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PRESIDENT ABDELAZIZ BOUTFELIKA ATTENDS AFRICA-SOUTH AMERICA SUMMIT



President of the Republic Abdelaziz Bouteflika declared on November 30th in Abuja that strengthening South-South cooperation ties will "be surely a historical stage in the path of the unique partnership we are striving

for." "In spite of the distance between them, our two groups managed to establish solid ties, encouraged by common history and cultural heritage, consolidated by basically shared convictions," the Head of State told the Africa-South America Summit, which started on November 30th in Nigeria's capital, Abuja.

African and South American leaders were meeting in the Nigerian capital Abuja for the first-ever summit between the two continents, aimed at furthering South-South cooperation.

"As you are no doubt aware, Africa and South America are two regions of immense possibilities imbued with both human and natural resources," Mr. Obasanjo said in his opening address.

"The combined population of over 1.2 billion people, abundant cultivable land and the vast mineral resources available in the two regions should place us in vantage position in the wider context of global multilateral engagements, responsibilities and opportunities," he said.

See page 2 **AFRICA-SOUTH AMERICA SUMMIT**

CANADIAN GOVERNOR STARTS AFRICA TOUR IN ALGERIA



Canada's Governor General Michaëlle Jean went to Algeria for a four-day visit from the 20th to the 23rd of November 2006, her

first trip to Africa where she met President Abdelaziz Bouteflika. She also presided over a forum of Algerian and Canadian business executives. She attended a State luncheon given by President Bouteflika. In a speech Governor Michaëlle Jean said that: "Canada is proud to play a role in the rebirth of Algeria ... Canada will stand by the Algerian people as they build social peace and foster the conditions needed to ensure stability".

Canada invested some three million Canadian dollars (2.6 million US dollars) in Algeria, including for the construction of two power plants, dams and roads.

The Canadian embassy in Algiers announced on November 16, 2006, the financing of three new social projects costing 110,000 Canadian dollars. Business exchanges between the two countries increased to 4.5 billion Canadian dollars in both directions in 2005. Some 50,000 Algerians live in Canada. Algeria has been Canada's leading trading partner in Africa and the Middle East for a number of years.

PRESIDENT BOUTEFLIKA FOR A "PEACEFUL AND LASTING" SOLUTION IN DARFUR

President of the Republic Abdelaziz Bouteflika declared, on November 29th in Abuja, that he favors a "peaceful and lasting" solution to the crisis in Darfur likely to "keep Sudan's stability and unity." "It is clear that to end this conflict, we should collectively act in order to reach a peaceful and durable solution, a beyond the stability and unity of Sudan, this conflict dangerously threatens those of the other countries of the region" President Bouteflika asserted in an address to the summit of the African Union's Peace and Security Council.

PRESIDENT BOUTEFLIKA HIGHLIGHTS TIJANIYA BROTHERHOOD'S ROLE IN SPIRITUAL AND SOCIAL EDUCATION



President Abdelaziz Bouteflika underlined that the widespread audience of the Tijaniya brotherhood is explained by the authenticity of its spiritual legacy, considering that this feature may encourage its further development. In a message to the participants in the International Conference on the Tijaniya Brotherhood, held on November 23, 2006 in Laghouat (400km south of Algiers) read on his behalf by his adviser Mr. Okbi Habba,

President Bouteflika pointed out that "this conference is of good omen for Algeria, which is hopeful it will contribute, through studies and research on the development and the educational, spiritual and social features of the Tijaniya brotherhood, to spread the precepts of our religion, Islam, and the tradition of Prophet Mohamed (PBUH), as well as our ancestors' values."

ALGERIAN ENERGY MINISTER DEFENDS NEW TAX

On November 21, 2006

Algeria's Energy and Mining Minister Chakib Khelil briefed international executives on amendments to Algeria's hydrocarbon law. He said that details of the new windfall tax on foreign oil company profits have been decided and will be published shortly. He said that the full annex of terms to enable the windfall tax and other aspects of the 2006 legislation to come into effect will be published in early 2007. The 2006 legislation revises some aspects of the 2005 hydrocarbon reform bill, notably those relating to Sonatrach's share in upstream, mid- and downstream ventures, as well as introducing a windfall tax on some previous contracts.



Minister Khelil added that the country expects the windfall tax to raise an extra US\$1-1.5 billion a year for the country. The tax will be imposed at a rate of 5% to 50% on a Brent price of US\$30/b and will be retroactive to 1 August 2006.

Questioned by one executive on whether the tax breached existing contracts, Mr. Khelil defended the measure, saying that the "rate of return is now excessively much larger than it was expected to be" at the time some contracts were signed. He added that: "Some companies are not going to pay much because they already, in their contractual arrangements, have a formula by which a fair equilibrium between the two parties was ensured".

MINISTER KHELIL PARTICIPATES IN ENERGY FORUM

Their Excellencies Chakib Khelil, Minister of Energy and Mining and Amine Kherbi, Ambassador to the US, attended a forum on energy: "Africa Oil & Gas Forum: Expectations & Reality"



organized by the Corporate Council on Africa (CCA) in Bethesda, MD from November 29 through December 1st. Participants discussed the following topics: "Coping with Challenges: The African Perspective" and "Energy Interdependence: Reexamining Expectations & Reality". Among the participants, The Honorable Samuel W. Bodman, US Secretary of Energy, Minister Edmund Daukoru of Nigeria (President of OPEC), Mr. Al Hegburg, Deputy Assistant Secretary of Energy, Mr. Guy Caruso, Administrator, Energy Information Administration at the Department of Energy and Mr. Dan Yergin, Chairman of Cambridge Energy Research Associates, Inc.

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AFRICA-SOUTH AMERICA SUMMIT

A draft declaration submitted to the Heads of State at meeting on November 29th said the leaders will call for a rapid resumption of and swift conclusion to the Doha Round of World Trade talks. The summit also sought to address the reform of the United Nations, wanting this to be done with the "equitable participation of developing countries". The two continents will also commit to a series of measures destined to boost trade between them: they will look at exchanging technologies to add value to the raw materials they both produce and look at setting up an Africa-South America bank to finance infrastructure projects. In terms of energy the draft declaration talks of "establishing inter-regional partnerships".

SPANISH BANKS TO OPEN IN ALGERIA NEXT YEAR



Spanish banks may start operating in Algeria next year, according to Finance Minister Mourad Medelci who expressed satisfaction with the efforts exerted by the Spanish authorities these last few months to make Spanish banks more "attentive"

to the Algerian market. The Minister said that following a working meeting on November 21, 2006, with Spain's Minister for Industry, Tourism and Trade, Joan Clos i Matheu, such interest by financial institutions in Spain was "getting more and more evident."

He noted that "according to the indications we have, Spanish banks may settle in Algeria in 2007." Minister Medelci also disclosed that he had examined with the Spanish Minister the "possibilities to foster greater bilateral co-operation in various sectors, notably the truly exceptional potential that Algeria possesses in tourism".

Both sides had reviewed the five-year development program Algeria is undertaking and in this regard, the Spanish side, which is participating in the implementation of this program by supplying equipments for railways and the Algiers's subway system, showed interest in further rail program. Minister Medelci revealed that the parties also discussed possibilities "for all we can do together in managing ports, airports, highways and other sectors within coming months".

ALGERIA GRANTS ITALY'S SAIPEM GAS PIPELINE DEAL



Saipem (offshore construction, pipe laying and drilling), a unit of Italian energy firm ENI (Ente Nazionale Idrocarburi), has won a deal to build part of the second

undersea gas pipeline linking Algeria to Europe, Algerian Energy and Mining Minister Chakib Khelil said on November 21, 2006.

Minister Khelil was also quoted by the official APS news agency as saying an unnamed Japanese company had been granted a contract to provide pipes for the 200 km part of the so-called Medgaz pipeline.

"Orders for the pipes have been made and the contract of laying the pipeline has been awarded two days ago, and the board of directors will meet today to give the green light for the start of construction," he said after talks with visiting Spanish Industry, Tourism and Trade Minister Joan Clos i Matheu.

Minister Khelil said Algeria had started construction of the 630 million euro (\$ 753 million) Medgaz pipeline, which will bring 8 billion cubic meters of gas a year to Spain, Portugal and France, and is expected to be ready by 2009.



United Nations Educational,
Scientific and Cultural Organization



HP & UNESCO LAUNCH JOINT PROJECT TO COUNTER BRAIN DRAIN

Hewlett Packard (HP) and the UN Educational, Scientific and Cultural Organisation (UNESCO) announced on November 22, 2006, the launch of a new project "Piloting Solutions for Reversing Brain Drain into Brain Gain for Africa", which aims to help to reduce brain drain in Africa by providing grid computing technology to universities in Algeria, Ghana, Nigeria, Senegal and Zimbabwe. The project aims to re-establish links between researchers, who have stayed in their native countries and those that have left, connecting scientists to international colleagues, research networks and funding opportunities.

It said faculties and students at beneficiary universities would also be able to work on major collaborative research projects with other institutions around the world. "This project harnesses the enormous potential of information and communication technology to bring people together and to spread the benefits of research and development across the north-south divide," said the Director-General of UNESCO, Koïchiro Matsuura.

The African Project was developed by UNESCO's Education Sector in response to requests by Member States. Over the past decades, African countries have suffered greatly from the emigration of skilled professionals, scientists, academics and researchers, who are estimated to be leaving the Continent at the rate of 20,000 a year.



ALGERIA'S E-READINESS IMPROVEMENTS

According to a study published last month by the Economist Intelligence Unit, Algeria has registered the greatest improvement in 2006 e-readiness scores among all countries in the Middle East and Africa, and it joins Lithuania and Estonia among the most improved countries globally. The source of Algeria's improvement lies mainly in the realm of government policy implementation, particularly the injection of competition into the telecoms market in the past three years. The results are now showing through in connectivity. Previously a monopoly of the incumbent, Algeria Telecom (AT), the mobile market now houses three highly competitive operators, two of which are foreign-owned—Orascom (Egypt) and Wataniya (Kuwait). From a little more than 1% in 2002 when a second operator launched its service, mobile penetration now exceeds 40% of the population and, according to Pyramid Research, is likely to cross the 60% threshold by the close of 2006. The government is extending competition to other parts of the telecoms market as well. It has awarded a license to Orascom and Telecom Egypt to build and operate a fixed-line network that will compete with AT for high-speed data and other specialized services, in addition to meeting unfulfilled demand for basic telephony services. It is likely also to authorize several Internet service providers (ISPs) to provide VoIP services, to compete with the (still expensive) international calling services of AT and the mobile operators.

EU & ALGERIA WILL FORM STRATEGIC ENERGY PARTNERSHIP

The European Union and Algeria, Africa's largest natural gas producer, will form a "strategic energy partnership" to boost the supply of fuel and electricity to Europe, EU Energy Commissioner Andris Piebalgs said on November 26, 2006.



"We are doing the fine-tuning before signing the agreement," the commissioner told reporters during the 5th International Conference on Investment Opportunities in Algeria's Energy Sector, in the western Algerian city of Oran, without indicating when the accord may be concluded.

The agreement will facilitate projects that will increase the EU's imports of Algerian gas from 53 billion cubic meters a year now to 80 billion cubic meters a year in 2010, he said. It will also encourage the installation of two cables to carry electricity from Algeria to Spain and Italy. Algeria is the second-largest exporter of the fuel to the EU, behind Russia.

The accord will ensure the EU's support for the financing of two new gas pipelines planned from Algeria to Spain and Italy, called respectively Medgaz and Galsi, and the laying of electricity cables running in parallel, said Mr. Piebalgs. The EU will also support the construction of a trans-Sahara gas pipeline that would carry gas from Nigeria to Europe, he said.

The \$10 billion, 4,310-kilometer (2,679-mile) pipeline would run from the delta of the Niger River, in southern Nigeria, across the African state of Niger to Algeria and then across the Mediterranean Sea to Spain, with possibly a branch going to Italy, Algerian Energy and Mining Minister Chakib Khelil told the conference. The project may be completed in 2015, with the capacity to carry 20 to 30 billion cubic meters of gas a year, he said.

Algeria is already sending gas to Italy and Spain through two pipelines across the Mediterranean. It is planning to increase its gas exports to 85 billion cubic meters in 2010, from 65 billion cubic meters a year now. The EU also plans to support Algerian projects to generate electricity from renewable sources like solar energy, and a project to store carbon dioxide gas in order to curb the greenhouse effect, Mr. Piebalgs said.



GDF READY TO HELP ALGERIA'S SONATRACH EXPAND IN ATLANTIC BASIN

The French company Gaz de France (GDF) is ready to help Algeria's Sonatrach develop its operations in the Atlantic Ocean, said GDF's Vice-President Didier Holleaux. Speaking at the 5th International Conference on Investment Opportunities in Algeria's energy sector in Oran (Algeria), Mr. Holleaux said Sonatrach could have access to new North American markets by using GDF facilities scheduled to be built near Rabaska in Quebec (Canada). He also said GDF would be interested in other cooperation ventures with Sonatrach, for example joint investments in exploration of gas liquefaction activities.

ALGERIA \$7 BILLION NON-OIL FOREIGN INVESTMENTS EXPECTED



According to Al-Khaleej newspaper (November 22, 2006), Mr. Abdelmadjid Baghdadli, the General Director of the Algerian National Agency for Investment Development (ANDI), forecasts the total Arab and foreign investments inflow into the non-oil and non-gas economic sectors in Algeria to double to \$7 billion in 2007.

ALGERIAN CULTURE MINISTER VISITS POLAND



The resumption of Polish archeological diggings in Algeria and ties between both countries' art colleges dominated talks during Algerian Culture Minister Khalida Toumi's visit to Poland from November 21st to the 24th.

During her visit, Minister Toumi met Polish Culture Minister Kazimierz Michal Ujazdowski and officials from Warsaw's music, drama and art universities, with whom she discussed cooperation in protecting culture monuments and tightening contacts between Polish and Algerian arts schools. Mrs. Toumi also visited Wroclaw, where she was shown a project of the 2012 Expo World Exhibition, which the city is competing to organize.



ALGIERS' NOTRE-DAME D'AFRIQUE BASILICA TO BE RESTORED

A convention for the renovation of Notre-Dame d'Afrique (Our Lady of Africa) Basilica has been signed on November 27, 2006 in Algiers between the Wilaya of Algiers and the European Commission in Algeria. This agreement has been concluded for the amount of one million Euros by the Secretary-General of the Wilaya of Algiers, Mr. Mahmoud Djemaâ and Mr. Mouloud Hamaï, Director-General of European Affairs at the Ministry Foreign Affairs, and Ambassador Lucio Guerrato of the European Commission in Algeria, who attended the ceremony of signature of this agreement.

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MASTERS OF ALGERIAN POPULAR MUSIC REUNITE



At the foot of the historic Casbah of Algiers where their beat once throbbed smoky underground cafes, the masters of Chaabi performed again. As the drums, guitars and violins hushed, one sole voice after another struck out, heavy with emotion. The recent concert of

Chaabi, the music of the Casbah, sometimes called the "blues of the East" because it is often improvised, marked the reunion of a group of elderly musicians. The performance at Algiers' National Theater on November 20, 2006, is part of a project called "El Gusto" that aims with the help of a documentary film and an album to bring international recognition to Chaabi's long-suffering elder generation. "Chaabi is making a comeback" said Mr. Chercham, 60. "There are lots of young people who are enrolling at the academy". Chaabi, Arabic for "popular", was the name given to a music born and fostered in the Casbah, a once-bustling working class quarter of whitewashed houses stacked up the hill that rises from Algiers' Mediterranean port.

Developed from the classical Andalusian music, Chaabi emerged in the 1920s and soon became Algiers' popular beat. "It sang about everything, poverty, women, flowers, money, of everything that is pretty, in a very simple manner" said one musician, Mustapha Tahmi. It was at the Music Conservatory of Algiers that several of the musicians who performed at last week concert learned how to play, under "Hadj M'Hamed.El Anka" (born Mohamed Idir) regarded as Chaabi's founding father.

PROTECTION OF CHEETAH IN NORTH AFRICA ON AGENDA

The protection of cheetahs in North Africa was at the center of a recent meeting organized in Tamanrasset, Algeria, by Forest Management General Directorate (DGF) in collaboration with The North African Regional Cheetah Action Group



(NARCAG), a French NGO. The numerous participants, including Algerian and European specialists and veterinarians who are interested in this animal's fate, have examined, 20th and 21st of November, many aspects related to cheetahs in North Africa in general and in the Algerian national parks of the Hoggar and the Tassili in particular.