



Evaluation of the Algerian Experience in Partnership with the European Union

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Abstract :

The implementation of the Association Agreement was a very important step in the process of socio-economic and political development for Algeria. This step was intended not only to increase and diversify trade between Algeria and the European Union, but also to increase the volume and value of national production and exports, apart from hydrocarbons. Algeria must put an end to the dependence of the economy on hydrocarbons (oil, gas) because this is one of the major objectives of this partnership with the EU. However, the diversification of local production cannot be done without the strong involvement of productive foreign direct investment and without the upgrading of Algerian companies, so that they become competitive.

Key Words: European Union, Partnership Agreement between Algeria and the EU, Free Trade Area, Trade Relations, Political Relations.

JEL Classification : R12; F13; D20

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Introduction:

Constituting an essential axis of any development policy, economic opening and liberalization of foreign trade represent essential elements in any objective aimed at greater integration into the world market. Furthermore, globalization has shown its extent and the new order of the international economy stimulates the establishment of blocs throughout the world and clearly does not favor isolated and isolating strategies.

Consequently, the opening of borders is an inevitable reality, including for long-protected economies. In this context, Algeria signed an association agreement in 2002 with the European Union, its historic partner. This agreement is committed to maintaining the Barcelona process, initiated by the European Union to increase partnership relations with the South Mediterranean countries, while aiming for the long-term establishment of a “shared prosperity zone”. But also as Algeria's desire to diversify and understand commercial relations with the European community, within a more structured and more formal framework, and this by liberalizing the market in a progressive and reciprocal way through a summary progressive dismantling of tariff barriers and elimination of obstacles to trade. This agreement,



which divided experts, arousing enthusiasm in some and indignation in others, particularly sharpened our curiosity.

The general framework for cooperation between the EU and Algeria is set by the Association Agreement (AA) signed in 2002, which entered into force in 2005 and which establishes all areas of cooperation between the parties. In 2015, Algeria officially expressed its desire to reassess the AA. The reassessment allowed the adoption of the partnership priorities in 2017.

The authorities were required to conduct a comprehensive evaluation of the Association Agreement with the European Union (2020 - total liberalization of customs duties). Algeria is not a member of the WTO. And the question that arises in this context:

What are the undersides of the Agreement between Algeria and the European Union?

This article will analyze the Algerian-European relationship, focusing on its economic aspects by illustrating the historical and the interplay between the two parties. To achieve the paper's objective, a macro-level analysis will be relied upon to look at all aspects of the subject.

This article will shed light on the Algerian Euro-Mediterranean partnership by providing statistics on exchanges and dealings between the two parties.

I. New structural economics

The Partnership Agreement between Algeria and the EU. The Association Agreement (AA), signed on 22 April 2002 in Valencia between the European Community and Algeria, entered into force on 1 September 2005. The AA constitutes the legal framework governing relations between the parties in matters political, economic, commercial, social and cultural. This agreement notably provides for the obligations for each of the ratification procedures were finalized by the two parties and undertook a major effort to modernize its socio-economic fabric to enable it to face the challenges posed by this agreement.

This agreement falls within the framework of the Barcelona Process called for by the European Community for the purpose of developing cooperative relations with the countries of the southern shore of the Mediterranean and for the purpose of creating a "shared prosperity zone" in the long term.

This agreement, which was signed in Valencia (Spain) on April 2002, is not limited to the establishment of a free trade zone only, but also includes economic aspects (trade branch, economic and financial cooperation, investment flows) and political, social and cultural aspects necessary for sustainable development.

The importance of this agreement for Algeria lies in its foreign trade transactions, which amount to 60% with the European Community.

The Partnership Agreement entered into force on September 1, 2005, and no problem of significant difficulty occurred when it was put into practice thanks to the good preparation made by the government regarding this file by establishing a permanent committee charged with preparing and following up on its



implementation (which is supervised by the Ministry of Foreign Affairs) on December 30, 2004.

This cooperation was characterized by a commercial nature, which was supported by financial protocols that were renewed every five years and coupled with loans granted by the European Investment Bank. Its objectives revolved around the following:

- Promoting exchanges between Algeria and the European market;
- Ensuring a real balance in trade exchanges;
- Improving the conditions for entry of Algerian goods into the European common market.

The legal basis for the Association Agreement concluded between the European Union and Algeria is represented in Presidential Decree No. 05/159 of April 20, 2005 (Official Gazette, Parliament's ratification of the Association Agreement between Algeria and the European Union, 2005).

Page 8), which includes the ratification of the Euro-Mediterranean Agreement to establish a partnership between the People's Democratic Republic of Algeria on the one hand and the European Community and its member states on the other hand, as well as its annexes 1 to 7 and Protocols No. 1 to 7 and the final document attached to it. This ratification was done by The Algerian Parliament, in its two chambers, after being informed of the content of this agreement, as well as through the issuance of Law No. 05/05 dated April 26, 2005, which included approval of this agreement.

The conditions and methods for implementing protective, compensatory and anti-dumping measures have been determined by executive decrees.

The partnership agreement contains 110 articles that initially included the main dialogue part, its dimensions, objectives and importance, then the economic and financial aspect that concerns the freedom of transfer of goods, goods and services and the freedom of transfer of capital, then the social aspects, cultural cooperation and aspects related to collection and commercial issues.

Table 1 : « Imports from the European Union »

2002 – 2004	2011
8.2 milliards \$ US	24.21 milliards \$ US

Source: <https://www.commerce.gov.dz/fr/rubriques/accords-d-association-avec-l-ue>

Exports to the European Union rose, on average annually, from US\$15 billion between 2002 and 2004 to US\$36.3 billion in 2011, an increase of 140%. We emphasize at this level that these exports are made up to 97% of hydrocarbons. Exports of manufactured goods and agricultural and food products rose from US\$552 million in 2005 to US\$1 billion in 2010, an increase of 81%. (Trade Ministry, 2023)

Table2: « Exports to the European Union »

2002 – 2004	2011
15 milliards \$ US	36.3 milliards \$ US

Source: <https://www.commerce.gov.dz/fr/rubriques/accords-d-association-avec-l-ue>

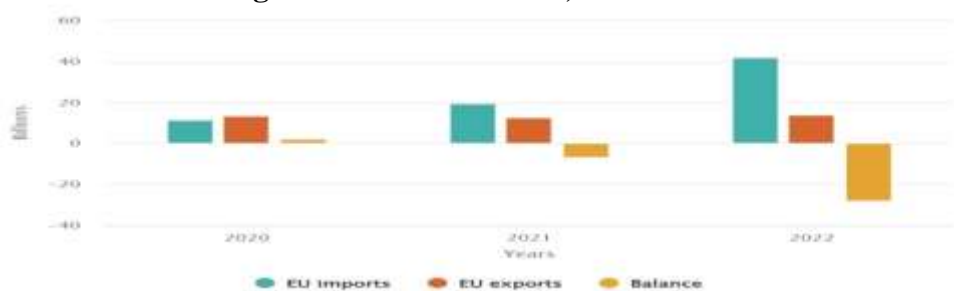


Based on the structure of our trade with the European Union, it appears that the trade balance excluding hydrocarbons remains unbalanced. Thus the implementation of the Association Agreement has had no impact on the level and diversification of our non-hydrocarbon exports to European Union countries. At this level we recall that Algeria wanted through the implementation of the Association Agreement, to achieve a diversification of the national economy to allow the development of our non-hydrocarbon exports. (Trade Ministry, 2023)

The results being mixed and very far from Algeria's expectations, informal consultations for the revision of the tariff dismantling of industrial products and agricultural tariff concessions were launched in accordance with the decision of the Association Council held in Luxembourg on June 15, 2010 .

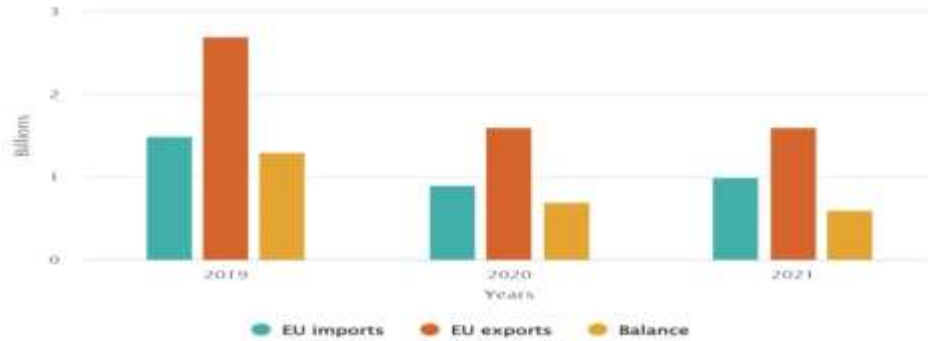
- Algeria is the EU's 19th biggest trade partner, representing 1% of the EU's total trade in goods in 2022.
- The EU is Algeria's biggest trade partner and accounts for the majority of Algeria's international trade (around 50% in 2021).
- Total trade in goods between the EU and Algeria in 2022 amounted to €55.8 billion. The EU's imports from Algeria amounted to €41.9 billion. Imports were dominated by mineral products (€38.7 billion, 93%). The EU's exports to Algeria amounted to €13.9 billion and were dominated by machinery and appliances (€2.4 billion, 17.3%), closely followed by chemicals (€2.3 billion, 16.6%), and vegetables (€2.1 billion, 15.1%).
- Two-way trade in services amounted to €2.6 billion in 2021. EU imports of services represented €1 billion, and exports were worth €1.6 billion.

Fig. 1 : « Trade in Goods, € billions »



Source : https://policy.trade.ec.europa.eu/eu-trade-relationships-country-and-region/countries-and-regions/algeria_en

Fig 2: « Trade in Services, € billions »



Source : https://policy.trade.ec.europa.eu/eu-trade-relationships-country-and-region/countries-and-regions/algeria_en

II. Association Agreement between Algeria and the European Union (European Commission, 2005)

There have been informal consultations to review the elimination of customs duty tariffs for industrial and agricultural products which

Launched in accordance with the decision of the Association Council held in Luxembourg on 15 June 2010, the purpose of these consultations is to postpone The deadline for implementing the free trade area is in 2020 AD instead of 2017 AD, and provides for the recovery of customs duties as stipulated in the Association Agreement List of sensitive products. The European Union also focused on four goals:

- Supporting economic reforms and building institutions to confront economic openness;
- Development of economic infrastructure;
- Human Resource Development;
- Unifying the rule of law and good governance (European Commission, 2005)

As for Algeria, it stated five main goals:

- Providing an appropriate framework for political dialogue between the parties with the aim of strengthening relations between them;
- Expanding exchanges, ensuring the development of balanced economic and social relations between the two parties, and determining the conditions for the gradual implementation of exchanges of goods, services, and capital;
- Encouraging Maghreb integration by encouraging exchanges within the Maghreb Community and between the latter and the European Community and its member states;
- Promoting cooperation in the economic, social, cultural and financial fields;
- Encouraging human exchanges, especially within the framework of administrative procedures.



1. To Agricultural products under Protocol 1:

- Tariff reductions ranging from 40 to 100% of customs duties and duties and taxes having equivalent effect; (International Trade Administration, 2023)
- Import customs duties are eliminated or reduced depending on the product. Elimination
- is carried out in accordance with the proportions indicated for each of them in column a;

For certain products, customs duties are eliminated within the limits of the tariff quotas indicated for each of them in column b.

2. To Fishery products covered by Protocol 3:

Total exemption from customs duties (International Trade Administration, 2023)

Processed agricultural products: listed in Protocol No. 5 Annex I

- Total exemption from customs duties for the products included in list 1.
- Exemption from customs duties within the limit of a tariff quota for certain products included in list 2.
- Exemption from customs duties plus or minus an agricultural element for the products listed in list 3.

3. The objectives and tools of the Association Agreement

The main objective of the Association Agreement is to implement an area of "shared prosperity". In its first article, the agreement provides for "developing trade, ensuring the growth of balanced economic and social relations between the parties, and setting the conditions for the progressive liberalization of trade in goods, services and capital ". Article 3 of the Algeria-EU agreement also provides for the establishment of a political and security dialogue making it possible "to establish between the partners lasting bonds of solidarity which will contribute to the prosperity, stability and security of the Mediterranean region". The objective of security cooperation is the fight against illegal immigration and trafficking, as well as against terrorism. To do this, two goals have been set by the EU and Algeria: the establishment of a free trade area (FTA), and access for European agricultural products to the Algerian market. (eas, 2023)

3.1. The establishment of a free trade area

According to article 1 of the agreement, the objective is the gradual establishment of a free trade area for goods and services⁸. Trade in goods benefits from a gradual dismantling of tariffs over 12 years, starting September 1, 2005, the date of entry into force of the agreement. This measure concerns Algerian imports from the EU. To this end, the agreement includes three lists of products: industrial products, semi-finished products and highly competitive products (textiles). These are the products affected by the tariff dismantling. (eas, 2023)

First of all, the industrial products mentioned in annex 2 of the agreement (covering chapters 25 to 97 of the TDA customs tariff) and concerned by a total and immediate exemption from customs duty and charges having equivalent effect (provisional additional duties DAP⁹). Annex 2 includes 2,076 tariff lines concerning raw materials and intermediate products intended for day-to-day operation. The second list named "Appendix 3" includes only semi-finished



products, the dismantling of which is spread over six years. Finally, a third list, “Annex 4”, concerns highly competitive products such as textiles and footwear. For this list, the gradual dismantling has been postponed to September 1, 2007, and must end with the establishment of the Free Trade Area in 2017, postponed to 2020 by virtue of a mutual agreement signed in 2010, so that Algeria avoids a tax loss of 8.5 billion dollars.

3.2. Modernization of trade practices legislation

A year before the entry into force of the Association Agreement, the Algerian government had introduced new trade legislation in June 2004. This modernization of the legislation governing trade fell within the framework of the preparation and adaptation of the existing trade regime to greater openness to the European Union, in September 2005.

This law, which concerns all economic agents, i.e. producers, distributors and service providers, defined the basic conditions for commercial transactions between economic agents and consumers, and between agents themselves. . Thus, the law established consumer rights in terms of price display, product labeling and the obligation to issue an invoice for any transaction between economic agents.

In addition, the law denounced illicit pricing practices, abusive contractual practices on the part of professionals and unfair commercial practices such as counterfeiting, imitation of products or the exploitation of technical or commercial know-how without permission of its owner. Even if the importance of these measures cannot be disputed, it is nevertheless surprising to note that a country like Algeria did not have, until 2004, a regulation of current commercial practices. This may explain, on the one hand, the spread of a “culture” of non-respect of consumer rights; on the other hand, illicit practices concerning prices, product conformity and the absence of invoicing had become commonplace and remain unchanged.

4. Evaluation of the Partnership between Algeria and the EU

The Association Agreement signed in 2005 frames relations with the European Union. Negotiations continue on the Algeria Action Plan within the framework of the European Neighborhood Policy, with European criticism directed at the electoral processes and the human rights situation in Algeria. Algeria, in turn, considers that it does not benefit from the benefits of the Association Agreement to the extent that the European Union benefits from it. The Algerian Minister of Foreign Affairs sent a letter in this regard to the High Representative of the European Union for Foreign Affairs and Security Policy and Vice-President, Federica Mogherini, on August 31, in which he requested an evaluation of the agreement. This assessment would make relations between the European Union and Algeria subject to reservations in the coming months.

The dialogue, according to this agreement, is based on informal and technical meetings (eight subcommittees and the Partnership Committee) and meetings at the ministerial level (Partnership Council), as follows:

The European Union-Algeria Partnership Committee met in this regard on 19 March. Algeria's representatives sought EU recognition of “Algerian privacy” regarding the issue of reforms and trade matters;



The EU-Algeria Association Council met in Brussels on May 19, where the Secretary of State in charge of European Affairs, Mr. Arlem Désir, represented France. The European Commission praised the general reform plan launched in 2011 (ending the state of emergency), but stressed the progress that should be made in the future, namely efforts to make the political process inclusive, the role of civil society, and the protection of groups most at risk (women and youth). This agreement generally aims to establish a free trade area between Algeria and the European Union by 2017.

After the European Union reiterated its support for Algeria's accession to the World Trade Organization, the European Commission stressed the need to improve Algeria's regional integration in this context. In conclusion, she called for the implementation of the agreement in the field of scientific and technological cooperation and in the field of innovation, as well as the memorandum of understanding signed in 2013 in the field of energy, and proposed holding an annual high-level dialogue on this issue. (esthinktank, 2023)

Although Algeria is a demanding partner, especially with regard to the removal of customs barriers, which postponed its timetable, at the same time it increased the manifestations of rapprochement by increasing its participation in the Union for the Mediterranean, as it decided to contribute financially to the budget of the Union's General Secretariat in 2013. It is considered The European Union is Algeria's first trading partner, which annually conducts more than 50% of its trade with the Union.

Algeria participates in the talks within the framework of the European Neighborhood Policy. The European Union supports Algeria and allocates financial funds for this purpose. The European Neighborhood Instrument's allocations would range between 221 and 270 million euros in the period 2014-2020, of which 121 to 148 million would be allocated for the period 2014-2017. Most of the funds (60%) will be allocated to programs in the socio-economic field that is, reforming the labor market, creating jobs, and supporting the management and diversification of the economy. The European Union and Algeria also signed a protocol in 2014, allowing Algeria to participate in the programs of European agencies, and a mission of experts from the European Union was sent to Algeria to supervise the presidential elections on April 17. This partnership points to several areas.

4.1. Economic Relations;

Supporting economic transformation and diversification is a key focus of cooperation with Algeria, and as such, the European Union is funding a series of programs in this area.

European-Algerian cooperation to develop a diversified and competitive economy is essential to boost Algerian exports to the European single market as well as to other countries.

In order to make the business climate in Algeria attractive, the European Union is committed to developing an enhanced dialogue on the implementation of a new Algerian economic model, centered around:



- Promoting private businesses, initiatives and entrepreneurship.
- Strengthening cooperation between the public and private sectors, the knowledge economy.

From this logic, the evaluation of the Association Agreement highlights the need to strengthen cooperation between the two parties, in particular in the following sectors:

- Rural and agricultural development, fishing, marine economy and (particularly sustainable) tourism.
- Public transactions, statistics and customs.
- Information and communications technology.
- Energy: This sector occupies a very important place in the economic relations between the European Union and Algeria. Algeria is the third largest supplier of natural gas to the European Union, while the European Union is the most important market for Algerian gas. Since 2015, the EU-Algeria Strategic Energy Partnership has sought to promote renewable energies, energy efficiency and encourage investment.

4.2. Commercial relations;

The European Union receives nearly two-thirds of Algerian exports, making it Algeria's main trading partner.

In value terms, bilateral trade increased by 136% between 2002 and 2014, mainly due to increased exports of oil and gas products.

In 2018, bilateral trade amounted to €39.8 billion, a slight increase compared to €37.4 billion in 2017. On the other hand, a fairly significant decline was observed in 2019 and 2020.

In 2020, bilateral trade reached 24.9 billion euros.

European imports were in the region of €11.4 billion. It consists mainly of oil, gas and mining products (93.5%), followed by chemicals (3.3%).

European exports to Algeria amounted to €13.5 billion consisting of machinery and transport equipment (28.9%), agricultural products and raw materials (23.7%) and chemicals (20.0%).

Trade in services amounted to approximately €4.6 billion in 2019. Imports of services to the EU amounted to €1.5 billion and exports amounted to €3.1 billion.

The balance of European investments in Algeria was estimated at approximately 14.5 billion euros at the end of 2019.

France topped the list as Algeria's first market, with exports amounting to \$3.33 billion, followed by China with \$3.31 billion, then Spain with \$2.72 billion, Italy with \$2.51 billion, then Germany with \$1.34 billion.

Turkey was ranked the eighth importer from Algeria with a value of \$1.8 billion and the sixth exporter with \$1.1 billion in the first half of this year.

The value of Algeria's trade exchanges with the Maghreb countries increased by 58.45% in the first six months of 2013 and amounted to \$1.92 billion, compared to \$1.21 billion in the same period last year.



Algeria's trades with the Arab region outside the Maghreb region also increased by 32.64% in the first half of this year, and amounted to \$1.59 billion, compared to \$1.2 billion in the same period in 2012.

Tunisia was ranked 12th, and Morocco was ranked 15th, among the 15 most important commercial transactions in the world with Algeria, at \$813 million with Tunisia and \$521 million with Morocco.

The value of the Algerian trade surplus in the first half of this year amounted to \$7.56 billion, with total exports amounting to \$35.90 billion, compared to \$28.35 billion in imports. (esthinktank, 2023)

On the commercial front, Algeria is the third largest supplier of gas to the European Union, accounting for about 12% of its total imports of this energy. The European Union is also considered Algeria's first trading partner, with the total volume of trade exchange reaching \$37.3 billion in 2021, compared to \$28.2 billion in 2020. These exchanges represent nearly half of our foreign exchanges. (Lloyds Bank, 2023)

Table 3: « Foreign Trade Values; Algeria (million USD) »

	2017	2018	2019	2020	2021
Imports of Goods	46,059	46,330	41,934	35,122	36,000
Exports of Goods	35,191	41,797	35,824	21,617	36,700
Imports of Services	10,837	11,394	9,430	7,743	6,664
Exports of Services	2,915	3,225	3,154	3,053	3,025

Source: <https://www.lloydsbanktrade.com/en/market-potential/algeria/trade-profile>

Table 4: « Foreign Trade Indicators; Algeria »

	2017	2018	2019	2020	2021
Foreign Trade (in % of GDP)	55.3	58.1	51.8	45.3	53.0
Trade Balance (million USD)	-14,241	-7,161	-9,007	-12,992	1,164
Trade Balance (Including Service) (million USD)	-22,403	-15,701	-15,708	-17,445	-2,546
Imports of Goods and Services (Annual % Change)	-7.1	-3.8	-6.9	-15.9	-4.2
Exports of Goods and Services (Annual % Change)	-6.1	-3.7	-6.1	-11.7	13.7



	2017	2018	2019	2020	2021
Imports of Goods and Services (<i>in % of GDP</i>)	32.7	32.2	29.1	28.0	26.4
Exports of Goods and Services (<i>in % of GDP</i>)	22.6	25.9	22.7	17.3	26.6

Source: <https://www.lloydsbanktrade.com/en/market-potential/algeria/trade-profile>

The latest data from Comtrade shows that Italy is the first destination for Algerian exports (16%) followed by France, Spain, the United States and Brazil. (Trading Economics, 2022) China is by far Algeria's main supplier of goods (18.1% of all imports), followed by France, Italy, Germany and Spain. Algeria is the EU's 28th largest trading partner, accounting for 0.7% of total EU merchandise trade in 2020; considering that the EU is Algeria's main trading partner and represents the majority of Algeria's international trade (46.7% - Eurostat, latest data available).

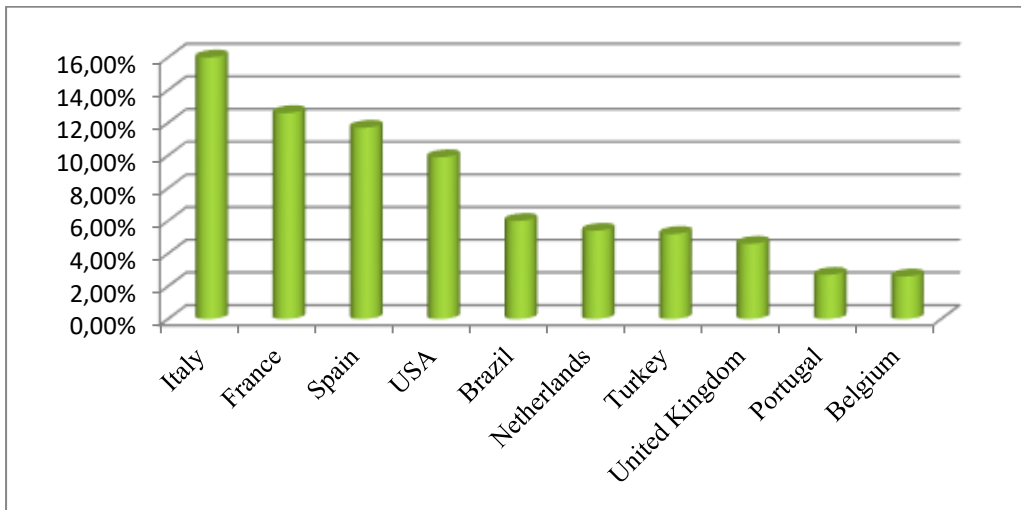
Table 5: « Main European Partner of Algeria »

Main customers (% of exports)	Rate
Italy	16,0%
France	12,6%
Spain	11,7%
USA	9,9%
Brazil	6,0%
Netherlands	5,4%
Turkey	5,2%
United Kingdom	4,6%
Portugal	2,7%
Belgium	2,6%

Source : https://www.tradesolutions.bnpparibas.com/fr/explorer/algerie/decouvrir-le-profil-commercial?affichage_demo=oui#classification_by_country

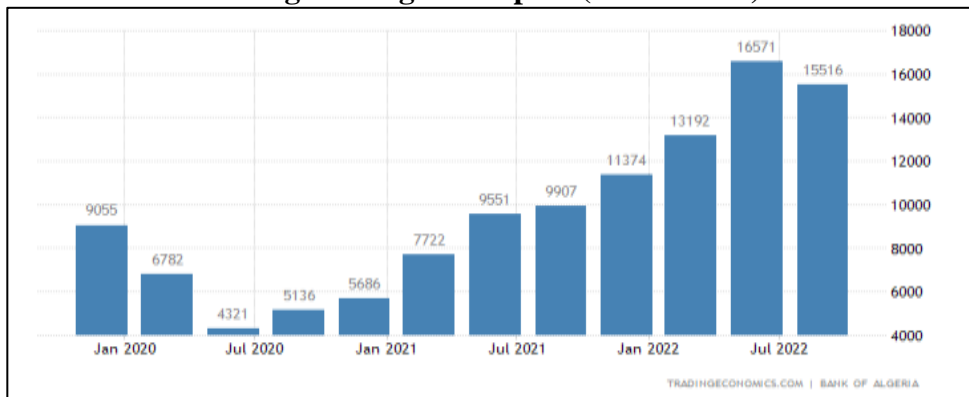


Fig 3: « Main European Partner of Algeria »



Source: Prepared by the Researcher using statistics from the Table 5

Fig 4: « Algeria Export (2020 – 2022) »



Source : <https://tradingeconomics.com/algeria/exports>

Table 6: « Main Suppliers of Algeria »

	Rate
France	9.3%
Italy	8.2%
Germany	7.0%
Spain	6.8%
Turkey	4.4%

Source: https://www.lloydsbanktrade.com/en/market-potential/algeria/trade-profile#classification_by_country

4.3. Main Products Exchanged

The main products exchanges between Algeria and the EU are: (Lloyds Bank, 2023)

**Table 7: « Main Products Exchanged »**

35.2 billion USD of products exported	
Petroleum gas and other gaseous hydrocarbons	40.0%
Petroleum oils and oils obtained from bituminous...	36.1%
Petroleum oils and oils obtained from bituminous...	18.3%
Oils and other products of the distillation of...	1.6%
Ammonia, anhydrous or in aqueous solution	1.0%
Mineral or chemical nitrogenous fertilizers (excl....	0.9%
Cane or beet sugar and chemically pure sucrose, in...	0.6%
Natural calcium phosphates and natural aluminium...	0.2%
Dates, figs, pineapples, avocados, guavas, mangoes...	0.1%
Hydrogen, rare gases and other non-metals	0.1%
46.1 billion USD of imported products	
Wheat and meslin	3.9%
Motor cars and other motor vehicles principally...	3.6%
Petroleum oils and oils obtained from bituminous...	3.5%
Milk and cream, concentrated or containing added...	2.7%
Medicaments consisting of mixed or unmixed...	2.5%
Telephone sets, incl. telephones for cellular...	2.4%
Tubes, pipes and hollow profiles, seamless, of...	2.2%
Cane or beet sugar and chemically pure sucrose, in...	2.1%
Structures and parts of structures "e.g., bridges...	2.0%
Semi-finished products of iron or non-alloy steel	1.8%

Source : https://www.lloydsbanktrade.com/en/market-potential/algeria/trade-profile#classification_by_products

4.4. Technical and Financial Cooperation

The National Indicative Program (PIN) 2007-2010 was given an indicative envelope of €220 million and was one of its objectives, and the National Implementation Plan 2011-2013 was given a budget of €172 million.

Financial cooperation is currently implemented within the framework of the European Neighborhood Policy (ENP, 2013), which introduced a Single Support Framework (SSF), replacing the National Implementation Plan and Common Partnership Priorities (CPp), which were adopted in 2017 and focused on five policy areas Economic, commercial and security.

The total indicative envelope granted by the European Union for cooperation with Algeria for the period 2014-2020 amounted to between 221 million and 270 million euros. (CACI, 2023)

The 2014-2017 CUA benefited from an indicative allocation of between €121 and €148 million (2014-2017) and between €108 million and €132 million (2018-2020). The retained envelopes were respectively €111.3 million and €125 million, including 40 for 2020. (CACI, 2023)

At the request of the Algerian authorities, the CUA 2018-2020, amounting to 75 million euros under the annual plans for 2019 and 2020, was redirected in 2020 towards responding to the coronavirus health crisis. This work resulted in the creation of a new dedicated program entitled "European Solidarity Response to the



COVID-19 Crisis in Algeria”, in the amount of €43 million, which was used to acquire medical equipment in cooperation with the United Nations Development Program. In addition, two programs, respectively worth €10 million (2019) and €22 million (2020) have been maintained due to their importance in the context of mitigating the social and economic impact of the Covid pandemic. Support small business owners and affected craftsmen.

Regarding the 2021-2027 program, the parties agreed to renew existing priorities by directing them more towards improving the business climate and diversifying the economy, taking into account those of the new European Commission Green and digital economy.

Algeria will also benefit from regional cooperation programs including actions planned by “Interreg - Next Med 2021-2027”, which will target coastal areas, within the framework of the blue and circular economy. (World Bank, 2021)

4.5. Cultural Cooperation;

The “Support Program for the Protection and Valorization of Algerian Cultural Heritage” could constitute a model project in the region, according to what its national director said in an interview published by the European Union office in Algiers. Algeria presented all the details of the program in this interview he conducted with a local newspaper (Daily Liberty).

The European Union supports this program with an amount of 21.5 million euros, while its total cost is 24 million euros. (CACI, 2023)

In this interview, which he conducted midway through the program that was launched in 2012 to end in 2018 the project director presented the most important axes of this “model project.” He said, “If the program succeeds, it will be extended to other countries.”

Among the most prominent activities can be mentioned “the restoration of the Umidgasin Shrine in the state of Patna,” which represents a distinguished archaeological site, as well as the training activities, “In our program we want to support vocational training (...) to train trainers in the field of cultural heritage.” The goal is to “create opportunities for cooperation and synergy around heritage.” Associations will be involved: “We have active associations, but they lack the means and capabilities to manage cultural heritage,” and therefore “we will pay special attention to them.” (CACI, 2023).

4.6. Political Relations;

On the political level, the Association Agreement stipulates the conduct of a political dialogue regarding all matters of common interest to both parties. The dialogue is established at different levels: the Association Council (ministerial), the Association Committee (senior officials) and subcommittees on political dialogue, security and human rights. Other technical subcommittees established under the agreement deal with areas such as immigration, home affairs, justice, social affairs, etc. While Algeria officially expressed on August 31, 2015 its willingness to re-evaluate the agreement, considering it unbalanced. The ensuing negotiations resulted in the endorsement of the Partnership Priorities at the 10th Partnership



Council held in Brussels on 13 March 2017. These priorities revolve around the following topics:

- Political dialogue, governance, the rule of law, and the promotion of basic rights.
- Comprehensive social and economic development and trade; As well as entry into the European Common Market;
- Energy, Environment and Sustainable Development Partnership.
- Strategic and security dialogue (including regional and counter-terrorism issues)
- The human dimension, migration, mobility. (CACI, 2023)
- Political dialogue, governance, rule of law and promotion of fundamental rights.
- Socio-economic development, trade and access to the common European market.
- Energy, Environment and Sustainable Development Partnership.
- Strategic and security dialogue (including on regional issues and the fight against terrorism).
- Human dimension, migration, mobility.

Conclusion

In a world increasingly given over to competition and the race to gain market share, there is no longer room for isolated strategies and isolating practices. Algeria took part in this observation quite late and is now trying, not without difficulty, to make up for the accumulated delay, in order to ensure the necessary conditions for a more advantageous insertion into the world economy.

The balance sheet of exchanges between Algeria and the EU within the framework of the association agreement which binds them, highlights a blatant asymmetry between the two partners. Algeria's shortfall is highlighted, given that key sectors such as industry or agriculture have not taken advantage of the opportunities offered by the agreement and the opening of the European market. The observation is clear: Algeria has not been able to stimulate the diversification of its economy and remains dependent on its hydrocarbon exports.

In short, if the agreement is, in itself, a notable progress for Algeria, it will now have to undertake the necessary reforms to develop its industry and its agriculture, two sectors which are of great importance, in order to be able to start level and have the possibility to benefit from the advantages offered by the association agreement.

Algeria and the EU will continue to live between the will and the desire to achieve common goals. However, the lack of unity of opinion and decisions, and the continuation of excessively exploiting petroleum resources without assistance provided for the modernization and diversification of Algeria's economy, confirm Algeria's ongoing dependence on the EU's will.

Many researchers expect the Algerian-European partnership to be disrupted or to even collapse in the presence of these lapses. The only way to save the initiative is to implement a real partnership by encouraging and multiplying sub-regional projects, especially within The Arab Maghreb Union's activation.



it is possible that we will see new partnerships emerge that may threaten the example that the Barcelona path set. Britain's potential initiation of new partnerships with these countries after Brexit might pave the way for this. If Algeria wants to break out of servitude, facilitating this process might even be advisable.

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