

## Brazil Wants to End Chronic Trade Deficit with Algeria

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Brazil intends to diversify its exports to Algeria in order to balance its trade flows with its Arab partner. The Brazilian bilateral trade deficit amounted to US\$ 2.4 billion in 2005.

In a three-day visit to Brazil ending Tuesday, April 18, the Algerian minister of Foreign Affairs, Mohammed Bedjaoui, met with various ministers and, together with the Brazilian chancellor, Celso Amorim, took part in the 2nd Meeting of the Brazil-Algeria Joint Commission. The first meeting occurred 19 years ago.

According to Minister Amorim, closer political ties between the two countries "provides a framework to drive trade." Algeria is Brazil's second most important trade partner in Africa - the first is Nigeria - and is the most important in the Arab world.

Brazil is Algeria's most important trading partner in the developing world and seventh overall. Nevertheless, Brazil has been buying more from Algeria than vice-versa since 1989. In 2005 Brazil imported US\$ 2.82 billion from Algeria - petroleum products, basically - and exported only US\$ 384 million.

"We are attempting to diversify. We are not seeking an equal balance, since the nature of trade doesn't permit this, but, rather, to increase our presence as exporters, whether it be of goods or services," Amorim commented after the conclusion of the bilateral encounter.

The meeting intensified cooperation possibilities in the areas of penal procedures, the judiciary, science and technology, agriculture, and health.

Bedjaoui took advantage of his stay in Brasília to meet with the ministers of Development, Industry, and Foreign Trade, Luiz Fernando Furlan; Agriculture, Livestock, and Supply, Roberto Rodrigues; and Defense, Waldir Pires. "The meetings of an economic and commercial nature were very important," Amorim emphasized.

In February president Luiz Inácio Lula da Silva paid a State visit to Algeria, and various cooperation agreements were signed. The Brazilian chancellor went to Algeria in February, 2005. Ties between the two countries grew in 2005.

In May, the President of Algeria, Abdelaziz Bouteflika, paid a State visit to Brazil. In November, minister Furlan led a trade mission to Algeria in search of new business and investment opportunities.

According to Amorim, the political approximation is already having repercussions in trade relations. The minister observed that Brazilian firms are beginning to participate in public works projects in Algeria and that there are joint work projects in areas linked to the transport materials industry.

The Brazilian Aviation Enterprise (EMBRAER) is making headway in obtaining contracts to furnish civilian and military aircraft to the Algerian government.

Another promising area, in the chancellor's opinion, is gas and petroleum. Amorim informed that, in the next few days the Brazilian minister of Mines and Energy, Silas Rondeau, will invite the Algerian minister of Energy to visit Brazil.

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