



FREE TRADE AGREEMENTS

What are Free Trade Agreements ?

1- Association agreement between Algeria and the European Union

<https://www.douane.gov.dz/spip.php?article143>

A free trade agreement (FTA) is a treaty signed between two or more countries to facilitate trade and remove barriers to trade.

Customs is mainly concerned with the implementation of Title 2 of the agreement. This title relates to the free movement of goods.

Actions taken by customs:

- Pricing preferences
- Rules of origin²

Tariff preferences

Is about :

- industrial products,
- agricultural products,
- fish products,
- and processed agricultural products.

Advantages granted to products originating from Algeria

Advantages granted to products originating in the Community

Advantages granted to products originating from Algeria:



Industrial products falling under Chapter 25 to Chapter 97:

Total exemption from customs duties. NB: certain agro-industrial products originating from Algeria exported to the European Union remain subject to a reduced duty.

Agricultural products covered by Protocol 1:

- Tariff reductions ranging from 40 to 100% of customs duties and duties and taxes²of equivalent effect;
- The rights of customs²on imports 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 quotas²indicated for each of them in column b.

Fishery products covered by Protocol 3:

Total exemption from customs duties.

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

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

Advantages granted to products originating from the community:

Industrial products:

Total exemptionof customs duties and duties and taxes having equivalent effect from September 1, 2005. These products are also exempt from all quantitative restrictions or measures having equivalent effect. The exemption concerns the



products listed in Annex 2. Progressive dismantling of customs duties and duties and taxes having equivalent effect for products covered by Annex 03, until total elimination after 05 years, from the second year of entry into force of the agreement.

Disposal is carried out according to the following schedule:

- Two years after the agreement comes into force: a 20% reduction on basic customs duties;
- three years after the agreement comes into force: a 30% reduction on basic customs duties;
- four years after the agreement comes into force: a 40% reduction on basic customs duties;
- five years after the agreement comes into force: a 60% reduction on basic customs duties;
- six years after the entry into force of the agreement: an 80% reduction on basic customs duties;
- seven years after the entry into force of the agreement: the remaining rights are eliminated.

Progressive dismantling of customs duties and duties and taxes having equivalent effect for products other than those listed in Annexes 02 and 03, until total elimination after 10 years, from the second year of the entry into force of the agreement.

Disposal is carried out according to the following schedule:

- A progressive reduction of 10% each year applicable on basic customs duties from the second year until the tenth year after the entry into force of the agreement;
- eleven years after the entry into force of the agreement: a reduction of 5% on the remaining basic customs duties;



- twelve years after the entry into force of the agreement: the remaining rights are eliminated.

NB- The date of entry into force of the association agreement between Algeria and the EU is September 1, 2005. - Basic customs duties are the rates applied on January 1, 2002.

Agricultural products :

Tariff reduction ranging from 20 to 100% of customs duties and duties and taxes having equivalent effect within the limit of pre-fixed tariff quotas for products covered by Protocol 2.

Fishing products:

Tariff reductions ranging from 25 to 100% of customs duties and duties and taxes with equivalent effect for products covered by Protocol 04.

Processed agricultural products:

Immediate concessions:

Reduction ranging from 20 to 100% of customs duties and duties and taxes having equivalent effect for the products listed in List 1 of Protocol 5 Annex 2. A limitation of quotas is provided for certain products. Deferred concessions: The products listed in the list 2 of protocol 5 annex 2 will be subject to an examination of the possibilities of liberalization from the 5th year of the entry into force of the agreement.

Factsheet on the EU agreement



Legal basis:

Date of signing: 04/22/2002 in Valencia (Spain). Date of application: 01/09/2005. Ratified by: Presidential Decree No. 05/159 of 04/27/2005.

Application circular: Circular No. 55/DGD/CAB/D100 of 07/15/2005.

Contracting Parties: Algeria and the European Union.

The Republic of Germany	The Republic of Malta
The Republic of Austria	The Republic of Poland
The Kingdom of Belgium	The Republic of Slovakia
Bulgaria	The Kingdom of Slovenia
The Republic of Cyprus	The Republic of Estonia
The Kingdom of Denmark	The Italian Republic
The Kingdom of Spain	The Portuguese Republic
The Republic of Finland	Sweden
The French Republic	The Czech Republic
Greece	Romania
The Republic of Hungary	Grand Duchy of Luxembourg
Ireland	The Republic of Lithuania
The Kingdom of the Netherlands	The Republic of Lithuania

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Croatia

Scope :

The provisions of the agreement apply:

- industrial products originating from the EU imported into Algeria;
- to certain processed agricultural products originating in the EU imported into Algeria;
- to certain agricultural products originating in the EU imported into Algeria;
- industrial products originating from Algeria exported to the EU;
- to certain agricultural and fishing products originating in Algeria exported to the EU;
- to certain processed agricultural products originating in Algeria exported to the EU.

Conditions for granting preferences:

Original character of the product:

The products must originate in Algeria or the European Union according to the rules indicated above.

Territorial conditions:

Principle of territoriality:

With the exception of cases of accumulation, the conditions for acquiring origin must be met without interruption in Algeria or in the European community.

Exemptions (link to Title III art 13 of protocol no. 6 of the agreement) providing for relaxations of the principle of territoriality are provided for in particular cases.

Direct transportation

The preferential regime provided for by the agreement is applicable only to products and materials:



- transported directly between the territories of Algeria and the countries of the community;
- or by using the territories of other countries with which cumulation is applicable.

Transit through third countries with possible transshipment or storage does not alter the origin, if the conditions set out in art 14 of traffic protocol 6 are respected.

***The ban on discounts or exemptions from customs duties: “no drawback” rule²»**

Non-originating materials:

- implemented in the manufacture of products originating from the community, Algeria or one of the other countries
- referred to in Articles 4 and 5 of Protocol No. 6 (Morocco and Tunisia),
- and for which proof of origin is issued or established.

do not benefit either in the community or in Algeria from a rebate or an exemption from customs duties in any form whatsoever.

To know more :

Consult the entire agreement Circular No. 55/DGD/CAB/D100 of 07/15/2005.

2- Greater Arab Free Trade Area

<https://www.douane.gov.dz/spip.php?article151>

The Great Arab Free Trade Zone (GZALE)

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Convention for the Facilitation and Development of Trade Between the Arab States.

- Date of signature: 02/27/1981, in Tunis.
- Date of application: 01/01/2009.

Contracting Parties:

Algeria	Bahrain
Egypt	Kuwait
Jordan	Oman
Tunisia	Yemen
Morocco	Sudan
Mauritania	Palestine
United Arab Emirates	Iraq
Saudi Arabia	Syria
Qatar	Lebanon

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Libya

Djibouti, Somalia and the Comoros Islands are not affected by the large free trade zone²(GZALE). These states have not yet joined this zone.

Mauritania was also excluded during the 83rd session of the economic and social council of the Arab League, held in February 2009.

What does the agreement provide?

This convention and its executive program provide for the establishment of an Arab Free Trade Zone between the contracting parties. Its objective is to relaunch the process of Arab economic integration.

The provisions of the said agreement and its executive program apply:

- To products originating from this zone which can be exchanged under a preferential tariff regime between Algeria and the Arab States.
- with the exception of: a list of products excluded from tax advantages

Preferential tariff regime applicable to originating products traded between Arab countries:

Products originating from Arab States, not excluded from the Arab free trade zone whether imported into Algeria or exported from Algeria to an Arab country:

Benefit from total exemption from customs duties and duties and taxes²of equivalent effect.

NB: Only customs duty is affected by the exemption

Rules of origin²applicable within the framework of the Greater Arab Free Trade Area:

In order to avoid fraudulent practices and preserve the interests of the public treasury, the determination and controls of the origin of goods are essential:



All goods imported or exported within the framework of the Greater Arab Free Trade Zone (GZALE) must comply with the principle of the rules announced in article 09 of the convention.

These rules are governed by the decisions of the economic and social council responsible for implementing the executive program.

The originating status of these goods must be justified by a certificate of origin. The goods must also be transported directly between the Arab States.

General provisions and detailed rules of origin for the products of the tariff chapters and positions are adopted by the council. These provisions are definitively decided by the technical committee of the rules of origin of the Arab League.

The products which can acquire original status are:

- Fully obtained products
- Products not entirely obtained or processed
- Products satisfying the rules of cumulation of origin

In order to benefit from the preferential advantages granted when importing a product from an Arab country that is a member of the GZALE, a certificate of origin justifying the originating status of a product must be provided at the time of customs clearance.

When is the certificate of origin not required?

Small shipments, devoid of any commercial character, are exempt from the production of the certificate. These small shipments must be addressed to individuals or contained in travelers' luggage. Their equivalent in Algerian dinars does not exceed:

- US\$500, for small shipments;

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- US\$1,200 for travelers' personal baggage.

Where to obtain the certificate of Arab origin?

The certificate of origin is issued by the competent authorities of the country of export upon written request established by:

- the exporter;
- Or under his responsibility, by his authorized representative.

And this, at the time of export of the goods to which it refers.

The certificate of origin must be drawn up in Arabic. The customs service may possibly require a translation. In Algeria, the certificate of origin is issued by [the Algerian Chamber of Commerce and Industry](#). After issuance, the certificate must be endorsed by the customs services of the customs office from which the export is carried out.

NB: The proof of origin is valid for six (06) months from the date of issue of the certificate. New: List of tariff subheadings of products excluded from the advantages provided for under the GZALE.

Free trade zones

3- African Continental Free Trade Area (ZLECAF)

Convinced of the importance of African economic complementarity, Algeria signed on March 21, 2018, in Kigali (Rwanda), the agreement providing for the creation of the ZLECAF as well as the three protocols of Agreement relating to trade in goods, to trade in services and that relating to the settlement of disputes and formally initiated the procedure for the ratification of the ZLECAF Agreement on 02.28.2020. On December 29, 2020, it promulgated the law approving the Agreement establishing the African Continental Free Trade Area.