



Ministry of industry and Mines

Devices support & Investment opportunities

Ali Oumellal

General Director of the merchant Public sector management

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B. Rebuilding Sub-sectors

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A program for economic diversification and the integration of strategic industrial sectors

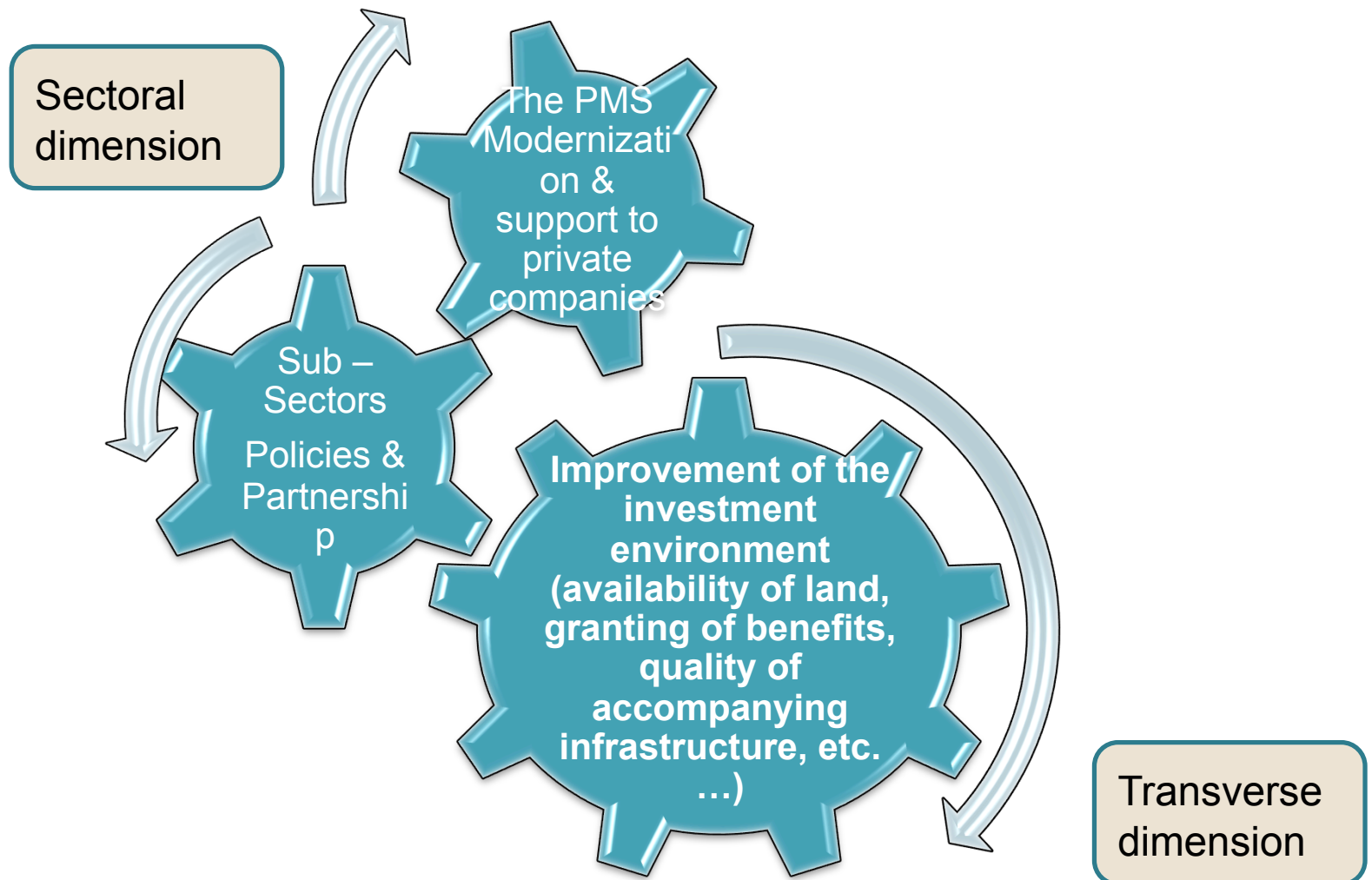
This program is based on:

- ✓The diversification and performance of domestic production for import substitution.
- ✓The upgrading of the industrial fabric by targeting upstream development where most of the added value is concentrated by greater local integration.



Pass by **2019** from importer to producer stage satisfying a large part of domestic demand and then as exporter of processed goods.

The program is structured around a set of priority actions that address both the cross-sectoral and sectoral dimension of industrial development



A. The new Investment Law (11)

What are the principles and foundations of the new system?

Automaticity of the advantages

Guarantee of capital transfer

Possibility of assets disposal (technical capital)

Protection against administrative requisition

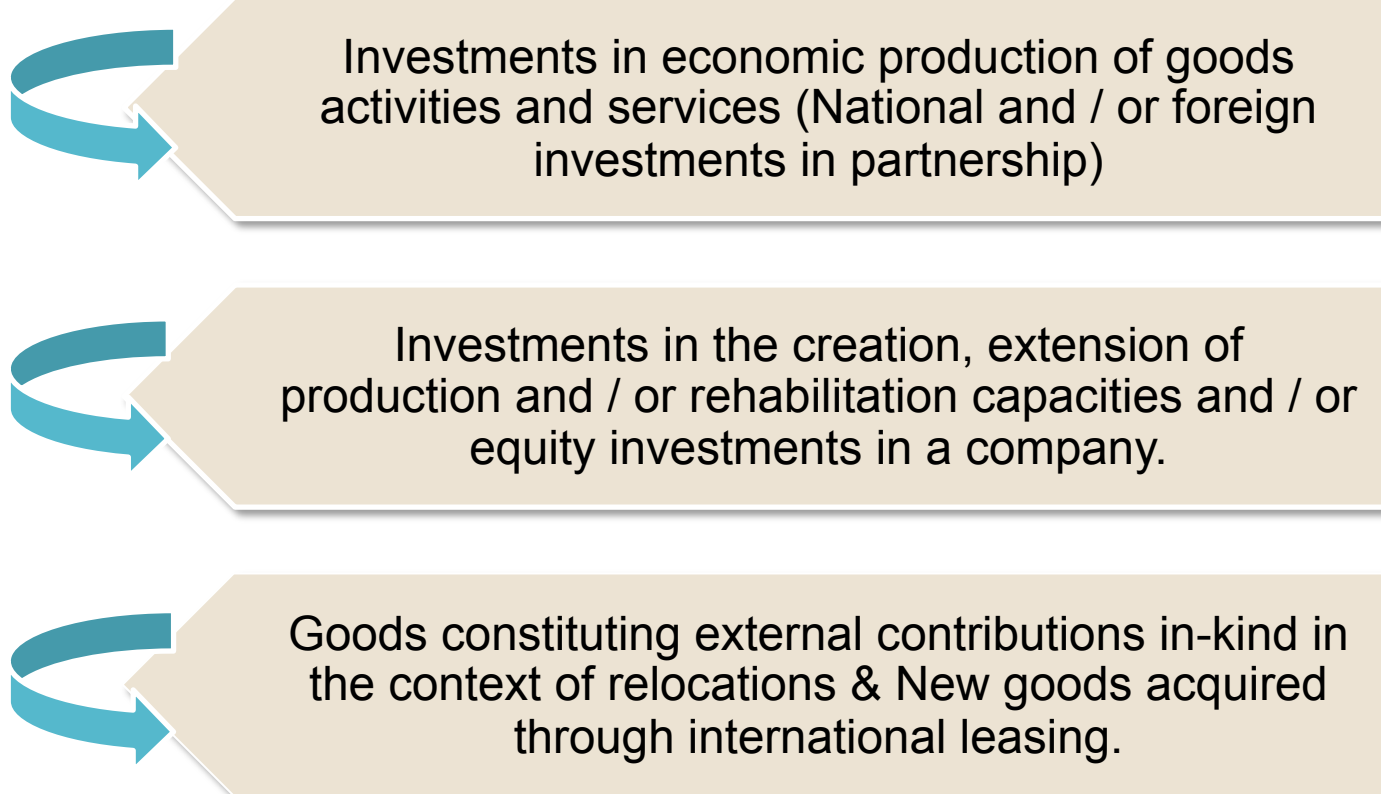
Protection by international conventions

Institutional, judicial and / or arbitral remedy

A. The new Investment Law (111)

Conditions to access benefits

Who can benefit?



A. The new investment law (1V)

Advantages

Common Benefits

- 1- Exemption from customs duties, VAT, land registration tax, registration fees, real estate tax and during the realization,
- 2- Exemption of 03, 05 or 10 years of the IBS, TAP during the exploitation phase,
- 3- Abatement on the amount of the rental fee ranging from 50 to 100%.

Additional Benefits

- For strategic activities: tourism, industry and agriculture.
- 1- Improvement of the bank interest rate & guarantee mechanism for bank loans,
 - 2- Abatement on the concession of land,
 - 3- Exemption from GIT.

Exceptional benefits

For national interest investments :

- 1- Extending the duration of the aforementioned advantages,
- 2- Exemptions or reductions of duties, taxes and taxes including value added tax applied to the prices of goods produced,
- 3- Duty-free purchases for goods and materials.

B. Rebuilding Sub-sectors

Identification of priority streams and specific benefits have been granted.

These include steel and metallurgy, hydraulic binders, electrical and appliances, mechanics, automotive and aeronautics, industrial chemistry and pharmacy, shipbuilding and repair, agri-food industry, Textiles and leather, wood.

Creation of several competitive clusters: automotive & mechanical, electronics & electrical, building materials, mining, pharmaceuticals, textiles and clothing.

C. Public Merchant Sector Modernisation

The total consolidation of corporate debts.
Today the company accounts are completely cleared.

Granting of loans at subsidized rates for the modernization of the production tool and the launching of new projects.
More than 80 industrial projects have benefited from more than \$ 10 billion in credits.

The reorganization of companies in the sector by sector and creation of large industrial groups.

The possibility is given to the public company's to negotiate by mutual agreement the operations of partnerships in particular with foreign company's.

D. Structuring projects carried out or in progress (1)

To support these orientations and anticipate the industrial dynamics, Algeria has undertaken major infrastructure and industrial projects:

- ✓The East-West highway of 689 Mi with 07 penetrating motorways in progress,
- ✓The Trans-Saharan Road: It will eventually connect Nigeria, Chad, Niger and Mali to the ports of Algeria is nearing completion.
- ✓An important program of development of the railway,
- ✓The “Grand Port du Centre”: A mega project with a processing capacity of 6.5 million containers and 35 Mt of freight on an area of 1000 Ha, a logistics park of 350 Ha and in the background of an industrial zone of 2000 Ha,
- ✓The realization of 50 industrial parks for a budget of 3 MUSD,
- ✓In the steel industry: Algeria will produce, by 2019, 10 Mt of steel,
- ✓In cements: Satisfaction of domestic demand (24 Mt) at the end of this year and will start exports by 2017,

D. Structuring projects carried out or in progress(11)

- ✓ Exploitation of the Gara Djebilet Iron Deposit: Reserves of 03 billion tons of ore: accompanied by a railway line over 590 miles;
- ✓ Partial exploitation of the Bled El Hadba phosphate deposit (with reserves of more than 02 billion tons): Launch of the first phosphate processing plant to produce 03 million tons of phosphate fertilizer per year DAP-MAP), one (01) million tonnes of ammonia, 200 000 tonnes of technical ammonium nitrate and 800 000 tonnes of nitrogen fertilizer.
- ✓ The construction of 02 major mineral ports in the East and West of the country,
 - Launch of several automotive projects:
 - Renault and Hyundai (are already producing), Volkswagen (June),
 - And other manufacturers including an American will soon finalize the discussions,
- ✓ Launch of a mechanical industry platform with Daimler (Mercedes Benz), Liebherr, Reinmetal, Sampo, Massey Fergusson, (petrol & gas equipments),
- ✓ Program: renewable energy & Energy efficiency

E. What we are looking for?

Building partnerships:

- ✓ With American companies with know-how and willing to transfer technology to their Algerian counterparts,
- ✓ Encouraging the recovery in the sectors and local integration.
- ✓ In various fields of activity and in particular:
 - ✓ Renewable energies and the production of equipment for this purpose,
 - ✓ Energy efficiency,
 - ✓ The petrochemical and chemical industries,
 - ✓ Mechanical, electrical and electronic industries,
 - ✓ The automotive industry notably the manufacture of components and sub-assemblies for the establishment of a subcontracting platform (measurements),
 - ✓ The agri-food industries favoring the second and third transformations,
 - ✓ Exploration and mining (iron, phosphates, tungsten, tin, etc.),
 - ✓ The naval industry,
 - ✓ The production of building materials,
 - ✓ Tourism,
 - ✓ Agriculture in particular animal production, dairy and the development of intensive crops,

F. In what forms?

- ✓ Partnerships can take the form of JV with Algerian public or private companies or in triangular,
- ✓ The management of the companies to be created will be entrusted totally to the American companies partners,
- ✓ These companies will benefit from all the advantages granted to investments,
- ✓ Investment credits can be raised on the local financial market as they can come from the external market,
- ✓ These new companies will have privileged access to the state control according to a preferential advantage of 25% consecrated by the law,
- ✓ Projects in tourism and agriculture will also benefit from the benefits provided under the specific support arrangements for these sectors,

G. Exemples de partenariats en cours

- ❑SONELGAZ and General Electric: Manufacture of turbines,**
- ❑Frame US Steel Company and BATIMETAL: Manufacture of light steel structures for housing and building,**
- ❑Massey Fergusson Company (AGCO) and EPE ETRAG: Manufacture of tractors. A training center in the foundry sector is also in the process of maturing.**
- ❑AGCO Massey Fergusson, CMA and ATC: Production of haymaking equipment (balers, mowers, ...).**
- ❑Varian Medical Systems and ETRHB: Partnership in the field of radiotherapy equipment for the treatment of cancer in Algeria,**
- ❑All major US pharmaceutical companies are very active in Algeria. Cooperation in this area is expected to strengthen,**
- ❑Pfizer is in partnership, through a JV with the Saidal group in the manufacture of medicines in Algeria,**
- ❑A Biotechnology Center is being set up with the American Pharma group,**
- ❑Lachehb Group and AIAG: Partnership in Agriculture. Intensive crops (cereal and forage on 25 000 Ha), cattle breeding (20.000 cows) and milk production.**



**THANK YOU
FOR YOUR ATTENTION**
