



Message from His Excellency Abdelaziz Bouteflika President of the People's Democratic Republic of Algeria

The outcome of the official visit of friendship that I will make to Britain on the 11th and 12th of July, 2006, during which Her Majesty the Queen will grant me an audience and discussions will be held with my host and friend, Prime Minister Tony Blair, looks certain to be extremely positive and promises much for the future of cooperation between our two countries.

As everyone knows, relations between Algeria and the United Kingdom of Great Britain and Northern Ireland are long-standing and excellent, and have today entered a new and significant phase which complies with our mutual political wish to consolidate bilateral relations and to extend them to all areas of cooperation, without exception.

The strong presence of British firms in the hydrocarbon sector, especially the gas sector, will be extended to all sectors of economic activity, so that cooperation between our two countries will become a model partnership because of its duration and the mutually advantageous fallout that it will generate.

The agreements signed by us constitute an ideal framework for dialogue and consultation and aim to achieve this objective along the lines that we have drawn up. Other texts will soon be added to them.

It has been clearly established that Algeria is resolutely committed to pursuing the current economic reform process in order to complete its passage and anchor itself more fully in a dynamic market economy, which will provide jobs and wealth and which will be fully opened to investors.

Algeria has rid itself of the burden of its foreign debt, which was putting a brake on its development, and has improved all of the macro-economic factors by drastically reducing its previously double digit inflation rate. The exchange rate for the Algerian dinar has also stabilised and monetary reserves have reached a level never before attained. At present these stand at 66 billion dollars, or more than three

years' worth of imports. We have embarked upon a five-year plan (2005-2009) to underpin our economic growth with 100 billion dollar's worth of investment. The development of Algeria's basic infrastructure (road building, railways, dams and seawater desalination plants) is important. The main features of this ambitious programme include the reform of the banking sector, the liberalisation of the energy and mines sector and the opening-up of the telecommunications sector, as well as the privatisation of numerous State-owned companies.

On a regional level, my country is determined to continue to work towards the relaunching and consolidation of the Arab Maghreb Union in order to render it an integrated entity, both politically and economically, at the service of peace, cooperation and concord between its peoples.

Algeria is also pursuing its efforts in favour of the emergence of a Mediterranean region which enjoys solidarity between its countries, both on its northern and southern shores, and hopes to install a long-lasting and mutually advantageous partnership between them. Our association agreement with the European Union bears witness to this.

And finally, it will continue to honour its traditional role in consolidating peace in Africa and contributing, in an effective manner, to facing the challenge of development and integration between the countries of Africa.

This gigantic enterprise of modernising the Algerian economy is, however, the result of our collective desire to build a modern State, founded on the rule of law, democracy, pluralism and economic liberalism. The government's programmes, since I was entrusted with the supreme duty of leading the country, reveal the concrete actions taken, the prospects and the fundamental information which inspire the philosophy and activities of the Executive over which I preside.

Today, the Algerian economy's attractiveness is based on Algeria's excellent long- and

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medium-term foreign solvency. The economy, both agricultural and non-agricultural, is demonstrating great vitality and is an illustration of exemplary partnerships in the areas of trade and investment, where there is a happy mixture of Algerian, American, English, Indian, Chinese, Korean, Egyptian, Continental European and South African firms.

The list is, of course, much longer, but it stands out because of the successful dismantling of the State's monopoly, widespread privatisation extending to all public-sector companies (more than 1,000 firms are to be privatised), the simplification of procedures to facilitate investment and privatisation, the regulatory role played by the Bank of Algeria, the setting-up of the Competition Council and the regulation mechanisms of the financial market and the stability of the macro-economic framework.

Today, for example, the United Kingdom is negotiating with Algeria on agreements for the reciprocal protection of investments and non-double taxation. This proves that the flow of exchanges that Algeria has with the world is growing ever greater. The main strategic sectors of the economy – the oil, gas and chemical industries, and others such as telecommunications, financial services, air and sea transport, construction, basic infrastructure, drinking water supplies, seawater desalination, fishing and tourism are being stirred up as never before and

are open to foreign investment, offering unprecedented proof that Algeria is becoming a harmonious part of its geographical environment, thanks to its bringing of its economic regulations into line with others. One just has to look at its association agreement with the European Union and its commitments taken within the NEPAD framework, of which it was one of the founders. My country is, in this way, contributing to the stability of the Mediterranean world and to the development of a zone of mutual development and shared prosperity in the same way as it contributes to the integration process in the Maghreb, and on a grander scale, in Africa itself, where the new matrixes for concerted development are taking shape.

In this way, Algeria is responding to, and facing up to, the demands of globalisation that it hopes will adapt to the new challenges of world problems and the intrinsic development of comparative advantages. The importance of its market will certainly be recognised far and wide: the launching of the five-year plan (2005-2009) to consolidate growth in the area of basic infrastructure constitutes a gigantic business plan for investors, with immense potential.

I have no doubt that Algeria and the United Kingdom will be able to give to their creative actions and their renewed cooperation expanded horizons of mutually beneficial inter-dependence. ■

Algeria's President Abdelaziz Bouteflika with UN Secretary General Kofi Annan

