



Mrs. Catherine Ashton  
Commissioner for Trade  
European Commission  
Rue de la Loi/Wetstraat 200  
1049 Brussels  
Belgium

12 June 2009

Dear Commissioner,

The Algerian government is currently preparing amendments concerning its foreign investment and trade regulations. Amongst others, the amendment contains requirements for compulsory majority participation of Algerian shareholders in foreign investment projects as well as compulsory participation of Algerian shareholders in import businesses of at least 30%. This amendment has already been adopted by the Algerian government through an official decree requiring foreign enterprises to comply before 31 December 2009. In addition, some of the amendments concerning foreign trade (new standards, certificates and export procedures), though not yet adopted by decree, have already been applied in Algeria and are causing significant difficulties to European business.

BUSINESSEUROPE would like to express its serious concerns about these measures which might lead to binding changes in Algerian investment and trade law which would constitute severe barriers to our enterprises. With a trade volume of nearly €44 billion in 2008, Algeria is an important partner for European business in North Africa. Hundreds of European companies will be seriously affected by the new regulations.

In our view the amendments do not comply with the Association Agreement between the European Union and the People's Democratic Republic of Algeria dated 22 April 2002, namely with respect to article 32, paragraph 1b, article 37, paragraph 1 and articles 39 and 54. We call upon the European Commission to address this issue with the Algerian government in an outspoken and firm manner. The meeting of the Association Council on 16 June 2009 would appear to be a good opportunity to raise these concerns.

I am looking forward to hear from you on the outcome of the Association Council meeting.

Yours sincerely,

Philippe de Buck