Country Profile

People's Democratic Republic of ALGERIA

ICDT 2022

www.icdt-oic.org
icdt@icdt-oic.org

General Data

General info

- Capital: Algiers
- Type of State: Presidential
- Location: North Africa
- Area: : 2 381 741 Km^2
- Time Zone: GMT + 1

macro economy

- GDP: **167.98** MM USD
- Growth: **3.8** % - 2021
- GDP per capita: **3,765.0** USD - 2021
- Employment rate of 15 years and over: **35** %

Demography

- Population : **44 616 626** - 2021
- Natural increase: **1.7** % - 2021
- Official and business languages: Arabic and French

International trade

- Imports - 2020: 21,617 USD million
- Exports - 2020: 35,122 USD million

Currency

- Algerian Dinar (DZD)
- 1 USD = 140.4012 DZD – October 2022.

FDI

- FDI stocks in 2021: 33,977.1 M USD
- Inward FDI flows in 2021: 870 M USD
- Source UNCTAD – Latest available data .

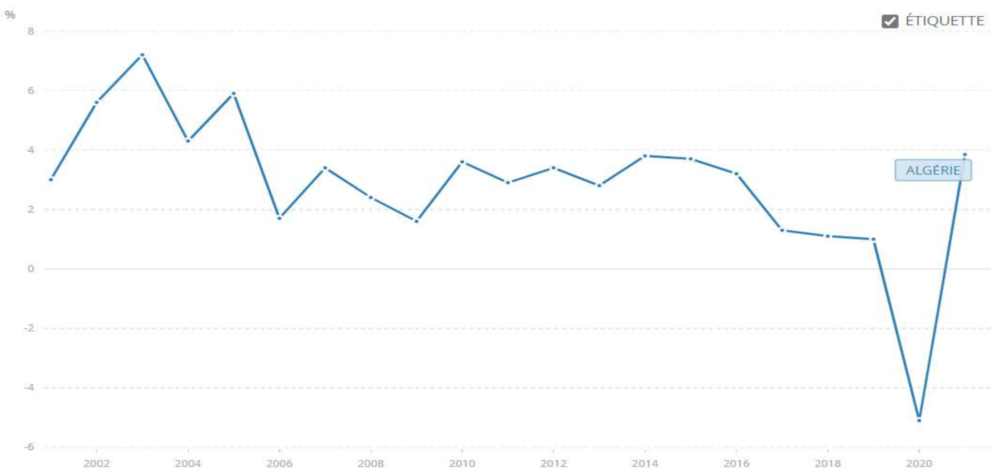
Strong facts

Significant Oil and Gas Reserves, significant potential for the exploitation of Shale Gas

Potential in the fields of Agriculture, renewable energies and tourism

Favorable geographical position, close to the European market

GDP growth (annual %)

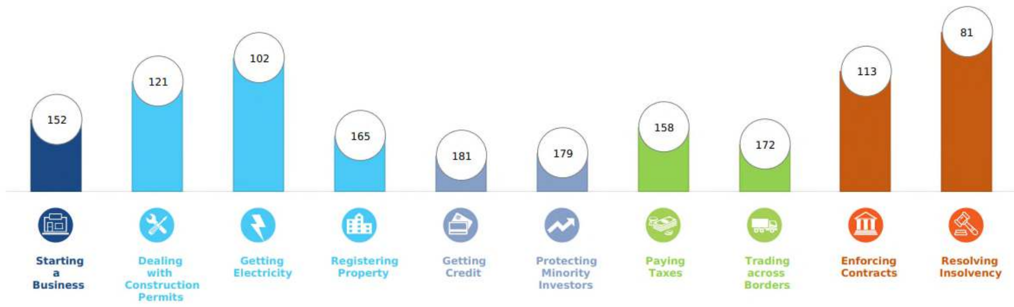


In recent years, Algeria has experienced a positive economic development thanks to a profitable oil market despite the fall in oil rates. In 2020, the GDP amounted to 169 billion USD (IMF).

In order to diversify the Algerian economy and promote national production, reforms have been implemented (import licenses and numerous products overtaxed by the DAPS), along with measures to encourage investment, particularly foreign investment.

In order to develop Algeria's attractiveness, the 2020 finance law abolished the 51/49 rule for the so-called strategic sectors, which are the pharmaceutical industry, the energy sector (excluding renewable energies) and mining, and finally the transport sector. At the same time, the authorities are pursuing a policy of fiscal consolidation, with the aim of making Algerian public finances less dependent on oil tax revenues.

Doing Business 2020 Rankings by Domain



The country ranks 157th in the Doing Business 2020 ranking.

Algeria has simplified the process of starting a business by eliminating the minimum capital requirement for setting up a business.

Start a business	Algeria
Procedures (number)	12.00
Time (days)	18.00

Electricity connection: Algeria has facilitated the process of obtaining an electricity connection by streamlining internal administrative processes and granting new licenses to vendors selling pre-built substations.

Cross-border trade: Algeria has made importing easier by establishing joint inspections between control agencies.

Building permit: Algeria has accelerated the process of the building permit indicator by reducing the time it takes to obtain it.

Payment of taxes: Algeria has made the payment of taxes more affordable by lowering the rate of the tax on professional activities. The adoption of advanced accounting systems has also helped facilitate the payment of taxes.

Main sectors of activity

14.2 %

Share of Agriculture in GDP
It employs 9.6 % of the population

34.2 %

Share of industry in GDP
It employs 30.4 % of the population

47.8 %

Share of Services in GDP
They Employ 60.0 % of the population

Sector Strategies

Vision Algeria 2050 aspires to make Algeria an emerging economy by 2050 (60 million inhabitants). Supporting factors: A cluster of significant comparative advantages (creative and entrepreneurial human capital; substantial natural and mineral resources; competitiveness which must be strengthened by appropriate policies; a geographic position as a bridge between Africa, the Middle East, and Europe; and a series of significant structural reforms implemented between 1994 and 1999 providing Algeria with a basis for achieving such an objective under a 2050 vision.

The national industrial sector has considerable potential for growth. The decline of about 60% of the country's revenues following the sudden collapse of oil prices, has put the issue of the development of national industry at the forefront of government priorities. The development of a new industrial strategy and the reform of the investment code are the main measures undertaken in the last two years to boost the national industrial production. The development of the industry sector will be carried out according to the action plan which is based on three (3) pillars: **The development of natural resources, the strengthening of the industrial fabric, the promotion of new industries.**

Infrastructure

Maritime

Algeria has a coastline of 1200 km dotted with eleven commercial ports.

- Three oil ports (Arzew, Skikda and Bejaïa);
- Three main polyfunctional ports (Algiers, Oran and Annaba);
- Two medium ports (Djen Djen and Mostaganem);
- Three small ports (Ghazaouet , Dellys and Ténès).

Airport

Algeria has 35 airports, 13 of which are international. The most important is Alger's airport with a capacity of more than 6 million passengers per year. Airlines: The national airline Air Algérie dominates the air transport market which, since its opening to competition, has 8 other private companies.

Railway

The railway network has evolved considerably: decommissioning of sections, construction of new lines, doubling of tracks, electrification of some sections. The railway network, with a length of 4,498 km, is managed and operated by the Société Nationale des Transports Ferroviaires (SNTF). It has more than 200 stations.

Road

The Algerian road network remains one of the densest on the African continent, its length is estimated at more than 108,000 km of roads (of which 76,000 km are paved). The East-West highway of more than 1,200 km connects the city of Annaba in the far east to the city of Tlemcen in the far west.

Promising Sectors

01 **Industry :** The government is seeking to improve Algeria's attractiveness as an investment destination. This initiative also aims to promote the digital economy, development and provision of flexible and innovative financing to encourage manufacturers to upgrade their production tools.

02 **Building, Public Works and Hydraulics:** The country has already provided very important economic and social infrastructures and is in the process of doing so for others (various housing programs, East/West highway, High Plateau highway, doubling of the East/West railroad, port infrastructures, various dams and hill reservoirs, etc.).

03 **Renewable energies:** Algeria intends to position itself as a major player in the production of electricity from the photovoltaic and wind sectors by integrating biomass, cogeneration, geothermal energy and, in the long term, solar thermal energy. These energy sectors will be the engines of sustainable economic development capable of driving a new model of economic growth.

04 **Health :** Health: The share of gross domestic product allocated to health reflects the importance of resources allocated to preventive and curative care. For more than 30 years, the construction of new hospitals and hospital-university infrastructures in Algeria has been in progress. Considerable budgets have been devoted to the equipment and operation of these facilities in order to significantly improve the efficiency and quality of health care.

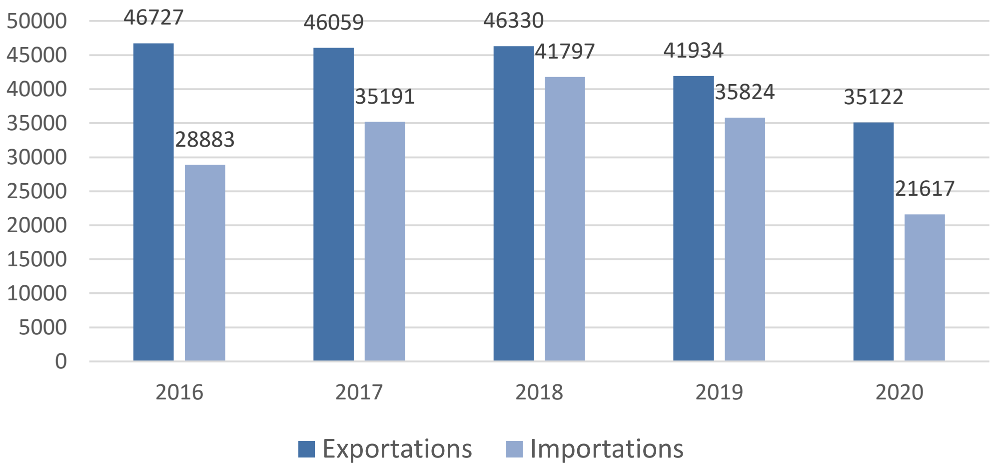
05 **Hydrocarbons :** Algeria's energy mining sector covers more than 1.5 million km². It is made up of several sedimentary basins which are classified under three main provinces: The North province, The West province and The East province of the Saharan platform. The two most productive basins of hydrocarbons are Oued Mya where the two giant deposits of Hassi Messaoud and Hassi R'mel are located. More than two hundred deposits are now recognized. The hydrocarbons produced are largely supported by enhanced recovery operations, both by water and gas injection.

06 **Textile :** The public authorities have expressed their willingness to revive the sectors of Textile Clothing and Leather. According to the intervention presented during the 3rd International Exhibition of Textile, Clothing, Leather and equipment which took place in Algiers in 2019 at the CIC of Algiers: the market of the textile is estimated at 160 million DA/An (1,2 Millions US$ approximately) only 10% is currently covered %. The market (skins and hides) is around 30 million square weights, only 20% covered. the footwear market need is estimated at 50 million pairs.

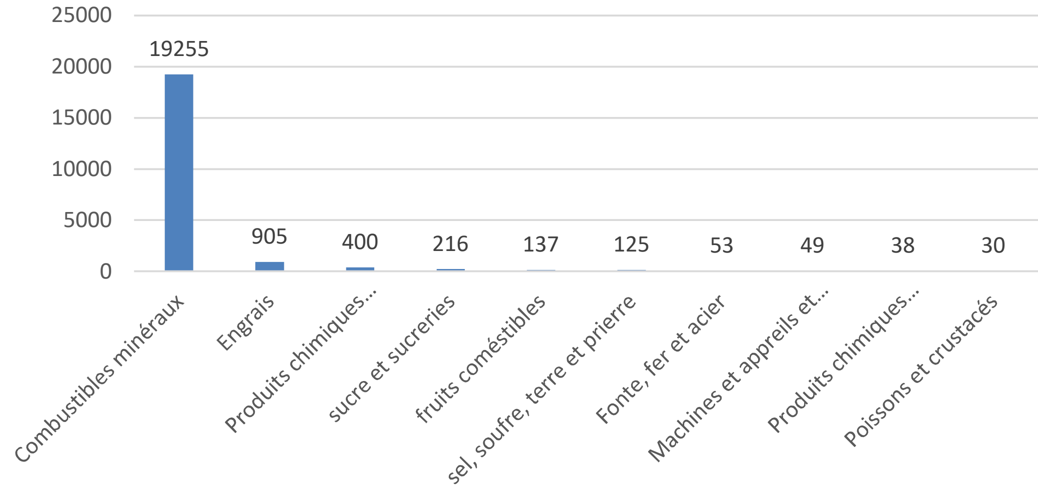
07 **Services :** **Services: The market services sector remains an essential source of growth. It is a major constituent of the activities of the real sphere because of its presence in the upstream and downstream of any economic activity. According to the ONS, market services have experienced a decline of (-2.8%) during the first quarter of 2020 against an increase of (+5.0%) during the first quarter of 2019. This decline in growth is explained, mainly, by the decline recorded in the sectors of transport, communications, hotels, cafes and restaurants, and services provided to households.**

International Trade

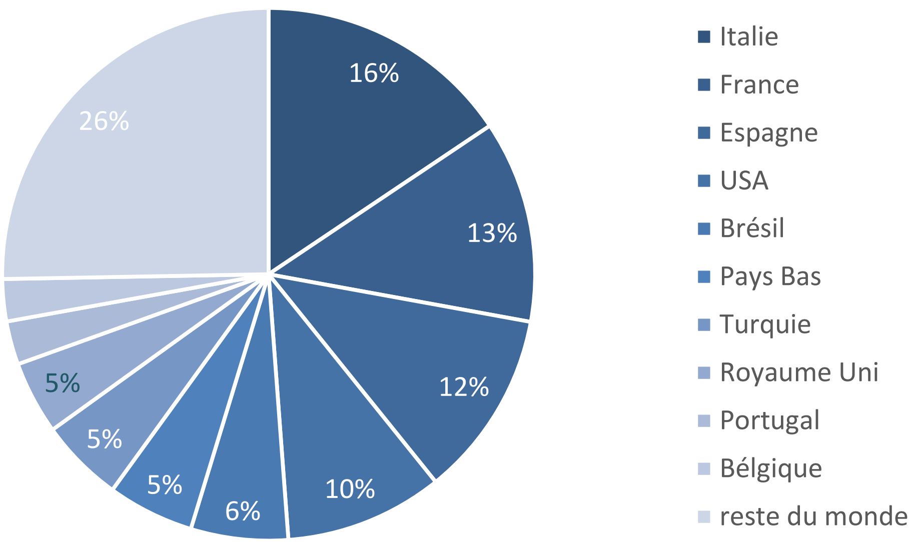
Evolution of Trade in Algeria M USD



Main Products Exported by Algeria 2020 - MUSD

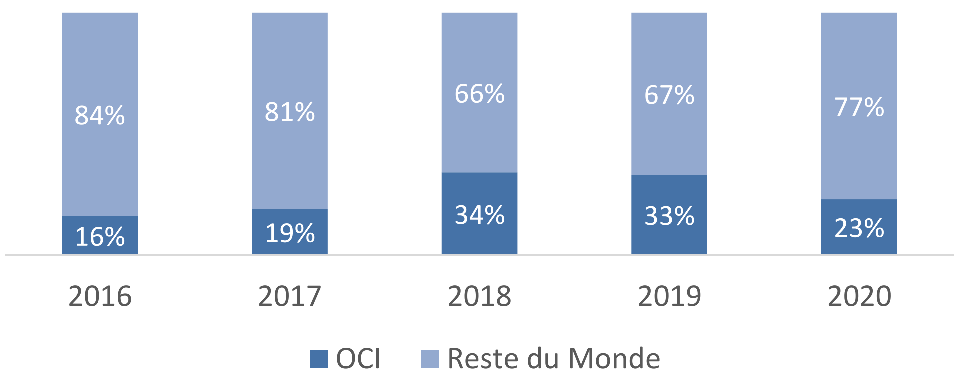


Main customers of Algeria

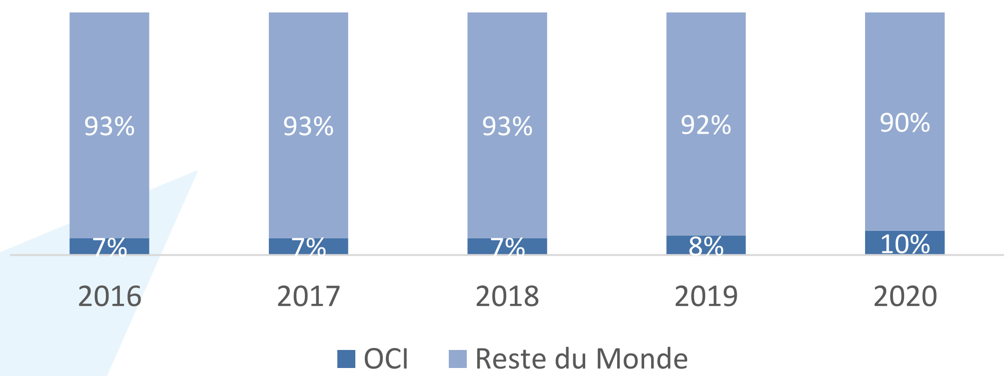


Intra-OIC Trade

Share of OIC in Exports of Algeria



Share of OIC in Imports of Algeria



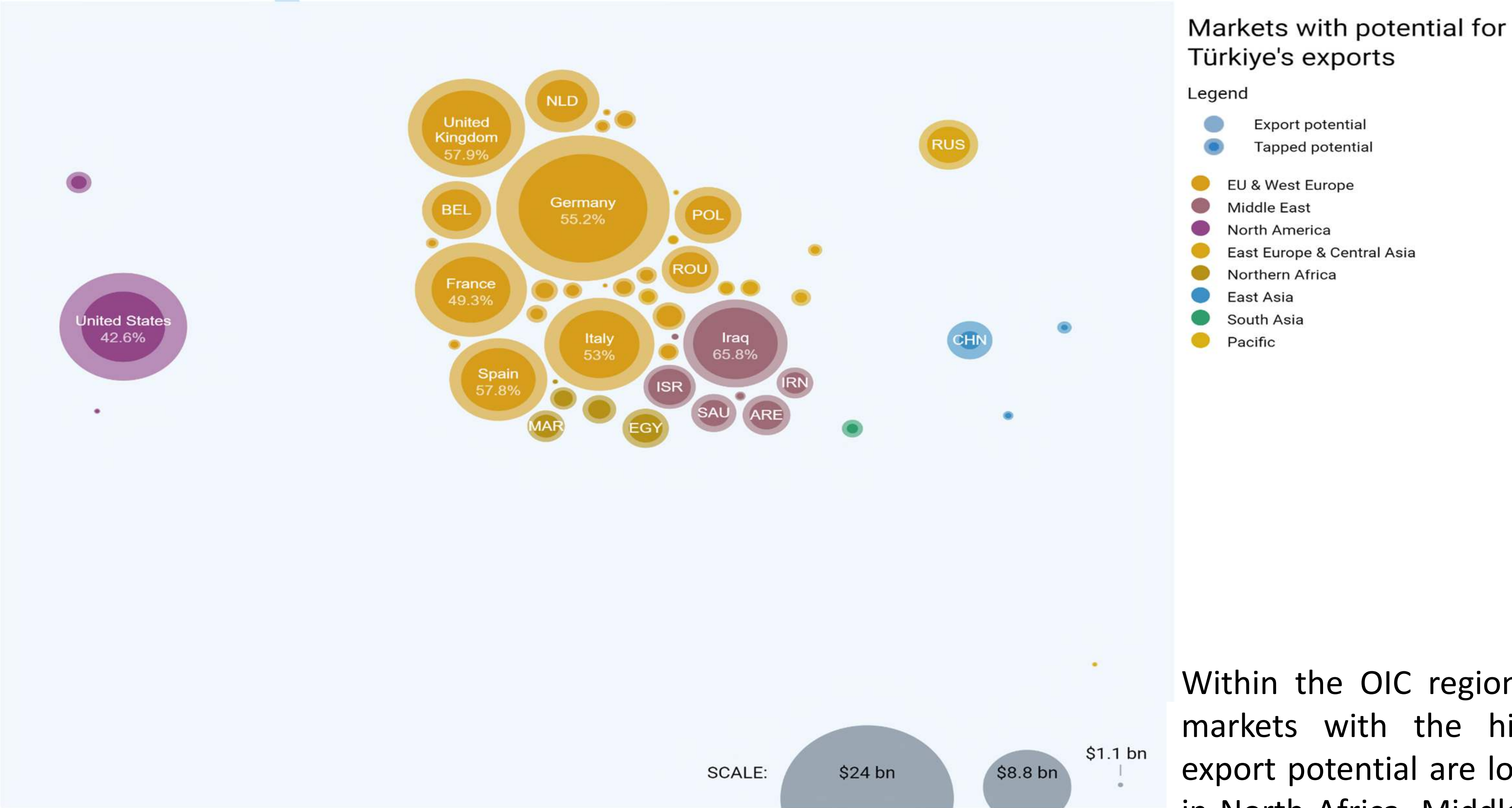
Top 10 Customers, OIC Members in 2020

1. Türkiye
2. Tunisia
3. Egypt
4. Morocco
5. Indonesia
6. Jordan
7. Malaysia
8. Kuwait
9. Mauritania
10. Lebanon

Top 10 Suppliers, OIC Members in 2020

1. Türkiye
2. Saudi Arabia
3. Egypt
4. Tunisia
5. Morocco
6. Indonesia
7. United Arab Emirates
8. Malaysia
9. Jordan
10. Tajikistan

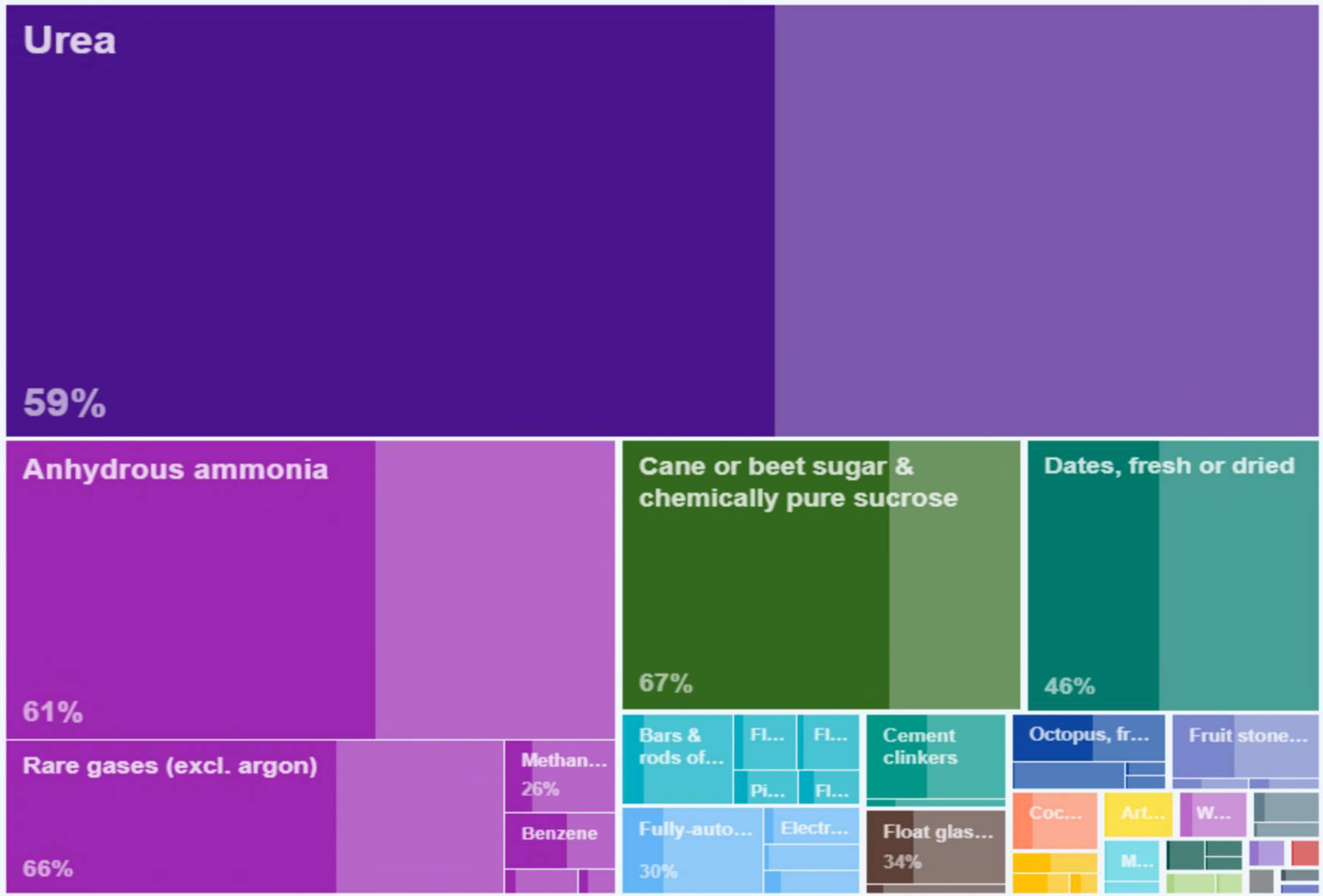
Export potential of Algeria by country of destination



Source: International Trade Center

Within the OIC region, the markets with the highest export potential are located in North Africa, Middle East and South Asia.

Export potential of Algeria by product



Algeria's products with potential

Legend

- Export potential
- Tapped potential

- Fertilizers
- Chemicals
- Sugar
- Fruits
- Ferrous metals
- Machinery, electricity
- Mineral products
- Glass articles
- Fish & shellfish
- Food products n.e.s. (processed or preserved)
- Cocoa beans & products
- Skins, leather & products thereof
- Metal products
- Beverages (not alcoholic)
- Paper products
- Pharmaceutical components
- Vegetables
- Vegetable oils & fats
- Optical products, watches & medical instruments
- Meat (except poultry)

The products with the greatest export potential are Fertilizers, Chemicals, sugar, fruits, and ferrous metals.

Market Access

Investing in Algeria

Customs Duties and Taxes

The applied Algerian customs tariff are expressed in Harmonized System (HS) nomenclature. The average customs duty (excluding agricultural products) 0.5%, 15% and 30% and 60%. Since September 1, 2005, the association agreement between the European Union and Algeria has entered into force. A significant number of products are in fact exempt from customs duties. In addition, Algeria is a member of the Arab Maghreb Union (UMA).

Trade Agreements

- WTO observer negotiating its accession since 1987
- Member of the Global System of Trade Preferences among Developing Countries (GSTP / SGPC)

Fairs and Exhibitions

For more information, visit the website:

- https://www.eventseye.com/fairs/c0_salons_algerie.html

Public markets

Algeria's Calls for Tenders are published on : https://www.algeriatenders.com/ or https://www.tenderttger.co.in/

Why Algeria

There are various advantages for foreign investors in Algeria. You can consult the Investor's Guide published by the National Investment Development Agency. www.mfdgi.gov.dz

Special Economic Zones

Economic expansion zones have been set up, located in the highlands and in the southern areas. They allow investors participating in regional industrial development to benefit from an exemption, for five to ten years from property tax on real estate acquisitions intended for economic activity and a 50% reduction in the reduced rate of profits. reinvested.

Implemented Measures

The various measures consist of tax benefits, including tax exemptions ranging from 3 to 10 years. They are granted by the ANDI. Companies must apply for them during their investment declaration. The investors also benefit from the assumption of responsibility by the State of certain expenses (right of real estate transfer tax intended for the implementation of the investment, fixed right in the matter of registration at reduced rate for the constitutive acts and the increases of capital, etc.)

Contacts

Ministry of Finance

https://www.mf.gov.dz

Ministry of Industry

https://www.industrie.gov.dz/

Ministry of Trade
General Directorate of Foreign Trade

Cité Zerhouni Mokhtar- (les Bannaniers) - El Mohammadia - Alger
+213.21.89.00.74 / 80 / 67 / 75 / 74 / 85
+213.21.89.00.34
contact@commerce.gov.dz
https://www.commerce.gov.dz

Algerian Company of Fairs and Exhibitions (SAFEX)

Palais des expositions – Pins maritimes – Alger
+ 213.21.21.01.23 à 29
+213.21.21.05.40
contact@safex.dz
www.safex.dz

National Agency for the Promotion of Foreign Trade (ALGEX)

http://www.algex.dz
info@algex.dz
+213 (0) 21 52 12 10

Algerian Chamber of Commerce and Industry (CACI)

http://www.caci.dz
infos@caci.dz
00213 21 96 77 77 / 21 96 66 66

National Association of Algerian Exporters (ANEXAL)

Immeuble Algex, Route Nationale n° 05- El Mohammadia (Ex Cinq Maisons) Alger
+213.21.82.42.28
+213.21.82.42.27
anexal_export@yahoo.fr
www.exportateur-algerie.org

General Directorate of Customs

https://www.douane.gov.dz/

National Agency for Investment Development (A.N.D.I)

https://andi.dz

Useful Web site

Algeria Invest

https://algeriainvest.com