

**COOPERATION AGREEMENT BETWEEN THE
EUROPEAN COMMUNITY AND ALGERIA**

Biennial Report on the Operation of the Agreement

The following communication, dated 24 July 2006, is being circulated at the request of the Delegation of the European Communities. It is organized in accordance to the Standard Format for Information on Regional Trade Agreements (WT/REG/W/6).

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This report covers the period 2001-2003. The previous biennial report by the European Communities on the operation of the Cooperation Agreement between the EC and Algeria was circulated in WTO document WT/REG105/R/B/2, G/L/547, of 13 May 2002.

I. BACKGROUND INFORMATION ON THE AGREEMENT

1. Membership And Dates Of Signature, Ratification And Entry Into Force

Since the last biennial report, no substantive changes have been made in the Co-operation Agreement with Algeria. Cyprus, the Czech Republic, Estonia, Hungary, Latvia, Lithuania, Malta, Poland, Slovakia and Slovenia have become parties to the Agreement, following their accession to the European Union.

Negotiations on a Euro-Mediterranean Association Agreement between the European Community and its member states, of the one part, and Algeria, of the other part, was concluded in December 2001 and the Agreement was signed by the Parties on 22 April 2002 in Valencia, Spain. The Association Agreement entered into force in September 2005, replacing the 1976 Co-operation Agreement.

4. Trade Data

With an 85 per cent increase in bilateral trade volumes between 1998 and 2002, dominated by Algerian exports of oil, Algeria presently ranks as the EU's 22nd largest trading partner. In 2003, the EU's share of Algerian total imports and total exports amounted to 66 per cent respectively.

Further statistical information on the development of trade between the parties for the period 2001-2003 is provided in the Annex.

II. TRADE PROVISIONS

1. Imports Restrictions

2. Export Restrictions

The trade provisions of the Co-operation Agreement, signed in Algiers on 26 April 1976, remain unchanged, according to which industrial products (other than those in Annex II to the Treaty establishing the EEC) originating in Algeria may be imported into the Community without quantitative restrictions or measures having an equivalent effect.

3. Rules Of Origin

4. Standards

5. Safeguards

6. Anti-Dumping And Countervailing Measures

7. Subsidies And State-Aid

The Co-operation Agreement does not contain any specific measures relating to standards or State aid. With regard to trade defence instruments and rules of origin, the provisions of the Agreement remain unchanged.

8. Sector-Specific Provisions

The Co-operation Agreement does not contain any specific measures relating to imports of textile products from Algeria, nor has any agreement since been signed between Algeria and the European Community.

The provisions of the Agreement relating to agriculture remain unchanged.

The Co-operation Agreement does not cover fisheries. No fisheries agreement has since been signed between Algeria and the European Community.

IV. OTHER

Areas related or complementary to trade liberalization

The Co-operation Agreement does not include provisions in these areas. No specific agreement has been signed concerning approximation of legislation or the creation of common regulatory structures or disciplines.

Services and intellectual property

The Co-operation Agreement does not cover either services or intellectual property, and no specific agreement has since been signed in these areas.

ANNEX

EU-15 Algeria Imports/Exports, 2002 and comparison with extra-EU15

Algeria / Total	EU15 trade 2002 with Algeria					EU15 trade 2002 with Extra-EUR					Algeria		
	imports		exports		balance	imports		exports		balance	market shares		Exp-Imp ratio
	M Euro	% Total	M Euro	% Total	M Euro	M Euro	% Total	M Euro	% Total	M Euro	imports	exports	
Total	14,003	100.0%	7,584	100.0%	-6,419	918,798	100.0%	868,524	100.0%	-50,274	1.5%	0.9%	0.54
<i>of which:</i>													
01 Animals & animal products	9	0.1%	284	3.7%	275	15,949	1.7%	11,195	1.3%	-4,754	0.1%	2.5%	31.31
02 Vegetable products	16	0.1%	483	6.4%	467	26,010	2.8%	11,625	1.3%	-14,385	0.1%	4.2%	29.59
03 Animal or vegetable fats	0	0.0%	110	1.4%	109	2,317	0.3%	2,339	0.3%	22	0.0%	4.7%	293.23
04 Prepared foodstuffs	6	0.0%	306	4.0%	299	23,791	2.6%	27,732	3.2%	3,941	0.0%	1.1%	47.14
05 Mineral products	10,598	75.7%	109	1.4%	-10,489	147,537	16.1%	29,272	3.4%	-118,266	7.2%	0.4%	0.01
06 Chemical products	140	1.0%	903	11.9%	762	67,920	7.4%	126,606	14.6%	58,685	0.2%	0.7%	6.43
07 Plastics & rubber	1	0.0%	278	3.7%	277	25,724	2.8%	36,740	4.2%	11,016	0.0%	0.8%	548.99
08 Hides & skins	23	0.2%	7	0.1%	-16	10,253	1.1%	9,177	1.1%	-1,076	0.2%	0.1%	0.30
09 Wood & wood products	8	0.1%	115	1.5%	107	13,546	1.5%	7,637	0.9%	-5,908	0.1%	1.5%	14.37
10 Wood pulp products	2	0.0%	202	2.7%	200	15,485	1.7%	25,167	2.9%	9,682	0.0%	0.8%	111.68
11 Textiles & textile articles	3	0.0%	145	1.9%	142	66,360	7.2%	38,688	4.5%	-27,671	0.0%	0.4%	54.61
12 Footwear, headgear	0	0.0%	23	0.3%	22	11,422	1.2%	6,862	0.8%	-4,560	0.0%	0.3%	72.94
13 Articles of stone, plaster, cement, asbestos	0	0.0%	109	1.4%	109	7,809	0.8%	15,368	1.8%	7,559	0.0%	0.7%	567.62
14 Pearls, (semi-)precious stones, metals	3	0.0%	16	0.2%	13	33,805	3.7%	26,743	3.1%	-7,062	0.0%	0.1%	5.67
15 Base metals & articles thereof	101	0.7%	540	7.1%	439	49,836	5.4%	52,420	6.0%	2,584	0.2%	1.0%	5.34
16 Machinery & mechanical appliances	12	0.1%	2,500	33.0%	2,487	235,463	25.6%	270,216	31.1%	34,754	0.0%	0.9%	205.09
17 Transportation equipment	2	0.0%	1,054	13.9%	1,052	76,013	8.3%	92,269	10.6%	16,257	0.0%	1.1%	622.80
18 Instruments - measuring, musical	4	0.0%	224	2.9%	220	38,860	4.2%	41,363	4.8%	2,504	0.0%	0.5%	55.11
19 Arms & ammunition	0	0.0%	3	0.0%	3	955	0.1%	1,197	0.1%	242	0.0%	0.2%	255.30
20 Miscellaneous	0	0.0%	110	1.5%	110	28,770	3.1%	18,637	2.1%	-10,132	0.0%	0.6%	292.16
21 Works of art	0	0.0%	0	0.0%	0	2,949	0.3%	4,098	0.5%	1,150	0.0%	0.0%	0.24
Other	3,073	21.9%	63	0.8%	-3,010	18,025	2.0%	13,172	1.5%	-4,853	17.0%	0.5%	0.02

Source: Eurostat COMEXT 10 September 2003 (Statistical regime 1)

EU15-Algeria Imports/Exports, 1999-2002

Algeria	EU15 trade 1999 - 2002 with Algeria (million Euro)															
	imports				exports				balance				total trade			
	1999	2000	2001	2002	1999	2000	2001	2002	1999	2000	2001	2002	1999	2000	2001	2002
Total	7,757	16,334	15,576	14,003	4,866	5,668	6,863	7,584	-2,891	-10,665	-8,713	-6,419	12,623	22,002	22,438	21,586
<i>of which:</i>																
01 Animals & animal products	6	7	8	9	326	378	339	284	320	370	331	275	331	385	347	293
02 Vegetable products	15	17	12	16	317	415	451	483	302	398	439	467	332	432	464	500
03 Animal or vegetable fats	0	0	0	0	52	38	27	110	52	38	27	109	52	38	28	110
04 Prepared foodstuffs	5	5	6	6	237	299	357	306	232	295	351	299	242	304	363	312
05 Mineral products	5,661	11,953	11,075	10,598	49	103	106	109	-5,612	-11,850	-10,969	-10,489	5,709	12,055	11,180	10,707
06 Chemical products	109	160	163	140	712	722	842	903	604	563	679	762	821	882	1,005	1,043
07 Plastics & rubber	0	0	0	1	173	203	244	278	173	203	243	277	173	204	244	278
08 Hides & skins	7	14	23	23	8	10	8	7	1	-4	-15	-16	15	24	31	30
09 Wood & wood products	11	20	17	8	97	97	120	115	86	76	103	107	107	117	138	123
10 Wood pulp products	0	2	1	2	117	154	173	202	117	152	171	200	118	156	174	204
11 Textiles & textile articles	1	1	2	3	111	115	130	145	110	114	128	142	111	115	132	148
12 Footwear, headgear	0	1	1	0	12	15	13	23	12	14	12	22	12	15	14	23
13 Articles of stone, plaster, cement, asbestos	0	0	0	0	77	78	96	109	77	78	96	109	77	78	97	109
14 Pearls, (semi-)precious stones, metals	2	1	7	3	7	7	15	16	5	6	8	13	8	8	21	19
15 Base metals & articles thereof	62	80	63	101	308	376	560	540	246	297	497	439	370	456	624	641
16 Machinery & mechanical appliances	11	8	9	12	1,421	1,640	2,109	2,500	1,410	1,631	2,100	2,487	1,432	1,648	2,117	2,512
17 Transportation equipment	2	1	1	2	600	762	932	1,054	598	761	931	1,052	602	763	933	1,056
18 Instruments - measuring, musical	3	1	2	4	127	143	185	224	124	142	183	220	129	144	187	228
19 Arms & ammunition	0	0	0	0	0	1	2	3	0	1	2	3	0	1	2	3
20 Miscellaneous	0	1	1	0	76	68	90	110	76	67	90	110	76	68	91	111
21 Works of art	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Other	1,863	4,063	4,185	3,073	39	44	63	63	-1,824	-4,019	-4,122	-3,010	1,902	4,107	4,248	3,136

Source: Eurostat COMEXT 10 September 2003 (Statistical regime 1)