

## French carmaker PSA to begin Algeria production in 2018

ALGIERS - French carmaker PSA signed a deal with three Algerian firms to set up a car-manufacturing base in the North African country with production to begin next year.



Photo: Shafee & Associates

After two years of negotiations, the joint venture deal was inked at a ceremony attended by Algerian Foreign Minister Abdelkader Messahel and his French counterpart Jean-Yves Le Drian.

The first Peugeot and Citroen models will roll off the assembly line next year at a plant in a suburb of Oran, 400km west of Algiers.

Under the deal, worth 100 million euros, PSA will own 49% of the joint venture with the remaining 51% shared between Algerian firms Condor Electronics, Palpa Pro and Entreprise Nationale de Production de Machine-Outils (PMO).

Jean-Christophe Quemard, PSA executive vice president for the Middle East and Africa, said the Oran factory should be fully operational by 2019.

Quemard said 75,000 Peugeots and Citroens would be produced annually for the next five years, but without specifying the specific models.

PSA is hoping to sell 700,000 vehicles a year by 2021 across the Middle East and Africa, and one-million cars by the year 2025.

Quemard said the agreement -- signed as part of the Franco-Algerian joint economic committee -- will create 1,000 jobs initially.

Sunday's ceremony was also attended by French Economy Minister Bruno Le Maire and Algerian Industry Minister Youcef Yousfi.

Once one of Africa's largest car markets, Algeria is embarking on an ambitious programme aimed at replacing hundreds of thousands of foreign imports with domestically produced vehicles.

It hopes to develop its domestic automobile industry to counter a sharp drop in the price of oil, its main source of revenue.

The industry has been given incentives to produce more models after the government radically slashed imports.

**Source:** *AFP*

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