

Is Türkiye Close to Securing a Leading Position Among Algeria's Suppliers?



Türkiye's capital, Ankara, received, on May 6, Algerian President Abdelmadjid Tebboune, who was given an official reception ceremony at the Presidential Complex in the presence of Turkish President Recep Tayyip Erdoğan, before the two presidents exchanged official decorations in a scene reflecting the level of political rapprochement between the two countries, as Turkish-Algerian relations move into a broader phase on the economic, political, and strategic levels.

During the visit, the two presidents chaired the first meeting of the High-Level Strategic Cooperation Council, before overseeing the signing of a broad package of agreements and memorandums of understanding covering international transport, postal services, telecommunications, standardization, investment, agriculture, disaster management, and mutual recognition of driver's licenses, alongside the launch of negotiations on a preferential trade agreement between the two countries.

These agreements reflect a gradual shift toward building a comprehensive strategic partnership based on establishing a more interconnected regulatory and economic framework between the two countries, especially since the nature of the signed documents is directly linked to trade and investment flows and to facilitating the movement of goods, services, and capital.

This comes as Algeria seeks to diversify its economic partners and reduce its

traditional dependence on European markets, while Türkiye's presence in Africa and the Mediterranean expands through trade, industry, and investment.

The figures reveal the scale of the transformation in economic relations between the two countries over the past two decades, with trade volume rising from less than \$1 billion at the start of the millennium to more than \$5.3 billion in 2023, amid a shared goal of raising it to \$10 billion in the coming years. Türkiye has also cemented its position among Algeria's leading trade partners after ranking fourth among its suppliers, behind China, France, and Italy, in a gradual reshaping of the map of economic influence in North Africa.

From the 2006 Treaty to the 2026 Strategic Cooperation Council

Turkish-Algerian relations today are the product of a cumulative path spanning two decades, gradually moving from traditional diplomatic cooperation to a more organized and institutionalized strategic partnership. The Treaty of Friendship and Cooperation signed in 2006 marked a key turning point in this trajectory, opening the door to expanding political, economic, and security cooperation and establishing a permanent framework for dialogue and coordination between the two countries after many years of relations marked by limited pace and impact.

Since then, Ankara and Algiers have moved toward intensifying political and economic contacts, driven by regional and international shifts that pushed both sides to redefine their strategic priorities and external partnership networks. In this context, the establishment of the High-Level Strategic Cooperation Council this year came as a step reflecting the transition of relations to a deeper phase based on regular institutional mechanisms aimed at managing cooperation between the two countries in a more stable and expansive manner.

The historical dimension is also present in the background of this rapprochement, as Turkish political memory retains a particular image of the ties that linked the Ottoman state with Algeria over past centuries, when Algeria was one of the most important maritime powers in the Mediterranean within the Ottoman sphere. Yet this legacy is invoked today more as a cultural and historical foundation facilitating political rapprochement than as a reference for reproducing the past, especially since contemporary relations between the two countries are built on mutual economic interests, political coordination, and parity in managing regional and international issues.

How Is Türkiye Expanding Inside the Algerian Market?

Trade and investment data between Türkiye and Algeria reveal a rising economic trajectory that has gone beyond traditional trade to build an intertwined economic partnership encompassing industry, energy, finance, and logistics. According to official Turkish and Algerian data, trade volume between the two

countries rose from less than \$1 billion at the start of the millennium to \$5.3 billion in 2023, before jumping to around \$6.3–\$6.5 billion in 2024, with exchanges remaining above the \$6 billion mark in preliminary estimates for 2025, amid a shared goal announced by Presidents Recep Tayyip Erdoğan and Abdelmadjid Tebboune of reaching \$10 billion in the coming years.

This trade expansion is supported by a broad Turkish investment base inside Algeria, including more than 1,600 companies with investments exceeding \$8 billion spread across industry, mining, agriculture, pharmaceuticals, infrastructure, and construction, in addition to contributing tens of thousands of direct and indirect jobs.

As this investment base is coupled with agreements aimed at lowering the cost of access to the Algerian market and facilitating trade flows, the partnership between the two countries appears closer to a long-term economic repositioning project, giving Türkiye a deeper foothold in one of North Africa's largest markets while giving Algeria broader room to reshape its economic relations away from traditional partners.

Among these investments, the Tosyali project for iron and steel in Oran stands out as the largest Turkish industrial investment in Algeria, with its value exceeding \$2.5 billion and production capacity reaching around 4 million tons of iron and steel annually. The Tayal project for textiles in Relizane, valued at around \$1.5 billion, is also one of the largest textile projects in North Africa, alongside Hayat Holding's investments, which have injected more than \$103 million into the consumer industries sector, providing around 960 direct jobs. Overall, Turkish investments have created more than 30,000 direct and indirect jobs in Algeria.

This expansion gains greater importance when looking at the nature of the goods exchanged between the two countries. Algeria exports to Türkiye mainly natural gas, petroleum derivatives, and some intermediate mineral products such as semi-finished iron and ammonia, while Türkiye's imports from Algeria in 2024 amounted to about \$1.47 billion, including roughly \$1.01 billion in natural gas alone. By contrast, Türkiye exports to Algeria a more diverse range of goods, including dried legumes, steel, fabrics, flour, vegetable oils, household products, clothing, machinery, and some industrial and electrical equipment.

Data from the Observatory of Economic Complexity show that Türkiye's exports of dried legumes reached \$1.23 billion in 2024, while Algeria was the fastest-growing market for this product, with an increase of nearly \$98.5 million in just one year, reflecting the Algerian market's growing reliance on Turkish food products.

Türkiye's expansion also extends to building a supportive financial and logistics infrastructure. At the beginning of 2025, Türkiye's state-owned Ziraat Bank officially began operations in Algeria after obtaining the necessary licenses, in a step aimed at facilitating financial transfers, financing trade, and providing credit to Turkish companies operating in the Algerian market. The two countries had also previously agreed to increase the number of weekly flights between them from 35 to 80 and remove restrictions imposed on some operating points.

How Are the Agreements Reshaping the Cost of Imports and Exports?

The package signed between Türkiye and Algeria requires a functional reading more than a protocol reading of thirteen agreements and memorandums of understanding. At its core, it is a network of tools aimed at reducing trade costs, accelerating the movement of goods, expanding the investment base, and building a more favorable regulatory environment for the expansion of Turkish companies within the Algerian market.

It can be divided into three main layers:

The first is logistical and administrative, including the agreement on international passenger and freight transport, mutual recognition of driver's licenses, and cooperation in postal services and telecommunications tools that can reduce shipping times and ease complications related to the movement of trucks, documents, and support services.

The second is regulatory and technical, covering cooperation in standardization, conformity assessment, and training, as well as the agreement on plant protection and agricultural quarantine, which facilitates the entry of Turkish industrial and agricultural products into Algeria by reducing the costs of inspection, certification, and compliance.

The third layer relates to price and financing access, highlighted by the memorandum on investment promotion, industrial and technological cooperation, and the statement launching negotiations on a preferential trade agreement these are the most important tools in transforming the relationship from direct exports to long-term production and investment positioning.

Negotiations over the preferential trade agreement lie at the heart of this package because they concern customs duties, the most sensitive factor in the Algerian market. According to World Trade Organization data, Algeria's average applied tariff under the most-favored-nation principle stood at 18.9% in 2022, while the share of duty-free tariff lines did not exceed 1.7%, meaning that any preferential tariff reduction could give Turkish products a clear price advantage in a market heavily dependent on imports.

If current duties on some goods range between 5% and 30%, reducing or partially eliminating them could make Turkish products around 10% to 25% cheaper in vital sectors such as machinery and equipment, from which Algeria imports goods worth \$5.67 billion, vehicles worth \$3.56 billion, and electrical equipment worth \$2.45 billion.

In May, Algeria's Investment Promotion Agency announced the registration of more than 90 Turkish projects since the new investment law entered into force. Algeria has also issued executive decrees to strengthen the one-stop shop, expand its powers, and simplify access to economic land. This timing gives the agreements practical weight, because memorandums of understanding become more likely to turn into projects when they meet a more flexible local administration, a clearer investment window, and a greater ability to allocate industrial land and process investors' requests.

As for agreements that appear far removed from direct trade, such as cooperation in combating media disinformation, understandings between radio and television institutions, and the memorandum on the welfare of mujahideen and the families of martyrs, they perform a parallel political and communicative function. These documents do not add direct figures to customs tables, but they help build a climate of trust between the two governments and reduce the likelihood of media or political tensions that could affect investment, tenders, and major contracts.

The effects of this package are clearly visible in three sectors likely to benefit quickly:

The first is food and agriculture. Data from the Observatory of Economic Complexity place wheat, cars, concentrated milk, raw sugar, and corn among Algeria's top imports in 2024, while Turkish exports to Algeria include dried legumes, soybean oil, and wheat. With the agricultural quarantine and plant protection agreement, Turkish agricultural and food goods can enter the Algerian market at a faster pace, especially legumes, flour, vegetable oils, and processed foods. Algeria's grain market also represents a broad field for competition, even if Türkiye alone will not displace major players such as Brazil or Europe across the entire food basket.

The second sector is medium industry and light capital goods, which is the most important from the perspective of Türkiye's repositioning inside the Algerian market. In these sectors specifically, prices alone are not enough, as companies need conformity certificates, technical accreditations, after-sales service, and training all elements that make the agreement on standardization, conformity assessment, and training a direct tool for increasing Türkiye's share in the

Algerian market.

The third sector is energy, mining, and mineral value chains. Algeria remains an important energy supplier for Türkiye, as data from the World Integrated Trade Solution indicate that in 2024 Algeria was Türkiye's largest exporter of liquefied natural gas, with a value exceeding \$2 billion, while Algeria's exports to Türkiye are also concentrated in intermediate mineral products such as semi-finished iron and ammonia. In return, Türkiye seeks to build on this energy relationship through broader industrial and mining investments, especially with Erdoğan emphasizing the importance of expanding cooperation in energy, mining, transport, and agriculture.

Based on these indicators, two scenarios can be drawn for the path of bilateral trade. If trade remains at its current pace without an effective preferential agreement, annual growth may continue at around 20% to 30% in some sectors, allowing exchanges to gradually rise toward \$8 billion and then \$10 billion within a few years.

But if the preferential trade agreement enters into force, accompanied by tariff reductions and easier compliance, financing, and transport, the growth rate could accelerate by an additional 20% to 30%, bringing the \$10 billion target closer in time and opening a broader opportunity for Türkiye to overtake some traditional suppliers such as Italy and compete with France in specific sectors, while China remains a larger and harder-to-displace competitor in the short term.

Can Türkiye Become Algeria's Top Supplier?

The answer requires a degree of precision so that political optimism does not turn into statistical exaggeration. According to Observatory of Economic Complexity data for 2024, Algeria's imports from Türkiye amounted to about \$2.87 billion, placing Ankara fourth among Algeria's suppliers, after China, which exported nearly \$11.7 billion to the Algerian market, France with about \$5.17 billion, and Italy with about \$2.93 billion. This means Türkiye is very close to overtaking Italy, but it needs to nearly double its exports to surpass France, and it would need a much bigger leap to approach China, with a gap of around \$9 billion separating it from the top Chinese supplier.

Therefore, Türkiye becoming Algeria's top supplier in total imports does not appear likely in the short term merely as a result of the recent agreements, even if the goal of raising bilateral trade to \$10 billion is achieved. That figure includes both countries' exports together and does not necessarily mean Turkish exports alone will reach that level. Still, the agreements could push Türkiye to a higher position in the supplier rankings and give it a real opportunity to become the leading supplier in specific sectors, especially food, grains, legumes, vegetable

oils, textiles, building materials, medium machinery, household goods, and some light industrial equipment.

Türkiye's opportunity rests on a selective strategy that does not target the entire Algerian market all at once, but rather the sectors in which Ankara has a clear competitive edge and that intersect with Algeria's import needs. Algeria imports large quantities of grains, food products, vehicles, machinery, and electrical equipment, while Türkiye has a strong production base in flour, grain products, vegetable oils, legumes, clothing, textiles, household appliances, and construction equipment. Given that Algeria is one of the fastest-growing markets for Turkish legumes, any tariff reduction under a preferential trade agreement could quickly boost Turkish exports in these goods.

But reaching the position of top supplier requires more than tariff cuts. Türkiye needs to build an integrated chain combining price, financing, logistics, and after-sales service. Geographic proximity, expanded sea and air shipping lines, increased flights between the two countries, the opening of a Ziraat Bank branch in Algeria, and the provision of credit lines for Algerian importers are all factors that could give Turkish suppliers an advantage not always offered by distant Asian competition, especially in goods requiring maintenance, technical certification, and rapid communication.

Integrating Algerian small and medium-sized enterprises into Turkish value chains could also become an important gateway to deepening Türkiye's presence. If Turkish companies move from direct exports to establishing joint factories in textiles, packaging, food products, and building materials, the Algerian market's need for Turkish machinery, expertise, and production inputs will increase, transforming trade from a simple buying-and-selling relationship into mutual industrial dependence.

The geopolitical context also gives Türkiye additional room to maneuver. Algerian-French relations go through recurring tensions linked to colonial memory and political issues, while Chinese expansion raises concerns about excessive dependence on a single economic power. In this relative vacuum, Türkiye presents itself as a geographically closer partner, historically less sensitive than France and less overwhelming than China in terms of economic dominance, with the ability to combine investment, trade, manufacturing, and a politically aligned discourse.

Accordingly, the most realistic scenario is not Türkiye's immediate rise to first place, but its gradual ascent to third and then second if it succeeds in overtaking Italy and narrowing the gap with France. As for the overall top spot, that would require a larger transformation in the structure of Algerian trade, sustained



growth in Turkish exports over years, an effective preferential agreement, and productive investments that turn Türkiye from a major supplier into a near-permanent industrial partner within the Algerian market.

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