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# Friends of Algeria

JUNE 2005

## Algeria and the United States: An overview of the Cooperation by Abderahmi Bessaha

Since 2001, relations of Algeria with the USA have intensified. In addition to political cooperation, evidenced by the close work of both countries on the 2000 peace accords between Ethiopia and Eritrea, and on other regional issues, this cooperation covers now several areas of mutual interests, including law enforcement and counter-terrorism cooperation, have intensified. A quick overview of these relations in four areas is reviewed below.

**On the economic side, relations are expanding.** The level of U.S. direct investment in Algeria is estimated at \$4.5 billion, mainly in the oil sector. While they are dominant in the oil sector, they also activate in other sectors, including banking and finance, services, pharmaceuticals, medical facilities, telecommunications, aviation, and information technology. In 2002, the American Chamber of Commerce was created, and comprises 40 members. Looking at the structure of external trade relations between the 2 countries, Algeria

represents the United States' 10th-largest market in the Middle East/North African region. Recent data indicate that US exports to Algeria reached \$487 million in 2003, a decline of about 50% over 2002. At the same time, imports doubled over the same period, from \$2.4 billion in 2002 to \$4.7 billion in 2003. For its part, Algeria sells to the US about \$2.6 billion of petroleum products and natural gas. Trade and investments between both countries are regulated since 2001 by a Trade and Investment Framework Agreement (TIFA). In March 2004, President Bush designated Algeria a beneficiary country for duty-free treatment under the Generalized System of Preferences (GSP). Guarantees of the exchanges are underwritten by the Eximbank, with an exposure of about \$2 billion, covering essentially oil projects and purchases of airplanes.

**In the education area,** a small exchange program is in place, including Humphrey and Fulbright Educational grants. In 2001, Algeria received a

grant of \$15,000 for the protection of Roman mosaics at an antiquities site at Cherrhell under a program called the Ambassadors' Fund for Cultural Preservation. Over the past 3 years, the US diplomatic community has gradually returned to normal levels following the drastic reductions of the 1990s. The embassy is providing most services to the American and Algerian community. Modest university linkages programs are being established by the US government, which has also placed two English Language Fellows, the first since 1993, with the Ministry of Education to assist in the development of ESL courses at the Ben Aknoun Training Center. Last year, Algeria received another grant (\$39,000) under the Ambassadors' Fund for Cultural Preservation to restore the Basilica of St. Augustine in Annaba. Algeria also received an \$80,000 grant to fund micro scholarships to design and implement an American English-language program for Algerian high school students in four major cities

*(continued on next page)*

## US-Algeria Business Council <http://www.us-algeria.org>

"The United States Algeria Business Council (USABC) is the result of an Algerian and American business initiative. The Council founders recognize Algeria's transition towards a market economy, its desire to integrate into the global economy and to generate broad new business opportunities.

The co-founding USABC members consider the Council to be a unique network providing members access to American and Algerian business and government leaders. They visualize the Council as the preeminent and unique business forum in which to discuss business, policy and economic issues with a potential to impact mutual business strategies and objectives. They visualize the Council as a generator of business, the benefits of which accrue to a much larger Algerian-American constituency than the membership base alone."

Noteworthy events:

- Banking Symposium: New Roles for Banks in Algeria, New York, February 2005
- Energy & Water Symposium: Resource Management Solutions and Opportunities Through Algerian-American Partnerships, Texas, March 2005
- International Trade Fair, Algiers, June 2005
- Energy & Water Symposium, Round II, Algiers, June 2005
- Agriculture Conference, California, September 2005

### *Welcome to the new Ambassador of Algeria*

On behalf of AAAGW and its members, we would like to welcome His Excellency Ambassador Amine Kherbi and congratulate him on his new assignment

## Algeria-US (contd)

**On technical assistance**, the United States provides about \$1.2 million in technical assistance to Algeria in the context of the U.S.-North African Economic Partnership (USNAEP), a program aimed at supporting Algeria's economic reform program in the areas of privatization, intellectual property protection, WTO accession negotiations, and business environment. Furthermore, Algeria benefited from a USDA program called GSM 102 related to the purchase of U.S. agricultural products for an amount estimated at \$50 million.

**In the military area**, a US grant (\$500,000) helps provide training to Algerian military personnel in the United States in the framework of the International Military Education and Training (IMET). In addition, various contacts between military authorities of both countries have taken place over the past 3 years: Algeria has hosted U.S. Naval ship visits and has begun a series of joint Naval exercises. Staff exchanges between the two sides are frequent and Algeria has hosted senior U.S. military officials.

**Under the Middle East Partnership Initiative**, funding was also made available to support the development of civil society through programming that provides training to journalists, businesspersons, and the heads of leading nongovernmental organizations. More support is channeled through the State Department's Human Rights and Democracy Fund to help civil society groups focusing on the issues of the disappeared, and Islam and democracy.



## A Mother's Perspective on Recent Tragedies by Rachida Tefassed Djebel

Within 3 months (give or take a few weeks), I have learned of the death of two young Algerian women who came to the US, both meeting tragic ends. In both instances, after the deaths were made public, people came forward either in misplaced anger or with offers of aid and comfort to the surviving family members and to help with funeral expenses. Both deaths were tragic; seemingly needless deaths which were almost incomprehensible because the victims had the promise of life's adventures stripped from them—one no doubt at the hands of another and the other by her own hand.

For the two mothers whose daughters are now dead, I pray they will learn acceptance of what cannot be changed; but more importantly, that they use the tragic circumstances to help prevent future events that could happen to other daughters (or even to sons)—whether their own or other's children.

Both of these tragedies could have been or might well be our own. For these two cases, the tragedy was for others—other families will grieve—but it could have been our daughters (or sons). Having suffered through the death of a daughter, though certainly in far different ways than these two mothers, I can empathize with their grief.

Perhaps the greatest tragedy is that both of these young women were without good support and without good advice, both of which may have made their young lives easier and far more bearable.

Every mother makes plans for her daughter, and hopefully most mothers want better for their daughters' lives than what they had in theirs; some mothers sacrifice much at their own expense so that their daughters have an education (of schooling and of social skills) and, therefore, the knowledge of how to cope with life and its peaks and valleys and, sometimes, chasms. These daughters are fortunate because they have a mother

who will fight for them in the best of ways; not with weapons of destruction but with implements of construction.

If you have a daughter, especially one who is young, protect her in the best of ways.

Teach her that she is equal to others in Allah's eyes; that all humans have duties and responsibilities not only to themselves but also to and for others; and, that she has the right to kindness, goodness and to knowledge. Teach her to strive for the best and never to settle for second best; and stress that she should certainly not accept the worst of anything or of anyone.

Teach her the strength of true femininity—gentleness, firm resolve, caring, a loving heart. Ensure that she not allow any one to coerce her into doing what her conscience tells her is wrong and to never allow any one to abuse her in any way—not by word or by deed. Give her self-confidence by supporting her endeavors and by letting her explore her world. Be her best example and not her worst. Set reasonable boundaries because everyone needs boundaries, but don't confine her so that she cannot reach whatever potential she has been given. Teach her how to set goals for herself, goals that expand as she grows. If she fails at a task, comfort her and give her the confidence to try achieving the goal again. Teach her to look for the good, but help her to recognize that which may not be good. Teach her that peaceful responses to problems will resolve them faster than hostility and anger. Teach her, as the Qu'ran says, "If you fear trouble, move away from there." Teach her the laws of mankind and those of Allah—but be certain that you know what those laws actually are, because you could teach her wrongly. Be happy in her successes and in her joys, and comfort her in her failures and in her sorrows. Let her teach you, for she will learn things which you are not acquainted with.

Remember that her world is and will be far different than yours; the world changes and so do people.

Teach your child to live life on two planes: on the one that tells her that she has forever and on the other which dictates that time (as we poor mortals know it) can end in a flash.

Give your child hope, not hopelessness. Give her or him the proper tools to live this life in such a way that they may never waste what little time they

have to live it in fruitless regret.

Remember that you as a parent do not 'own' the child Allah allowed you to bring into this world. The child is a great, precious gift, but is only in your care for a brief time. She (or he) is not your slave nor your chattel. Treat your child like a plant—tend her or him with diligence and care, so that upon adulthood, that child can live in the knowledge that she (or he) was loved and was given the best of opportunity to achieve happiness.

And, pray that your child outlives you.....

### Sidi Abderahmane Ettaalibi "Protector of Algiers"

was probably born in the Issers around 1385 in a family of devout learned men, belonging to the Taaliba tribe which dominated the Mitidja until the arrival of the Turks. Learned in religious sciences and fervent believer, enlightened by the divine revelation, mystical poet with the easy verb, his wisdom and his faith brought to him women and men of the Casbah who came to him with their doubts and their worries. He arrived very young in Algiers, but the town could not quench his thirst for knowledge. He traveled to Asia from "médersa" to "médersa" for many years, spent some time in Bougie where renown masters taught, went through Tunis, and stopped in Cairo for a while. He accomplished the pilgrimage to Mecca, before returning to Tunis and finally settle definitely in Algiers in 1419. He spent the rest of his life in study and writing. His most famous works are the "*Tefsir El'Cor'an*", the "*Jawahir*" and the "*El'Ouloum el fakhira*". He died in 1471, respected by the inhabitants of El Djézair El'Mahroussa "the protected". People of Algiers made him the patron of their city and honor him to this day.

from **La Casbah d'Alger** by Farida Rahmani, Editions Paris Méditerranée, 2003.

## A Tour in the Hoggar by Lotfi Belblidia

I have been dreaming for a long time about discovering the deep South (“le Grand Sud”) of Algeria, but for one reason or another this has been put off until recently. A friend of mine, Saâd, who has been taking travelers to the Tassili N’Ajjer for more than twenty years (with a lull during “la décennie noire”) invited me to join a group of friends on a new circuit he was inaugurating in the Hoggar. This time I did not hesitate, expedited some work that was due, and decided to take the plunge.

I had traveled in the past, many years ago in my youth, to the desert. But the extent of these travels did not go beyond the M’Zab, the Souf, El Golea, Timimoun, and Taghit. The “Grand Sud” was a part of my homeland that was still unknown to me. All the pictures I had in mind of the Tassili, the prehistoric paintings, seas of sand dunes, infinite vista of lunar landscapes, “Blue Men” of the desert were a perpetual fascination. The spell could only be broken by going there. I was warned though that once someone had taken a taste, they run the risk of being hooked for life. From the frying pan to the fire...

I met Saad on a Sunday and part of the group in the airport in Algiers just before boarding the plane for Tamanrasset. There was a lot of excitement meeting an old friend, making new friends, and starting an adventure that was to last eight days. I had prepared myself and took with me a good sleeping bag and warm sweat shirts (to face the freezing nights of the Sahara), sun block (to avoid burning during the days), baby wipes (to proceed with rudimentary cleaning in the absence of water), a back pack with a water pouch (to have a handy water supply during our treks). And plenty of snacks and nuts to munch on and drinks for the evening camps.

We arrived at Tamanrasset at night. The city looked much bigger than I had imagined, sprawling in all directions. It had started from a small outpost during French occupation and unlike many towns in the desert is not an oasis. Mohamed, the person in charge of the travel agency in Tamanrasset and Moulay, a driver and a guide and the person in charge of the expedition met us at the airport. After loading the two Toyota 4-wheel drives with our belongings, we were driven to the outskirts of town, where camp was already set up and where we met the rest of the group (who had flown directly from Paris). The night sky was incredible. I had not seen so many stars in my life. I had to admit: this was truly a “thousand-star hotel” as advertised by the head of the travel agency and as I lay in my sleeping bag looking at the sky.

Besides guides, drivers, cooks, mechanics,

and helpers, the group included eight Algerians, one Moroccan, a French couple who were celebrating their 35<sup>th</sup> anniversary, and a couple of journalists who intended to write about their experience in the desert for magazines that specialize in motorcycles and 4-wheel drives. In fact, this was not the run of the mill drive in the desert but a “motorized” expedition



on motorcycles, Quads (four-wheel motorcycles), and a new Yamaha two-seater for this type of terrain called the “Rhino”. And all the riders except for me were avid bikers who could not wait to get going.

We woke up bright and early the next morning, and after a continental breakfast, examination of the vehicles, safety directives to avoid accidents or losing a member of the group, we were off. Everyone was eager to get going and to put some distance from civilization. We did not have a chance to see Tamanrasset that day and headed quickly south toward Niger. The plan was to head in that direction for about 400 km, get in to the Hoggar Tassili and its dunes, and then circle from the east back to Tamanrasset six days later.

The landscape varied quite a bit during the trip, starting out with mountainous and rocky terrain dominated by acacias and tamaris, proceeding to plateaus that reminded one of African safaris, toward ergs and sand dunes. The day typically started with the sun, breakfast, riding for half a day, break for lunch followed by a relaxing nap. More riding in the afternoon until we stopped for the night, always in nice surroundings (in sand dunes, near incredible rock formations). As soon as camp was set and each had found a comfortable place to place his or her sleeping bag, we gathered on foam mattresses around drinks until dinner was served. We ate very salads at lunchtime, and dinners included soup (“chorba”), cous-

cus, bread baked in hot sand, and other tasty dishes. Tea, talks about the day ride, “belotte” by a nice campfire finished off the day nicely.

I experienced my first sand storm while we were riding one day, with strict instructions to ride all together and close to the lead vehicle. But for a few moments, I could not see more than a cou-

ple meters in front of me, and I really had the feeling of being alone, completely lost. We also had a rare experience in the desert the last night in the open: we had continuous rain while we slept. The next day, we had even more rain and the guide was concerned about flash floods, known in the desert to be very sudden and capable of sweeping everything in their paths.

A couple of falls were in the program, one costing the rider a couple of cracked ribs. But fortunately no major mishaps or accidents spoiled the trip. We had some time the last day in Tamanrasset for some tourist shopping (can’t leave without it) and we ended the week pleasantly with a trip to the hammam to remove all the sand and dirt we had accumulated and a nice mechoui.

Then it was time to catch the flight back to Algiers and face reality. But I know that I am ready for more. Next time Djanet and the Tassili, with the kids!

(For more information see [www.yamahatassiliadventure.com/YTA/default.htm](http://www.yamahatassiliadventure.com/YTA/default.htm))

## Prize for Khadra

On May 1st, Yasmina Khadra received from the hands of the Koweiti Prime Minister, Prince Sabbah Ahmad El Jabbar, the Prize “Fikr wal Adab”. This distinction aims at rewarding the author of **The Swallows of Kabul** for the breath of air he brings to Arab literature on the international scene and for “his contribution in changing minds in the Arab world.”

Yasmina Khadra is the nom de plume of the Algerian army officer Mohammed Moulessehouli, who is the author of four other books published in English: **Double Blanc**, **Morituri**, **In the Name of God and Wolf Dreams**. **The Swallows of Kabul** is set in Afghanistan under Taliban rule and illustrates the grim life for a pair of Kabul couples. Atiq, a part-time jailer who keeps watch of prisoners slated for public execution and his dying wife, and Mohsen and his beautiful wife Zunaira who cannot practice her profession and does not leave her house because she refuses to wear the burka that cancels her identity. The book has received wide praise. It depicts “hell on earth, a place of hunger, tedium, and stifling fear” in the words of J. M. Coetzee, winner of the 2003 Nobel Prize for Literature.



From Khadra's Official site: <http://www.yasmina-khadra.com/index.php>

## Ya Rayah by Houria Bouatba

I was listening recently to an NPR program on my way to work and the host (whose name I can't recall, as it means nothing to me) had invited an Afghani author by the name of Syrah Khan (I think) who had written a book called "the daughter of the storyteller" or something like that. I do intend to read the book, one of these blissful days.

Syrah wrote a book, recounting stories that her dad used to tell her as a little exiled girl from Afghanistan living in London. The stories were about the beauty of her land and the chivalry, fearlessness and pride of her people. After twenty years or so, Syrah went to visit Afghanistan for the first time. Obviously, she encountered another reality than the one her dad had accustomed her to in his enchanting tales, and to one of the questions that her NPR interviewer asked, referring to "myth and reality," Syrah answered that both reality and myth are useful; they both bring something to the soul. She said that only now does she understand why her dad kept romanticizing his country to the point of mythology.

After listening to some excerpts from Syrah's book, I got to thinking about Algiers, and how, to this day, I can still feel the warmth of its sun on my skin, clearly see its amazing blue skies, and smile in turn to happy, carefree random faces, grateful and proud to be born under these skies! Well, time and again, when I go visit, the reality clashes with my mythical notions of Algiers, but I continue to romanticize Algiers, Algiers of then, Algiers that no longer is.

I can still conjure up memories of those hot and lazy summer days (Fridays in particular) that seem to never end, when men were out doing their business, and we, women folk, stayed home doing the myriad household chores while listening to radio tunes, singing love, betrayal, happiness and anything else that makes life what it is: an interesting and "turbulent" journey (for some anyway!). On such occasions, Dahmane El Harrachi's rasping voice would fill the busy house with his heart-wrenching "Ya Errayeh." No one really paid attention to him, least of all I, who was bent on "getting out." Despite El Harrachi's prophetic warning, I, like many, left.

Never has a time been so appropriate

and so ripe to express the heavy burden of exile as it is today, even if life in our adoptive country may seem, and may in fact be, in many ways, enviable to many folks back home who'd give anything to exchange places with us. With the many tragedies that have befallen Algeria these last years, from bloody ongoing discords, to natural catastrophes, ranging from floods to earthquakes, there are also personal tragedies that are lived in silence, away from home. The loss of a parent, a sibling, a loved one is lived in utter isolation. The grief is never complete and lasts forever. While talking to my brother on the phone two days after the loss of my mother, he said "I feel worse for you than I feel for us. We grieve together while you grieve alone.... I don't envy you..." Well, I thought, ain't that the truth!

And then there are the changes that have occurred in the U.S. since 9/11 and which have shattered our lives even further. You would think that these events would bring us closer to one another, right? Well, no, they haven't. We are immune to closeness; we have become further estranged from ourselves, one another, and the homeland. It seems incomprehensible that of all the Diasporas that inhabit the world, the Algerians of North American are the only people that cannot stand being "together." It's like we all "strive" to avoid one another at any cost; we make a conscious effort, it looks like, to stay as far away from one another as Mars is to earth. WHY?

It is believed that we learn more about life in general and about ourselves in particular, in time of extreme pain. And sharing is a lesson that I cherish the most. I think that the time is ripe to put all of our differences aside and to start sharing in the joy and pain of living life away from home. I hope you agree.

So, how the heck are you??? ☺

Until we meet again, I wish all of you the best.

## Excédents de Réserves Internationales de Change : Quel Usage ? Investissements Extérieurs ou Domestiques ?

by Abderahmi Bessaha

### Le rôle des réserves

Pour prendre la mesure du rôle des RIC, il faut les replacer dans le contexte plus global de la gestion macroéconomique du pays. (\*) Les RIC sont un actif de la banque centrale qui servent au pays à (i) se prémunir contre tout choc extérieur; (ii) défendre la valeur de sa monnaie si les circonstances l'exigent; et (iii) financer, le cas échéant, un déficit de la balance des paiements. Le rôle des RIC est donc défensif avant tout, surtout lorsqu'un pays a, comme l'Algérie, une structure fragile de la balance des paiements en raison de la mono-exportation qui caractérise sa balance commerciale. D'où le besoin de disposer de couverture suffisante en devises étrangères. En définitive, les RIC sont donc un agrégat de soutien à l'objectif externe d'un pays (surtout si ce dernier a une politique de change qui n'exclut pas des interventions sur le marché des changes).

La conjoncture favorable sur le marché pétrolier de ces dernières années, conjuguées à une gestion macroéconomique globalement prudente, ont permis à l'Algérie d'accumuler des RIC d'un montant estimé de \$50 milliards à fin mars 2005. Ce montant représente en gros 30 mois d'importations de biens et services. Il est important. Très important pour le seul objectif d'équilibre externe, ce qui a conduit certains observateurs à recommander de les utiliser en appui à la dépense publique dans le but de soutenir la croissance et de créer des emplois. Faut-il le faire ? dans quelles conditions ? quelles sont les implications macroéconomiques ? y a-t-il des usages alternatifs ? quelques questions-clé et quelques suggestions.

### Les réserves en appui de la croissance et des investissements extérieurs

Le gouvernement algérien a raison--- et il doit l'être---de se préoccuper de relancer la croissance et l'emploi, et/ou de vouloir accroître le stock immobilier. Hypothèse faite que les autorités souhaiteraient continuer à maintenir un niveau très confortable de RIC pour des besoins de protection de la balance des paiements (soit à peu près \$40 milliards ou deux années d'importations de biens et services pour 2006), le reliquat de \$10 milliards pourrait effectivement faire l'objet d'une utilisation plus bénéfique que celle qui consiste à les maintenir sous forme de dépôts rémunérés aux taux actuels prévalant sur les marchés internationaux de capitaux (soit à peu près 5-6 %). Les autorités pourraient alors soit (i) innover en procédant à des placements en portefeuille ou sous forme d'investissement directs extérieurs qui

seraient gérés par une holding à créer et qui permettrait non seulement de pénétrer le marché international mais de donner une profondeur stratégique externe à l'économie algérienne; (ii) soit faire preuve de conservatisme et de prudence en utilisant les \$10 milliards pour financer la croissance, sous forme de dépenses hautement prioritaires (dépenses à caractère social, salaires des basses couches, paiement anticipé de certaines dettes lourdes, etc....) et bien ciblés afin que les coûts macroéconomiques de la conversion des RIC en prêts internes au Trésor soit contrebalancés par les effets positifs des investissements entrepris. Ceci dit, les recettes fiscales sur la base d'un baril de \$19 est bonne car la budgétisation exclut des recettes non pérennes, force une certaine discipline budgétaire, incite à un recouvrement optimal des recettes et donc la lutte contre l'évasion fiscale et maintient une politique de dépenses contrôlée.

Dans les deux cas, il y a des risques et des avantages. Même si les ressources ne sont pas injectées dans l'économie nationale, la première option offre l'avantage de se frotter au monde économique international, faire l'apprentissage de ses rouages et entrer de plain-pied dans le marché mondial, et de créer ainsi des ponts entre l'économie nationale et mondiale. Le risque est bien entendu lié à la qualité du conseil et de l'investissement. La seconde option est plus orthodoxe en permettant une injection des ressources sur le marché interne, mais il va falloir en contrôler les effets macroéconomiques et s'assurer de la capacité d'absorption du pays.

### Les implications macroéconomiques de la monétisation des RIC

Si cette seconde voie est suivie, les décideurs devraient considérer l'usage des RIC dans le cadre d'une politique cohérente alliant financement (RIC) et ajustement (réformes structurelles pour relancer l'offre). Les politiques keynésiennes ne sont pas la réponse aux problèmes de l'Algérie, vu l'expansion soutenue de cette dernière ces dernières années.

(continued on page 7)

## Real-Estate Corner by Reda Rayasse



### FOUR WAYS TO CUT HOME INSURANCE INFLATION

Home insurance rates have been on the rise in the past two years. The Insurance Information Institute estimates the average homeowners policy premium in 2004 will be \$625-an average 8% increase (or \$46) over 2003. Some areas, including the Mid-Atlantic region, will experience much higher increases. Here's what you can do to minimize home insurance premiums:

**Maintain your home.** Take care of small problems before they grow and get expensive to repair.

**Increase your deductible.** Being willing to pay \$1000 out-of-pocket instead of only \$500 can drop your premium by as much as 15%. If you're lucky and you never make a claim, you'll never have to pay the deductible anyway.

**Think twice about small claims.** The more claims you make, the higher your premium will go. Insurance companies that see homeowners making two to four claims in a three-year period may decide not to renew the policy. Keep the numbers down by paying out-of-pocket for smaller problems this year.

**Check the home's insurance history.** To find out whether your property or area is prone to problems and therefore higher insurance rates, just as you want to keep up with your credit reports, check out a CLUE report as well in 2004. The Comprehensive Loss Underwriting Exchange, maintained by Choice Point, Inc. of Atlanta, is an information database used by 90% of insurance providers to keep up with the claims history of policyholders and the homes they insure.

### SEVEN TIPS FOR RENOVATING YOUR HOME

A renovation project can present both challenges and opportunities. Here are some tips and ideas to help realize your goals.

**Figure out what you really want.** You and your partner should thoroughly discuss and determine your objectives before moving to the planning stage. Under the best of circumstances, a renovation project can be stressful. If there are disagreements or dissatisfaction, the stress level can be amplified. Try to disagree agreeably and establish a process to resolve differences.

**Consider the community.** The impact you project has on the neighborhood may not be seen as positive by others, even if it will help boost property values. The noise and disruption from major construction won't win you new friends and may lose some old ones.

Respecting the character of the neighborhood and your home with your plans is a good start in minimizing opposition from neighbors. If possible, consult them with your plans. If there is a community association or historic preservation review board, its approval will be required. If you need a zoning variance, a hostile community may keep you from getting it.

**They're your plans, so keep a close watch.** Errors are often made during a project. Nobody knows what your plans are supposed to look like better than you. If you closely monitor the progress of the job, you may be able to spot mistakes before it is too late to fix them at a reasonable cost.

**Understand the impact of change orders and be flexible.**

Change orders are the adjustment you want to make after a project is in progress. They can wreak havoc on schedules and blow your budget. Good planning will help avoid them, but if you can't resist the change, be sure you are aware of the effect it will have on your schedule and budget. Similarly, sometimes materials selected can't be obtained in time. Being flexible will help keep your project on track.

**Fixer-uppers can be an inexpensive way to get vacation property.** With properties in some resort areas selling at hefty prices, a house with some "issues" can be a way to get into the community at a relatively low price.

**Update your homeowners insurance.** A substantial home remodeling project may leave you under-insured. When you are done, make sure to change your policy to reflect the new value of your home after the improvements.

**You can fix and flip for profit.**

A lot of real estate investors have made money by making strategic cosmetic and other improvements to properties and then "flipping" them for a profit. However, strict attention must be paid to keeping costs down and making them provide the greatest leverage.

Understand that lenders (for your purchaser) are getting picky about wanting to see what you have done to add value in a short period of time. Take picture before and after and document improvements. This will also come in handy at tax time.



## NEW PROJECTS

The BOD is working currently on two new projects: (i) one called the **Community Cook Book**, which will be featuring various recipes; (ii) the second one will be a collection of pictures taken during past events in an album that will depict various events organized in the past by AAGW. If you wish to contribute to these projects, you can send either a recipe or a picture or comments or help volunteer your time. Proceeds of these projects will help strengthen the finances of the AAAGW.

Please contact the task manager. Dalila Bessaha at 301 365 3851 for further information.



## Letter to the Ambassador

Washington le 8 Avril 2005

Monsieur l'Ambassadeur d'Algérie aux Etats Unis  
Ambassade d'Algérie  
Washington, DC  
Etats Unis d'Amérique

Monsieur l'Ambassadeur,

De nombreux citoyens de la région de Washington, D.C. -- région couverte par notre association, mais ce problème concerne l'ensemble des Etats Unis--rencontrent des difficultés croissantes à renouveler leurs sursis vis-à-vis du Service National.

En effet, la procédure de renouvellement a été recentralisée au niveau d'Alger depuis le milieu des années 1990. Auparavant, les extensions de sursis étaient obtenues auprès du bureau militaire au niveau de l'ambassade d'Algérie à Washington, DC. La procédure actuelle prévoit que le demandeur de sursis dépose un dossier au niveau des services consulaires, qui après vérification, le transmettent au bureau militaire. Ce dernier fait suivre le dossier vers les services centraux du Ministère de la Défense Nationale à Alger, qui le transmettent au bureau militaire concerné à Alger. Le chemin inverse est emprunté pour le retour du dossier. En conséquence, nos jeunes citoyens attendent un minimum de 4 à 5 mois --dans le meilleurs des cas-- pour obtenir le renouvellement de leur sursis. Ceci les place dans une situation juridique floue vis-à-vis du service national pendant quelques mois --parfois l'année- et empêche tout déplacement en Algérie en raison des difficultés qu'ils pourraient rencontrer au moment de quitter le territoire national à l'issue de la visite.

Face à cette situation, nous voudrions vous demander d'assouplir la procédure actuelle et d'examiner l'opportunité de décentraliser de nouveau l'octroi des sursis au niveau de l'ambassade. Cette mesure permettrait un gain en efficacité à divers niveaux. Une telle initiative contribuerait à rapprocher davantage le citoyen de l'administration algérienne à l'étranger en complétant la gamme des documents que les services de l'ambassade délivrent déjà aux citoyens et non des moindres, tels que la carte nationale d'identité, passeport, et autres documents de la plus grande importance pour la vie du citoyen. En outre, cela permettrait de donner aux jeunes Algériens la possibilité de se ressourcer et de retrouver à tout moment et sans crainte leurs racines. Finalement, l'intégrité du processus d'octroi et de renouvellement des sursis peut être assuré car les services de l'ambassade sont à même de vérifier très facilement l'authenticité des certificats de scolarité et autres documents soumis en appui aux requêtes. Un simple courrier électronique aux services d'admission des universités renseignera dans la journée même sur leur authenticité.

Nous vous remercions des dispositions que vous voudriez bien prendre pour examiner cette requête.

Veuillez agréer, Monsieur l'Ambassadeur, l'expression de ma haute considération.

Abdelrahmi Bessaha

**«nos jeunes citoyens attendent un minimum de 4 à 5 mois --dans le meilleurs des cas-- pour obtenir le renouvellement de leur sursis »**



### Viva Laldjérie: International Women's Day Celebration by Nadira Boumechal

We had to celebrate this day and invite women from the community. A movie was suggested: "Viva Laldjérie". We informed most of the members through the Internet and by word of mouth. I had the DVD, Meriem Benaiha reserved her party room, and Nacer Megherbi provided the equipment. A few women and couples showed up. Mr. Bessaha addressed the recent tragedies and Mr. Rayasse called on everyone to bring the community together and encouraged parents to involve their teenagers. The movie started at 3:00 pm and plunged us in the dramatic social scene in today's Algeria. A spirited debate followed the show with calls for more movies to be shown. The Board agreed to look into this. I brought up the issue of costs. We collected some money to help with the costs. Someone suggested using the money to buy more Algerian movies. Many thanks to Meriem and Nacer for providing the facility and the equipment!



## Excédents de Réserves (contd)

Il est ici nécessaire de souligner que les politiques de « stop and go » en matière de réformes structurelles (application non soutenue des réformes avec des moments de pause) sont plus nocives que bénéfiques.

Utiliser des RIC pour financer des dépenses de l'Etat constitue une forme de financement de l'Etat, donc est équivalent à un financement monétaire. Le mécanisme est le suivant: il est accordé un prêt au Trésor lequel va devoir échanger une grande part de ces devises sur le marché interbancaire des changes où la seule contrepartie disponible serait sans doute la Banque d'Algérie (les banques commerciales ne pouvant absorber à un moment donné qu'une quantité limitée de devises et ne pouvant le faire pour l'essentiel que pour des opérations directement liées à la balance courante ou au remboursement de la dette extérieure, sans la possibilité de constituer des positions spéculatives en devises) L'utilisation de ce prêt en devises se traduirait par une expansion monétaire, une pression sur les prix à la consommation, un accroissement de la liquidité du système bancaire (déjà ample) et éventuellement des décalages entre l'offre et la demande sur certains marchés, entre autres la construction, les travaux publics, le ciment,...). Le volume additionnel de dépenses publiques va certainement peser aussi sur le volume des importations, ce qui permettra de limiter, dans une certaine mesure l'effet inflationniste de l'expansion monétaire, réduisant par la même l'impact attendu en termes d'accroissement de la demande sur l'emploi. En outre, sur le plan juridique, les RIC sont la propriété des pouvoirs publics, sans pour autant qu'elles ne soient à leur disposition pour financer des opérations du trésor. Dans un système de change libéral, tous les agents intérieurs (Etat, entreprises, ménages) doivent pouvoir acquérir ces devises pour financer les opérations autorisées par la réglementation en vigueur. Là se pose le problème de l'existence du marché parallèle des devises qui ne saurait être étant donné que l'Algérie a pris la décision en 1997 de libéraliser son compte courant (ce qui est appelé communément la convertibilité du dinar) et autoriser l'ouverture de bureaux de change (cela permettrait de contrôler mieux les opérations de change, de fiscaliser les activités des changeurs et d'éliminer le marché parallèle). **Les observateurs économiques extérieurs continuent de s'interroger d'ailleurs sur le fait que l'Algérie semble être le seul pays au monde à disposer à la fois de RIC aussi importantes et d'un marché de**

**changes parallèle. En dernière analyse, si monétisation des RIC il y a, il faut le faire en mesurant les effets macroéconomiques et en s'assurant que la capacité d'absorption est disponible.**

**L'incontournable passage par les réformes structurelles**

A notre avis, le problème crucial de l'économie algérienne réside (i) dans sa non compétitivité; (ii) dans l'existence d'obstacles qui se dressent devant l'investissement privé hors pétrole et la création de l'emploi en raison des nombreuses rigidités qui affectent le fonctionnement de nombreux marchés: absence de concurrence ; comportements monopolistiques; mauvaise qualité des services publics offerts aux entreprises, gouvernance, ...); et (iii) dans le manque de souplesse dans beaucoup de secteurs d'activité. D'ailleurs, les secteurs ayant été libéralisés offrent la preuve d'un dynamisme, notamment l'agroalimentaire ou le secteur des télécommunications. **En définitive, la croissance ne peut venir que d'une accélération des réformes structurelles dans un cadre macroéconomique stable.** Le fine-tuning des politiques macroéconomiques ne pourrait apporter que 1 point de croissance alors que le besoin est de 3 à 4 points de croissance complémentaire pour espérer faire une différence en matière d'emploi (l'Algérie a besoin de croître à 8 % par an pour peser sur le volume du chômage alors que le taux moyen de ces dernières années oscille entre 3-4 %). En regardant d'ailleurs les statistiques du chômage et de la démographie, il ressort que la tranche d'âge des 15-25 ans qui dispose d'un taux d'alphabétisation de plus de 80 % est frappée de plein fouet par le chômage (elle représente 90 % des demandeurs d'emploi) alors que la tranche d'âge des 55-65 ans qui elle a un taux d'alphabétisation uniquement de 20 % subit un chômage de 10 %. Un véritable challenge social.

Seule une approche intégrée permettra à l'Algérie d'opérer le passage d'une économie de rente à une économie de production diversifiée de biens et services et de s'attaquer de façon frontale au lancinant problème du chômage qui affecte toutes les couches de la population (jeunes, femmes, hommes). Présentement, il y a environ 2,5 millions de chômeurs et avec en moyenne 250,000 personnes intégrant le marché du travail chaque année, c'est donc un total de 4 millions de sans-emplois en 2010 auxquels il va falloir faire face avec toutes les

conséquences que l'on connaît.

L'intégration progressive de l'économie nationale à la concurrence internationale par le biais de l'Accord d'Association avec l'Union Européenne et l'adhésion à l'OMC rend indispensable l'accélération des réformes et la mise à niveau des entreprises algériennes. Un petit commentaire sur ce point. Quand l'accord d'association entrera en vigueur, il est très possible que les opérateurs algériens se présenteront dans des créneaux du marché européen déjà occupés de longue date par des concurrents des pays de la Baltique qui ont rejoint le marché unique l'année dernière. Ceci rend indispensable la réflexion sur les alternatives qui doivent être offertes aux opérateurs économiques afin de tirer des avantages de l'accord d'association.

Les secteurs devant faire l'objet de réformes soutenues sont les entreprises publiques (restructuration et privatisation), les banques et institutions financières (qui ne peut réussir que si il y a restructuration simultanée des entreprises publiques), le foncier et le logement (en vue, dans les deux cas, de créer un marché effectif où le privé puisse se développer), la justice (pour disposer d'une justice plus efficace face aux litiges relatifs à la propriété et au domaine commercial et assurer une meilleure gouvernance), l'éducation, etc. De façon générale, il convient de promouvoir davantage le jeu de la concurrence, notamment en poursuivant la libéralisation de certains secteurs de l'économie. En outre, il est indispensable aussi d'améliorer la gestion de la dépense publique pour que les dépenses soient des dépenses de qualité et les investissements plus efficaces.

## Sweet Sushi, Portuguese Corn Bread

from  
The Washington  
Post  
April 13, 2005

[A well known member of our community.] **Dahmane Benarbane**, Marvelous Market's executive baker, borrows a bit from European, Brazilian and Portuguese breadmaking cultures in producing the chain bakery's own round loaves of **Portuguese Corn bread**.

He uses coarse corn grits in a yeast-risen recipe traditionally made with cornmeal. He also adds a sourdough starter and a bit of honey; as a result, the chef says, the slight caramelization of the crust keeps the crumb moist and dense during baking. We've had success with thick triangles of Benarbane's bread as a side to soup, as the foundation for thick French toast and as thinly sliced crisps swiped with fresh garlic and baked till they're golden brown.

New  
Nationality Code  
from The Quotidien  
d'Oran March 15,  
2005

The National Assembly has adopted on March 14 with a majority a new Nationality Code. The new provisions of this code concern the conditions for acquiring and losing Algerian citizenship. Among these we can cite the removal of the condition to forgo the citizenship of origin in order to acquire the Algerian one, the recognition of Algerian citizenship through the mother, and the possibility to acquire Algerian citizenship through marriage to an Algerian man or woman.



## Note

All the photos in this issue of the newsletter, with the exceptions of the ones illustrating Viva Laldjerie and the news about Yasmina Khadra, were taken by some "Pieds Noirs" returning after years of tragic separation to their native country. They and links to many other beautiful pictures of Algiers and surroundings can be found on the web at [www.alger50.com](http://www.alger50.com)

## Spring 2005 Fund Raising Gala

**Saturday June 4th, 2005**  
**8:00 pm to 12:00 am**

**Dr. Oswald Durant Memorial Center**  
**1605 Cameron Street, Alexandria 22314**  
**(703) 519-3494**

*(Two blocks from King Street Alexandria Metro Station)*

**Dancing with the Andalusia & Gibraltar Bands**

## CALENDAR OF EVENTS

**May : Picnic**

**Saturday June 4, 2005: Annual Hafla Fund-Raising**

**Sunday June 26, 2005: Showing of movie "Rachida"**

**Saturday October , 2005: Ramadhan Sahra**

**Sunday November , 2005: Eid El Fitr**

**2006: Eid El-Adha**

*NB: This calendar may be subject to change.*

## WALK, RUN, BIKE and HAVE FUN

**EVERY**  
**SUNDAY AT 10:30 AM**  
**GRAVELLY POINT**



**Off George Washington Parkway and National Airport**

For more information,  
Call Ismail at 202 409 2840

Friends of Algeria  
AAAGW  
P.O. Box 65063  
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