didouche Mourad Street), and the restaurants in the Aurassi, El-Djazair and Es-Safir hotels.

VI. REGIONAL OFFICES IN CANADA

If you have not previously marketed abroad, contact any regional trade officer of the Department of Regional Industrial Expansion (DRIE) at the addresses listed below.

Alberta

The Cornerpoint Building
Suite 505
10179-105th Street
Edmonton, Alberta
T5J 3S3
Tel.: (403) 420-2944
Telex: 037-2762

British Columbia

Bentall Centre, Tower IV
Suite 1101
1055 Dunsmuir Street
Vancouver, British
Columbia
V7X 1K8
Tel.: (604) 666-0434
Telex: 04-51191

Manitoba

3 Lakeview Square —
4th Floor
185 Carlton Street
P.O. Box 981
Winnipeg, Manitoba
R3C 2V2
Tel.: (204) 949-4090
Telex : 07-57624

New Brunswick

Assumption Place
770 Main Street
P.O. Box 1210
Moncton, New Brunswick
E1C 8L9
Tel.: (506) 388-6400
Telex: 014-2200

Newfoundland and Labrador

Parsons Building
90 O'Leary Avenue
P.O. Box 8950
St. John's, Newfoundland
A1B 3R9
Tel.: (709) 772-4884
Telex: 016-4749

Northwest Territories

P.O. Bag 6100
Precambrian Building
Yellowknife, Northwest
Territories
X1A 1C0
Tel.: (403) 920-8568 or
8571

Nova Scotia

1496 Lower Water Street
P.O. Box 940, Station "M"
Halifax, Nova Scotia
B3J 2V9
Tel.: (902) 426-2018
Telex: 019-22525

Ontario

1 First Canadian Place
Suite 4840
P.O. Box 98
Toronto, Ontario
M5X 1B1
Tel.: (416) 365-3737
Telex: 065-24378

Prince Edward Island
Confederation Court Mall
134 Kent Street, Suite 400
P.O. Box 1115
Charlottetown,
Prince Edward Island
C1A 7M8
Tel.: (902) 566-7400
Telex: 014-44129

Quebec
Stock Exchange Tower
Suite 4328
800 Victoria Square
P.O. Box 247
Montreal, Quebec
H4Z 1E8
Tel.: (514) 283-8185
Telex: 055-60768

Saskatchewan
6th Floor
105-21st Street
Saskatoon,
Saskatchewan
S7K 0B3
Tel.: (306) 975-4343
Telex: 074-2742

Yukon
Suite 301
108 Lambert Street
Whitehorse, Yukon
Y1A 1Z2
Tel. : (403) 668-4655

APPENDIX A

CANADIAN EXPORTS TO ALGERIA IN 1984

(IN CANADIAN DOLLARS)

	(\$000)
Wheat	170,375
Milk, evaporated	76,567
Lumber	63,937
Structural architectural metal products	23,482
Asbestos	17,860
Tallow	15,267
Prefabricated buildings	11,504
Machinery	10,976
Pulp and paper	6,018
Turbines	4,970
Telecommunications equipment	2,950
Zinc	2,587
Iron	1,840
Mechanical equipment	1,635
Air conditioning equipment	1,352
Prefabricated screens	1,210
Glassware	1,103
Others	38,624
TOTAL	452,257

APPENDIX B

CANADIAN IMPORTS FROM ALGERIA IN 1984

(IN CANADIAN DOLLARS)

Food, feed, beverages and tobacco	
Table wines	25,761
Crude materials, inedible	
Crude petroleum and petroleum condensates	283,912,641
Fabricated materials, inedible	
Aviation turbine fuel	7,819,258
Special transactions, trade	15,205,495
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TOTAL	306,963,155

Notes

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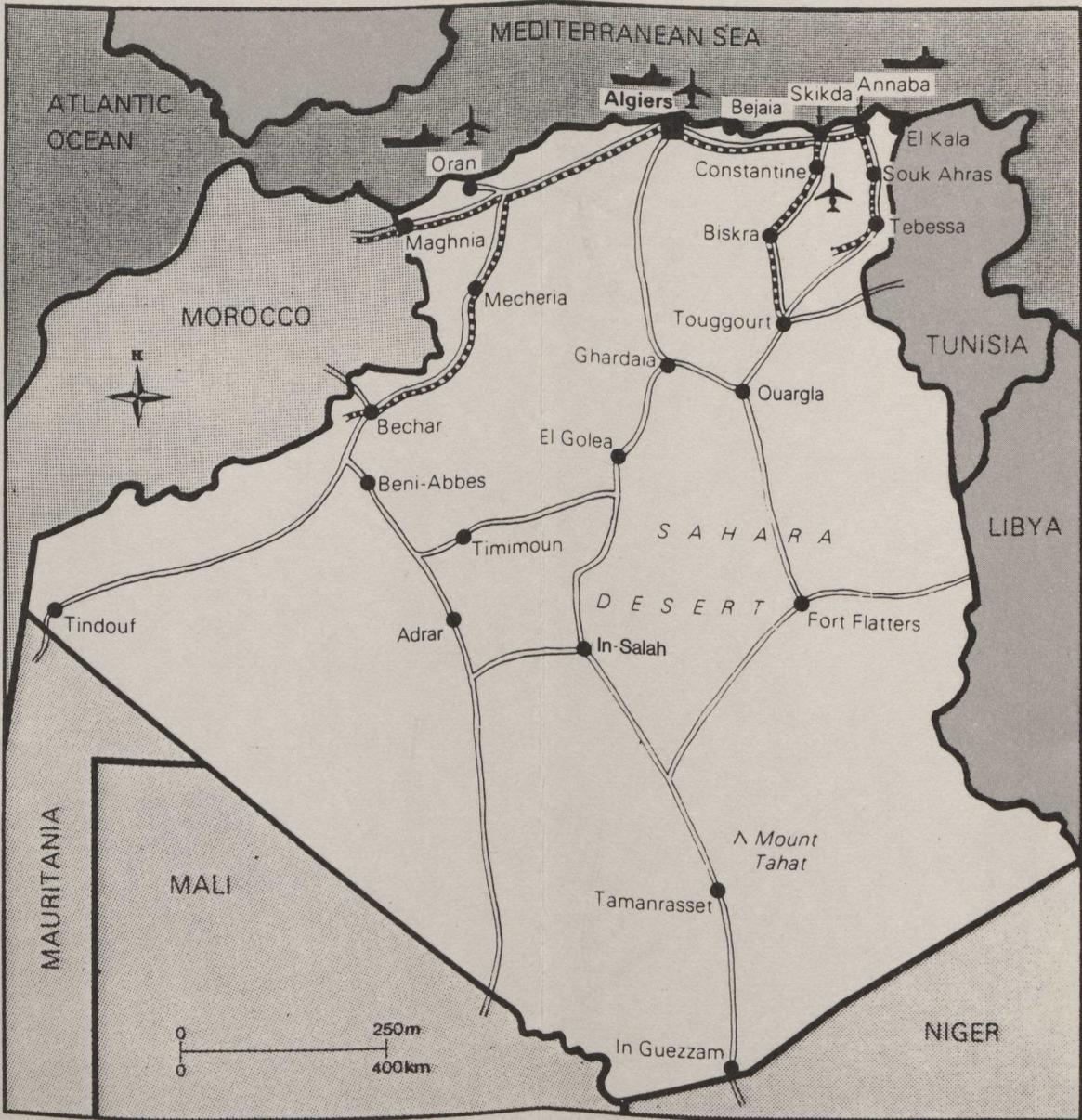
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Storage

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Algeria, a guide for Canadian
exporters. --

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