



NEW ZEALAND
FOREIGN AFFAIRS & TRADE
Manatū Aorere

MAY 2025

Algeria: A market worth watching

MARKET INTELLIGENCE REPORT

Summary

- Algeria is an upper-middle income country that shares close trade, economic, energy and cultural ties with the countries bordering the Mediterranean.
- It is New Zealand's largest export market in Africa with between NZD\$860 million – NZD\$1 billion of exports annually over the past three years, dominated by milk powder.
- Algeria is eager to invest in key sectors considered 'strategic' to the country's development to improve its self-sufficiency in food production. With 200 million square metres of land, and distinct seasons and climate areas, Algeria grows a diverse range of crops year-round and has high potential.
- Algerian officials are interested in New Zealand commercial expertise in dairy, agriculture including bovine and ovine genetics, agri-technology, horticultural equipment and services, fisheries and aquaculture.
- Other sectors which New Zealand companies may wish to explore include renewable energy, pharma, infant formula and goat milk.

- Algeria has an Association Agreement with the European Union that includes preferential treatment under the EU's Free Trade Area provision, accounting for approximately 50% of Algeria's exports. Algeria also has a Trade and Investment Framework Agreement with the USA, and is a member of the Greater Arab Free Trade Agreement and the African Continental Free Trade Area; it also has a Preferential Trade Agreement with Tunisia. Algeria is not a member of the World Trade Organisation.
- Algeria's GDP is USD\$248 billion (2023), with a population of 47 million. It has managed a consistent and stable annual GDP growth rate of 2.5% over the past twenty years. Real GDP growth currently sits at 3%.
- Algeria currently employs some import restrictions to stimulate domestic production and limit expenditure. It provides subsidised basic goods and services to its citizens.

Report

Algeria's economy at a glance

- GDP: USD\$248 billion.
 - Growth rates: 2% in Q3 2024 over the same quarter of the previous year. Averaged 2.5% over the years 2001-2024. Real GDP: 3%.
 - Foreign exchange reserves are USD\$70 billion (end of 2024).
 - Inflationary pressures persist at 4.7%.
 - Algeria's main exports include crude oil, oil products and natural gas. Growth is driven by hydrocarbon production, the industrial sector, construction, and services. The share of non-hydrocarbons has increased in recent years. The economic outlook remains positive through 2025-2026 with an account surplus but this is likely to decrease as hydrocarbon prices decline.
 - Its main import partners are: China, France, Italy, Turkey, Brazil, Germany, USA, Canada, Belgium and Argentina.
 - Its main export destinations are: Italy, France, Spain, Republic of Korea, USA, Netherlands, Belgium, United Kingdom, Brazil and Tunisia.
 - For an overview of Algeria's global trade, see Annex 2 below: Algeria's Global Trade.
-

Lifting self-sufficiency and diversifying away from hydrocarbons

- The Algerian government is investing heavily in energy, transport, mining, water and food security to reduce its dependency on imports.
 - To support investment, it is simplifying administrative procedures and creating customs and tax incentives, such as exemptions from customs duties and VAT on imported goods used in investment projects. These include reduced administrative fees, land registration taxes and property taxes, as well as three-five years of exemption from corporate income taxes once investments are realised.
 - The government has set a target of lifting non-hydrocarbon exports to USD\$29 billion by 2030 (up from USD\$5.05 billion in 2024). To do this, it will need to diversify products and export markets, and increase the value added to its exports.
-

New Zealand – Algeria bilateral trade and sectors of potential interest to New Zealand companies

Algeria is the fourth largest importer of dairy worldwide, and is New Zealand's largest market in Africa, worth NZD\$860 million in dairy in the year ending December 2024. New Zealand has been exporting to Algeria for over 40 years. New Zealand's non-dairy exports to Algeria include vegetable seeds, paper and paperboard, animal products for feed, sawn timber and sleepers [Non-dairy exports account for only 1.3% of total exports to Algeria].

Agriculture and dairy

To date, agriculture has been predominantly reliant on rain water, with modest yield. However, Algeria intends to move into large-scale commercial farming to 'leap-frog' the development deficit in some regions that are dominated by small-scale subsistence farming with low productivity. One example of this is the USD\$3.5 billion dairy farm joint venture between Qatar and the Algerian National Investment Fund, currently being implemented by [Baladna](#), with dairy cattle imported from the United States in the initial stages. The Algerian government is responsible for the provision of land, water, and electricity. This is one of several large-scale dairy farms being built. Algeria's objective is to produce domestically 50% of its current demand for dairy. Longer-term, it is also looking to lift domestic production of red meat.

Fisheries and aquaculture

Algeria is strategically located between the Suez Canal, Gibraltar, the European Union and Africa. The state has 1,200km of Mediterranean coastline and 32 islands, with 46 ports and fishing harbours. There is a national fishing fleet of 6,120 vessels (including 34 tuna ships and 1,570 sardine ships). Live blue fin and red tuna is fished for consumption and breeding. The aquaculture sector is comprised of 48 marine farms and 54 freshwater farms and has only been in operation the past decade. Their goal is eco-friendly resource management in the Mediterranean.

Pharma

Algeria hosts 213 pharmaceutical manufacturing plants and supplies 75% of its local domestic pharmaceuticals market. There is a Presidential directive to prioritise this sector and to increase production to cover 80-85% of local demand. The sector is projected to grow and receives strong support from the Ministry of Industry.

Infant formula

There is currently no domestic manufacture of infant formula, which falls under the

pharmaceuticals sector. The sector is regulated by the Ministry of Agriculture and Rural Development, jointly with the Ministry of Health. Infant formula is categorised as a ‘para-pharmaceutical’ not a food product. It requires a Product Market Placement Permit.

Phosphate

In November 2024, the Algerian Chinese Fertilizers Company (ACFC) launched a USD\$7 billion phosphate mega project (‘Bled El Habda’) in the province of Tebessa. The operations are planned to last for 80 years. New Zealand companies may wish to explore suitability of Algerian phosphate for New Zealand fertilisers.

Green transition, energy and technology

Algeria is in the early stages of its green transition. It currently powers its domestic energy consumption via gas and is looking to diversify its power generation energy sources. In 2015, Algeria adopted its Renewable Energy and Energy Efficiency Development Plan 2015-2030 which focuses on large-scale renewables in solar photovoltaics and onshore wind installations. Algeria also aims to be a solar panel glass production hub.

Its 2030 energy goals are:

- Solar PV: 13,575 MW;
- Wind: 5010 MW;
- Solar thermal: 2,000 MW;
- Biomass: 1,000 MW;
- Cogeneration: 400 MW; and
- Geothermal: 15 MW.

In 2022 the share of renewables in power generation was only 0.7%. If Algeria can achieve these targets, renewable generation will be 27% of its total power generation by 2030. The Algerian National Fund for Renewable Energies and Cogeneration (FNERC) will support implementation of the Plan. In addition, Algeria seeks to be a blue and green hydrogen supplier. It is adopting greening production processes including via a recent agreement between [Sonatrach](#) (Algeria’s state-owned oil company and the largest company in Africa) and [Tosyali Algérie](#) (an Algerian ‘green steel’ producer) to produce hydrogen from renewable energies.

There may be opportunities for New Zealand companies in renewable energy, solar, wind, and hydrocarbons (as well as in existing shale gas reserves and oil refineries). To facilitate market entry for foreign investors, the Algerian government has relaxed rules to simplify administration processes. One challenge Algeria will face is ease of energy transportation.

Tips for engaging with the Algerian market

Algeria is a unique business environment. Others in market advise:

- There are good opportunities for those that adhere to the “Three Ps”: presence, patience and persistence.
 - Companies need to be willing to visit Algeria to engage with importers face-to-face, and should partner with trusted local companies or hire a local agent.
 - Exporters and investors should follow processes diligently and correctly – do not try to short cut any steps in paperwork.
 - Importers may face lengthy clearance times and rigorous inspection processes. Contacts report few issues regarding repatriation of funds.
 - Algeria is currently ranked 107/180 countries by Transparency International. It ranks 157 out of 190 states for ‘ease of doing business’ by the World Bank.
-

Useful resources

- [Algeria World Bank Economic Update Fall 2024 Report](#), November 2024
 - [USDA Algeria Dairy and Products Report](#), November 2024
 - [Oil, Gas and the Transition to Renewables](#), August 2024
 - [Pharmaceutical Sector: What Has Been Achieved Over The Past 4 Years?](#) April 2024
 - [Doing Business in Algeria Guide](#), 2023
 - [International Monetary Fund: Algeria Profile](#)
 - [Observatory of Economic Complexity: Algeria Profile](#)
-

ANNEX 1: Sectors and products of potential interest to New Zealand companies

Agriculture and dairy

Algerian officials have requested New Zealand commercial expertise in:

- Plant protection.
- Bovine genetics: first step must be technical discussions with the Algerian National Centre of Artificial Insemination and Genetic Development (CNIAAG) and Ministry of Agriculture and Rural Development to verify suitability.
- Genetics sex production.
- Heifers: to supply dairy industry.
- Animal feed production: for nutritional intake and its impacts on dairy production.
- Poultry: chicken genetics and breeding stock for eggs.
- Veterinary vaccines, especially if pure molecules.

Fisheries and aquaculture

Algerian officials have requested New Zealand private-sector technical expertise in:

- Sustainable fisheries and aquaculture monitoring and management.
- Sustainable aquaculture systems.
- Deep sea fishing.
- Fisheries and aquaculture value chains
- Fisheries and aquaculture scientific research.
- New technology across all aspects of fisheries and aquaculture, including for mussels, oysters and clams.
- Organisation of fishing cooperatives.
- Ship building and repair yards.

Other opportunities

Algerian officials suggested New Zealand companies look to import the following Algerian exports and services:

- Tourism: the sector is very new but growing.
- Goat milk: including for infant formula.
- Olive oil: exports for cooking.
- Foods: pasta, drinks, biscuits, processing industry.
- Construction: cement, tiles, iron, ceramics.
- White ware: majority being exported to EU, Spain, largely electrical products.
- Body hygiene: cosmetics.
- Leather.
- Phosphate: Algeria is lifting its exports of phosphate.

ANNEX 2: Algeria's Global Trade

| Algeria's Top 10 Goods Imports (2023) | | |
|---------------------------------------|--|-----------------|
| HS code | Import Good | Billions of USD |
| | All products | 41.46 |
| 84 | Nuclear reactors, boilers, machinery, and mechanical appliances; parts thereof | 5.67 |
| 87 | Vehicles other than railway or tramway rolling stock, and parts and accessories thereof | 3.56 |
| 10 | Cereals | 3.15 |
| 39 | Plastics and articles thereof | 2.59 |
| 85 | Electrical machinery and equipment and parts thereof; sound recorders and reproducers, television | 2.45 |
| 30 | Pharmaceutical products | 1.59 |
| 04 | Dairy produce; birds' eggs; natural honey; edible products of animal origin, not elsewhere specified | 1.44 |
| 73 | Articles of iron or steel | 1.21 |
| 72 | Iron and steel | 1.20 |
| 12 | Oil seeds and oleaginous fruits; miscellaneous grains, seeds, and fruit; industrial or medicinal | 1.01 |

International Trade Centre, WTO estimated value – 2024 data not yet available

Algeria's Top 10 Goods Import Partners (2023)

| Countries Algeria Imports From | Billions of USD |
|--------------------------------|-----------------|
| Total imports | 39.18 |
| China | 9.50 |
| France | 4.84 |
| Italy | 3.05 |
| Turkey | 2.75 |
| Brazil | 2.37 |
| Germany | 2.22 |
| USA | 1.21 |
| Canada | 0.97 |
| Belgium | 0.92 |
| Argentina | 0.90 |

Algeria's Top 10 Goods Exports (2023)

| HS Code | Commodity | Billions of USD |
|---------|--|-----------------|
| | All products | 57.14 |
| 27 | Mineral fuels, mineral oils, and products of their distillation; bituminous substances | 51.99 |
| 31 | Fertilisers | 1.36 |
| 72 | Iron and steel | 1.13 |
| 28 | Inorganic chemicals; organic or inorganic compounds of precious metals, of rare-earth metals | 0.87 |
| 25 | Salt; sulphur; earths and stone; plastering materials, lime, and cement | 0.77 |
| 17 | Sugars and sugar confectionery | 0.20 |
| 08 | Edible fruit and nuts; peel of citrus fruit or melons | 0.14 |
| 84 | Nuclear reactors, boilers, machinery, and mechanical appliances; parts thereof | 0.07 |
| 48 | Paper and paperboard; articles of paper pulp, of paper or of paperboard | 0.05 |
| 03 | Fish and crustaceans, molluscs, and other aquatic invertebrates | 0.05 |

Algeria's Top 10 Goods Export Partners (2023)

| Countries Algeria Exports To | Billions of USD |
|------------------------------|-----------------|
| Total exports | 57.10 |
| Italy | 15.22 |
| France | 7.86 |
| Spain | 6.73 |
| Republic of Korea | 3.15 |
| United States of America | 3.15 |
| Netherlands | 2.04 |
| Belgium | 2.02 |
| United Kingdom | 1.93 |
| Brazil | 1.82 |
| Tunisia | 1.81 |

More info

More reports

View full list of market reports from MFAT at www.mfat.govt.nz/market-reports

If you would like to request a topic for reporting please email exports@mfat.net

To get email alerts when new reports are published, go to our [subscription page](#).

To learn more about exporting to this market, New Zealand Trade & Enterprise's comprehensive [market guides](#) cover export regulations, business culture, market-entry strategies and more.

To contact the Export Helpdesk

email exports@mfat.net

call 0800 824 605

visit Tradebarriers.govt.nz

Disclaimer

This information released in this report aligns with the provisions of the Official Information Act 1982. The opinions and analysis expressed in this report are the author's own and do not necessarily reflect the views or official policy position of the New Zealand Government. The Ministry of Foreign Affairs and Trade and the New Zealand Government take no responsibility for the accuracy of this report.

Copyright

Crown copyright ©. Website copyright statement is licensed under the [Creative Commons Attribution 4.0 International licence](#). In essence, you are free to copy, distribute and adapt the work, as long as you attribute the work to the Crown and abide by the other licence terms.