

## RICE IN ALGERIA

### Very good opportunities for Thailand exports of rice to Algeria

While the agricultural sector contributes on average about 10 percent of Algeria's GDP (2014 estimates) and employs at least 14 percent of the Algerian population as Algeria has about 8.4 million hectares of arable land representing roughly 3.5 percent of its total surface area however rice production in Algeria is still nominal and it is considered a net-importer of rice country. Only 12 percent of this arable land is irrigated. About 51 percent of the total arable land is dedicated to field crops, mostly cereals and pulses, 6 percent to arboriculture, and 3 percent to industrial crops. About 70 percent of agricultural farms are of small scale with less than 10 hectares, and 80 percent of these farms are individual farms.



According to the recent world reports, it has been indicated that each year, Algeria needs to import about 100,000 tonnes of rice essentially from the countries such as India, Vietnam, Thailand, Pakistan and Uruguay. The rice imports have recently increased from India, Thailand and Pakistan. On the other hand, the Algerian government policies to strictly control imports in order to control the deficit of foreign trade, which tends to widen sharply. Further, however, according to the experts, it is still a potential market for Thai rice. In this aspect, it has also been narrated that Algerian consumers appreciate the quality of it, and the number of workers from Asia, including Thailand, has been increasing, which will certainly contribute to the growth of demand for rice in the market.

#### Trade:

Cereals including rice represented 34% of the Algeria's total food import bill in 2017 and as always were the top food imports. Algeria's tactics to reduce imports have likely had the effect of slowing import growth of rice. Thus far in 2017 imports of rice from Thailand have increased with almost 28%. Algerian imports of rice are very irregular but have increased since 2006 with the exception of CY2009 when imports decreased due to high prices on the market. With the evolution of the population, Algerian consumers have introduced more rice in their food ration. Private importers take

Exporters	2015	2016	2017	Share %
<b>Total</b>	<b>45,213</b>	<b>44,296</b>	<b>21,274</b>	<b>100.00</b>
Thailand	4,601	13,145	18,296	86.00
U.S.A.	452	985	1,657	7.79
Uruguay	280	369	552	2.59
Argentina	1,105	1,650	465	2.19
Portugal	125	452	237	1.11

opportunities when good prices occur to buy rice in small containers from different origins but mostly from Vietnam and Thailand as prices are not competitive with Asian market.

**Consumption:**

Rice is a basic carbohydrate accompaniment to meals in Algeria which accounted for 80% of retail value sales in 2017. Rice is considered as staples for Algerian households as it is expected to continue witnessing steady growth over the forecast period, taking into account the expected population growth. It is common to find rice recipes at the Algerian restaurants even local one beside the couscous which is considered also a staple product for food in Algeria.



**Policy:**



In order to curb the impact of lower crude oil prices on the Algerian economy, given that 97% of Algeria’s earnings are generated by oil exports, the government of Algeria introduced an import and export licensing system starting with agricultural commodities and goods except semolina, wheat, oil, sugar, milk and medicines which would be automatically renewed to prevent market shortages. Also the new Finance Law increased VAT rates on concerned goods from 7 to 9 percent (for

barley, oats, corn, rice, sorghum, malt, starch, gluten, pasta, couscous, soybean meal, etc) and 17 to 19 percent for several non-grain and feed products.

**Samples of Algerian dishes of rice:**





**Recommendations:**

- Algeria is considered a net importer of rice as they don't cultivate rice at all, so there is a good potential for the Thai rice in the Algerian market.
- The available channels to penetrate the market are:
  - o Direct contact with the Algerian food importers.
  - o Participating in fairs and exhibitions in Algeria such as:



- Algiers International Fair: [www.safex.dz](http://www.safex.dz)



- Food Fair in Algeria: <https://en.sima-sipsa.com/>



- Thailand comes in the 1<sup>st</sup> rank as exporter of rice to Algeria, thus Algerian consumers are already familiar with the Thai rice so Thai exporter could consider export other kind of rice products such as rice milk, rice crackers, canned rice, rice noodle so as to diversify our products in the market.

\*\*\*\*\*