



**Introduction by
The Rt Hon Lord Hurd
of Westwell CH CBE PC
Chairman of the FIRST
Advisory Council**

It gives me great pleasure to introduce this official FIRST report to mark the official visit of HE Abdelmalek Sellal, Prime Minister of Algeria and his delegation of Senior Ministers including the Ministers of Energy, Industry and Mines, Agriculture and Health. We at FIRST would particularly like to thank HE Abdeslam Bouchouareb, Minister of Industry and Mines as well as HE Amar Abba, Algeria's Ambassador, for all their help and guidance in the preparation of this publication. We are also very grateful to the Prime Minister for contributing such a personal and important interview to this official report.

HE Abdelmalek Sellal's visit to the UK is especially timely and will help focus the attention of international business leaders and key policy makers on the many trade and investment opportunities that exist in Algeria.

Algeria enjoys a strong and growing economy helped by oil and natural gas export revenues. The estimated GDP growth rate in 2013 was 3.1 per cent and oil and gas revenues have resulted in the country's foreign currency reserves increasing to some US\$ 200 billion. External debt has reduced to less than 2 per cent of GDP. These macro-economic indicators provide a very positive background for international investment and trade.

Algeria's economy is dominated by petroleum and natural gas exports which account for over 95 per cent of export revenues. Algeria is the fourth largest oil producer in Africa (at around 1.5 mbpd) and is the sixth largest global gas exporter.

The country offers significant investment opportunities across a range of priority sectors including; defence, education, advanced engineering, energy, financial services, infrastructure development (ports, rail, water/environment and construction), life sciences and security. Major British companies are active in the Algerian economy including; BP, Shell, Unilever, British Airways, HSBC, British American Tobacco, GlaxoSmithKline, AstraZeneca,

Biwater and United Insurance Brokers.

The commercial relationship between the UK and Algeria is growing strongly with trade in physical goods worth over £3 billion in 2013. Algeria benefits from both hydrocarbon and mineral wealth with deposits of gold, iron, zinc, uranium, copper, phosphate and tungsten. Algeria also has very significant potential for renewable energy particularly in wind, solar and tidal energy.

Her Majesty's Government enjoys a close working relationship with the Algerian government – supporting Algeria's programme of political, economic and social reforms. In January 2013, President Bouteflika and the Prime Minister, David Cameron, agreed to develop the Strategic Security Partnership. The third round of this dialogue took place in October 2014. The Minister for the Middle East and North Africa, Tobias Ellwood, visited Algeria on 26-27th November to discuss the developing bilateral trade and investment relationship – Algeria-UK trade grew by 62 per cent in 2013. Lord Risby, the Prime Minister's envoy for Economic Partnership with Algeria has visited the country seven times since 2012.

We warmly welcome HE Abdelmalek Sellal, the Prime Minister, to this country. This visit, while providing an opportunity for private discussions, will give us all the opportunity to study developments in Algeria and to weigh carefully the many opportunities to work ever more closely.

This visit will also provide an invaluable opportunity for HE Abdelmalek Sellal and his high-level delegation to learn about the UK's commitment to furthering bilateral trade and investment and to hear from business leaders keen to strengthen commercial ties.

We at FIRST are delighted to have been asked to produce this publication to mark the official visit of Prime Minister Abdelmalek Sellal, and hope that it contributes, in a small way, to its success and the further development of Algeria's international trade and investment.