



**Dissertation submitted in fulfillment of the requirements for
Master's degree in Commercial Sciences**

Specialty: International Business

Topic:

**The impact of economic diplomacy on promoting foreign trade in
non-hydrocarbon sectors**

Case study:

Ministry of Commerce (Relations with the EU)

Realized by:

Abdallah BAAZIZ

Adem FERHI

Supervised by:

Mr. Mustapha CHERIF

Professor

5th promotion

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Dedication

*I dedicate this modest work to **my parents**, my wonderful mother and my dear father for their love and sacrifices, they are the source of my success in life, may Allah keep them for me and my family.*

*To my brother **HICHEM** and my sisters **KHADIDJA** and **HADJER***

*To my little sister **ZEINEB***

*To my friend and partner **ADAM***

To my friends and family

ABDALLAH

Dedication

*In loving memory of my brother, I dedicate this modest work to **ABD EL OUADOUD** who left us very young, and who has always brought joy to my life with his cheerful spirit. You will forever be in my heart. I hope God have mercy on you.*

*I dedicate this work to **my parents** who have provided me with all the love and care of the world, and who have been supportive all the way in my endeavor to accomplish my Dreams. I want you to know that everything I do, I do it for you*

*To my dear friend and partner **ABDALLAH***

To all my friends and family

ADAM

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Abstract

Today's world economy is characterized by an intense competition between countries in a pursuit to be the most influential on an international level, one of the ways to do so is to master economic diplomacy. Economic diplomacy is designed to influence policy and regulatory decisions of foreign governments, as well as those of international organizations through the application of technical expertise which analyzes the effects of a country's economic situation on its political climate and on economic interests.

Furthermore, the practice of economic diplomacy in Algeria is the most straightforward tool in promoting foreign trade especially in the non-hydrocarbon sectors which is also considered a solution for reviving the economy, given the fact that it relies almost solely on hydrocarbon exports revenues. From this perspective, economic diplomacy can act as a medium between the local businesses in Algeria and the target markets through the accompanying and support as well as the promotion of Algeria's label on an international scale.

Key words: diplomacy, economy, foreign trade, non-hydrocarbon exports, diplomatic relations

ملخص

يتميز الاقتصاد العالمي اليوم بالمنافسة الشديدة بين البلدان التي تسعى إلى أن تكون الأكثر تأثيرا على المستوى الدولي، وإحدى طرق القيام بذلك هي إتقان الدبلوماسية الاقتصادية. الدبلوماسية الاقتصادية مصممة للتأثير على القرارات السياسية والتنظيمية للحكومات الأجنبية، وكذلك على المنظمات الدولية من خلال تطبيق الخبرة الفنية التي تحلل آثار الوضع الاقتصادي للبلد على مناخه السياسي وعلى المصالح الاقتصادية.

علاوة على ذلك، فإن ممارسة الدبلوماسية الاقتصادية في الجزائر هي الأداة الأكثر مباشرة في تعزيز التجارة الخارجية وخاصة في القطاعات غير النفطية وهذا يعتبر حلا لإحياء الاقتصاد، نظرا لأنها تعتمد بشكل شبه كلي على إيرادات الصادرات النفطية. من هذا المنظور، يمكن للدبلوماسية الاقتصادية أن تكون بمثابة وسيط بين الشركات المحلية في الجزائر والأسواق المستهدفة من خلال المرافق والدعم بالإضافة إلى الترويج لعلامة الجزائر على نطاق دولي.

الكلمات المفتاحية: الدبلوماسية، الاقتصاد، التجارة الخارجية، الصادرات غير النفطية، العلاقات الدبلوماسية

Resumé

L'économie mondiale d'aujourd'hui se caractérise par une concurrence intense entre les pays qui cherchent à être les plus influents sur le niveau international. Pour y arriver, ces pays dépendent de leur maîtrise de la diplomatie économique. La diplomatie économique est conçue pour influencer les décisions politiques et réglementaires des gouvernements étrangers, ainsi que celles des organisations internationales par l'application d'une expertise technique qui analyse les effets de la situation économique d'un pays sur son climat politique et ses intérêts économiques.

Par ailleurs, la maîtrise de la diplomatie économique en Algérie reste un outil incontournable pour aider à promouvoir le commerce extérieur et réaliser une relance économique basé sur une diversification des exportations qui dépendent actuellement des hydrocarbures. Dans cette perspective, la diplomatie économique peut servir de support entre les entreprises locales en Algérie et les marchés cibles à travers l'accompagnement et le soutien ainsi que la promotion du label algérien à l'échelle internationale.

Mots-clés : diplomatie, économie, commerce extérieur, exportations non-hydrocarbures, relations diplomatiques

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List of abbreviations

Abbreviation	Meaning
AA	Association Agreement
ALGEX	Agence Nationale de Promotion du Commerce Extérieur
ANDI	Agence Nationale de Développement et de l'Investissement
ANEXAL	Association Nationales des Exportateurs Algériens
APSI	Agence de Promotion de Soutien et de Suivi de l'investissement
CACI	Chambre Algérienne de Commerce et d'Industrie
CET	Common External Tariff
CNI	Conseil National de l'Investissement
CNIS	Centre National de l'Information et des Statistiques
CU	Customs Union
DE	Denmark
DK	Germany
ENP	European Neighbourhood Policy
EU	European Union
FDI	Foreign direct investment
FR	France
FTA	Free Trade Area
GATT	General Agreement on Tariffs and Trade
GDP	Gross domestic product
IMF	International Monetary Fund
MC	Ministry of Commerce
MFA	Ministry of Foreign Affairs
NES	National Export Strategy

OECD	Organization for Economic Co-operation and Development
ONS	Office National des Statistiques
PTA	Preferential Trade Agreement
SAFEX	Société Algérienne des Foires et Exportations
SFPE	Special Fund for the Promotion of Exports
SIGMA	Support for Improvement in Governance and Management
TAIEX	Technical Assistance and Information Exchange instrument of the European Commission
UAE	United Arab Emirates
UK	United Kingdom
UN	United Nations
UNCTAD	United Nations Conference on Trade and Development
US	United states
WTO	World Trade Organization

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General Introduction

In 1989, the fall of the Berlin Wall and the USSR in 1991 which resulted in the victory of liberalism over communism allowed the market economy to prevail. In consequence, trade has become the main area of competition between nations, and at the same time, international conflict has gone from a military ideological sphere to an economic and cultural one.

It is now recognized that the strength of a country and its influence abroad depend on the export of its products, the international spread of its goods and services, as well as its ability to influence multilateral trade negotiations on an international level. For the last fifteen years, the political discourse values the economic diplomacy.

In this perspective, the role of economic diplomacy is to make foreign markets receptive to the products offered by domestic companies and reduce the influence of other competitors, so it deploys to convey an attractive image for the country to attract foreign investors

The international economic and financial crisis of 2008, aggravated by the volatility of movement of capital and commodity prices affected all the countries around the world. Algeria, whose foreign trade is characterized by an almost total concentration of exports in the hydrocarbon sector alone at 95.54% at the same time as it imports the majority of capital goods and consumer goods, does not escape the effects of this crisis despite the prudent management of its resources.

Indeed, Algeria's main income is provided by the only natural resource (oil and natural gas) which can constitute an unstoppable danger in case of a downward variation in the oil price. There is therefore an urgent need to act in the direction of a diversification of the economy in order to ensure the transition to a more diversified export policy.

The number of Algerian non-hydrocarbon products placed in the foreign markets amounted in 2011 to only 118 products while those of our neighbors turn around 1120 products for Morocco and 1193 products for Tunisia. When it comes to the number of exporting companies Algeria registers approximatively 1000 exporting companies against more than 40000 exporting companies (CNRC). The aforementioned facts lead us to look into the following topic: "The impact of economic diplomacy on promoting foreign trade in non-hydrocarbon sectors"

The choice of our topic, that is the impact of economic diplomacy on the promotion of foreign trade, was guided both by personal and objective reasons, as well as by the relevance and interest of this subject.

We have completed a two months internship at the Ministry of Commerce, more precisely at the direction of the follow-up of the commercial and regional agreements and cooperation (sub-directorate of the European Union), we couldn't find a more suitable place due to its direct relation with our topic.

From this perspective, our problematic arises as follows:

“How does the economic diplomacy impact the promotion of foreign trade in the non-hydrocarbon sectors?”

From this problematic ensue the following sub-questions:

- What is economic diplomacy?
- Is there a model of Algerian economic diplomacy?
- What is the contribution of the diplomatic representation of Algeria to the exporting companies?
- What are the problems facing Algeria in the process of the promotion of foreign trade?

To answer these questions, we have formulated the following hypotheses:

- **Hypothesis 01:** The Ministry of Commerce is not the only organism that promotes foreign trade.
- **Hypothesis 02:** The Algerian companies find a lot of difficulties in their quest for exporting
- **Hypothesis 03:** The efforts deployed by the Ministry of Commerce to promote foreign trade are sufficient

The tools used during our research include the consultation of books and reports as well as internal corporate documents (bibliographic research), interviews with officials and observation, and to support our study we conducted a survey by *interview* with the person responsible for the implementation of the EU-Algeria Association Agreement and by *questionnaire* with the exporting companies.

To provide some answers to the questions raised, we adopted the descriptive method for writing the first two chapters.

The following two chapters were made thanks to the observations collected within the Ministry of Commerce through an interview, and an analytical method based on a survey with the companies exporting to the European Union, and this was done through a questionnaire concluded by a statistical processing.

Our work is built around four chapters structured as follows:

1. First, we will begin by discussing, in the first chapter, diplomacy and then economic diplomacy in order to become familiar with its notions and history, as well as its different tools and missions
2. Then, in a second chapter, we will discuss the foreign trade in the world and how it is promoted through a comparison of the practices of some countries.

3. The third chapter is divided into two parts, in the first one we will talk about the economic diplomacy in Algeria, its history, evolution and instruments, as well as the Algerian foreign trade and the relations with the UE. The second part will contain a presentation of Ministry of Commerce and its missions.
4. The last chapter illustrates the study and analysis of the impact of economic diplomacy on foreign trade through the analysis and study of the results of both qualitative and quantitative studies.

And finally, a general conclusion by which we will complete our work.

Chapter I
Introduction to
economic diplomacy
and foreign trade

Introduction

Globalization, illustrated by the transnational companies commonly known as multinationals, marks a new stage in the history of capitalism. The strong development of the financial markets, in parallel with a liberation of the currencies, created a broad system of financing of the operations of trade and investment at the international level. This new order made nations reinforce their practices with new tools in order to adapt to this system, economic diplomacy has played a major role in keeping economic stability by protecting external interests of the country in all dimensions; economically, strategically and politically.

This chapter is divided into two sections; the first one's objective is to shed light on the concept of economic diplomacy starting by getting familiar with diplomacy in general and then discussing its utility and compare how economic diplomacy is practiced in France, Denmark, Germany and the United Kingdom.

In the second section we will cover foreign trade, regional trade agreements and different policies of foreign trade promotion. We will also explore some examples of foreign trade promotion strategies as a benchmark. the strategies of four European countries.

Section 01: From diplomacy to economic diplomacy

With globalization dominating the world's economic system, the need to exchange goods and services between states has become more and more vital. Trade, culture, wealth and knowledge are the main sinks that countries must enhance in order to be competitive and maintain their stability and self-sufficiency, one of the means to manage that is diplomacy.

1.1.1. Definition of diplomacy, its types and objectives

1.1.1.1. Definition

*"Diplomacy is the instrument of communication, not the message communicated."*¹

The term diplomacy is derived via French from the ancient Greek *diplōma*, composed of *diplo*, meaning "folded in two," and the suffix *-ma*, meaning "an object." The folded document conferred a privilege—often a permit to travel—on the bearer, and the term came to denote documents through which princes granted such favors.²

The diplomacy in general can be defined as "The art of dealing with people in a sensitive and tactful way"³.

Berridge defines diplomacy as the "official channels of communication employed by members of a system of states" and "the conduct of relations between sovereign states through the medium of officials based at home and abroad, the latter being either members of their states' diplomatic service or temporary diplomats."⁴

Nicolson defines diplomacy as "an ordered conduct of relations between one group of human beings and another group alien to themselves"⁵

Based on the definitions aforementioned we define diplomacy as: an instrument of foreign policy used to achieve goals considered to be of vital interest of the state, done through peaceful means and accomplished by way of established diplomatic protocol and procedures represented by accredited agents.

1.1.1.2. Types of diplomacy

The complexity of intrastate and interstate conflict has become a critical challenge to the field and to methods of conflict resolution, in trying to find the best methods of resolving conflicts, a variety of types of diplomacy have been identified. Nowadays terms such as "formal diplomacy", "Track One Diplomacy", "Track Two Diplomacy" are common in conflict resolution vocabulary⁶.

¹ George Kennan

²<https://www.britannica.com/topic/diplomacy> accessed 2/18/2018 at 10:21 pm

³<https://en.oxforddictionaries.com/definition/diplomacy> accessed 2/18/2018 at 11:20 pm

⁴ G.R. Berridge, *Diplomacy Theory from Machiavelli to Kissinger* (London: Palgrave Macmillan, 2001)

⁵ G.R. and James Berridge, Alan, *A Dictionary of Diplomacy*, 2nd ed. (New York: Palgrave Macmillan, 2003).

⁶ Culture of Peace Online Journal, 2(1) p.66.

- **Multilateral and bilateral diplomacy**

Economic diplomacy may be of interest to several actors in the international economic versions that bring together foreign affairs, so it is multilateral, as in the case of negotiations within the WTO or within international institutions, or at the summits. G7, G8, G20, G70; the forms of multilateralism are multiple: Multilateral diplomacy where there are obviously classic ingredients such as: the art of being informed, negotiating, writing texts; multilateralism is therefore recent and it is particularly in the economic field that it is flourishing. It brings together other areas: security, delinquency, environment and development aid, for example, and it will be more and more the essential mode of operation of a multipolar mode of independent actors but linked by effective solidarities, however it is especially in the economic sphere that it has asserted itself as a normal mode of organization of relations between States and has yielded the most results. It is at the grassroots of the WTO, the OECD and the international financial institutions and is found in regional organizations, the European Union being no exception, even if it goes beyond mere multilateralism, its aspects Community.

As international economic relations are links between countries, economic diplomacy can enter a field of communication and exchange between two states in a bilateral framework as the case of French diplomacy in Algeria;

Between bilateral diplomacy and multilateral diplomacy, many diplomats would say that the former is more rewarding. For them, multilateral or conference diplomacy is time-consuming and could be frustrating.

As Juan Dayang puts it, the benefits and impact of bilateral diplomacy are easier to measure given that there are only two players with agenda items somewhat limited in scope. Due to the imbalance of power relations between strong and weak states, the latter may find it incapable of pushing for its national interests in a bilateral negotiation. Thus, some issues are best addressed among various states. Some of these issues include addressing international challenges in trade relations, climate change, migration, and transnational crimes.

Multilateral diplomacy, which takes place when there are three or more states in a conference, could address the limitations of bilateral diplomacy and, in these circumstances, is likely to be more rewarding.

One significant benefit of multilateral diplomacy is levelling the playing field among states with different political and economic levels. The British Foreign Secretary Canning, after returning from a series of conferences after the 1815 Treaty of Vienna, praised normal bilateral diplomacy when he said “each for himself and God for us all”. Such remarks sum up why multilateral diplomacy limits self-interested motivations of the states.⁷

⁷ Juan “Jed” E. Dayang, Jr.(2011) When is multilateral diplomacy more rewarding than bilateral diplomacy?

- **Economic diplomacy and commercial diplomacy**⁸

Unlike the macroeconomic diplomacy that is according to Guy CARRON DE LA CARRIERE is a negotiating diplomacy, microeconomic diplomacy is diplomacy of support and promotion to trade. The commercial diplomacy's definition differs from author to author. Some people only consider in its definition the public actors who practice it. We can quote from this perspective the definition of POTTER: "*Commercial diplomacy is an application of the tools of diplomacy so to realize commercial gains through the promotion of exports, the attraction of investments, the preservation of external economic interests and finally the encouragement of the transfer of technology*"⁹

Other authors consider that in addition to public actors, commercial diplomacy can be conducted by private actors, in this perspective; diplomats are not the only responsible for commercial diplomacy. They are accompanied in some countries by agencies specialized in the promotion of investment "IPA: Investment Promotion Agencies" or export "TPO: Trade Promotion Organization", or by the chambers of commerce. The deployment of corporate efforts in the conquest of markets and international development is called (corporate diplomacy). Thus, the practice of commercial diplomacy in such a country depends on the relations existing between State and companies, the weight of the Ministry of Foreign Affairs as well as that of other technical ministries (trade, finance, industry, etc.).

For some, commercial diplomacy is distinct from economic diplomacy, in that the latter deals with policy issues. For sure, policy issues are a major component of economic diplomacy. But 'economic' is a much wider term than 'commercial', and it is possible to see the latter as a sub-set of the former. For instance, aid issues, whether seen from the perspective of the aid-provider or the aid-recipient fall within the rubric of 'economic' arrangements, but not commercial diplomacy. That also applies to dialogue with major multilateral economic institutions, be it the IMF or the World Bank, or the regional entities such as the African Development Bank (AfDB) or the Economic and Social Commission for Asia and the Pacific (ESCAP).

1.1.1.3. Objectives of diplomacy

The purpose of diplomacy is to strengthen the state, nation, or organization it serves in relation to others by advancing the interests in its charge. To this end, diplomatic activity endeavors to maximize a group's advantages without the risk and expense of using force and preferably without causing resentment. It habitually, but not invariably, strives to preserve peace; diplomacy is strongly inclined toward negotiation to achieve agreements and resolve issues between states.

Even in times of peace, diplomacy may involve coercive threats of economic or other punitive measures or demonstrations of the capability to impose unilateral solutions to

⁸ Bayne, N. and Woolcock, S. (2003). The new economic diplomacy. 3rd ed. p.94.

⁹ POTTER, 2004, P.03. Cité par RUEL (H) & ZUIDEMA (L): The effectiveness of commercial diplomacy: "A survey among Dutch embassies and consulates", Netherlands institute of international relations (Clingendael), Mars 2012, P03.

disputes by the application of military power. However, diplomacy normally seeks to develop goodwill toward the state it represents, nurturing relations with foreign states and peoples that will ensure their cooperation or—failing that—their neutrality.¹⁰

For most countries, security interests are very important in the process of acquiring new markets and securing overseas transactions, in his book *Modern Diplomacy* Ronald Barston states: “*The purpose of diplomacy is to contribute to the process of recognizing and identifying new interests at an early stage through continuous reporting and assessments, facilitating adjustment between different interests and contributing to policy implementation.*”¹¹

We can distinguish between two types of objectives, political and non-political.

- **Political objectives**¹²

Diplomacy works to secure the goals of national interest as set forth by Foreign policy. It always works for increasing the influence of state over other states. It uses persuasions, promises of rewards and aids for this purpose. It seeks to promote the goals of security by working for the promotion of friendship and cooperation with other nations. Diplomacy also seeks to maintain and increase national power of a nation.

- **Non-political objectives**

Diplomacy seeks to promote commercial, economic and cultural links of nation with others. In this age of science and technology, economic diplomacy has come to be a vitally essential aspect of diplomacy. Diplomacy depends upon the economic means for promoting the interests of the nation and is indeed a non-political objective of diplomacy.

1.1.1.4. Diplomatic methods¹³

States potentially have a wide range of diplomatic methods which together constitute diplomatic craft. The methods are set out separately though in diplomatic practice methods are often combined.

- **Cooperative strategy**

Cooperative methods are central to much of diplomatic activity. The main methods involve: exchange of views; clarification of drafting; intention on policy; seeking support for an initiative and building bilateral relations or coalitions and negotiation.

¹⁰<https://www.britannica.com/topic/diplomacy> accessed 2/20/2018 at 20:13

¹¹Barston, R. (n.d.). *Modern diplomacy*. 4th ed. p.245.

¹²<http://jyotikateckchandani.com/students/nature-objectives-and-techniques-of-diplomacy/> accessed 2/21/2018 at 13:36

¹³Barston, R. (n.d.). *Modern diplomacy*. 4th ed. p.32-38.

- **Communications strategies**

Communications methods can be broken down into four areas: image/presence; getting the message across; attack; counter-public diplomacy. The idea of establishing and projecting diplomatic presence has become a much more important feature of contemporary diplomacy.

- **Resistance and delay**

Strategies based on resistance or seeking delay move diplomacy potentially into non-cooperative areas, if positions are held, rather than shifting to accommodation. Methods include: seeking clarification; calls for further meetings; drafting changes, with the aim of changing, delaying or blocking proposals or initiatives.

- **Operational environment and the media**

This section turns the focus round and sets out several common problems faced by MFAs and international organizations, generated by the media. The media environment, in fact, can frequently be unpredictable and hostile. For example, UN peace-keeping operations have been subject to periodic media attack regarding incidents and neutrality.

- **Counter-strategies**

Counter-strategies use the full range of diplomatic methods discussed above – cooperative, media, negotiation, economic sanctions, and other coercive measures. Common counter strategies are political methods to: develop bilateral support; build wider coalitions; split a group or alliance; and side-diplomacy at the margins of the UN or standing international conference.

- **Expansion strategy**

In expansion strategy, states and other actors seek to extend their influence and diplomatic space through groupings, institutions, dialogue and representation rather than in a territorial sense. Expansion strategies have three hub elements: membership, media and representation.

1.1.2. Definition of economic diplomacy and its utility

In this more and more connected world, never before has been improvement of commercial and economic mutual relations between countries in the very centre of diplomatic actions as recently. In this economic system the purpose of countries is to preserve global financial stability without indefensible levels of youth unemployment and unmanageable levels of wholly defensible levels of civil unrest; and how to stimulate economic growth, particularly in the poorest countries, while arresting or at least slowing down climate changes. One way of doing so is the economic diplomacy.

1.1.2.1. Definition

According to Bergeijk and Moons "the Economic diplomacy consists of a set of activities aimed at methods and processes of international decision-making and relating to cross-border economic activities in the real world"¹⁴

The term economic diplomacy refers to the diplomatic service activities focused on the increasing of export, attracting foreign investments and participating in the work of international economic organizations, i.e., the activities generally focused on the affirmation of economic interest of a country on the international level¹⁵.

As to C. Jonson and R. Langhorne (2004) economic diplomacy is defined as specific field of modern diplomatic activity connected with the use of economic problems as object and means of struggle and cooperation in international relations. Economic diplomacy as diplomacy in general is a component of foreign policy, state international activity. Just foreign policy defines aim and tasks of economic diplomacy which represents a complex of means, forms and methods used for realization of foreign policy¹⁶.

Based on the aforementioned definitions we can define economic diplomacy as:

The process through which countries tackle the outside world, to maximize their national gain in all the fields of activity including trade, investment and other forms of economically beneficial exchanges, where they enjoy comparative advantage.; it has bilateral, regional and multilateral dimensions.

1.1.2.2 The utility of economic diplomacy

There are international laws that govern some aspects of diplomacy, while other elements are based on tradition, pragmatism, and expediency. Non-state actors including but not limited to nongovernmental organizations and multinational corporations play an increasingly important role in diplomatic relations as the tides of globalization shift the international landscape. Yet, no matter how much the international arena changes, diplomacy will always play a central role in dictating how states and other entities interact. Typically, the utility of diplomacy consists of the following elements

- States use diplomacy to resolve disputes, form alliances, negotiate treaties, strengthen economic relations, promote cultural and military exchanges, and for a variety of other purposes. Diplomacy encapsulates a broad arrangement of shifting rules, etiquette, goals, procedures, and agreements.
- The use of political influence and relationships to promote and/or influence international trade and investments, to improve on functioning of markets and/or to address market failures and to reduce costs and risks of cross border transactions

¹⁴P. A. G. van Bergeijk, S. Moons, *Economic Diplomacy and Economic Security*, (éd. par C. Costa) Lisbonne, New Frontiers of Economic Diplomacy, 2008.

¹⁵ Dina Tomsic (2008). International fairs as tool of economic diplomacy, p.35

¹⁶ Ed. bfl C. Jonsson, R. Langhorne (2004) *Diplomacy*. Vol. 1: TheoryofDiplomacy. London: SAGE Publications, p.267.

(including property rights). Typically, this subfield of economic diplomacy comprises commercial policy, but also many activities of nongovernmental organisations (NGO's) are relevant under this heading

- The use of economic assets and relationships to increase the cost of conflict and to strengthen the mutual benefits of cooperation and politically stable relationships, i.e. to increase economic security. This subfield both contains structural policies and bilateral trade agreements (aimed at achieving specific geographic trading patterns) and the political distortion of trade and investment as in the case of boycotts and embargoes.
- Ways to consolidate the right political climate and international political economic environment to facilitate and institute these objectives. This subfield covers multilateral negotiations and is the domain of the supranational organizations and institutions such as the World Trade Organization, the Organization for Economic Cooperation and Development and the European Union¹⁷.
- Diplomatic missions intervened with local ministries both to support the placement of capital by their nationals on advantageous terms and subsequently to provide protection to their investments against violence, breach of contract, and hostile legislation. The latter role gave rise to the legal doctrine of 'diplomatic protection' and, inevitably, to a counter-doctrine.

Economic diplomacy is privileged as the main economic key factor; it assumes the diplomatic official activities that are focused on increasing exports, attracting foreign investments and participating in work of the international economic organizations. Thus, experts fully knowing of the capital gain of economic diplomacy are trying to adopt this approach and make full profit of its central utility to the economy; this utility can appear in several elements such as:¹⁸

- In the most of developed countries, the share of foreign trade and investments in GROSS DOMESTIC PRODUCT is constantly growing in comparison with local manufacture.
- Implementation of economic reforms in processes of orientation to market economy of the developed countries; as well as the strategy of development which is based on strengthening of export, promotes faster integration of the country in the global economy.
- Globalization of trade and business means production escalating and service sector expansion, also creates necessity to activate multilateral regular communication between the countries.

¹⁷<http://economicsanddiplomacy.blogspot.com/2009/06/what-is-economic-diplomacy.html> accessed 2/23/2018 at 15.05

¹⁸Olena, M. (n.d.). Efficiency of tools of economic diplomacy in international entrepreneurial business. Ph.D. Taras Shevchenko National University of Kyiv.

- Expansion of regional trade agreements for elimination of barriers for international trade and investment processes.

1.1.2.3. Tools of economic diplomacy

Economic diplomacy is clearly not just about narrow economic and commercial interests. Rather, it involves broad national interests that include political and strategic as well as economic dimensions.¹⁹

When we observe closely the key factors of economic diplomacy, we can clearly see that it is neither limited to the economic domain nor to that of diplomacy; comparative cultural, historical and organizational aspects are also drivers of the direction and success of economic diplomatic activities.²⁰

Rahul Shrivastava, the ambassador of India to Venezuela divides these tools to five broad categories:²¹

- **Political**

This is the most important tool. The core of the political tool is interaction of the Embassy with the host government to maintain bilateral relations between the two countries and interaction between political leadership of the two countries. This is analogous to maintenance of good ties between, say, the bridegroom's family and the bride's family. Amount of material transaction is not the key component for this tool. One good way of using this tool is to have Heads of State/Government level visits. Meetings, negotiations, telephonic calls and written communications are other ways to use this tool.

- **Security**

I would put cooperation in areas such as intelligence, defense, counter-terrorism, nuclear issues, space and high-tech under this category. If two countries use the security tool of diplomacy in their relationship, it shows that they have a high level of confidence in each other.

- **Commercial**

This includes trade, investment and economic relations between countries. One large Asian country has been able to use this tool of diplomacy effectively in developing countries to enhance its footprint in these countries.

- **Cultural**

I would put art (including performing arts), literature, education and public diplomacy under this category.

¹⁹Bergeijk, P., Okano-Heijmans, M. and Melissen, J. (2011). Economic diplomacy. Leiden: MartinusNijhoff Publishers, p.4.

²⁰ Ibid.

²¹<https://www.quora.com/What-are-the-tools-of-diplomacy> accessed 2/23/2018 at 13:58

- **Consular**

Starting from visas right up to extradition.

1.1.2.4. The diplomatic representation

Also called diplomatic mission, which is a group of people from one state or an organization present in another state to represent the sending state/organization officially in the receiving state

A country may have several different types of diplomatic missions in another country, such as:²²

- **Embassy**

A diplomatic mission located in the capital city of another country which generally offer a full range of services, including consular services.

- **High Commission**

An embassy of a Commonwealth country located in another Commonwealth country.

- **Permanent Mission**

A diplomatic mission to a major international organization.

- **Consulate General**

A diplomatic mission located in a major city, other than the capital city, which provides a full range of services, including consular services.

- **Consulate**

A diplomatic mission that is similar to a consulate general, but which does not provide a full range of services.

- **Consulate Headed by Honorary Consul**

A diplomatic mission headed by an Honorary Consul which provides only a limited range of services.

1.1.2.5. Non-state actors in economic diplomacy

First, economic engagement abroad involves more than the ministries of foreign affairs, commerce and industry; it is the business units of the country, associations of industry and chambers of commerce, the financial sector, business schools and thinktanks, the tourism industry and a host of domestic actors that are both the stakeholders and the prime movers.²³

²² http://www.ediplomat.com/nd/mission_types.htm Accessed 2/26/2018 at 2:48 pm

²³ Rana, K. (n.d.). Economic Diplomacy: The Experience of Developing Countries. p.3.

Two principal types of non-state actors can be identified: private sector corporate actors and non-governmental organizations (Higgott, Underhill and Bieler, 2005). Private sector corporate actors can be divided into transnational corporations (TNCs) and multinational corporations (MNCs). While TNCs strive for a world-wide intra-firm division of labor, MNCs attempt to replicate production within a number of regions in order to avoid the risks of trade blocs. (Higgott, Underhill and Bieler, 2005).

Non-governmental organizations (NGOs) play an increasingly important role at the international level, partly thanks to new technologies such as the Internet. Some larger and more active NGOs are now also referred to as global social movements (GSMs). The second group we divide into societally-sponsored NGOs, to be found mainly in the Western world, and state-sponsored NGOs, often referred to as GONGOs (Governmentally Organized Non-Governmental Organizations), MANGOs (Manipulated Non-Governmental Organizations) or even GRINGOs (Governmentally Regulated and Initiated Non-Governmental Organizations), which are, for example, present in East Asia.²⁴

1.1.2.6. Examples of economic diplomacy²⁵

We will try to discuss the objectives, actors and actions that are found in the four countries (Denmark, France, Germany and the United Kingdom) on the topic of economic diplomacy.

1.1.2.6.1. Objectives and actors

It is clear that, when investigating economic diplomacy, objectives are mainly concerned with stimulating exports and attracting foreign investments. In addition, Denmark and Germany explicitly focus on research and education. This is also displayed by the involvement of their respective ministries of Education and Science. The United Kingdom (UK) has put a stronger focus on innovation as the involvement of the department for Business Innovation and Skills (BIS) illustrates.

The amount and diversity in actors involved in economic diplomacy varies greatly. The UK has a very centralized approach, as does Denmark. Germany has a diverse set of actors involved, mostly due to the different states that have the freedom to pursue their own economic agenda and have their own actors accordingly. Most actors are centrally steered through the federal ministries. Another special trait of the German approach are the German Chambers of Commerce. These are Public-Private Partnerships (PPP) that are co-funded by the federal government and participating enterprises. Finally, France economic diplomacy includes a large set of actors too. Recently, some mergers between these actors have taken place in order to reduce the large number of different actors and centralize activities better.

²⁴Higgott, R., Underhill, G. and Bieler, A. (2005). *Non-state actors and authority in the global system*. London: Routledge. p.p. 1,2.

²⁵technopolis (2014). *Benchmark standardisation*. P. 3-7.

The French report for instance mentions that entrepreneurs sometimes find it difficult to navigate the economic diplomacy landscape due to the many actors involved and overlapping responsibilities which for instance led to the announced merger of UBIfrance and the French Agency for International Investments (L'Agence française pour les investissements internationaux - AFII).

Table 1.1: Objectives and actors responsible

Country	Major objectives	Management/Policy, execution
DE	Promote domestic economy and state specific economy, promote research collaborations, support enterprises involved in development aid, support for agro-industrial sector	Management/Policy: ministries: Foreign Affairs, Economic Affairs and Energy, Research and Education, Economic Cooperation and Development, Food and Agriculture, State ministries, Chambers of Commerce
		Execution: Chambers of Commerce, Diplomatic Missions, Germany Trade and Invest, German Centres
DK	Assist enterprises in exports, attract foreign investments, improve economic relations and trade policy	Management/Policy: ministries: Foreign Affairs, Business and Growth, Education and Science
		Execution: Trade Council, Invest in Denmark, Diplomatic Missions
FR	Support internationalisation of French companies and enhance development of foreign investments in France	Management/Policy: Ministry of Economic and Financial affairs (DG Trésor), Ministry of Foreign and European Affairs,
		Execution: Ubifrance, l'AFII, international Chambers of Commerce, Diplomatic Missions and French regional and local Authorities, Coface
UK	Promote UK's economic interest abroad and attract foreign investments, slight focus on bilateral interaction	Management/Policy: Foreign and Commonwealth office (FCO), Department for Business Innovation and Skills (BIS)
		Execution: Diplomatic Missions, UK Trade and Invest (UKTI), UK Export Finance

Source: technopolis (2014). Benchmark standardisation. p.4

1.1.2.6.2. Activities

Not surprisingly, most countries employ the same activities as they have similar goals. For example, every country promotes foreign investments, supplies market information and intelligence and organizes networking events. Explicit programmes for supporting starting international entrepreneurs are found in Denmark, the UK and Germany. Germany has set up 'German Centres' that provide a community for starting international entrepreneurs establish a branch in a foreign country. A German incubator-like centre provides cheap office space in a building that is shared with other German entrepreneurs. Denmark has a similar approach with Innovation Centres, located at innovation hot spots like Silicon Valley. Economic diplomacy services are available at these Innovation Centres. The UK in its turn hosts programmes for starting, experienced and High Value entrepreneurs to increase trade. Evidence of such specific start-up policies has not been found in France. However, the

Minister of Foreign Affairs this year announced to increase efforts on the topic of economic diplomacy.

Table 1.2: Major activities and services provided

Country	Major activities/services provided
DE	Trade missions, market entry (contact search, identification of potential partners, virtual office), market information, law and taxes background information, human resources, trade fairs
DK	Market information and intelligence, networking and matchmaking, innovation centres, strategic advice, export financing, foreign investment promotion, regulation
FR	Trade missions, market information and intelligence, business risk assessment, legal and regulatory advice, human resources
UK	Market information and intelligence, networking (events), international trade advisory (regulation, risk assessment), export financing,

Source: Ibid. p.5.

1.1.2.6.3. Paid services

Most countries offer the services for economic diplomacy in exchange for some sort of remuneration. Some core services that only diplomats can offer are free of charge, but these cover the more general aspects of diplomacy such as trade regulation negotiations or resolution of urgent incidents. Commercial advisors who are paid hourly fees provide products specific commercial services that deliver obvious increases in business performance. They work closely together with the diplomats, often stationed at the diplomatic mission, but report to the Ministry of Economic Affairs or the agency to whom they report. This practice has been found in Denmark, the UK and, to a lesser extent, in Germany and France.

Section 02: Foreign trade

The dilemma of modern economy is finding the balance and the harmony between the unlimited needs of humanity and the limited resources of the globe, these resources are used in the production of goods and services which can be sometimes limited and doesn't cover the self-sufficiency. So, countries are in the obligation to buy from other countries what cannot be produced or produced in less than its requirements and vice versa; it sells to other countries the goods which it has in surplus quantities. This shows how crucial foreign trade is to the globalization.

1.2.1. Definition and evolution of foreign trade

1.2.1.1. Definition

“The importation of gold and silver is not the principal, much less the sole benefit which a nation derives from its foreign trade”²⁶

As we all know, there are different definitions of foreign trade, according to the Cambridge dictionary foreign trade is defined as: the activity of trading goods and services with other countries.²⁷ While Max Judd Wasserman and Charles W. Hultman think that: International trade consists of transaction between residents of different countries.²⁸

Foreign trade in general is the exchange of capital, goods, and services across international borders or territories. In most countries, it represents a significant share of gross domestic product (GDP). It is also called as International trade, External trade or Inter-Regional trade. It consists of imports, exports and entrepot; imported for the purpose of re-export after some processing operations

After all that being said we conclude that foreign trade is the action of importing and exporting goods and services between two countries or more, this operation is similar to a simple operation of buying and selling domestically but it is actually quite complex because of the variety of factors that influence the operation for example the different currencies, languages and cultures.

2.1.1.2. Evolution

Foreign trade is a cross-frontier trade between countries in goods and services through imports and exports using their competitive advantages. Nowadays, no country can be totally self-sufficient without suffering a high cost, all countries needs to, or chooses to import and export at least some goods and services, their motivation to exchange with each other is that goods and services are essential to economic well-being and sometimes highly attractive to consumers but are not available in domestic market.

²⁶ Adam Smith

²⁷ Cambridge dictionary

²⁸ Max Judd Wasserman, Charles W. Hultman, Ray M. Ware: Modern international economics, edition: 1995.

Another reason is that these goods and services might be produced less expensively and more efficiently in other countries at a lower price.

An example of what we are saying is the case of the United States, because it is the most coming closer to self-sufficiency country, more than any other one. The reasons behind this distinction are the several climatic zones, the richness in resources and an able workforce, nevertheless it cannot cover its daily consumption estimated as 19.69 million barrels per day²⁹ by its production (8.5 million barrel / day)³⁰, so it resorts to importation (7.9 million barrel / day)³¹ this shows us the importance of foreign trade in modern economic system.

In order to study foreign trade's evolution, it would be helpful to shed the light on its history. International trade today is not much different from the exchange of goods and services that people have been conducting centuries ago, they used bartering-trading which is a certain quantity of one good or service for another good or service for the same estimated value.

Development in transportation and communication revolutionized economic exchange by increasing its volume and its geographical range and channels of trade have also become more complex. However, the fundamental character of the exchange of goods and services remains unchanged.

Since 1950, the volume of world trade has increased by 20 times, and from 1997 to 1999 flows of foreign investments nearly doubled from \$468 to \$827 billion.

The tremendous growth of international trade over the past several decades has been both a primary cause and effect of globalization. The volume of world trade increased twenty-seven-fold from \$296 billion in 1950 to \$8 trillion in 2005 (WTO, 2007)³².

In the spring of 2008, the world's largest financial crisis happened and led to a global economic recession, the following years, world trade has declined in volume and was down until 2012 and remained sluggish through 2013.

The following years, the volume of world trade continued to grow slowly. In 2005 it recorded a growth of 2.7%³³, this slow growth is due to multiple reasons:

- An economic slowdown in China, and a severe recession in Brazil.
- falling of the prices for oil and other commodities, and exchange rate volatility.
- Demand for imports slowed in Asia and in resource-based economies.

²⁹ <https://www.eia.gov/tools/faqs/faq.php?id=33&t=6> accessed 3/08/2018 at 16:46

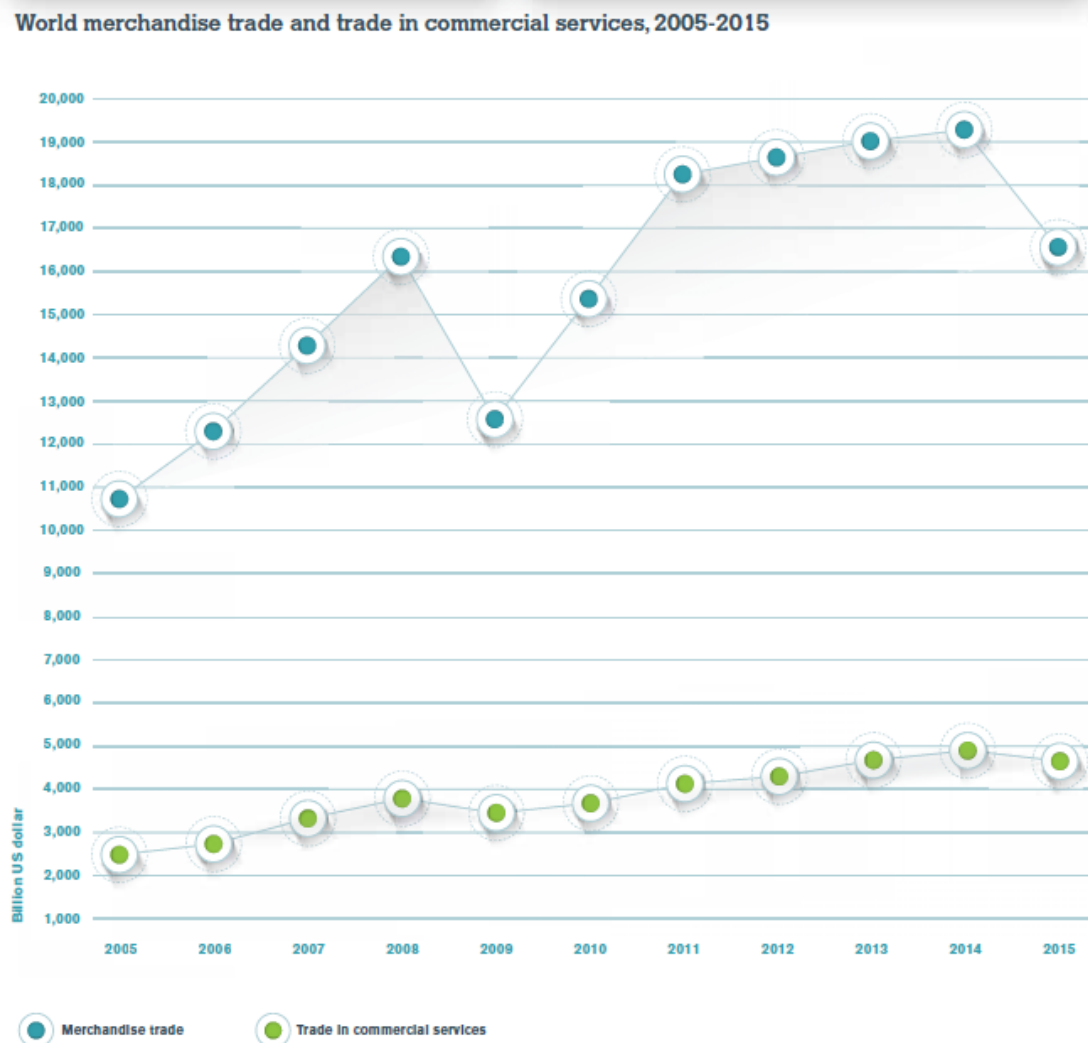
³⁰ <http://geab.eu/top-10-countries-with-the-worlds-biggest-oil-reserves/> accessed 3/08/2018 at 16:46

³¹ <http://www.worldstopexports.com/crude-oil-imports-by-country/> accessed 3/08/2018 at 16:46

³² <http://www.globalization101.org/trade-introduction/> accessed 3/10/2018 at 19:18

³³ World Trade Organisation.

Figure 1.1: World merchandise trade and trade in commercial services between 2005 and 2015³⁴.

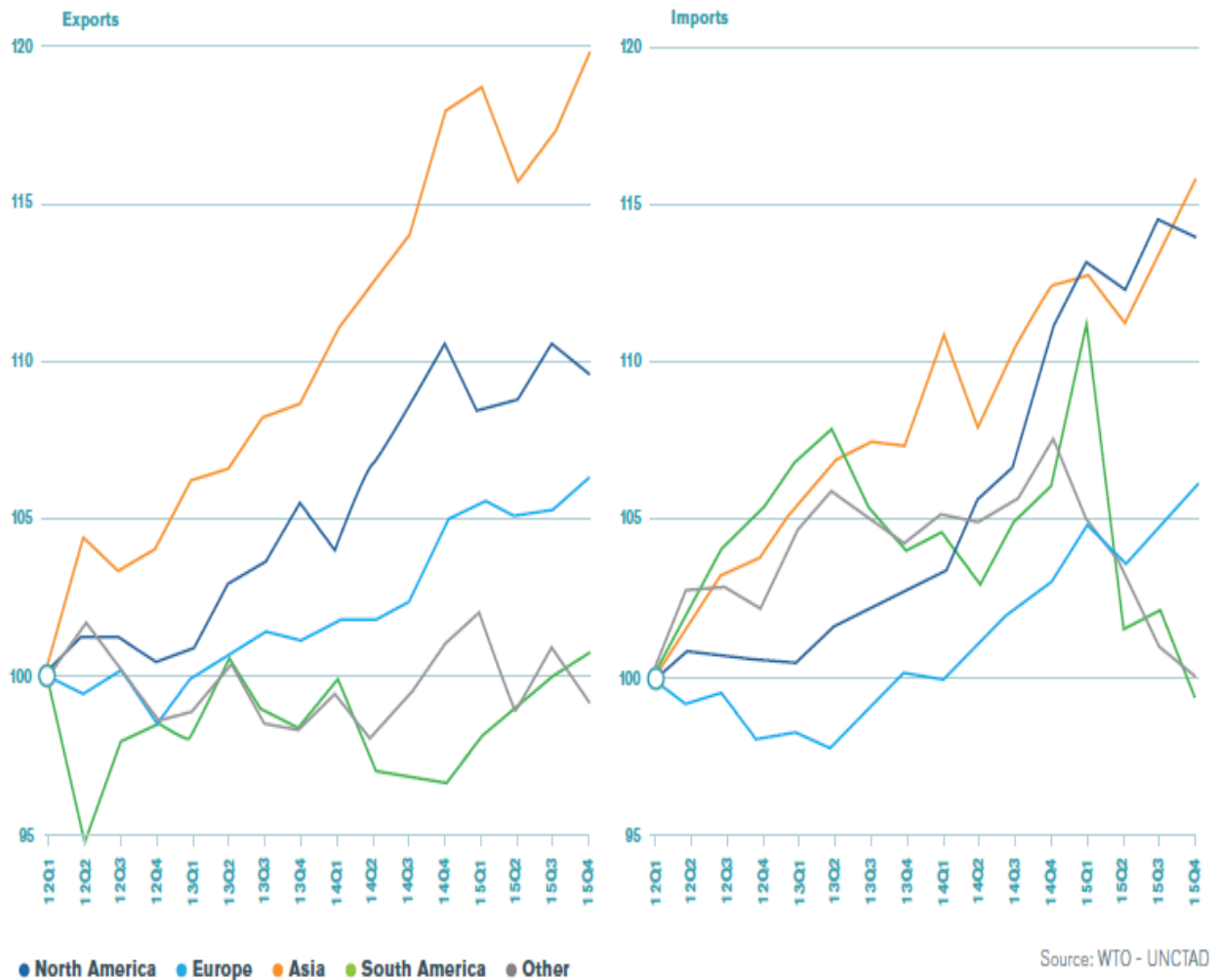


source: WTO

As we can see the value of merchandise trade and trade in commercial services in 2015 is nearly twice as high as in 2005, it jumped from \$10.000 billion to nearly \$17.000 billion for merchandise trade and from \$2000 billion to \$4000 billion for commercial services, it declined in the period of post-crisis but recovered and knew a modest growth between 2010 and 2014.

³⁴ ibid.

Figure 1.2: The evolution of international merchandise trade by region between the period of 2012 and the last quarter of 2015.



Source: WTO - UNCTAD

Source : WTO-UNCTAD

The figure shows that Asia contributed more than any other region to the recovery of world trade after the financial crisis of 2008- 2009. However, the region's impact on global import demand declined in 2015 as the other economies cooled.

Europe mostly weighed down world trade growth since the financial crisis, making a negative contribution to global import growth in 2012 and 2013. However, by 2015 Europe's contribution was again largely positive.

North America made a positive contribution to world import growth in 2015, while negative contributions were recorded in 2015 for South and Central America and other regions including Africa, the Middle East and the Commonwealth of Independent States.

So, we conclude that international trade is indispensable to growth, the two works together and thanks to foreign trade consumers can walk into their local store and buy goods and services from all over the world. Local business must compete with these foreign products. However, many of these businesses can also have new opportunities to expand their market by selling to a multitude of consumers in other countries.

1.2.2. Regional Trade Agreements

Regional Trade Agreements (RTAs) are a major and perhaps irreversible feature of today's multilateral trading system. Sluggish progress in multilateral trade negotiations under the Doha Development Round appears to have accelerated further the rush to forge RTAs.³⁵

According to the WTO, RTAs are defined as reciprocal trade agreements between two or more partners. They include free trade agreements and customs unions.³⁶

So, in order to clearly understand what RTAs are, we have to define PTAs, free trade agreements and customs unions.

A preferential trade agreement (PTA) is a trading bloc that gives preferential access to certain products from the participating countries. This is done by reducing tariffs but not by abolishing them completely.³⁷

A Free Trade Area (FTA) is a PTA for which barriers on trade between members are reduced or eliminated, and the term usually suggests other policy measures in addition to discriminatory trade preferences. FTA members may elect to impose a common external tariff (CET) for each product; a CET may be imposed with or without the continued use of internal customs controls.³⁸

A Customs Union (CU) is an FTA with a CET, in which internal customs controls have been eliminated, so that goods imported from third countries may circulate freely throughout the territory of the customs union.³⁹

1.2.2.1. The Evolution of Regional Trade Agreements

The number of RTAs in force has varied considerably over the years. WTO provides various statistics about agreements which have been notified to the GATT or the WTO, agreements which have not (yet) been notified, and those which remain in force. According to the WTO Secretariat, 102 of the agreements which have been notified to the GATT/WTO were in force at the end of 1998. This includes 78 agreements covering trade in goods notified under Article XXIV of the GATT 1994, 13 goods agreements concluded between developing countries notified under the Enabling Clause, and 11 agreements covering trade in

³⁵ Crawford, J. and Fiorentino, R. (2005). The changing landscape of regional trade agreements. Geneva: World Trade Organization, p.1.

³⁶ https://www.wto.org/english/tratop_e/region_e/rta_pta_e.htm accessed 3/18/2018 at 11:16 am

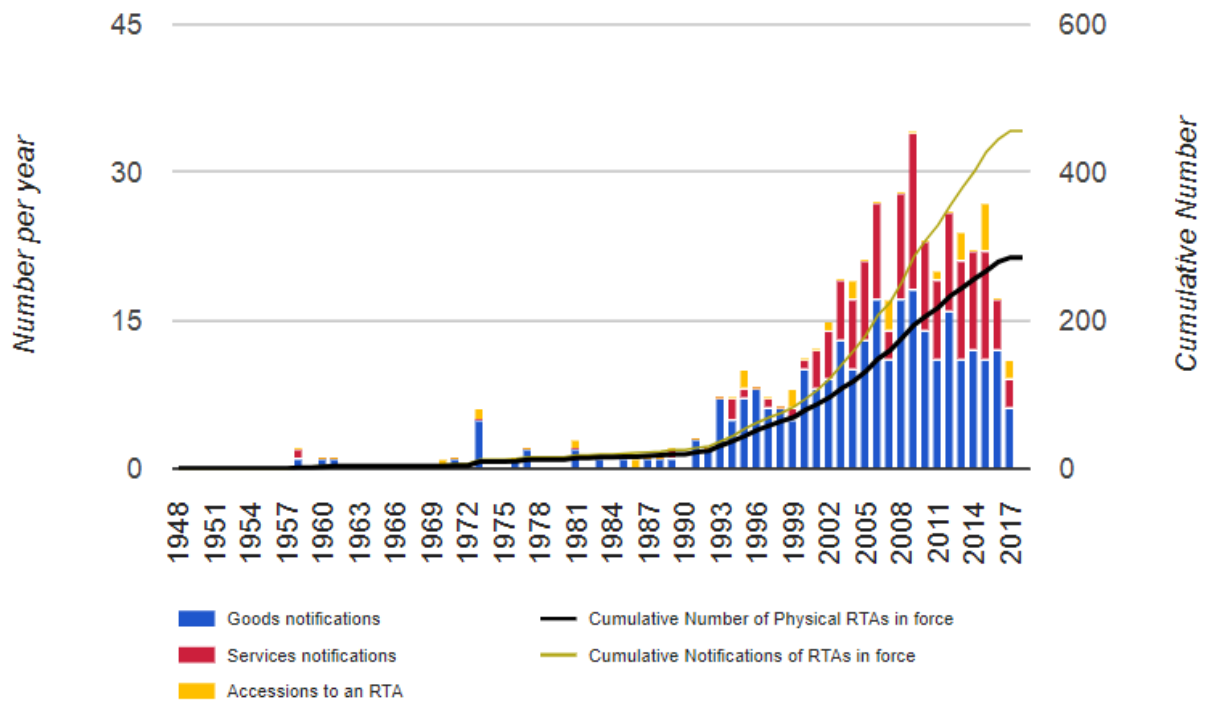
³⁷ Limão, N. (2016). Preferential Trade Agreements.

³⁸ Ernesto Derbez Bautista, L. (2013). International Trade Agreements.

³⁹ Ibid.

services notified under the GATS. More than half of these agreements have entered into force since 1990, when there were only about 40 agreements in force. In other words, there were some 250 per cent more agreements in force in 1998 than eight years earlier, and we know that new agreements continue to be signed.⁴⁰

Figure 1.3: RTAs currently in force (by year of entry in force), 1948-2017



Source: WTO Secretariat⁴¹

The figure shows the cumulation of RTAs notified to the WTO. We can see it demonstrates a rapid growth since the year 1990.

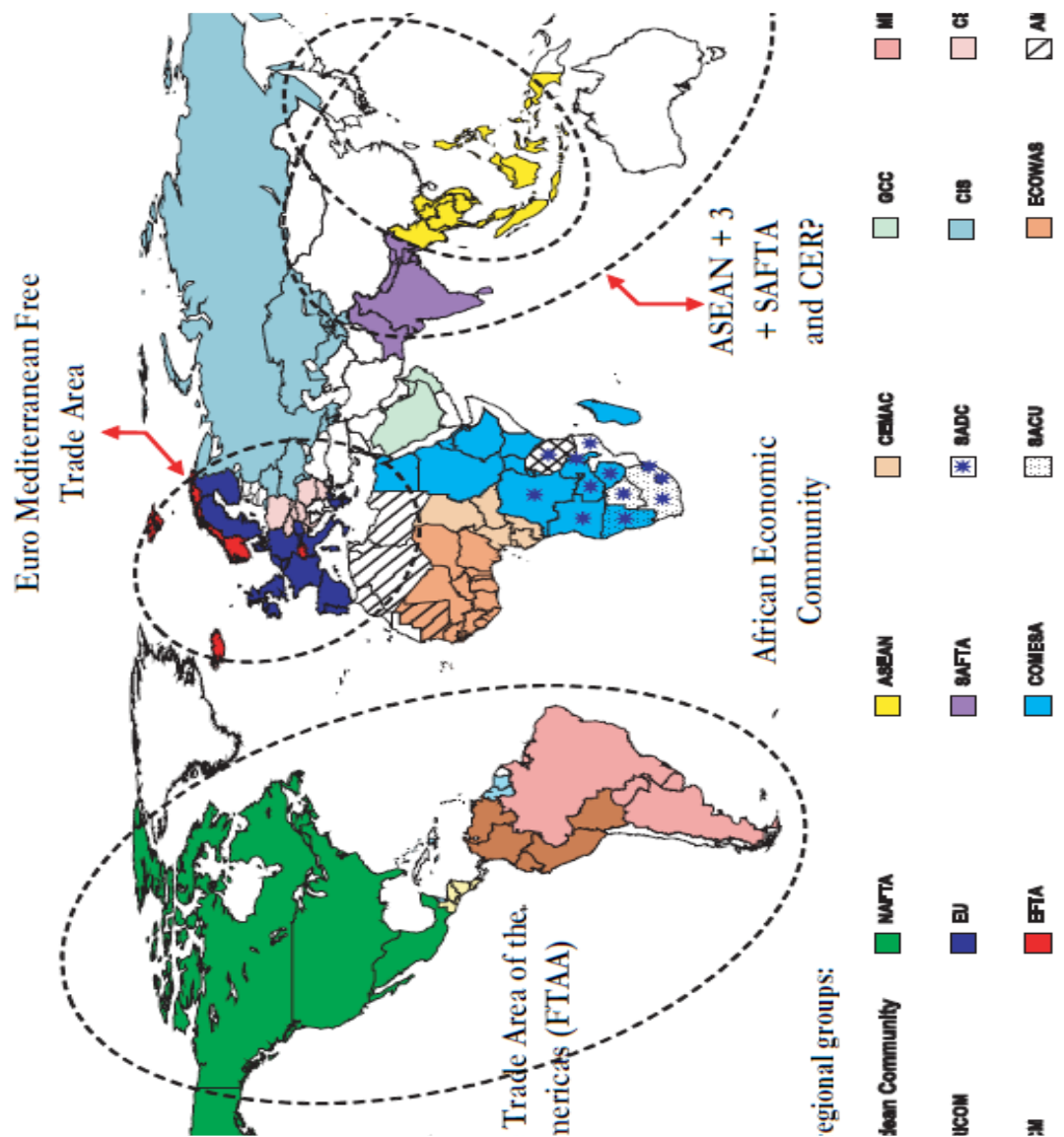
A number of agreements, such as APEC, the agreements between the EU and South Africa, the EU's framework agreements with Mexico and MERCOSUR, and others reach across continents. It is also clear that there is a tendency for the new agreements to fall within the sphere of influence of the European Union and the United States, raising the spectre of a world of trading mega blocs.⁴²

The following figure is a map that demonstrates how regional trading blocs are established.

⁴⁰ Crawford, J. and Laird, S. (2000). Regional trade agreements and the WTO. CREDIT Research Paper, (3), p.2.

⁴¹ <http://rtais.wto.org/UI/Charts.aspx> accessed 3/18/2018 at 01:30 pm

⁴² Crawford, J. and Laird, S. (2000). Regional trade agreements and the WTO. CREDIT Research Paper, (3), p.3.

Figure 1.4: Establishment of Regional Trading Blocs

Source: Crawford, J. and Fiorentino, R. (2005). The changing landscape of regional trade agreements. Geneva: World Trade Organization, p.23.

1.2.2.2. Country Objectives Underlying Regional Trade Agreements ⁴³

Differences in content and form among regional trade agreements, in large part, reflect sharp differences in the objectives of the countries seeking them.

- Traditional trade gains

Perhaps the most conventional objective thought to underlie a country's participation in any trade negotiation is the idea that through reciprocal exchanges of concessions on trade barriers there will be improvements in market access from which all parties to the negotiation

⁴³ Frankel, J. (1998). The regionalization of the world economy. Chicago, Ill.: University of Chicago Press, pp.70-74.

will benefit. The reasons for participating in a regional negotiation rather than any other type, including multilateral, are usually that key trading partners are involved, that the chances of success are seen as high because the number of countries is small, or there has been a prior history of frustration with negotiating failures at the multilateral level. The notion that gains follow from increased regional trade has also motivated much of the postwar support for other regional trade agreements.

- Strengthening domestic policy reform

Yet another objective countries have in seeking regional trade agreements is the idea that a regional trade treaty can underpin domestic policy reform and make it more secure; that is, by binding the country to the masthead of an international trade treaty, any future reversal of domestic policy reform becomes more difficult to implement.

In reality, this can be an objective in either bilateral or multilateral negotiation and need not be an objective solely for regional trade agreements.

- Increased Multilateral Bargaining Power

A further objective for countries that adopt regional trade agreements is to increase their bargaining power with third countries by negotiating an agreement with common external barriers. This idea was shared by the countries involved in the formation of the EC in the late 1950s. At the time, the notion was that individually European countries might have limited leverage in a negotiation with the United States, including multilaterally, but if all the European countries acted cooperatively in using a common trade policy, they would increase their leverage.

- Guarantees of Access

An objective present in recent large-small country trade negotiations, beginning with the Canada-U.S. agreement, is to use a regional trade agreement to make access to the larger country market in the region more secure for the smaller country. In the Canada-U.S. case, the Canadian aim was to achieve a regional trade agreement that gave Canadians some degree of exemption from the use of anti-dumping and countervailing duties by the U.S. producers.

- Strategic Linkage

A further country objective in negotiating regional trade agreements is that such agreements can help underpin security arrangements among the integrating countries, a central theme in early European integration in the 1950s. The idea was that a postwar regional trade agreement that produced enhanced trade flows between Germany and France would help prevent a fresh outbreak of European war, especially in light of Franco-Prussian relations between 1870 and 1945. As such, strategic linkage (helping prevent further European war) became the dominant consideration in the negotiation of European trade arrangements, overriding all other integration objectives because the issues at stake were so important.

- Multilateral and Regional Interplay

A final set of objectives that enters into country calculations of whether and or how to negotiate regional trade agreements involves the actual or potential use of regional agreements for tactical purposes by countries seeking to achieve their multilateral negotiating objectives. The opposite can also be true in that ongoing multilateral negotiations can be used to influence the outcome of regional negotiations, since multilateral negotiations create regional opportunities.

1.2.3. Foreign trade promotion policies

Foreign trade is the steering wheel that stimulates the international economy, the rising importance of foreign trade is due to the integration of many factors in the actual economic system. In this section we will give a definition and the objectives of foreign trade promotion policies and why all nations need it.

1.2.3.1. Definition

The term ‘foreign policy’ has been defined in number of ways. **George Modelski** defines it as, “The system of activities evolved by communities for changing the behavior of other states and for adjusting their own activities to the international environment⁴⁴”.

According to **C.C. Rodee**, “foreign policy involves the formulation and the implementation of a group of principals which shape the behavior pattern of a state while negotiating with (contacting) other states to protect or further its vital interests⁴⁵”

Hugh Gibson defines foreign trade policy as “a well-rounded, comprehensive plan, based on knowledge and experience, for conducting the business of government with the rest of the world. It is aimed at promoting and protecting the interests of the nation. This calls for a clear understanding of what, whose interests are and how far we can help to go with the means at our disposal. Anything less than this falls short of being a national foreign policy⁴⁶”.

So a country's foreign trade policy consists of all means and self-interest strategies chosen by the state to safeguard its national interests and to achieve goals within its international relations milieu.

1.2.3.1. Objectives⁴⁷

Most policy makers in modern world assume that the most essential objective of any foreign trade policy is to ensure the sovereignty and the independence of the home territory and to perpetuate a particular political, social and economic system based on that territory.

The promotion of economic interests of a nation is the fundamental goal in foreign policy as this is directly associated with state’s existence. So, the state would always strive to adopt

⁴⁴ George Modelski, “A Theory of Foreign Policy”, London: Pall Mall Press, 1962, pp.6-7.

⁴⁵ C.C. Rodee, "Introduction to The Foreign Policies of the Powers Political Science," p. 571.

⁴⁶ Hugh Gibson, “The Road of Foreign Policy”, New York: Doubleday, 1944, p. 9.

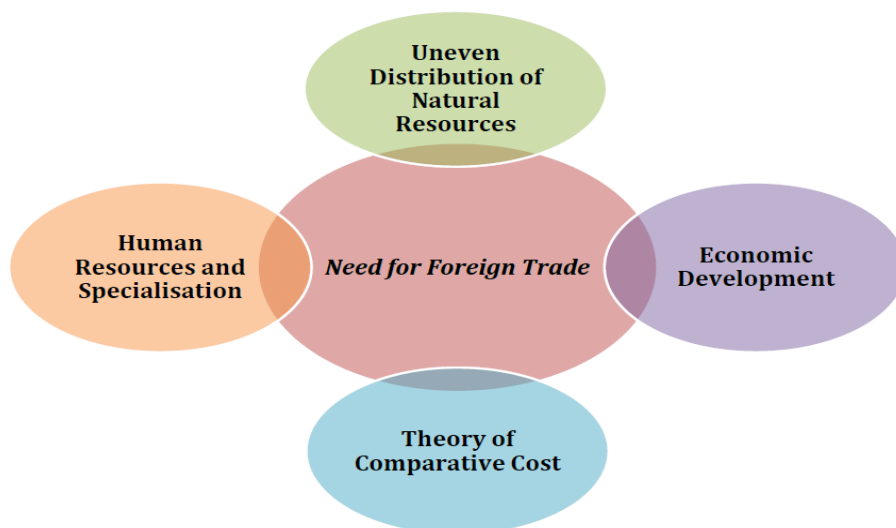
⁴⁷ Elsevier (2006). Trade promotion and SME export performance. p.240.

a course of action which brings economic prosperity thereby making its armed forces well equipped, citizens much relaxed and state significant factor in international politics. It will be no exaggeration to mention that the national interests are more economic than political and foreign policy more guided by economic factors than by political one.

Undoubtedly, the ideal objective of foreign trade policy is the national interest which is the main concern of policy makers. States decide its foreign trade promotion policies based on this factor and all other objectives aim to serve and preserve it, among the other objectives we have:

- Continuously increasing the percentage share of global trade and expanding employment opportunities.
- To provide a stable and sustainable policy environment for foreign trade in merchandise and services.
- To promote the diversification of the country's export by helping various sectors of the economy to gain global competitiveness with a view to promote exports.
- To create architecture for the global trade engagement with a view to expanding the country's markets and better integrating with major regions, thereby increasing the demand for internal products.
- Through foreign trade, the country can attract Foreign Direct Investments FDI which is very important to the economic growth.

Figure 1.5: The need for foreign trade⁴⁸



This figure represents the four major factors that necessitate foreign trade which include⁴⁹:

⁴⁸ iNurture Education Solutions (2016). Fundamentals of Foreign Trade: An Overview on Foreign Trade p.3.

⁴⁹ Ibid.

1. Uneven Distribution of Natural Resources

Every country in the world is geographically different from another. This means that because of the differences in climate, soil, minerals and other factors, some countries can grow some crops better than others. This creates a requirement for surplus home crops to be exported and deficient ones to be imported.

2. Human Resources and Specialization

Diversity in human resources as well as natural resources makes some countries more suitable to the production of particular goods that other countries are not equipped to produce. The people, their skills – inherent and learnt, availability of raw material, climatic conditions give countries an advantage over others. This is another reason that necessitates Foreign Trade.

3. Economic Development

There is often diversity in the economic growth rate of different countries. While some countries are developed, some are underdeveloped and some others are developing. Underdeveloped and developing countries depend on for capital which further increases the need for Foreign Trade.

4. Theory of Comparative Cost

The theory of comparative cost states that a country must focus on what it can produce, depending on its natural resources, human resources and economics, at the lowest cost possible. This promotes ideal division of labor and international specialization leading to better standard of living across countries all over the world. In this manner, the theory of comparative cost encourages Foreign Trade.

1.2.3.2. Strategies of Foreign Trade Promotion

Trade promotion strategies may vary from a country to another and often share the same tools, but their goal remains the same.

The following are examples of trade promotion tools from two countries established by Saburo Yuzawa Executive vice president of JETRO (Japan External Trade Organization) and Mrs. Zhong Min Vice Chairperson of CCPIT (China Council for the Promotion of International Trade) in collaboration with the International Trade Centre.

1.2.3.2.1. Japan ⁵⁰

Business Support Center

The JETRO Business Support Center is a facility, which supports foreign businesspersons visiting Japan for the first time to help them obtain specific business results. For example, we provide them with office space free of charge for two months, offer information and guidance

⁵⁰ International Trade Centre (2012). Successful tools and policies in trade promotion in goods and services.

from special advisors, and make the necessary appointments with prospective Japanese buyers. The support centers are located in Tokyo, Yokohama, Nagoya, Osaka and Fukuoka, and during the past 5 years, over 1,500 businesspersons from 63 countries have used their services. An application for use can be made at JETRO's overseas offices in 80 cities around the world.

We also assist foreign businesspersons in their sales promotion activities at our 34 domestic offices as well as the Business Support Centers. This is because we consider not only the metropolitan areas like Tokyo, Osaka and Nagoya, but also provincial cities as important targets for business expansion.

Exhibitions, Fairs, and Exchange of Businesspersons

Along with the visit of foreign mission groups for exports to Japan, if we are given sufficient time to prepare, we are pleased to organize business meetings and help in making appointments. We will also hold business seminars for importers if desired.

Externally, for example, we dispatch experts on goods and industries to the related industrial associations and companies abroad, and they individually give advice on adaptation to the Japanese market. In addition to this, we also hold open business seminars.

Internally, by purchasing sample products with high potential for import to Japan, we organize exhibitions at several locations in Japan. As well as advertising the exhibitions publicly, we also invite importers by direct mail.

Apart from the exhibitions I just mentioned, there are product exhibitions by country three to four times a year to encourage these countries to export to Japan. JETRO meets the costs for the exhibition venue and displays.

Other than this, we expedite imports by exhibiting products from various countries at our imported show houses located in 8 cities, imported car show rooms in 3 cities, and imported housing materials centers in 2 cities.

Moreover, we conduct market research and assist in expanding businesses by inviting persons involved with trade promotion, industries and businesspersons abroad to Japan. For the promotion of exports to Japan, JETRO encourages foreign businesses to participate in trade fairs in Japan by bearing the costs for their exhibition booths and their basic displays.

Senior Trade Advisors

Other than the programs I have explained so far, we have also worked on discovering products suitable for export to Japan, through the dispatch of a total of 38 senior trade advisors to 14 industrialized countries, and cooperation with local state or national trade promotion organizations. These advisors have a background in major trading or manufacturing companies, and they use their particular skills and knowledge as JETRO staff

members to discover and introduce products with potential for export to Japan during their 2-3 year posting.

Investing In & From Japan

Next, I would like to touch on investment in and from Japan. JETRO promotes two-way investment. There are a number of countries and areas which we hope will attract Japanese investment. In response to this, JETRO invites overseas national and local governments or related organizations to trade fairs and offers them the chance to conduct direct PR to Japanese corporations. Last year, 58 countries and 124 local organizations participated in our Overseas Investment Promotion Fair.

At the same time, the 47 prefectures of Japan welcome investments by foreign businesses. If you have already exported to Japan, we would like to recommend that you set up a direct office or manufacturing base in Japan. In Japan, we have Foreign Access Zones, called FAZ for short, set up in 22 locations nationwide through the cooperation of the government and municipalities. The FAZs are special areas where facilities for import, maintenance, production, distribution and exhibition are available for the purpose of the smooth operation of foreign businesses. Within the FAZ, JETRO has 10 FAZ Support Centers to assist foreign corporations. With a population of 125 million, a size equivalent to that of Germany, France and England combined, and a GDP amounting to around 4.6 trillion dollars, Japan is a huge market. JETRO will be your navigator to successful investment in Japan.

Developing Local Industries

Next, I would like to introduce some other areas apart from trade and investment in which we will be able to be of assistance to you.

First, we offer a two-year exchange program for Japanese local industries and their counterparts abroad, as an opportunity to improve both sides' skills and design techniques. Currently 37 of these temporary marriages are underway. For example, we are coordinating an exchange program between a Japanese city famous for kimono design and textiles and an Italian city known for its fashion industry, and the comments we have received indicate that both sides are satisfied with the arrangement. In our exchange programs, if each side finds the other a good partner, after 3 years they may continue the project on their own initiative. We invite applications for this program both domestically and internationally. For the development of local industries in your country, we hope you will get together with Japanese local industries, which have inherited wonderful traditions and techniques.

Worldwide Information

Another area covered by our support programs is the information industry. JETRO publishes English versions of leaflets introducing the Japanese market by product, and at present, there are leaflets available for 80 products. But what I would like to talk about to all of you here is the information we offer about the economy, trade, investment and industry of

each world nation. As I have already mentioned, JETRO was established in 1958 and mainly dealt with the promotion of exports in its initial period. In order to encourage exports, we needed primarily to know the target country's market, in terms of the laws and regulations concerning sales and distribution, distribution systems, the tastes of consumers and end-users and their purchasing characteristics, price mechanisms, the state of after-sales services and so on.

To supply this information from our overseas offices to foreign makers and exporters to Japan, JETRO publishes a daily paper, monthly magazine and annual report, which are available to anyone. We publish summaries of white papers on trade and investment in English; other publications, however, are unfortunately in Japanese only. This is not because of the exclusivity of our information, but simply because our budget is insufficient. If there are any publishers interested in producing an English version of our publications, we will be very glad to negotiate with them. We would like as many people as possible around the world to have access to our information.

As we consider that not only the information but also the know-how we have acquired should be made accessible to many countries, we proposed to other trade promotion organizations in Asia that a forum be held. This forum, the ATPF, has been held every year since 1987, with the participation of nearly 20 organizations each time. If this kind of forum is planned in other regions, we would certainly like to participate in order to exchange opinions about common issues with our partners in other countries.

1.2.3.2.2. China ⁵¹

International Exhibits

Exhibits are one of the most important and efficient tools in international trade promotion. CCPIT has rich experiences in Exhibit activities. CCPIT has been in charge of the management and coordination of China's overseas Trade Exhibits for several decades. It represents China in international Trade Exhibits and stages China Trade Shows abroad. The Exhibit Department is also in charge of the examination and approval of foreign Trade Exhibits taking place in China and the creation of regulations for the domestic Exhibit industry. It is also the government's consultant on Exhibits and the organizer of international trade fairs and Exhibits. The Exhibit Department, representing China, handles liaison with the Bureau of International Exhibits (BIE). In addition, it provides Exhibit information for various players in the field.

When organizing Exhibits, CCPIT sticks to the objective of serving China's enterprises. Based on intensive studies of international Exhibits, CCPIT carefully chooses suitable events for China's enterprises and increases the percentage of specialized trade fairs. In order to help Chinese enterprises, cultivate new foreign market, CCPIT organizes them to participate in fairs and exhibits held in various regions, or hosts exhibits for them. In conjunction with seminars and conferences on Chinese and foreign economies and investment, CCPIT's

⁵¹ Ibid.

exhibit activities have been integrated with trade and foreign capital importation, and the exhibitors benefit not only in the trade aspect, but also in many others as well.

In addition, CCPIT is engaged in the following tasks:

- Representing China at BIE as a member and carrying out related work;
- Publishing Fairs and Exhibits China every year;
- Collecting information and data on international trade fairs and exhibits from a wide range of global sources; editing and publishing International Trade Fairs and China's Overseas Trade Fairs;
- Publishing the quarterly Exhibit News, providing service for the theoretical research, exchange of information among Chinese organizers of home-based and overseas exhibits.

Legal Services

CCPIT places great importance on legal services and works hard to create favorable conditions for optimizing the investment environment and promoting the healthy development of economic and trade cooperation between China and the rest of the world. The legal services provided by CCPIT include handling international economic and trade and maritime arbitration affairs; issuing certificates of origin of Chinese export commodities; handling cases of general or particular average adjustment; issuing certificates of force majeure, signing and authenticating foreign trade and shipping documents, bills and certificates; issuing ATA carnets; acting as an agent for Chinese enterprises in other countries or foreign companies and individuals in China for handling trademark registrations and patent applications and handling consulting services and arbitration regarding industrial and intellectual property disputes, as well as handling technology, trade and other business.

The CCPIT provides various kinds of foreign-related economic and trade legal services as follows:

- **Legal Consulting Service:** CCPIT provides different kinds of legal consulting services and other legal services for Chinese enterprises and the parties seeking advice both at home and abroad.
- **Issuing and Certifying Foreign Trade Documents:** Issuing and certifying foreign trade documents is one of CCPIT's main functions as well as an important service provided to enterprises. In 1997, 245,000 certificates of origin, 50,000 commercial legalized documents and 11,000 exequaturs on behalf of consular were issued. Meanwhile, the issuing and certifying section improved supervision over its 130 nationwide sub-sections, thus assuring the quality of its certificate issuance.
- **Conciliation Service:** Conciliation is an important alternate method of resolving disputes in the fields of international trade, finance, investments and other commercial transactions. CCPIT was one of the earliest organizations in the world that resolved international disputes by conciliation. In 1987, CCPIT established the first conciliation center in China. To date, 34 conciliation organs have been set up, with 88% success rate.

- ATA Carnet System: With the formal introduction of this system in China on January, 1998, CCPIT has a new tool for serving Chinese enterprises, thus providing China's linkup with the international regime of temporary imports.

Information Services

The quality of information services directly embodies the efficiency of a trade promotion organization.

Information services provided by CCPIT include the study of both domestic and foreign economies and markets, and the collecting, editing and distributing of economic and trade information; providing information on economic and technical cooperation, trade opportunities, and the credit standing of enterprises for Chinese and foreign enterprises or organizations; organizing technical exchange activities for Chinese and foreign economic and trade circles; compiling and publishing periodicals on foreign economy and trade, as well as other publications; organizing foreign economic and trade talks; carrying out assessment, feasibility studies and legal consulting services for Sino-foreign economic and technical cooperation projects.

CCPIT places priority on providing information services to small and medium-sized companies. In the light of their being less informed and having fewer information channels, CCPIT makes every effort to help them. In implementing the co-operation programs with some developed countries, CCPIT policy has always leaned towards small and medium enterprises. CCPIT also organizes small and medium enterprises from inland China to Western Europe and Japan for export promotion. The results of these activities have all been good.

Successful adoption of export promotion policies will require collaborative and intense efforts to ensure that the protectionist threat, recently escalating, is not allowed to break out into actual protection on a massive scale (Bhagwati, 1988).

The multilateral trade negotiations offer the only reasonable prospect for maintaining a momentum in favor of a freer world trading system. Failure to pursue them successfully, in a spirit of accommodation and mutual understanding of constraints and needs, will only undermine what seems like the best mechanism for containing the protectionist threat.⁵²

⁵² Bhagwati, J. (1988). EXPORT-PROMOTING TRADE STRATEGY. *The World Bank Research Observer*, 3(1), p.48.

Conclusion:

Although it might seem like it, diplomacy is not purely political. Through analyzing its evolution and its different types, we came to the conclusion that economic diplomacy may be the most important aspect of diplomacy as a whole, and we can still say that economic diplomacy does not have pure economic and commercial interests but rather cultural and political ones which complements diplomacy as a wider concept.

Definitions might vary but the objectives are the same, these objectives are achieved through a set of tools, these tools dictate the actions that must be taken in order for states to reach economic growth and attain prosperity which is the main goal of economic diplomacy.

In this chapter we tried to shed the light on foreign trade promotion, its policies, as well as the different strategies. The latter was done through a brief comparison between two countries (Japan and China), and we stated that it's the key element in the process by which a state translates its broadly conceived goals and interests into concrete courses of actions to attain these objectives and pursue its interests.

Chapter II
Economic diplomacy
and foreign trade in
Algeria

Introduction:

The Algerian economy is based on oil revenues which would hinder the development of the country on the international level. That's why the Algerian authorities are looking for alternative solutions in order to shape the economy with the requirements of the global market.

Economic diplomacy consists of a set of activities, methods and processes of international decision-making related to cross-border economic activities in the real world. In this chapter we will talk about the practice of economic diplomacy in Algeria first by stating its evolution through time especially with the particular circumstances that Algeria has experienced like the liberation war and the civil war.

We will also talk about the new measures taking place in order to help support the Algerian companies in their process of going international.

In the second section we will give a detailed presentation of the commerce ministry where we have passed our practical training, the presentation contains a brief history of the ministry, its missions and its organization chart and a detailed presentation about the sub-directorate of the relations with the European Union.

Section 01: The Algerian economic diplomacy and the relations with the EU

The Algerian diplomacy has marked its existence in history through the important role it played either before its independence or after it, its evolution passed through three important stages: before, during and after the liberation revolution, in which Algeria's diplomacy.

2.1.1. Algerian diplomacy overview:¹

Algeria has respectable diplomatic relations with both Western and Eastern countries, and continually favors the use of diplomatic approaches to resolve international conflicts. Algiers agreement to end the crisis between Iran and Iraq in 1975, Algerian mediated talks of 1981 between the United States and Iran to release the American hostages held in Tehran in 1980, the Peace Agreement of 2000 between Eritrea and Ethiopia in war since 1997, the friendship treaty of 2003 between France and Algeria, or recently the Malian peace and reconciliation agreement of 2015, etc. are some examples of this doctrine. Moreover, Algeria is subscribed to the resolutions of the United Nations (UN) since October 1962, as well it promotes and encourages the right of people to freedom as it is the case with Palestine and Western Sahara. During the black decade (1990s) Algeria knew a period of isolation, only Cuba and China kept 'normal' diplomatic relations with Algeria. After a bloody decade Algeria has come back to the international scene.

Relations with China developed significantly as numerous important commercial contracts were signed making the Chinese community in 2013 the first foreign community in Algeria (about 70.000) after the French one (about 32.000). Commercial moves with Italy and Spain were also engaged. Relations with France and Russia were revived. Relations with the Gulf countries such as, Saudi Arabia, Qatar and the United Arab Emirates (UAE) recorded important connections. Relations with Morocco experienced noticeable improvements despite the disagreement over the Western Sahara conflict. And bilateral relations with Great Britain recorded a new beginning

2.1.2. The Algerian diplomacy After the Independence²

After the independence, the Algerian situation was disastrous in all sectors, it came out of war leaving behind a million and a half million of martyrs, burned buildings, no money, no economy and over 85% of illiteracy from all population, Algeria found itself without qualifications and competences to manage its affairs.

¹ Brahimi Ibtissem. (2015). British-Algerian Relations: Are trade and diplomacy compatible? Retrieved from the Democratic Arab Center.

² Younsi, A. (2016). The role of Economic Diplomacy in the Promotion of Non-Hydrocarbon Exports. EHEC Alger.

This period marked some events that allowed Algeria to take first steps in recovering its economic losses, such as the nationalization of hydrocarbons in 1971. Also, the MFA that represented Algeria in the concert of nations and the appearance of what was walled "the revolutionary diplomacy" which was the basis and source of the foreign policy; it became clear that this diplomacy was the battle against colonialism and inequality between the north rich countries and the south poor countries.

With the interference of globalization, the diplomatic missions changed in which the interest became in deploying efforts in the promotion of the national products in the foreign country, supporting companies in their exports and facilitating the access to foreign markets.

2.1.3. Recent actions of economic diplomacy³

Economic diplomacy is the safest and most reliable way to achieve the objectives of the Algerian strategy to develop the country and contribute to the diversification of its economy.

A new structure dedicated to economic diplomacy has just been set up within the Ministry of Foreign Affairs (MFA), with the aim of coordinating international actions and supporting Algerian companies in their efforts to penetrate foreign markets,

In the new organizational chart of the Ministry of Foreign Affairs, redesigned and reflected to give more coherence to the Algerian diplomatic action, and in which, economic diplomacy takes a large place, the MFA has put a special structure in charge of economic diplomacy, at its head, an ambassador-adviser, charged exclusively with the prospection and the accompaniment of the companies abroad. This general direction will allow, not only to project on new actions to carry out abroad in favor of the national economy in the future, but also the training of our diplomats in the economic component.

2.1.4. The instruments of the Algerian economic diplomacy:

2.1.4.1. ALGEX:⁴

The national agency for the promotion of foreign trade is a public institution created in 2004 by the executive decree No. 4-174 of June 12, 2004. Its objective is to contribute, under the auspices of the Ministry of Trade, to the development of Algerian non-hydrocarbon exports.

At the heart of Algeria's foreign trade support system, ALGEX is responsible for drawing up, for the benefit of the Ministry of Trade, periodic reports on foreign trade, impact studies of trade agreements on the Algerian economy, notes economic conditions for commodities imported by Algeria, as well as market analysis, product analyzes and sectorial panoramas.

³Samira Ghrib (2017, October 20). La diplomatie économique au cœur du nouvel organigramme du ministère des Affaires étrangères. *Cap Algérie*. Translated by us.

⁴www.algex.dz accessed 17/04/2018 at 1:33 pm translated by us.

Its teams provide Algerian companies with advice and information on the public system of export assistance, international trade regulations and business opportunities, to help them prepare their access to foreign markets, including through its listening and orientation unit, the House of Exporters (Dar-El-Moussadder).

To develop the visibility of the Algerian offer abroad, ALGEX contributes to the promotion of Algerian products through the support of Algerian companies in international fairs and exhibitions.

The ALGEX Agency also offers to companies business relations and contacts with foreign importers to develop their commercial relations and find outlets for their products in foreign markets.

ALGEX is in charge, finally, to identify the companies having a potential and capacities allowing them to develop internationally, encourages them to move towards the foreign markets and accompanies them on their routes to the export.

2.1.4.1.1. Missions:

The main missions of ALGEX revolve around actions destined to:

- Promote the Algerian product through the support and advice provided to Algerian operators;
- Analyze foreign markets by developing commercial and regulatory intelligence as well as prospective studies;
- Organize Algerian participation in fairs and economic events abroad and business meetings;
- Identify the national export potential through a better knowledge of national production;
- Manage instruments to promote non-hydrocarbon exports for the benefit of exporting companies.
- Develop an annual evaluation report on export policy and programs and more recently, analyze the data on imports under Decree No. 08-313 of 5 October 2008.

ALGEX also offers you its network of national and international partners for possible business relations.

2.1.4.1.2. Special Fund for the Promotion of Exports:⁵

The SFPE was created to promote Non-Hydrocarbon exports through the support of a portion of the costs related to the transportation of goods and the participation of companies in fairs and exhibitions abroad according to the following rates:

⁵http://www.algex.dz/index.php/export_algex/item/709-fspe accessed 17/04/2018 at 11:38 am

1. Participation in economic events abroad:

- 80%, in the case of collective participation in fairs and exhibitions included in the official annual program.
- 50%, in the case of individual participation in other fairs not included in the official annual program.
- 100%, dans le cas d'une participation revêtant un caractère exceptionnel ou se limitant à la mise en place d'un guichet unique.

The advertising costs (displays, brochures, leaflets, advertising on written media and audio visual), specific to the event in question (title of the fair, period, place, etc.), are eligible for coverage by the SFPE.

2. For the transport, transit and handling of goods for export:

- 50%, in the case of international transport of perishable agricultural products with the exception of dates.
- 25%, dans le cas de transport international des produits non agricoles à destination éloignée.
- 80%, in the case of international dates transport, for all destinations of this product.

2.1.4.2. SAFEX:⁶

Algerian fairs and expositions SAFEX is a public enterprise stemming from the change of the business purpose and the denomination of the national office of fairs and expositions (ONAFEX) the company was created in 1971.

As a part of its statutory missions, SAFEX practices its activities as follow:

- Organization of fairs, specialized shows and expositions with national, international, local and regional character.
- Organization of Algerian participation in fairs and exposition abroad.
- Assistance of the economic operators regarding international trade, by means of:
 - Information about the regulation of international trade.
 - Business opportunities with the foreigners.
 - Getting in touch with the business.
 - Export procedures.
 - Edition of economic magazines and commercial catalogues.
 - Organization of professional meetings and conferences.
 - Management and operation of infrastructures and structures of exposition center.

⁶www.safex.dz accessed 17/04/2018 at 02:15pm translated by us.

2.1.4.3. ANEXAL:⁷

Created on June 10, 2001, the ANEXAL is an association governed by the law N ° 90/31 of December 24, 1990 as well as by its particular statutes.

Objectives:

- Gather and federate Algerian exporters
- Defend their material and moral interests
- Participate in the definition of an export promotion strategy
- Assist and sensitize economic operators
- Promote the search for partnership through information networks
- Animate training programs in export techniques
- Organize and participate in specific exhibitions and economic events in Algeria and abroad
- Participate in the upgrade of the production tool in order to develop the export capacity, in particular the search for better logistic solutions
- Promote the exchange of experience between members.

Activities:

They are numerous and multiform; the main ones are:

- Collection of economic information from the Chambers of Commerce, ALGEX (ex Promex), CNIS, ONS, Banks, commercial representations of Embassies, etc ...
- Diffusion of useful information (business opportunities, laws, decrees, application circulars, bilateral agreements, etc.) to all members and economic operators.
- Orientation and supervision of members.
- Advice and assistance to exporters.
- Support to members for the settlement of litigation files.
- Participation in meetings, study days, coordination and work meetings organized by public institutions and bodies, export aids and international organizations.
- Development and proposal of solution platforms.

2.1.4.4. La Chambre Algérienne de Commerce et d'Industrie (CACI)

⁷<http://www.exportateur-algerie.org/presentation-bienvenue-anexal/anexal-presentation.html>_accessed 17/04/2018 at 05:43 pm

The chamber is a public institution of an industrial and commercial character endowed with moral personality and financial autonomy. The establishment is under the supervision of the Minister of Commerce.

The chamber is at the national level, the institution representing the public authorities, the general interests of the sectors of commerce, industry and services.

Art. 5. (Amended and supplemented by Executive Decree No. 2000-312) the missions of the chamber are⁸:

- To provide public authorities, at their request or on their own initiative, with Suggestions and recommendations on issues and concerns that are of direct or indirect interest, at the national level, in the trade, industry and services sectors.
- To organize the dialogue between its members and gather their point of view on the texts submitted to it by the administration for examination and opinion.
- Summarize the opinions, recommendations and proposals adopted by the Chambers of Commerce and Industry and to promote the harmonization of their programs and their means, - to carry out any action of common interest to Chambers of Commerce and Industry and to spark their initiatives
- To ensure the representation of its chambers before the public authorities and to designate representatives to national consultation and consultation bodies.
- To undertake any action aimed at the promotion and development of the different sectors of the national economy and their expansion, particularly towards external markets. As such, the room is loaded including.
- To carry out studies and reflections on the economic situation of the country and its evolution and to present to the public authorities their points of view on the means of develop and promote national economic activity.
- To issue, target or certify, in accordance with the laws and regulations in force, any document, certificate or form presented or requested by agents in the context of their professional activities.
- Organize or participate in the organization of all meetings and events in Algeria and abroad, such as, for example, fairs, exhibitions, colloquia, study days, and trade missions for promotion and development national economic activities and trade with the outside world.
- To carry out any action and study that may contribute to the promotion of products and national services on external markets.
- To propose any measure to facilitate and promote the operations
- export of national products and services,
- To establish relations and to conclude cooperation and mutual exchange agreements with foreign counterparts or similar organizations,

⁸ Décret exécutif n° 96-94 du 14 Chaoual 1416 correspondant au 3 mars 1996 instituant la chambre algérienne de commerce et d'industrie, modifié et complété par le décret exécutif n°2000-312 du 14 octobre 2000 et le décret exécutif N° 10- 319 du 21 décembre 2010.

- To join regional or international organizations of the same nature or pursuing the same objectives,
- To act, as representative of Algeria, to form a joint chamber of commerce with its foreign counterparts,
- To publish and distribute any publication related to its purpose,
- To take part in the events and actions initiated by the representative bodies pursuing the same objectives,
- Undertake teaching, training, advanced training and retraining activities. Diplomatic training courses of CACI will be the subject of texts Regulations, taken jointly by the Minister for Trade and the Ministers concerned.

In addition, the room can:

- Ensure the representation of Algeria in fairs and other events
- official economic activities taking place abroad,
- Give its opinion on the conventions and commercial agreements linking Algeria to foreign countries,
- Be declared a utility concessionaire. In this case, the concession is established on the basis of specifications drawn up in the required regulatory form,
- To open representative offices abroad, the conditions of opening and the methods of organization and operation of these offices are specified by regulation.
- Establish, administer or manage business, industry and service establishments such as training and development schools, business promotion and assistance facilities, business support institutions and commercial and industrial infrastructure in particular general stores, industrial zones where these establishments are of a national character or where the geographical scope of competence of these establishments covers the territorial division of more than one chamber of commerce and industry.

2.1.4.5. L'Agence Nationale de Développement de l'Investissement (ANDI) :

Placed under the tutelage of the (MIPMEPI), the ANDI is a public establishment with character administrative body with legal personality and financial autonomy. It replaced the APSI (Agency for Promotion, Support and Investment Monitoring) set up from 1993 until 2001⁹.

- A facilitation mission: decentralized one-stop shops are set up available to investors in 48 Wilayas, include in their breasts the services of public administration, taxation and land. ANDI identifies the constraints to the realization of investments and proposes a reduction of procedures and regulations relating to the realization of the investment;
- A promotional mission: ANDI ensures the connection of business non-resident investors with Algerian operators and undertakes information to promote the general investment environment. It has created for this purpose a partnership grant for any foreign operator or national desiring to invest in Algeria.

⁹ KPMG : “*Guide investir en Algérie*”, Pixal communication, Blida, 2011, P.46.

- An assistance mission: this mission consists in welcoming and caring for investors, providing them with assistance, setting up a single vis-à-vis service for non-resident investors and assisting them to complete the formalities required.
- Participation in land management: ANDI informs investors about the availability of land tenure and land portfolio management.
- Benefit management: ANDI is required to identify projects with a particular interest for the national economy, to verify eligibility for benefits, to issue the benefits decision, to establish the nullities of decisions, or to partial or total withdrawal of benefits.
- A follow-up mission: ANDI observes and listens, provides a statistical service, collects information on the progress of projects, ensures respect of the commitments subscribed by investors during the exemption phase and lastly, it ensures compliance with the commitments made by investors under the bilateral and multilateral conventions on the protection of investments.

However, in view of what is happening, we notice at first glance interference between ANDI and the CNI on the decision-making power over the granting of benefits and projects of particular interest to the national economy.

An UNCTAD¹⁰ report, albeit an old one (2005), but still relevant, states a number of weaknesses like:

- Insufficient evaluation techniques for investment projects and monitoring existing investments;
- A weak international orientation, especially by the lack of mastery of English as a long communication;
- lack of a foreign investment targeting strategy;
- The weakness of the promotional material used;
- The absence of the name "Algeria" in the social reason. Example: "Tunisian Agency for Promotion of Foreign Investment";

2.1.5. The Algerian foreign trade and the relations with the European Union:

2.1.5.1. An overview of the Algerian foreign trade:

Algeria emerged from the turbulent 1990s with an eye towards economic expansion and openness toward the world economy. This trend continues to characterize Algeria's market reforms, demonstrated by ever-increasing market liberalization and international integration.

¹⁰Rapport de la CNUCED sur l'évaluation des capacités de promotion des investissements de l'ANDI, 2005.

While growth remains slow and unemployment continues to be a national concern, Algeria's efforts appear to be moving the country in the right direction. The actions of the last decade create an appealing environment to foreign investors and businesses, thereby assuring growth and development through investment.¹¹

The following table shows Algeria's trade with the world including imports and exports from 2006 to 2016.

Table 2.1: Total Goods: Trade flows and balance¹²

Period	Imports		Exports		Balance		Total trade	
	Value Mio €	% Growth	Value Mio €	% Growth	Value Mio €	% Growth	Value Mio €	% Growth
2006	17,022		43,927		26,905		60,949	
2007	19,929	17.1	43,761	-0.4	23,832	-11.4	63,690	4.5
2008	26,876	34.9	53,915	23.2	27,039	13.5	80,790	26.9
2009	28,181	4.9	32,402	-39.9	4,221	-84.4	60,582	-25.0
2010	30,553	8.4	43,036	32.8	12,483	195.7	73,588	21.5
2011	33,950	11.1	52,799	22.7	18,849	51.0	86,749	17.9
2012	39,234	15.6	55,937	5.9	16,703	-11.4	95,171	9.7
2013	41,332	5.4	49,660	-11.2	8,328	-50.1	90,991	-4.4
2014	44,986	8.8	45,263	-8.9	277	-96.7	90,250	-0.8
2015	47,433	5.4	31,153	-31.2	-16,280	-5975.2	78,586	-12.9
2016	42,211	-11.0	26,478	-15.0	-15,733	-3.4	68,689	-12.6

Source: European Commission.

2.1.5.2. Evolution of foreign trade by economic regions:

The following table shows the distribution of both imports and exports by economic regions. We can clearly see that the main partners of Algeria are the countries of the European Union, followed by the O.C.D.E.

¹¹Mohammedi, O. (2010). International Trade and Investment in Algeria p.376

¹²European Commission (2017). European Union, Trade in goods with Algeria.

Table 2.2: Evolution of foreign trade by economic regions

economic regions	IMPORTATION			EXPORTATION		
	Year		MN USD	Year		MN USD
	2015	2016*	EVOL%	2015	2016*	EVOL%
Union européenne	25 485	22 179	-12.97	22 976	16 739	-27.15
O.C.D.E	7 363	6 295	-14.50	5 288	6 251	18.21
Autres pays d'Europe	1 225	909	- 25.80	37	80	116.22
Amérique du sud	2 822	2 857	1.24	1 683	1 678	-0.30
Asie	11 850	11 618	-1.96	2 409	2 331	-3.24
Océanie	-	-	-	71	-	-
Pays Arabes	1 918	1 934	0.83	572	385	-32.69
Pays du Maghreb	680	697	2.50	1 550	1 368	-11.74
Pays d'Afrique	359	238	-33.70	82	51	-37.80
TOTAL	51 702	46 727	-9.62	34 668	28 883	-16.69

Source: Source: CNIS (National Center for Customs Statistics)

The countries of the European Union are still the main partners of Algeria, with the respective proportions of 47.47% of imports and 57.95% of the exports.¹³

Compared with the year 2015, imports from the EU decreased by 12.97% from 25.48 billion US \$ in 2015 to 22.18 billion US \$ in 2016 and the exports of Algeria to these countries also decreased by 6.24 billion US dollars, that's means 27.15%.¹⁴

Within this economic region, it can be noted that our main customer is Italy, which absorbs more than 16.55% of our sales abroad, followed by Spain by 12.33% and France by 11.05%.¹⁵

For the main suppliers, France ranks first in the EU with 10.15%, followed by Italy and Spain with 9.93% and 7.69% of total imports of Algeria during the year 2016.¹⁶

2.1.5.3. Relations between Algeria and EU:¹⁷

Relations between Algeria and the European Union (EU) are based on an Association Agreement signed as part of the Euro-Mediterranean Partnership (2005). They cover

¹³<http://www.andi.dz/index.php/en/statistique/bilan-du-commerce-exterieur> accessed 4/13/18 at 3:27 pm.

¹⁴ Ibid.

¹⁵ Ibid.

¹⁶ Ibid.

¹⁷https://eeas.europa.eu/delegations/algeria/9481/node/9481_en accessed 4/13/18 at 4:16 pm

politics, the economy, trade, technical and financial cooperation and humanitarian aid.

2.1.5.3.1. Political relations:

In the political area, the Agreement covers dialogue on all issues of interest to the parties. This dialogue occurs at different levels:

- Association Council (ministerial);
- Association Committee (high-level civil servants);
- ‘Political dialogue, security and human rights’ Sub-Committee (technical).

Other technical sub-committees set up under the Agreement address other areas such as migration, internal affairs, justice, social affairs, etc.

Since 2013, Algeria has also been involved in the European Neighborhood Policy (ENP). It is under this framework that the partnership priorities between Algeria and the EU have been jointly established for the 2016-2020 period.

Priority policy themes:

- governance, rule of law and fundamental rights, including strengthening the judicial system and promoting the role of civil society;
- strategic and security dialogue aimed at promoting regional stability and security, regional cooperation and integration, and cooperation in the fight against terrorism and radicalization;
- migration and mobility, with dialogue covering all issues connected with this (legal mobility and migration, fight against illegal migration, including readmission, the migration/development link, international protection/right of asylum);
- public and cultural diplomacy, notably through jointly organized events

2.1.5.3.2. Economic relations:

General background:

Support for economic transition and diversification and for economic trade constitutes a key component of the cooperation with Algeria. Under the Association Agreement (AA), in force since 2005, this economic cooperation takes place for example through several mechanisms involving both parties (talks on the economy; several theme- and sector-based sub-committees) The EU also finances a range of programmes aimed at supporting Algeria's efforts in different areas of the economy. The first evaluation of how the AA is operating was conducted in 2009; a second evaluation is currently underway.

In 2014, an agreement established the general principles for Algeria's involvement in EU programmes. In terms of economic diversification, the current programmes aim to support the implementation of the 2005 Association Agreement and the development of the fisheries sector. The objective is to:

- bolster the Algerian economy's performance;

- Encourage its diversification in a bid to reduce its heavy dependence on the hydrocarbon sector.

Since 2014, under the Single Support Framework 2014-2017, new programmes have been under preparation, including:

- support for local social and economic development in Algeria's North-West;
- Pilot actions for rural development and agriculture in Algeria, targeting growth in the local and rural economy.

These programmes are in addition to those already underway in the areas of:

- market monitoring and Framework;
- improving the business environment and industry diversification;
- Strengthening the capacities of those involved in local development.

In parallel, twinning programmes between public administrations together with specific targeted actions serve to boost cooperation. In addition to this extensive cooperation between the parties, there are also activities under regional projects.

The energy sector is an important component of the economic relations between the EU and Algeria. Algeria is in fact the third largest supplier of natural gas to the EU. The EU and Algeria have therefore signed a 'Memorandum of Understanding' for the establishment of a partnership. The main priority of this partnership is to facilitate and promote European investments in the natural gas, renewable energy and energy efficiency sectors.

Since the end of 2015, two groups of EU-Algeria experts on gas, renewable energies and energy efficiency have been working in these areas. Several meetings are expected to take place to discuss and decide on new cooperation efforts to be undertaken here.

2.1.5.3.3. Trade relations:

The EU is Algeria's biggest trade partner and receives almost two thirds of its exports. In monetary terms, the trade between them increased 136 % between 2002 and 2014, primarily due to greater levels of petroleum and gas product exports. It reached €43 billion in 2015, down 4.6 % on 2014.

- In 2015, 99.7 % of exports from Algeria to the EU were energy and petroleum derived products; 0.3 % were agricultural products. These exports represent €20.9 billion.
- In the same year, the EU's exports to Algeria were made up of industrial products (85.5 %) and agricultural products (14.4 %) The majority of industrial product exports were machinery, electrical equipment and transport equipment, base metals and chemical products. These exports represent €22.3 billion.
- In 2015, Algeria exported €1.8 billion worth of services to the EU, and imported €3.4 billion.
- European investments in Algeria are estimated at €14 billion, or 40 % of foreign direct investment in the country.

2.1.5.3.4. Technical and financial cooperation

Algeria and the EU share a common geographical area, the Mediterranean, and are linked by close economic, trade and cultural ties. However, relations in these areas remain unbalanced:

- In trade, the total amounts traded are balanced, however what makes them up is very unbalanced, Algeria's exports consisting almost entirely of hydrocarbons, while the EU exports a wide range of industrialized products.
- In terms of the economy, the average Algerian income remains less than a quarter of that in the EU.
- In terms of culture and people, the number of short-term trips (tourism, business) and long-term trips (migration) is significantly higher from Algeria to the EU than the other way round.

EU and Algeria cooperation therefore aims to reduce these imbalances. It depends on both Algeria's capacities to put the funds and instruments made available to it by the EU to effective use and Algeria's political will to move more towards European principles of development.

The cooperation instruments

- Technical assistance enables experts to contribute know-how and skills over the short and long term, and also provides opportunities for training, study trips and research. Those benefitting from this type of cooperation are public institutions and private stakeholders.
- Twinning programmes help merge the competences of the public sector in EU countries and Algeria and bring them more in line with each other.
- Budget support focuses on discussing sector policies, evaluating performances and developing capacities, as part of a partnership and in a spirit of mutual gain.
- TAIEX is a technical assistance and information exchange instrument for sharing, over the short term, know-how and good practices.
- SIGMA (support for improvement in governance and management) provides a boost to public governance systems and public sector capacities.
- Project subsidies help efforts that support respect for the rights of children, women and the environment, and a greater role for civil society.
- Cultural cooperation supports the organization of different events aimed at enabling people to learn about the variety of European culture in Algeria, in addition to promoting Algeria's young talents.

2.1.5.3.5. Humanitarian aid:

An estimated 90 000 Sahrawi refugees are living in five camps south of Tindouf. The climate in this region is extremely harsh. Access to basic services (food, water, healthcare, housing and education) is limited there. To survive, the Sahrawi refugees depend largely on

international aid. Since 1993, the EU has contributed €220 million (€9 million allocated for 2016) in aid to meet these basic needs:

- Food aid is a key component of this funding: €5 million is provided for not only basic food such as wheat flour, barley, rice, oil and sugar, but also more nutritional and varied food, including fresh food, rich in vitamins, to combat malnutrition.
- Water is one of the main concerns for refugees. The EU therefore helps ensure that there is enough drinking water available. Running water networks have been built, while the fleet of water tank trucks has been upgraded in a bid to reach neighborhoods that cannot access this network.
- Campaigns to raise awareness about hygiene rules, especially in schools and hospitals, have also been run. The EU contributes to the supply of medication and staff training in local hospitals.
- Finally, in 2016, the EU's humanitarian aid meant that income-generating activities could be launched in a bid to enhance the capacities of refugees to support their families and reduce their dependence on humanitarian aid.

Section 02: The Ministry of Commerce

2.2.1. Presentation of the Ministry of Commerce:¹⁸

The Ministry of Commerce is a public administration whose purpose is to set and monitor the application of the regulatory and legislative dispositions governing the economy-commerce aspect and all that relates to the direct or indirect consumer environment (quality control and safety of products aspect).

Its purpose is to define the regulatory and operational framework for all matters relating to Algeria's international trade, the mechanisms for regulating domestic markets and the legislative and regulatory provisions governing commercial activities in general.

As part of Algeria's policy of opening up the economy and its integration into the world economy, an exchange flow and a new state of mind of consultation of coordination of partnership and cooperation between the commerce administration and its immediate and international environment.

The Ministry of Commerce is represented in 48 Wilayas by a department of commerce whose purpose is to monitor and control the application of the regulations governed by the central administration on everything related to trade and market regulation, quality products, infringements of commercial practices found in the field with economic operators, traders and retailers.

2.2.2. History of the ministry of commerce:¹⁹

The Ministry of Commerce was established on June 28, 1963 by Decree No. 63-223 on the organization of the Ministry of Commerce.

In 1989, by Presidential Decree 11089-178 of 16 September 1989, the Ministry of Commerce merged with the Ministry of Finance, which led to the creation of the Ministry of Economy, which included:

The cabinet of the minister composed of Head of Cabinet in charge of the study and the syntheses and attachés of the cabinet and the following central structures:

- The Central Direction of the Treasury.
- The Directorate-General for the Budget.
- The Customs Directorate.
- The Tax Department.
- The National Domain Direction.
- The Directorate of External Economic Relations.

¹⁸ Ibid.

¹⁹ Internal documents consulted during our internship.

- The Direction of Competition and Prices;
- The Direction of the Commercial Organization.
- The Direction of the Means Administration.

In 1994, the Ministry of Economy split into two separate ministerial departments: the "Commerce" recovered its former prerogatives, prior to Decree 11094-285 of 16 July 1994.

2.2.3. Missions of the ministry of commerce:²⁰

The Minister of Commerce ensures the proper functioning of central and deconcentrated structures, institutions and bodies under his department.

Under the assumption of his attributions, the Minister of Commerce sets up the organizational framework as well as the human, financial and material means necessary to the realization of the objectives which are assigned to him.

He may propose any institutional framework of consultation and intersectoral coordination and / or any other appropriate structure that is likely to better take over the tasks entrusted to him.

In terms of foreign trade:

- Develop and/or participate in the establishment of the institutional and regulatory framework for trade.
- Organize, in relation with the institutions concerned, the distribution and negotiation of international trade agreements and to ensure their implementation and monitoring.
- Ensure that legislation and regulations are brought into line with the arrangements governing international trade.
- Animate and impulse bilateral and multilateral external commercial activities through appropriate structures and in relevant relations.
- Deal, within the limits of its attributions, with disputes related to international trade.
- Develop and propose any strategy for the promotion of non-hydrocarbon exports.
- Encourage and encourage the participation of economic operators in national or foreign economic events.
- Facilitate, in coordination with the institutions concerned, the services responsible for commercial affairs at Algerian diplomatic missions abroad.
- Contribute to the establishment and organization of the operation of the free zones.
- Ensure the development and implementation of a system of communication and statistical information on international trade.

2.2.3.1. In terms of regulation and promotion of competition:

- Propose any measure likely to strengthen the rules and conditions for the exercise of fair and healthy competition in the services and services markets.

²⁰<https://www.commerce.gov.dz/les-missions-du-ministere> accessed 4/15/18 at 1:43pm.

- Contribute to the development of the law and practice of competition.
- To organize the permanent observation of the market, to analyze its structure, to identify and put an end, in coordination with the institutions concerned, to illegal practices aimed at distorting the free play of competition; To contribute in relation with the institutions concerned to the coherence and the enrichment of the reference framework in the field of the regulation of public utilities.
- Participate in the development of pricing policies and, where appropriate, price regulation and margins and ensure their implementation.
- Propose and ensure the implementation with the concerned institutions of all relating to the conditions and modalities of creation, implementation and exercise of commercial activities and regulated professions.
- Initiate all measures relating to the creation and development of chambers of commerce and industry.
- Participate in the national security storage policy in relation with the organizations concerned.

2.2.3.2. In terms of qualities of goods and services and consumer protection:

- Determine, in consultation with the ministerial departments and bodies concerned, the conditions for the release of goods and services in terms of quality, hygiene and safety.
- Propose all appropriate measures in the framework of the establishment of labeling. Trademark protection and original application systems and to monitor their implementation.
- Initiate actions towards the economic operators concerned with a view to the development of self-monitoring.
- Encourage the development of quality analysis and testing laboratories and to propose official procedures and methods of analysis in the field of quality.
- Contribute to the establishment and development of the law of consumption.
- Participate in the work of international and regional organizations specializing in quality.
- Develop and implement a communication strategy and information on the prevention of food and non-food risks to professional associations and consumers whose creation it encourages.

2.2.3.3. In terms of economic control and repression of fraud:

- Organizes, directs and implements the control and fight against illegal business practices, anti-competitive practices, fraud related to quality and counterfeiting.
- Contributes to cross-sectoral direction and coordination of economic control and fraud control programs.

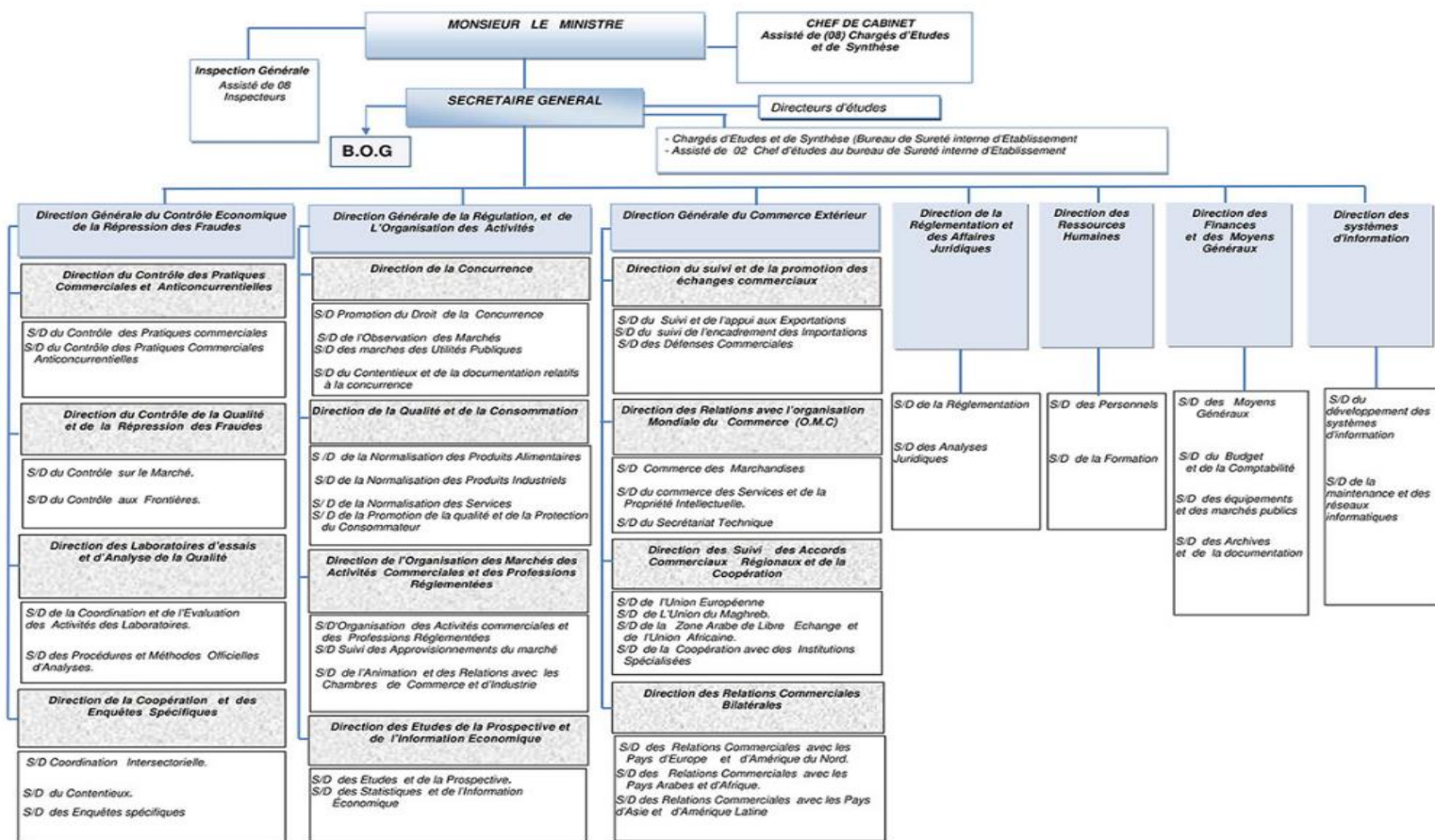
- Carries out thorough economic investigation and seizes, as the case may be, the judicial bodies.

2.2.3.4. In terms of economic and commercial studies and information:

- To carry out prospective studies on economic development and international trade.
- Ensure the establishment of databanks on internal trade and international trade.
- Contribute to the organization and development of a national economic information system.

2.2.4 The organizational chart of the Ministry of Commerce:

Figure 2.3: Organizational chart of the Ministry of Commerce



Source: <https://www.commerce.gov.dz/organigramme-du-ministere-du-commerce>

2.2.5 Presentation of The Directorate of the Monitoring of Regional Trade Agreements and Cooperation:²¹

During our internship we worked under the sub-directorate of the European Union which is a subdivision of the directorate of the monitoring of regional trade agreements and cooperation which in its turn is in charge of:

- Contributing to the implementation and monitoring of the Association Agreement to the

Free Trade Area with the European Union

- Preparation, implementation and monitoring of regional trade agreements.
- Contribution to the activities of regional organizations and international specialized agencies.

It comprises three (3) subdivisions:

- The sub-directorate of the European Union.
- The sub-directorate of the Arab Maghreb Union.
- The sub-directorate of the Arab Free Trade Area and the African Union.

These three (3) sub-directions are responsible for:

- The preparation and participation in the negotiation of trade agreements.
- The monitoring the implementation of these agreements and their periodic evaluation.
- The constitution and management of a documentary fund relating to these agreements.

The Sub-Directorate for Cooperation with the Specialized Agencies, in charge of:

- Monitoring relations with specialized international institutions.
- Setting up and managing programs of technical assistance and cooperation with these institutions.
- Establishing and actively managing the documentary holdings of these institutions.

²¹ Ibid.

Conclusion:

In order to analyze the real impact of Algerian economic diplomacy on the promotion of foreign trade, we tried to understand in this chapter the place occupied by the commerce ministry in the institutional promotion of exports and foreign investment. The MC has a central place in the Algerian economic scene because it plays at the same time the role of a coordinator, intermediary, animator, organizer and finally it comes in addition to the action of the other actors.

The MC is deployed through a set of actions that it carries out with its partner institutions (ALGEX, CAGEX, CACI, ANDI, SAFEX, etc.), national companies on one hand and potential foreign investors on the other. Whether it be information, assistance, support, organization of events or animation of business days and seminars in Algeria or abroad, the MC is placed in a leadership position in external economic and commercial action despite the young age of Algerian economic diplomacy compared to other countries.

Through our research, we found that foreign trade with other countries has increased exponentially, especially with the European Union who is considered as the main partner of economic exchange with Algeria, as a result of the efforts deployed by the MC and its institutions to promote economic diplomacy.

Chapter III

Practical case study

Introduction

In order to study the impact of economic diplomacy on the promotion of foreign trade it was necessary to choose the adequate tools to start our research. Our work was supported by an interview and a survey in order to verify the hypothesis that according to us might answer the problematic.

This chapter is devised into two sections; the first one is dedicated to presenting the methodology followed by us to establish the interview as well as the analysis of its results. In the second one we will also present the methodology that concerns the survey, and then proceed to analyze its results.

Section 01: The qualitative method

The qualitative interview, be it non-structured, semi-structured or structured, brings together two people: an interviewer and a respondent. The mutual interaction of these two people, allows for a detailed exploration of the respondent's attitudes, opinions and motivations.

3.1.1. The Presentation of the research

3.1.1.1. The principle of the qualitative method

*“Qualitative methods are used to explore areas where little is known or much is known in order to gain novel understanding. It can also collect details about a phenomenon. The details can include feelings, thought processes, and emotions”.*¹

The term 'qualitative content analysis' refers to the ways of analyzing the content and meaning of different types of qualitative data. As the term indicates, this type of analysis focuses on the 'content' of the data with an emphasis on 'what is said' and 'what is done' in the data. Furthermore, the word 'qualitative' indicates that there is also an increased interest in the contextual meaning of the data with an emphasis on 'how something is said and done' and 'why in this particular way'. Thus, the prefix 'qualitative' indicates that the aim is to increase the understanding of the phenomenon under study in its proper context. This aim differentiates 'qualitative content analysis' from the more traditional 'content analysis', the purpose of which is to transform qualitative data into variables that can be analyzed with quantitative methods.²

Qualitative data used for doing qualitative content analysis are either texts (e.g. transcribed interviews, written documents, minutes of meetings, etc.) or audio-visual data (e.g. video recordings, movies, pictures, etc.).³

Interviews are a systematic way of talking and listening to people and are another way to collect data from individuals through conversations. Interviews are ways for participants to get involved and talk about their views. In addition, the interviewees are able to discuss their perception and interpretation in regards to a given situation. It is their expression from their point of view. Cohen, Manion and Morrison (2000, p. 267) explain that the interview is not simply concerned with collecting data about life: it is part of life itself, its human embeddedness is inescapable.

There are several types of interviews depending on the degree of structuration:

- structured interviews,
- semi-structured interviews,
- unstructured interviews.

¹ Nyberg, D. (2012). An Investigation of Qualitative Research Methodology for Perceptual Audio Evaluation. Licentiate.

² Eriksson, P. and Kovalainen, A. (2015). Qualitative methods in business research. p.129.

³ Ibid.

A **structured interview** is sometimes called a standardized interview. The same questions are asked of all respondents. This type of interview introduces some rigidity to the interview. For example, probing can be a problem area for structured interviews. Respondents may not understand the question and unable to answer it. Moreover, respondents may not have received sufficient information to answer the question.

The strengths of structured interviews are that the researcher has control over the topics and the format of the interview. This is because a detailed interview guide is used. Consequently, there is a common format, which makes it easier to analyze, code and compare data. In addition, a detailed interview guide can permit inexperienced researchers to do a structured interview.⁴

On the other hand, **semi-structured interviews** are non-standardized and are frequently used in qualitative analysis. The interviewer does not do the research to test a specific hypothesis (David, & Sutton, 2004, p. 87). The researcher has a list of key themes, issues, and questions to be covered. In this type of interview, the order of the questions can be changed depending on the direction of the interview. An interview guide is also used, but additional questions can be asked.

This type of interview gives the researcher opportunities to probe for views and opinions of the interviewee. Probing is a way for the interview to explore new paths which were not initially considered⁵

An unstructured interview is non-directed and is a flexible method. It is more casual than the aforementioned interviews. There is no need to follow a detailed interview guide. Each interview is different. Interviewees are encouraged to speak openly, frankly and give as much detail as possible.

Usually the interviewer has received virtually little or no training or coaching about the interview process and has not prepared much. The interviewers ask questions that respondents would be able to express their opinions, knowledge and share their experience.

This can create some problems because the interviewer may not know what to look for or what direction to take the interview. The researcher may not obtain data that is relevant to the question of the study. The interviewer needs to think about what to ask and to ask questions carefully and phrase them properly and know when to probe and prompt.⁶

In most cases, the interviewer should be careful to create a relaxed atmosphere of confidence that will allow his interlocutor to relax. The questions that the first one pose can be more easily answered.

Haste is to be avoided, it's a must to choose very carefully the moment of the interview. Likewise, it's preferable to choose a place known to the interviewee, such as their place of work,

⁴ Annabel B. Kajornboon. Using interviews as research instruments. Language Institute Chulalongkorn University. p.5.

⁵ Ibid. p.p. 5.6

⁶ Ibid. p.p. 6.7

where they can feel more comfortable and have the material and information they need to illustrate their words.⁷

Topics mainly discussed during our interview with the person responsible for the implementation of the EU-Algeria Association Agreement (for interview guide see annex 1) initially presented the ministry of commerce (first axis), then the economic diplomacy in Algeria (second axis), the for the foreign trade promotion (third axis) and finally the foreign trade promotion in prospect (fourth axis).

The interview lasted between for an hour and a half. We wanted our interview guide to be semi-structured in order to allow the respondent to express themselves freely, while intervening either to revive the dynamics of the interview or, in the case where the went too far from our research object, to bring them back to what we were interested in in the first place.

3.1.1.2. The objective of the study

In order to analyze the impact of economic diplomacy on foreign trade promotion, we need to develop a study whose goal is to collect a number of data that will ultimately allow us to carry out the analysis itself.

3.1.1.3. The sample

The sample represents the people interviewed in a study. In our case, it's the person responsible for monitoring the implementation of the EU-Algeria Association Agreement inside the ministry of commerce.

3.1.1.4. Study conduct

The design of the study has gone through several stages; the development of the interview guide, getting in contact with the person interviewed and then the interview.

- **Elaboration of the interview guide**

The elaboration of the interview guide was based on our need for information such as:

- The policies of the ministry of commerce in terms of foreign trade promotion.
- The economic diplomacy in Algeria.
- The role of economic diplomacy in the promotion of foreign trade.
- The foreign trade promotion in perspective.

- **Getting in contact**

After having drawn up the interview guide, it is then necessary to contact the person to interview, in order to make an appointment.

⁷ Patton, M. Q. (2000). *Qualitative Research and Evaluation Method*. London: SAGE Publications.

- **The interview**

In order to collect useful data for our analysis, we asked our interviewee the following questions (see annex 1)

3.1.2. The presentation of the interview's results

Axis 01: Presentation of the ministry of commerce

Before starting the analysis, it seems appropriate to present the Ministry of Commerce and the person who has responded to our interview, the responsible for monitoring the implementation of the Association Agreement between Algeria and the EU.

The organization chart of the Ministry of Trade at the plant level is based on three sub-directions: The Directorate General for Foreign Trade, the Directorate-General for Economic Control and Fraud Control and the Directorate-General for Regulation and Organization of Activities. Each SD provides a trade-related aspect. In order to take care of all matters relating to the prerogatives of each SD, directorates and sub-directorates are set up as needed.

Regarding the question of the ministry of Commerce's policy on non-hydrocarbon export promotion, our interviewee has confirmed that The Ministry of commerce's foreign trade promotion policy is part of the implementation of the new model of economic growth, adopted by the Government with a view to diversification and structural transformation of its economy, with the objective of achieve sustained growth in non-hydrocarbon GDP.

This policy is achieved through the creation of the special fund for the promotion of exports to promote exports excluding hydrocarbons through the assumption of a part of the expenses related to the transport of the goods and the participation of the companies in the fairs and shows abroad.

Another way to encourage the promotion of exports the MC has initiated the elaboration of the National Export Strategy (NES) excluding hydrocarbons, initiative taken by the Ministry of Commerce with the technical support of the Geneva International Trade Center.

Axis 02: Economic diplomacy in Algeria

The objective of the second axis is to know how economic diplomacy is practiced in Algeria by giving its tools and some models.

Concerning the question of the organization of diplomatic economy in Algeria our interviewee pointed out that the Ministry of Foreign Affairs takes in charge this responsibility, the services of the Directorate of Economic Cooperation represent and take care of issues related to trade, industry and other sectors abroad.

Diplomatic networks, through ambassadors and all diplomats, are the first to sell the country's economic label and to attract investors, with the support of entrepreneurs who organize themselves in rooms or in associations.

Responding to the question related to the existence of a model that illustrates the economic diplomacy in Algeria, at the international level, Algeria is known for its peaceful diplomacy, also for economic issues it adopts a model of peaceful and objective economic diplomacy.

For the last question, we tried to figure out whether there is a relation between diplomatic relations and economic diplomacy off-hydrocarbons. Our interviewee has confirmed the existence of such relation by giving two different examples for each impact (negative and positive)

1- Morocco: diplomatic relations between the two countries are unsatisfactory so they directly reflect on economic cooperation;

2- By contrast, China's good diplomatic relations reflect positively on economic cooperation.

Axis 03: The motivations for the foreign trade promotion

The purpose of this axis is to showcase the objectives set by the ministry in order to promote foreign trade, as well as how the economic diplomacy is applied as a tool to help companies export, and thus defining its role.

In regards to the question on the efforts deployed by the ministry of commerce to promote foreign trade, we have retained the following: the liberalization of trade since 1990, the promotion of the national market's gradual implementation in the world economy through regional implementation, creating the Special Fund for the Promotion of Exports, adopting and upgrading the regulations governing the foreign trade so that they conform to the ones regulating international commerce, as well as the participation in regional and international fairs and exhibitions.

Regarding the question of how economic diplomacy is applied in order to help exporting companies, our interviewee declared that it is done through commercial attaches in Algerian embassies in collaboration with services of the ministry of affairs, in charge of collecting economic, commercial and fiscal information.

The question related to attracting foreign investors gave us the following response: foreign direct investments (FDI) have an influence on the local market, the consumers as well as the Algerian foreign trade, through the diversification of the products' quality and the strengthening of competition.

Regarding the last question, our interviewee declared that the economic diplomacy plays an important role in the promotion of foreign trade and that it could accelerate the exchange between commercial partners and facilitate the access to markets.

Axis 04: The foreign trade promotion in prospect

In this last axis we will try to focus on the collaboration between the ministry of commerce with other organisms as well as Algeria's vision concerning the promotion of foreign trade.

In regards to the question concerning the cooperation between the MC and the MFA we have retained that all the measures taken by the MC must go by the MFA, which creates a coordination between the two.

The question concerning the promotion of foreign trade being a solution for the Algerian economy, our interviewee declared that it's a necessity, hence it being the new Algerian policy.

Regarding the last question, our interviewee stated as obstacles the massive competition met by the local companies from companies of developed countries and the business climate which discourages IDFs.

As solutions our interviewee suggested a reform of the banking system and developing a capital market as well as revising the industrial policy.

3.1.3. General synthesis

To conclude, it is important to emphasize that our interviewee has confirmed the role that the ministry of commerce plays in the promotion of non-hydrocarbon exports through the work of its directions by creating a special fund that provides financial support to the exporting companies and also the elaboration of the national non-hydrocarbons exporting strategy with the technical support of the Geneva international trade center.

However, the Commerce Ministry is not the only actor in charge of the economic diplomacy, all measures relating to foreign trade taken by the Ministry of Commerce must be passed by the Ministry of Foreign Affairs.

The MFA works in collaboration with different institutions, all productive enterprises and public administrations (ALGEX, ANEXAL, SAFEX...) in order to promote the Algerian exports and the diversification of the economy off-hydrocarbons.

Section 02: The quantitative method

“Quantitative study allows to measure opinions, behaviors. Their quantified results give, after analysis, the measure to the studied phenomenon”⁸.

Quantitative research aims at explaining phenomena through a systemic empirical investigation of the phenomena observable by the collection of numerical data, analyzed through methods based on mathematical, statistical or computer techniques.

Quantitative research involves collecting and analyzing data that is quantifiable. In a quantitative research, the question of measurement is essential because it allows empirical observations and its connection with conceptual dimension of research.

All quantitative data is numeric data such as statistics, percentages, etc. polls, questionnaires and surveys, or by manipulating pre-existing statistical data. The data collected from people is called "variables".

Variables are the characteristics of the observation unit of interest that we seek to collect (e.g. company size, turnover, age of employee, etc.)

For any quantitative study, a methodological approach must be followed:

- The objective of the study.
- The sampling mode.
- The questionnaire.

3.2.1. The objective of the study

Any quantitative survey must begin with a precise definition of the purpose of the study. This definition allows you to build the logic of the questionnaire. The main objective of our study is to analyze the impact of economic diplomacy on the promotion of foreign trade off hydrocarbons, for that we followed the following elements:

- Identify the targeted companies (any company exporting non-hydrocarbon products to the EU).
- Prepare the questionnaire.
- Measure the efforts of the Commerce Ministry to promote international trade off-hydrocarbons according to companies.

All of these elements will enable us to verify the capacity of Algerian companies to export its products, and also to make suggestions to improve the quality of service the company.

⁸ DEMEURE Claude, « *Marketing* », Aide-mémoire, édition SEREY, France, 1997, P 27. Translated by us

3.2.2. Sampling method

The sampling method chosen is based on the criteria of the population studied, and the sample size.

The population: the population to be studied is made up of Algerian companies who export their products to the EU countries.

The sample size: our population is made of 10 exporting companies.

It should be noted that the sampling method is the simple random method (consists of randomly draw the sample from the sampling frame).

3.2.3. The elaboration of the questionnaire

The questionnaire is one of the essential elements of a survey that allows the collect and the store of information in order to be able to carry out actions adequate.

*“The questionnaire is the set of questions which are built in order to generate the information necessary to achieve the objectives of the study”.*⁹

We have opted for clear and understandable questions put in a way to make the questionnaire short and coherent which makes it easy for the respondents to give their best answers.

For the collection of information, we opted for the method of online questioning. Our questionnaire is made of 09 questions (two types of questions; open and closed). It is worth noting that some of the questions were inspired by from a survey made by Mr. BABA-AHMED.H¹⁰ throughout his research which was about a similar topic as ours.

The questions chosen fall under two types which are:

- **Closed questions:** the interviewee must answer with a "yes" or a "no" He has only one alternative. Example: question N: 04.
- **Open questions:** They leave the respondent some freedom to formulate the answers. Example question N: 07.

⁹ MALHOTRA (N) : *Etudes marketing avec SPSS*, 4ème édition, PEARSON EDUCATION, Paris, 2004, P.265. Translated by us.

¹⁰ Hichem BABA AHMED, *La diplomatie Algérienne dans le processus d’exportation des produits hors hydrocarbures*, EHEC Alger, 2010.

3.2.4. Results and Analysis of the survey

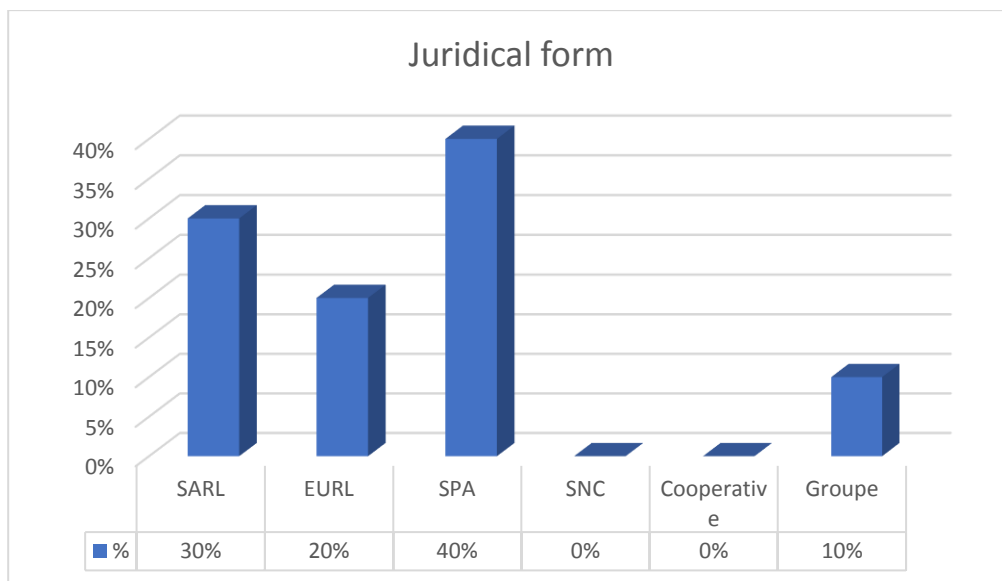
Question 01: What is your juridical form?

Table 3.1: Results of the answers on the juridical form

Juridical Form	Number of Companies	%
SARL	3	30%
EURL	2	20%
SPA	4	40%
SNC	0	0%
Cooperative	0	0%
Groupe	1	10%
Total	10	100%

Source: Elaborated by us

Figure 3.1: Percentage of juridical form



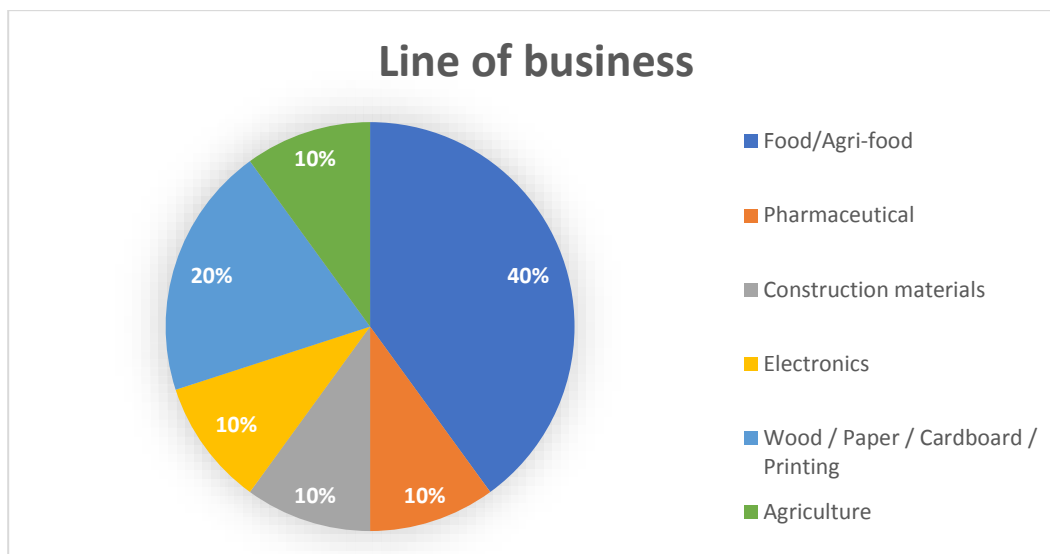
Source: Elaborated by us using Excel

Commentary: According to the figure, 40% of the companies have SPA as their juridical form, followed by SARL which covers 30% of the companies. This is justifiable given the fact that these companies have managed to export their products through sufficient financial and human resources.

Question 01 (Part 2): What is your line of business?**Table 3.2:** Results of the answers on lines of business

Line of business	Number of Companies	%
Food/Agri-food	4	40%
Pharmaceutical	1	10%
Construction materials	1	10%
Electronics	1	10%
Wood /Paper/ Printing	2	20%
Agriculture	1	10%
Total	10	100%

Source: Elaborated by us

Figure 3.2: Distribution of companies based on their line of business

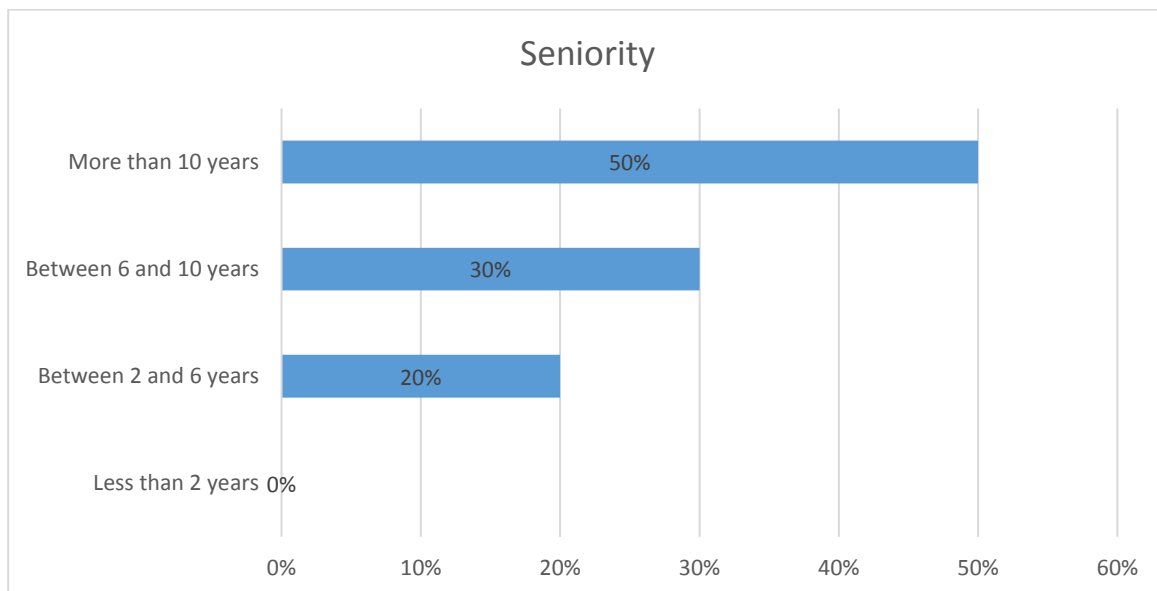
Source: Elaborated by us using Excel

Commentary:

We notice that the majority of the companies in question are active in the food industry, the second most important line of business which comes right after is the wood/paper industry with 20% of the companies active in that industry. The food industry being the dominant with 40% of the companies can be explained by its perpetual growth and therefore the profitable opportunities it presents.

Question 02: Since when did you start exporting?**Table 3.3:** Results of the answers on seniority

Seniority	Number of Companies	%
Less than 2 years	0	0%
Between 2 and 6 years	2	20%
Between 6 and 10 years	3	30%
More than 10 years	5	50%
Total	10	100%

Source: Elaborated by us**Figure 3.3:** Distribution of companies based on their seniority**Source:** Elaborated by us**Commentary:**

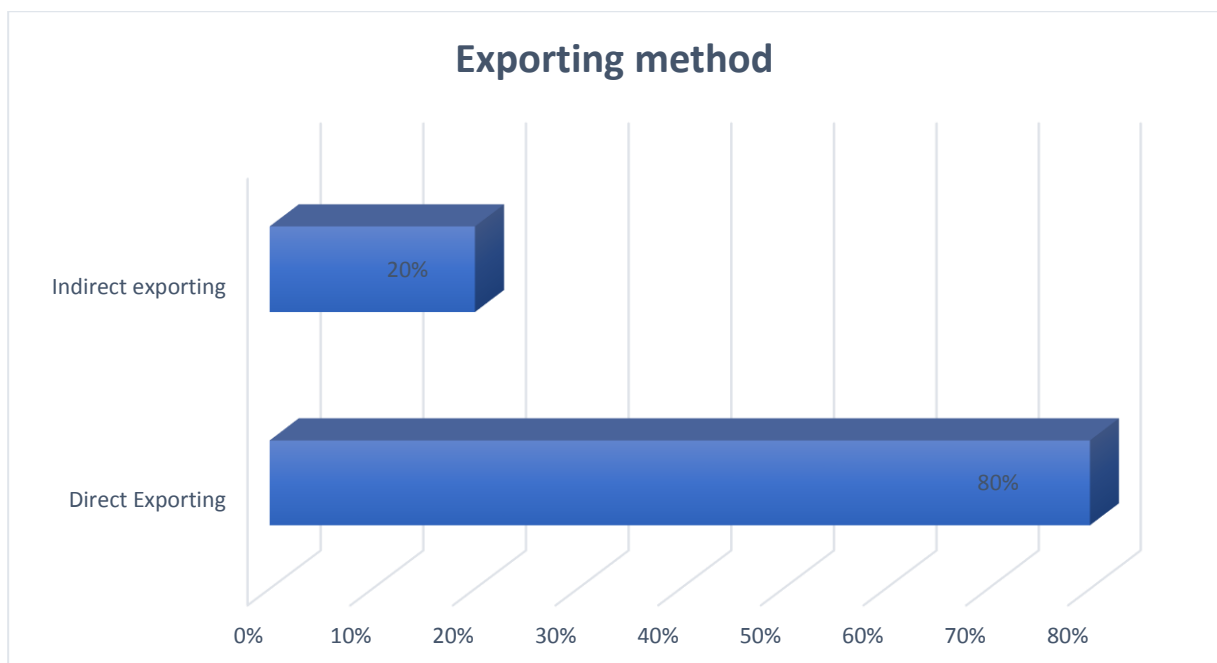
Half of the companies declared that they have been exporting their products for more than 10 years, 30% of them between 6 and 10 years, and the rest (20%) answered with between 2 and 6 years. These results show that the Algerian companies are experienced in the field of exporting.

Question 03: What exporting method do you follow?**Table 3.4:** Results of the answers on exporting method

Method of exporting	Number of Companies	%
Direct Exporting	8	80%
Indirect exporting	2	20%
Total	10	100%

Source: Elaborated by

us

Figure 3.4: Distribution of companies based on their Exporting methods

Source: Elaborated by us using Excel

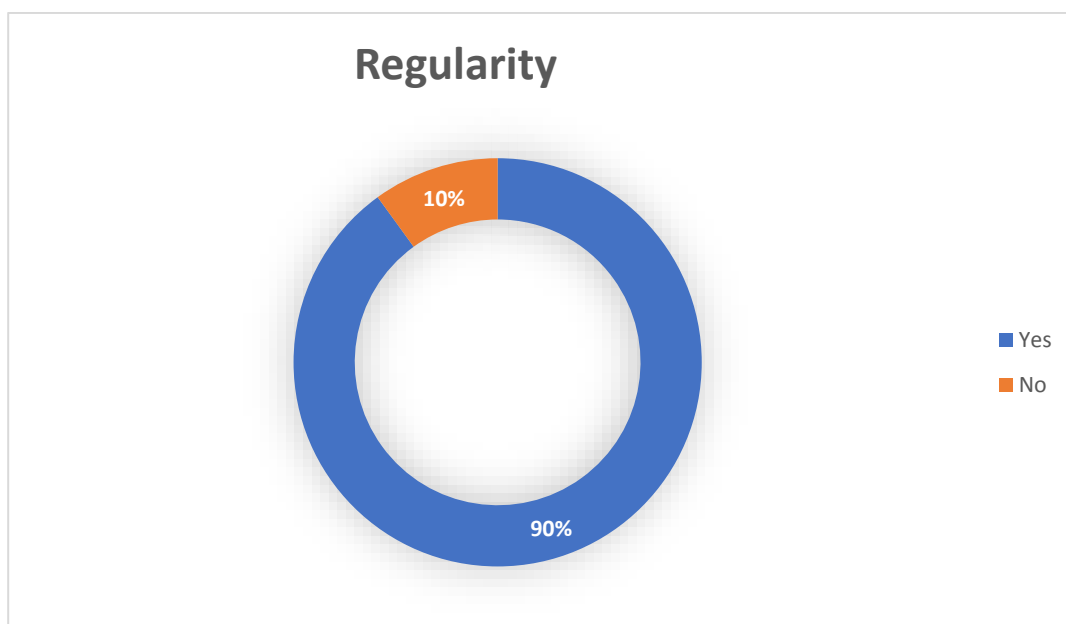
Commentary:

80% of the companies declared that they export their products directly which means that they sell directly to the target customer which backs up the assumption that the Algerian companies are experienced in the field of exporting. 20% of the companies, however, choose the indirect exporting method. This can be explained by the unwillingness to make big commitments in terms of money and human resources, especially if the company doesn't export regularly.

Question 04: Do you export regularly?**Table 3.5:** Results of the answers on exporting behavior

Regularity	Number of Companies	%
Yes	9	90%
No	1	10%
Total	10	100%

Source: Elaborated by us

Figure 3.5: Distribution of companies based on their exporting behavior

Source: Elaborated by us using Excel

Commentary:

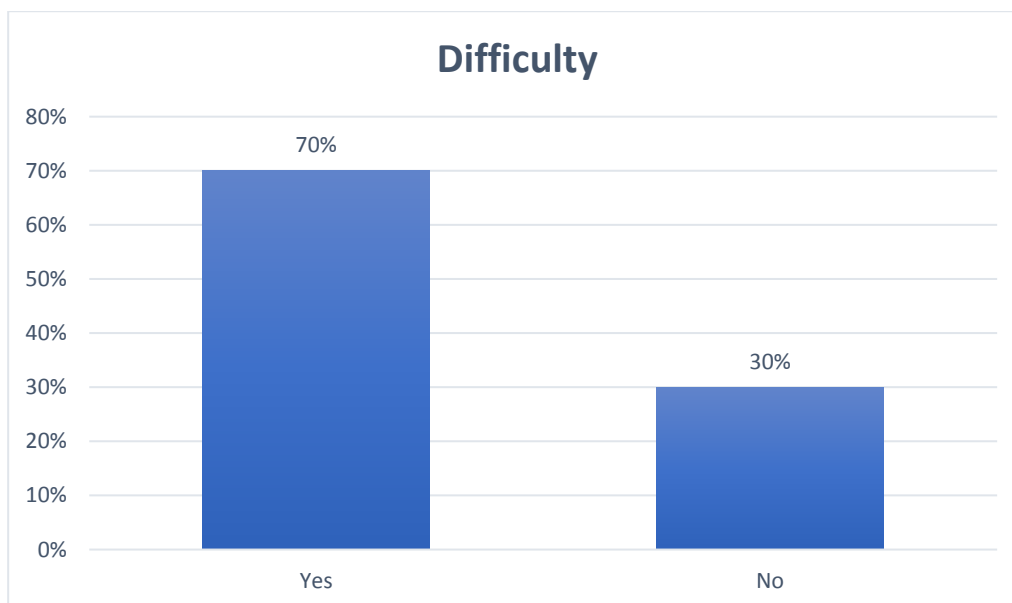
We notice that 90% of the companies interrogated export their products on a regular basis, whereas only 1 company declared the opposite. This can be explained by the fact that the companies in question are committed to supplying the foreign target markets with their products regularly, making them a wanted commodity.

Question 05: Do you face difficulties throughout exporting?**Table 3.6:** Results of the answers on Faced difficulties

Difficulty	Number of Companies	%
Yes	7	70%
No	3	30%
Total	10	100%

Source: Elaborated by

us

Figure 3.6: The percentage of companies that faced difficulties

Source: Elaborated by us using Excel

Commentary:

70% of the companies questioned declared that they face difficulties throughout exporting while 30% admitted to not facing any difficulties.

The second part of the question was about those difficulties, some answered with finance related difficulties, as well as bureaucratic hindrance, the complexity of customs procedures and the lack of logistics and port infrastructures.

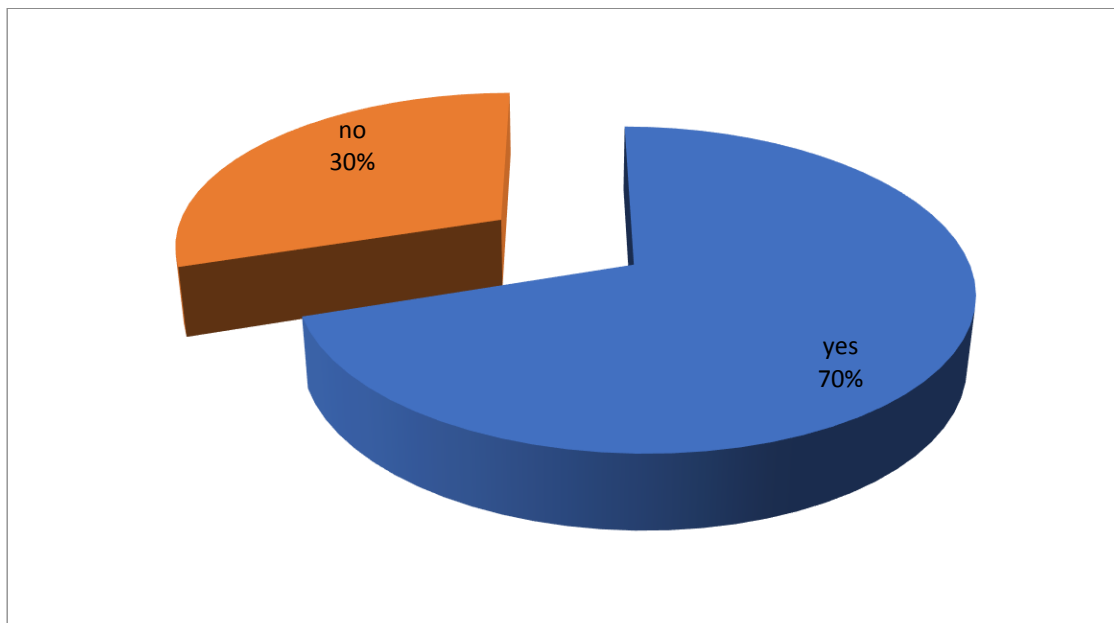
Question 06: Have you already benefited from state subsidies to attend fairs and exhibitions abroad?

Table 3.7: Results of the answers on subsidies

Benefited from subsidy	Number of answers	Frequency
Yes	7	70%
no	3	30%
total	10	100%

Source: elaborated by us.

Figure 3.7: Percentage of companies that have already benefited from state subsidies



Source: elaborated by us with excel

Commentary:

We can observe that 70% of the exporting companies to the European Union has already benefited of the state subsidies to attend fairs and exhibitions abroad, while the other 30% did not benefit of any kind of subsidies.

For the second part of the question concerning the companies who benefited from the state subsidies, they answered that the subsidies were up to 80% of total charges, in a form of a partial assumption of the expenses related to the international transport and handling of goods in the Algerian ports. Also, they have been helped with a part of the costs of prospecting external markets.

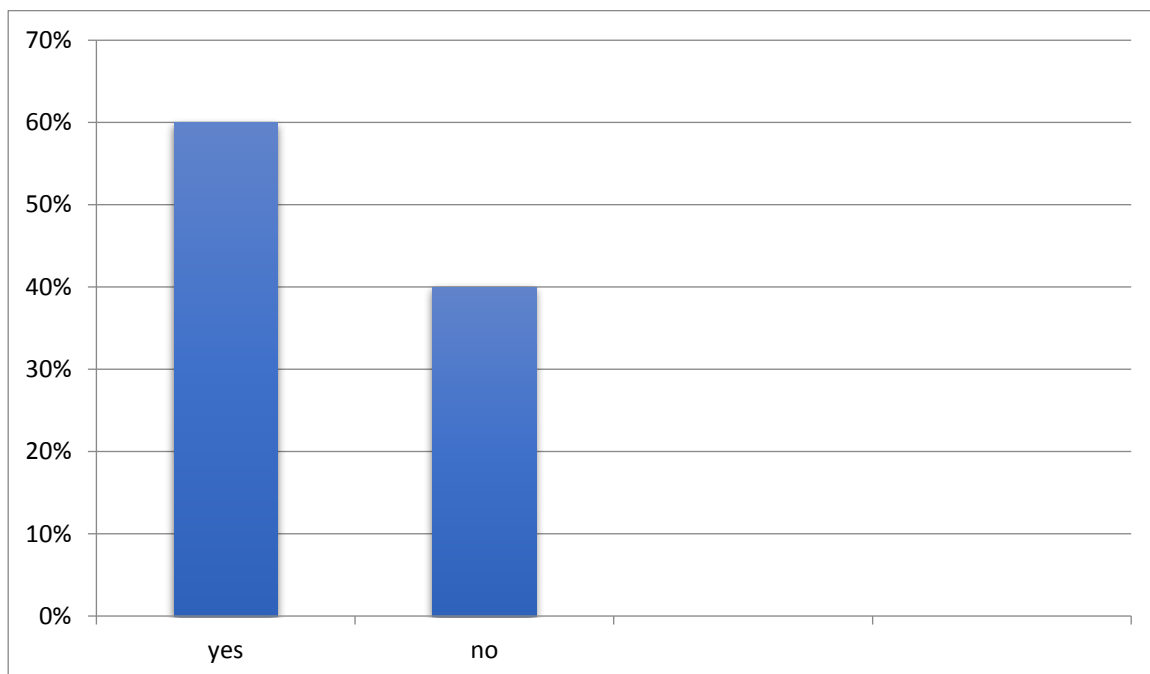
Question 07: Do you find any help from the organizations involved in the promoting of foreign trade?

Table 3.8: Results of the answers on the help received

Find help from the organizations	Number of answers	frequency
yes	6	60%
no	4	40%
total	10	100%

Source: elaborated by us.

Figure 3.8: Percentage of the help from the organizations



Commentary:

About 60% of the questioned companies found help from the organizations concerned with the promotion of foreign trade off-hydrocarbons while the remaining 40% didn't solicit these organizations and depended on their own resources to penetrate foreign markets.

The other part of the question was about the organizations that help the Algerian companies in their quest to export, the interviewed companies answered that they consulted ALGEX to help them financially and provide them with information, it should be noted that ALGEX work in collaboration with ANEXAL and CACI.

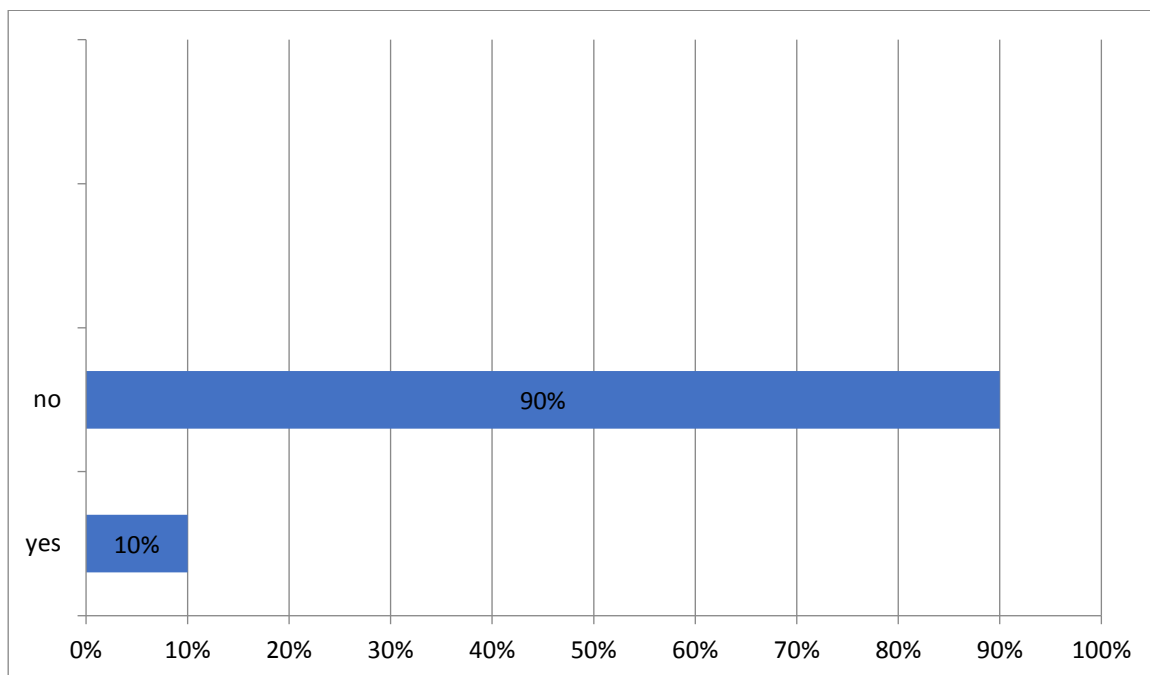
Question 08: Do you solicit the Algerian embassies to get information about your target markets?

Table 3.9: Results of the answers on soliciting embassies

Soliciting embassies	Number of answers	frequency
Yes	1	10%
no	9	90%
total	10	100%

Source: elaborated by us

Figure 3.9: Percentage of the companies that solicited the embassies help.



Commentary:

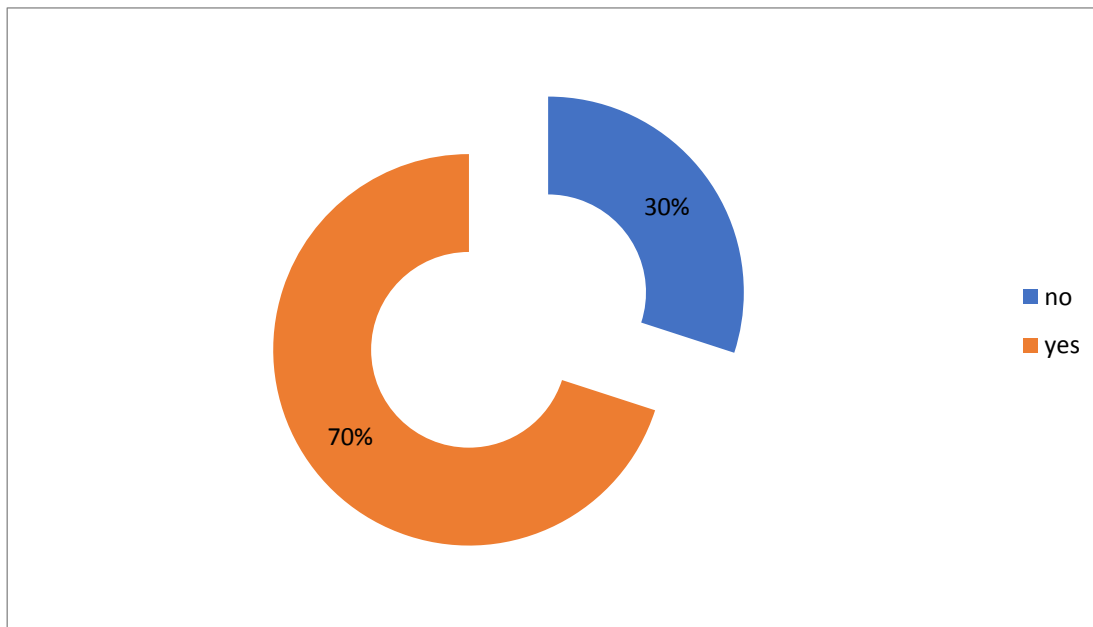
The majority of the questioned companies have never went to the embassies in order to get information about the markets penetrated, with a rate of 90%. The remaining 10% said that they have asked the embassies but they didn't get much of information.

The reason why companies don't refer to embassies in their research for information about the markets that they want to penetrate is that the Algerian embassies don't have such information, even though a commercial representative or a commercial attaché is available in each embassy, they don't dispose the needed information, we can conclude that the role of Algerian embassies is more diplomatic than economic.

Question 09: Have you ever called on the Ministry of Commerce in your export quest?**Table 3.10:** Results of the answers on calling on the Ministry of Commerce

Called on the Ministry of commerce	Number of answers	Frequency
Yes	7	70%
No	3	30%
total	10	100%

Source: elaborated by us.

Figure 3.10: Percentage of the companies that called on the Ministry of Commerce**Commentary:**

70% of the interrogated companies did appeal to the Commerce Ministry in their quest to export to the European Union, the rest didn't.

The companies who answered with yes to this question confirmed also that the help given by the Commerce Ministry made a huge difference in their quest of exporting because it has facilitated the process of penetrating new external markets and the promotion of their products to the foreign customers.

Conclusion

The objective of this study is to figure out whether there is a relation between diplomatic economy and the promotion of foreign trade and how the first one can influence the second, several hypotheses were set up.

In this chapter we tried to answer these hypotheses by carrying on an interview in the Ministry of Commerce which was answered by a high leveled responsible for the relations with the EU. The interview was completed by a survey conducted on a sample of companies exporting to the EU off-hydrocarbons products. The reason behind this choice is to know the point of view of the two parts involved in the process of exporting.

The results of the survey and the interview have demonstrated that the Commerce Ministry and the other institutions responsible for the exporting process, in their quest to diversify the economy of Algeria and increase the national income off-hydrocarbons are making a lot of efforts in order to help companies export their products in foreign markets, while the companies concerned with the exporting think that these efforts are not sufficient and efficient, and they suggest that other measures should take place to make the mechanism of exporting more effective.

General Conclusion

Despite 50 years after the independence, the Algerian economy is still dependent on its oil revenue, hydrocarbons account for over 97% of national exports, while non-hydrocarbon exports cover only 4.5% of imports, a situation that is becoming more and more worrying, especially that oil prices are unstable and hard to predict.

The Algerian economy is characterized by the dependency on oil and unproductive rent, instead of a productive and industrial rent, hence the need to conduct a real and urgent policy of diversification of the economy and the sources of energy. Growth based on public spending and subsidies, which has demonstrated its limitations, insufficiency and inefficiency, and a Sustained growth in consumption of import products since our economy produces is almost nothing.

Algeria is called today and more than ever to revive its economic and commercial policy; the government must adopt and master a new model of economic growth in the perspective of diversification and structural transformation of its economy, in the aim of achieving sustained GDP growth excluding hydrocarbons.

The economic globalization which flourished particularly after the Second World War reinforced the economic and the commercial interdependence of the economies and led to the intensification of bilateral and multilateral diplomatic relations between States around economic interests.

Economic diplomacy which is an instrument of foreign policy used to achieve goals considered to be of vital interest of the state. The field of diplomacy is today one of the best alternative means of improving the volume of Algerian non-hydrocarbon exports, It is also this observation that has aroused our interest in this theme.

Our research was intended to the question of the existence of a possible correlation (s) between the promotion of non hydrocarbons exports and the device of economic diplomacy. We have addressed the role of economic diplomacy in promoting foreign trade, exports in particular.

In fact, maintaining and then increasing market shares, diversifying economic partners or creating added value through international trade are specific objectives for national companies in their interactions with regional and international markets. This shows the importance of foreign trade.

In our theoretical study, we tried to introduce our topic by presenting some of the necessary elements that are related to our theme, we started by presenting the economic diplomacy by giving a brief presentation of its utility and evolution, we supported its definition with concrete examples of the use of diplomatic economy in the world.

We also discussed foreign trade and regional trade treaties and highlighted the main strategies and policies used in promoting international commerce.

Our research was reinforced by a an interview held in the Ministry of Commerce and answered by the responsible for the European Union relations and a survey conducted on the companies exporting to the UE in the non-hydrocarbon sectors, through the different analyses and results obtained from the survey and the interview, it became easy to verify the hypotheses set up beforehand:

Hypothesis 01: “The Ministry of Commerce is not the only organism that promotes foreign trade” is **valid**.

The personnel dirigeant has mentioned that the Ministry of Foreign Affairs takes in charge this responsibility; The MFA is the right intermediary to boost the conquest of foreign trade. It occupies a decisive place in the promotion of non-hydrocarbon exports or the attraction of foreign investors holding technology, it works in collaboration with different specialized institutions for the development of foreign trade like (ALGEX, CAGEX, FSPE, SAFEX ... etc.) for exports and (ANDI, CNI, CALPIREF etc.) for investments.

Hypothesis 02: “The Algerian companies find a lot of difficulties in their quote of exporting” is **valid**.

The Algerian companies find it difficult to export their products to foreign markets, despite the efforts deployed by the authorities and the companies themselves, financial, logistic, and informational obstacles make it difficult to penetrate foreign markets.

Hypothesis 03: “The efforts deployed by the Ministry of Commerce to promote foreign trade are sufficient” **invalid**.

The creation of a special fund to help exporting companies, the organization of fairs and salons, the compensation of the expenses related to the study of foreign markets, and the other measures adopted by the MC and the institutions responsible for the promotion of the national production in foreign markets are not sufficient and incomplete, this explains the reason why the companies find difficulties while exporting. These measures should be modified and updated to keep up with international markets situation.

After analyzing the results of both the survey and the interview, it became clear that there is a gap between the two parties; there are indeed efforts established by the Ministry of Commerce but according to the companies they are insufficient and do not help companies in their quest to export. So we tried to come up with some recommendations that in our opinion can fill in the delays observed in the Algerian exporting support system:

- The numbers are always shy, because of the bad connection between the Algerian operators and the administrative structures and policies, so we suggest a better connection between the institutions active in the process.

- Orient economic diplomacy to Africa more, because of the capacity of the African markets and the opportunities presented there, also because of the proximity and the affiliation to the free exchange zone and the SAHEL.
- The creation of offices of ALGEX within our diplomatic representations abroad in order to apprehend foreign markets in a more in-depth way, and the activation of the role of commercial attaché in embassies.
- Update ALGEX status given the fact that its current status does not allow it enough flexibility to meet the expectations and needs of the companies to carry out its missions, and especially to support exporters in a sustainable manner, their products in real time and according to international standards.
- The recasting of the Special Export Fund (FSPE) and expanding its reach.
- The creations of a commission to identify the many obstacles impede the development of non-hydrocarbon exports and then submit them to the various responsible sectors.
- Facilitate the opening of commercial representations abroad to Algerian companies, who, in their turn, need to improve the quality of their products.

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Appendices

Annex 01 : Guide d'entretien qualitatif

Nous vous remercions de nous recevoir et de nous consacrer du temps pour répondre à quelques questions en quatre axes qui nous aideront à affiner notre étude au sujet de l'impact de la diplomatie économique sur la promotion du commerce extérieur hors hydrocarbures et ce dans le cadre de notre mémoire de fin d'étude à l'EHEC d'Alger.

Le but est de vérifier si la diplomatie économique influence la promotion du commerce extérieur, et de connaître comment le ministère du commerce œuvre pour cette promotion.

L'entretien que nous réalisons est exploratoire. C'est-à-dire que nous souhaitons recueillir le maximum d'informations possibles afin de les analyser et d'en faire ressortir les résultats voulus.

Axe 1 :Présentation du ministère du commerce

- Présentez-Nous vos missions et prérogatives ?
- Pouvez-vous présenter la politique du ministère du commerce en matière de promotion des exportations hors hydrocarbures ?
- Pouvez-vous nous décrire l'organigramme du ministère du commerce ?

Axe2 : La diplomatie économique en Algérie

- Comment est organisée la diplomatie économique en Algérie ?
- Quels sont les outils de la diplomatie économique en Algérie ?
- Existe-il un modèle algérien de la diplomatie économique ?
- Les relations diplomatiques influencent-elles la diplomatie économique hors hydrocarbures en Algérie ? comment ?

Axe3 : Motivations de la promotion du commerce extérieur

- Quels sont les objectifs et les efforts fournis par le ministère pour la promotion du commerce extérieur hors hydrocarbures ?
- Comment la diplomatie économique est appliquée par le ministère du commerce afin d'aider les entreprises algériennes lors de l'exportation hors hydrocarbures ?
- Pensez-vous qu'attirer les entreprises étrangères à investir en Algérie aura une influence sur le commerce extérieur hors hydrocarbure ? pourquoi et comment ?
- Quel rôle joue la diplomatie économique dans la promotion du commerce extérieur hors hydrocarbures ?

Axe4 : Perspectives de la promotion du commerce extérieur

- Quels sont les différents partenaires nationaux concernés par la promotion des exportations hors hydrocarbures ?
- Existe-t-il une coopération et une coordination entre le ministère du commerce, le ministère des affaires étrangères et les autres organismes ?
- Pensez-vous que la promotion du commerce extérieur hors hydrocarbures serait une solution pour l'économie algérienne ? Comment améliorer les dispositifs existants ?
- Quelles sont les opportunités qui s'offrent et quels sont les obstacles, les difficultés et les menaces que l'Algérie doit affronter lors de la promotion du commerce extérieur ?

Annex 2 : Questionnaire

Madame, monsieur,

Nous sommes des étudiants en troisième année master à l'Ecole des Hautes Etudes Commerciales (EHEC), et dans le cadre de préparation d'un mémoire de fin de cycle en vue de l'obtention d'un master en Sciences Commerciales, option affaires internationales, nous travaillons sur un thème qui s'intitule « l'impact de la diplomatie économique sur le commerce extérieur hors hydrocarbures ». Cas : Relations avec l'Union Européenne.

Nous nous permettons de vous soumettre ce questionnaire pour compléter notre mémoire de fin de cycle.

Nous vous remercions d'avance pour votre collaboration.

Question 01 : Quel est votre statut juridique ?

- SARL
- EURL
- SPA
- SNC
- Coopérative
- Groupe

Quel est votre secteur d'activité ?

.....

Question 02 : Depuis quand avez-vous commencé à exporter ?

- Moins de 2 ans
- Entre 2 et 6 ans
- Entre 6 et 10 ans
- Plus de 10 ans

Question 03 : Quel mode d'exportation suivez-vous ?

- Exportation directe
- Exportation sous-traitée
- Groupement d'exportateurs
- Autre :

.....

Question 04 : Est-ce que vous exportez régulièrement ?

- Oui
- Non

Question 05 : Est-ce que vous trouvez des difficultés lors de l'exportation ?

- Oui
- Non
- Si oui, quelles sont ces difficultés ?

.....

Question 06 : Avez-vous déjà bénéficié de subventions de l'Etat pour participer aux foires et salons à l'étranger ?

- Oui
- Non
- Si oui, sur quelle forme ?

.....

Question 07 : Trouvez-vous de l'aide auprès des organismes concernés par la promotion du commerce extérieur ?

- Oui
- Non
- Si oui, lesquels ?

.....

Question 08 : Est-ce que vous recourez aux ambassades algériennes pour obtenir des informations concernant les marchés que vous voulez pénétrer ?

- Oui
- Non
- Commentaire :

.....

Question 09 : Avez-vous déjà fait appel au ministère du commerce dans votre quête d'exportation ?

- Oui
- Non
- Si oui, est ce que ça vous aidé ?

.....

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