

ALGERIA TODAY

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PRESIDENT BOUTEFLIKA ON THREE-DAY STATE VISIT TO CHINA



Heading an important delegation, President Abdelaziz Bouteflika started on November 6th a three-day State visit to China, his second, at the invitation of his Chinese counterpart Hu Jintao after

having attended the China-Africa Forum held in Beijing two days earlier. During this visit, Algeria and China have signed a strategic partnership agreement to “codify the excellence” of their relations and to give them more depth and substance, said the Algerian head of State. Hailing the “remarkable development of our bilateral cooperation”, he added that this agreement “holds the required conditions for a common development by putting in place the adequate framework and the guidelines necessary to a comprehensive, lasting and diversified cooperation” with China.

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ITALY'S PM PRODI VISITS ALGERIA



Italian Prime Minister Romano Prodi arrived on November 15th in Algiers for a fleeting visit aimed at boosting economic ties with Algeria, particularly in the energy field.

Mr. Romano Prodi was welcomed at the airport by Prime Minister Abdelaziz Belkhadem and went straight into talks, officials said. He also attended a forum of Italian business people in Algeria, where he told delegates that the "opening" of countries on the south Mediterranean coast was a "priority" for Italy. He singled out Algeria's energy sector as one of particular interest. Italian trade secretary Mauro Agostini said last month the trip "is the clearest demonstration of the desire of the Italian government for strategic ties between Italy and Algeria".

The Italian Prime Minister was received by the President of the Republic Mr. Abdelaziz Bouteflika. Mr. Prodi's meeting with the media as well as with Italian companies managers operating in Algeria are the main issues on the visit agenda.

US DEFENSE OFFICIAL IN ALGIERS TO REINFORCE TIES



A senior US official held talks in Algeria aimed at reinforcing defense relations between Washington and Algiers, an Algerian official said.

The US Deputy Secretary of Defense for international security affairs, Peter Rodman, met with Algeria's head of government and other senior officials to discuss ways to strengthen bilateral ties. They also reviewed developments in hot spots like Iraq, Lebanon and Sudan, the official said.

Mr. Rodman's visit is the latest in a series of contacts between US and Algerian officials in recent months. Algeria's Army Chief of Staff flew to Washington in April in a bid to strengthen military ties.

During a visit to Algiers in February, US Defense Secretary Donald Rumsfeld said Washington wanted to intensify military and counter-terrorism cooperation between the two countries.

FRENCH INTERIOR MINISTER VISITS ALGERIA



France and Algeria need to turn a page on colonial-era trauma, French Interior Minister Nicolas Sarkozy said on November 13, 2006 as he kicked off a two-day visit. "I come as a friend. I attach much importance to this trip,"

Sarkozy said upon his arrival.

Mr. Sarkozy said on November 13th that he had discussed the visit with President Jacques Chirac just prior to his departure for Algiers. "Relations between Algeria and France are extremely important. We must talk in a climate of confidence and friendship".

In terms of concrete issues, Minister Sarkozy met with President Abdelaziz Bouteflika, Prime Minister Belkhadem and his counterpart Minister Nourredine Yazid Zerhouni, to discuss ways of easing entry visas to France for Algerians.

CHINA

President Bouteflika said that this partnership is open to the "political, military and security areas" as well as to the economic, trade, scientific and technical sectors, energy and mining, culture and tourism. The volume of Algerian-Chinese trade exchanges has been growing steadily over the past few years, reaching 1.7 billions dollars in 2005 and promises to easily top 2 billions dollars this year. So far, China has invested 760 million dollars in Algeria and Chinese consortium CITIC-CRCC recently secured a 6.2 billion dollar deal for the construction of 528 km of a major road project in Algeria, the East-West Highway. President Bouteflika called on Chinese firms to speed up the telecommunications cooperation between the two countries, stressing that "time is pressing" and "we must accelerate the pace". Prospects are good for Algeria to become a technological center of China's Huawei Technologies Co., Ltd. which plans to establish a training center by the end of the year in Algeria.

AMBASSADOR AMINE KHERBI PARTICIPATES IN CSIS ROUNDTABLE WITH SENEGAL'S PRESIDENT WADE



Ambassador Amine Kherbi took part in a luncheon roundtable with President Abdoulaye Wade of the Republic of Senegal, hosted by the Africa Program of the Center for Strategic on International Studies, on October 31, 2006. The roundtable drew a large gathering that included the African ambassadors accredited to the United States, US government officials and experts of African issues. President Wade, initiator of the "Wade Formula", addressed the issue of the impact of high oil prices on the developing world and how to remedy that problem. In his intervention, the Algerian ambassador recalled some of the initiatives proposed by Algeria including setting up a strategy aiming at regulating raw materials prices and called for solidarity among developing countries to that effect. Ambassador Kherbi also spoke of the importance of a commodity integration program, of the common fund for the financing of buffer stocks and of the achievements of the February 1975 Dakar Conference on raw materials.

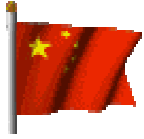
ALGERIA AND ITALY SIGN FIVE AGREEMENTS ON NATURAL GAS MARKETING

Sonatrach Company signed on November 15 in Algiers agreements on natural gas marketing with five Italian companies. An Algerian Italian gas pipeline via Sardinia is to be linking Algeria and Italy. The agreements have been signed by Sonatrach CEO Mohammed Meziane and representatives of the five Italian companies specializing in gas marketing.

President Abdelaziz Bouteflika and Italian premier Romano Prodi have attended the signing of the agreements providing for the marketing of 8 million m³ of natural gas yearly towards Italy. The Italian prime Minister, stressed "that President Bouteflika's commitment towards Mediterranean issues is deep-rooted and constant", told the press Algeria and Italy "are linked with a joint and strong policy".

ALGERIA SIGNED SCIENCE DEAL WITH CHINA

Algeria signed a scientific cooperation agreement with China, news that is widely welcomed by the Algerian scientific community. China's President Hu Jintao signed on November 6, 2006, deal with President Abdelaziz Bouteflika in Beijing, China.



The Algeria-China cooperation plan will encourage scientific and technical exchanges and technological cooperation between companies and entrepreneurs of the two countries in energy and mineral resources research.

Cooperation in sectors such as education, industry, information technology, communications, mechanical engineering, agriculture, water conservation and infrastructure construction will also be boosted.

Sadallah Boubaker-Khaled, professor of mathematics at Algiers' Ecole Normale Supérieure, says the plan will help promote science and sustainable economic development in China and Algeria and benefit the countries' scientific and technical communities.

SAHRAWI REFUGEES: UN FOOD CHIEF APPEALS TO DONOR COMMUNITY



“The international community must not forget the plight of tens of thousands of Sahrawi refugees in Algeria who are still entirely dependent on external aid to survive”, three decades after fleeing because of the conflict opposing the Polisario Front to Morocco over Western Sahara, United Nations World Food Program (WFP) Executive Director James Morris said on November 14, 2006..

“The donor community has provided critical assistance over the years and that support needs to continue,” Mr. Morris declared after visiting refugee camps in the desert near Tin-

douf and meeting with President Mohamed Abdelaziz of the Sahrawi Arabic Democratic Republic as well as the camps' Council of Elders.

“For more than 20 years, these people have had to endure a harsh desert environment, social isolation and a chronic lack of economic opportunities. WFP and its partners are doing their utmost to ensure that the neediest refugees receive the quantity and quality of assistance they desperately need,” he added.

The refugees arrived in Algeria in 1975 after fleeing the dispute between Morocco, which occupied the former Spanish colony, and the Frente POLISARIO independence movement. In October 2006, the UN Security Council reaffirmed that a just and lasting solution was still under negotiation. But until a solution is reached, the refugees will continue to rely on the humanitarian community.

Mr. Morris stressed that the difficult living situation is having an obvious impact on their health. A joint UN study last year concluded that almost two thirds of the women suffer from anemia and one out of every three children under five suffers from chronic malnutrition.

“Refugees are the responsibility of the international community not of one single country,” he said. “The Algerian Government has generously given lodgings and financial support but more international help is needed.”

Since 1986, WFP has been assisting the Algerian Government in meeting basic nutritional needs of the refugees. To date, WFP aid totals over \$157 million and includes the current operation valued at \$43 million.

“DOING BUSINESS IN ALGERIA” CONFERENCE



On Monday, November 13, 2006 the US-Algeria Business Council and the Greater Houston Partnership organized the 2006 USABC Algeria Day: Doing Business in Algeria. This event was held at the Westin Galleria Hotel in Houston, Texas.

Covering all sectors of investment, the 2006 USABC Algeria Day addressed relations between the United States and Algeria, investment and partnership opportunities in Algeria and initiatives towards strengthening the existing trade relations between the two countries.

Presentations were made by a representative from the Embassy and the senior advisor to the President of Sonatrach, as well as by Mr. Nathaniel Mason, International Trade Specialist at the US Department of Commerce. Algeria is open for US business like never before. With stability fully restored and prosperity growing, Algeria has emerged as a global economic player. US-Algeria commercial relations have never been better; currently the United States is Algeria's largest trading partner boasting an annual trade close to \$13 billion dollars for 2006.

WATER DESALINATION CONTRACTS AWARDED TO ASIAN CONSORTIUM



A consortium of Malaysian and Singaporean firms has won the contract to build and operate desalination plant in Tlemcen, in the west of Algeria, involving total investment of some US\$240m. The Malaysian partner is the international division of Malakoff ; the Singaporean partner is Spring Utility, a division of Hyflux. It is the first such project to be awarded to Asian firms – US and Spanish companies have hitherto dominated the desalination market in Algeria, which has witnessed a series of major contract awards over the past four years.

Algerian Energy Company (AEC), a public venture handling power and water investments, will hold 49% of the equity in the Tlemcen project company. The remaining 51% will be held by the foreign partners, of which Malakoff will own 40.8% and Spring Utility 10.2%. The plant will have a capacity to produce 200,000 cubic meters/day of water, and the operating contract is for 25 years. The engineering, procurement and construction works, estimated at US\$205m, will be undertaken by a wholly owned subsidiary of Hyflux. This work is scheduled for completion within 24 months of financial close. A group of Algerian banks will provide a project finance facility to cover 80% of the total cost.

According to the Minister of Water Resources, Mr. Abdelmalek Sellal, the government aims to have 14 desalination plants in operation by 2010. Among the projects now in the tendering phase is Cap Blanc, near Oran. Mr. Sellal also announced in early October that the Algerian government has decided to go ahead with a project to tap aquifers in the Sahara desert, near the In Salah gas field, and pump the water south of the oasis city of Tamanrasset, at an estimated cost of US\$1 billion.

ALGERIA FOR A MIDDLE EAST FREE OF CHEMICAL WEAPONS



Algeria called for a Middle-East free of chemical weapons to help "advance the peace process" in the region, during an international meeting in Rome on the prohibition of such weapons of mass destruction (WMD). H.E. Benchaâ Dani, Algeria's Ambassador to The Netherlands and its Permanent Representative to the Organization for the Prohibition of Chemical Weapons (OPCW), said this three-day "workshop" represented a "meeting of peace and ideas sharing".

5TH NATIONAL EXHIBIT OF POPULAR ASTRONOMY IN CONSTANTINE



Constantine – The 5th national exhibit of popular astronomy was organized in Constantine from October 31 to November 2, according to the release of "Sirius" association of astronomy, originator of this event. This scientific meeting which took place at cultural center "Malek Haddad", as part of the 2006 World Space Week 2006, coincided with the celebration of the 52nd Anniversary of the Revolution of November 1954.

THE CITY OF ORAN HOSTS INTERNATIONAL ENERGY CONFERENCE

An international Conference on Energy will be held in Oran by the end of this month. The event, under the topic "Reforms, Strategies, Opportunities and Invention", will discuss the current reforms in the sector and its investments opportunities. The event is due to be attended by many Algerian and foreign dignitaries, including Mr. Andris Pielbags, the European Commissioner and the Chairmen and Presidents of Sonatrach, and Sonelgaz, as well as national and foreign experts from Saudi Arabia, South Africa, Norway, Spain, Italy, Great Britain and the USA.

US EXPERTS ASSIST ALGERIA IN BANKS INTRA-CONTROL

A group of US financial experts is undertaking during a one-week visit to Algeria a comprehensive survey on intra-control systems between the Bank of Algeria and its branches. According to banking sources, the delegation, which is collaborating with Bank of Algeria's officials, is expected to submit recommendations

This mission has been launched after the conclusion of an Algeria-US bilateral agreement on cooperation and coaching in terms of banking system as well as the coordination between Bank of Algeria and the US Federal and Department of the Treasury as well as Algeria Finance Ministry. Algeria benefited, together with many Arab States, from multi-specialization leveling and training programs namely partnership in the financial sector, to which US Department of the Treasury allocated a 3 million dollars budget.

The US delegation-led survey includes all intra-control related folds according to principles provided for in Bale Convention 1 especially pre and post control preventive measures, notably when it comes to capital inflows and the relation between the central bank and its branches.

The main aims set by the US delegation meeting with Bank of Algeria officials are to adopt a new efficient mechanism likely to guarantee prevention and allow the timely detection of deficiencies and financial loopholes and updating the former mechanisms.

ALGERIA APPEALS FOR ARAB INVESTMENT

Inaugurating a conference of Arab businessmen, President Abdelaziz Bouteflika said: "We need Arab backing and help more than when they gave us support during our revolution".

"We call on Arab investors to come up with feasible and serious projects and we commit ourselves to facilitating their entry into our market," Finance Minister Mourad Medelci told more than 200 businessmen from Arab countries.

The conference aims to deepen Arab interest in Africa's second largest country, which is trying to lessen reliance on oil and gas and is ploughing record energy revenues into an \$80 billion program of reconstruction and development.

Algerian business people say the country sorely needs more investment and exposure to international best practice in services.

SMART LINK COMMUNICATIONS, AN ALGERIAN IT FIRM, REFLECTS PROMISES OF COUNTRY'S TELECOM INDUSTRY

Brainchild of a group of Algerian US-educated whiz kids, Smart Link Communications (SLC) recently exhibited the giant step made by Algeria in disseminating new technologies throughout its territory. Established in 2001, the firm is behind the success met by WiMax, or wireless Internet access, an area where SLC stands unchallenged in Algeria and in the Arab world. Confronted with difficulties in the local cable supply market and expensive fiber optics infrastructures, the creators of SLC decided very early on to bet on wireless solutions. In 2005, SLC launches the first Multi-service network in Algeria and establishes offices throughout the country's major cities and as far south as Hassi Messaoud. "The telecommunications sector has registered in Algeria a qualitative and quantitative leap unequaled in the Arab world", explained recently Lotfi Nezzar, SLC's CEO to a group of visiting national and foreign dignitaries, who marveled at the current state of development of IT technologies in the country. Mr. Nezzar added that in the area of cellular technology, for example, the number of users expanded from a few thousands in the 1990s to several millions over the last few years.



COFACE EMBARKS IN ALGERIA



On October 12, 2006, the French company offering credit insurance and credit management (Coface) opened a subsidiary in Algeria.

Coface Algeria Services (CALS) will provide credit risk management services to businesses in the country. Through policies issued by its partner Cagex (Algerian public insurer), Coface has also launched the first Algerian domestic credit insurance offer in the market.

FRANCE: EMIR ABDELKADER SQUARE IN THE HEART OF PARIS



A square named after Emir Abdelkader, the symbolic Algerian figure, was inaugurated on November 16, 2006, in the middle of the French capital, in the 5th district which also hosts the Grand Mosque of Paris and the Arab World Institute (IMA).

This square nearby the biggest mosque in Paris will take the name of the most eminent and charismatic Algerian historic figure, whose influence and prestige went beyond his country's borders.

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PRIVATIZATION OF ALGERIE TELECOM



The opening of the capital of state-owned Algérie Télécom to private investors is likely to take place in the first half of 2007, the company's recently appointed managing director, Slimane Kheireddine, said on November 4th in the course of remarks on the successful conclusion of a bond issue, which raised AD21.6bn (US \$293m). He said that the Algérie Télécom privatization dossier was now with the Prime Minister. He added that privatization would provide a good opportunity to gain specialized expertise, and that several international operators had expressed strong interest, including France Télécom, British Telecom and Spain's Telefónica. Among new initiative planned by the company, Mr. Kheireddine listed IP-Centrex (a modern version of Voice over Internet Protocol) and digital terrestrial television.

THE MUSICAL INSTRUMENT "IMZAD"



The Second International Imzad Symposium organized by the "Save the Imzad Association" led by its President Mrs. Farida Sellal, under the patronage of Her Excellency Khalida Toumi, Minister of Culture, will take place in April 2007 in Djanet, Algeria.

The topic of this event "Cultural Uncommonness of the Desert People" is aimed at promoting awareness of this monochord musical instrument exclusively reserved to women, its role in Touareg culture and in today's world. It is said that there are only 6 women left who are knowledgeable in the making of this instrument and also capable of playing it.

