

# Invest *in* Algeria



National Agency  
for Investment Development

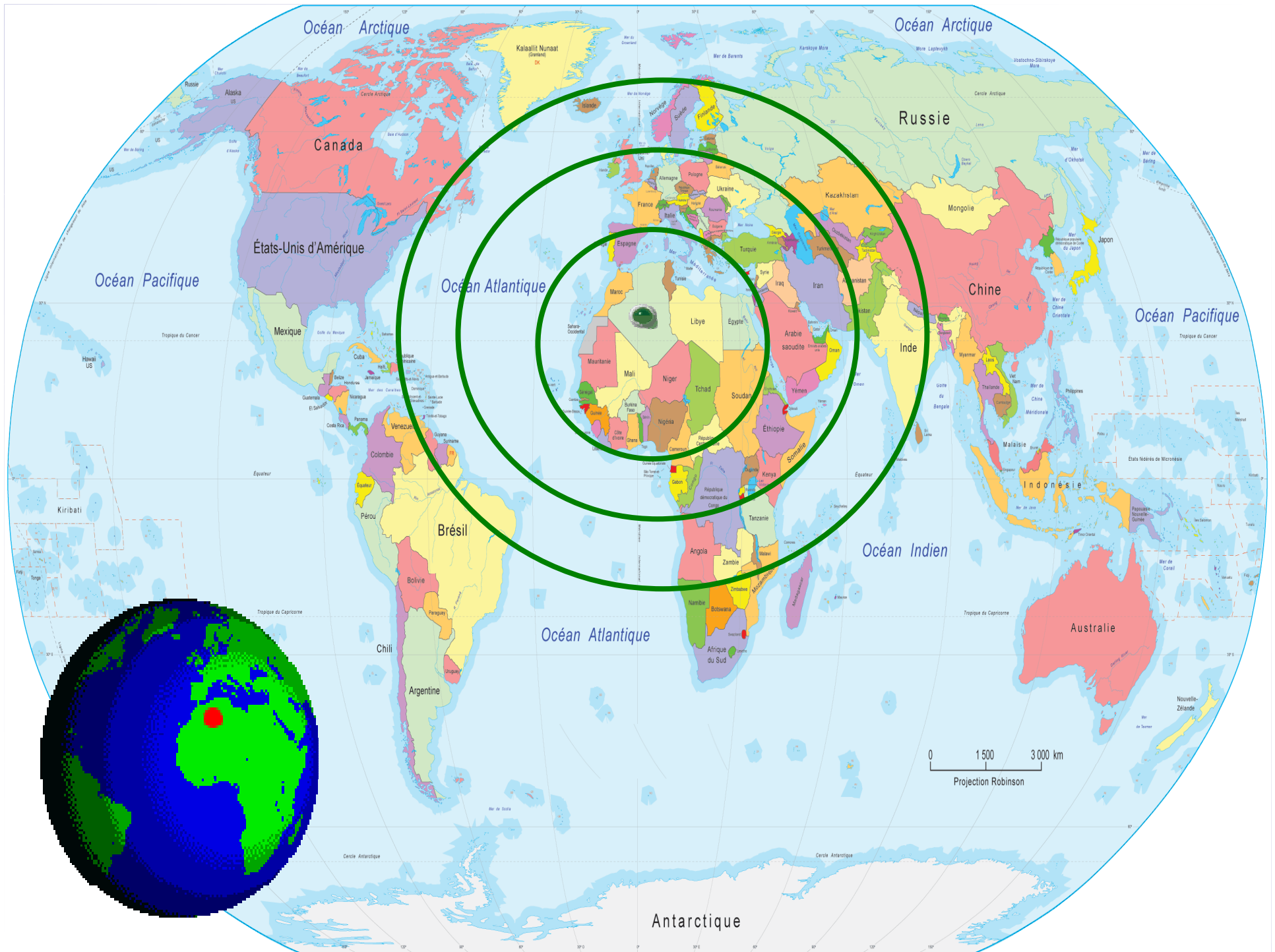
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# Contain

-  **Algeria's comparative advantages**
-  **Development Strategies**

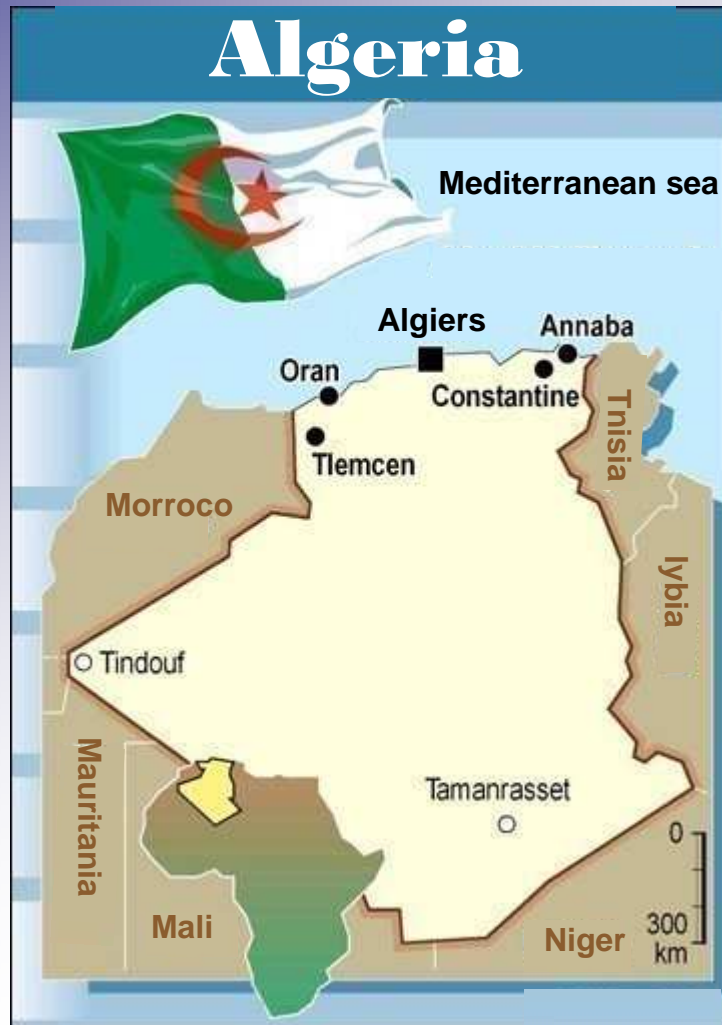








## Introduction



- Statutes : Democratic People's Republic of Algeria
- Capital : Alger
- Continent : Africa
- Size : 2.381.741 km<sup>2</sup>
- Population : 35 million inhabitants
- Official language : Arabic
- President : Abdelaziz Bouteflika
- Parliament : Bicameralism :
  - National Popular Assembly
  - Nation Council
- Administrative Organisation : wilaya (prefecture), Daira (sub-prefecture) and commune (district)
- Currency : Algerian Dinar



## **Introduction**

### ***Achievement of Algeria's attractiveness conditions :***

-  Back to the political stability
-  Stabilization of the macro economic framework
-  Definition of development policies
-  Implementation of the economic revival plan, specially as for the basis infrastructures development
-  Implementation of the legal and institutional frameworks necessary for the policies' implementation







## Comparative advantages

### A big market

 Gross domestic product:	110 billion US\$
 GDP per capita:	3.450 US\$

-  Huge investment opportunities
-  Very important needs to feed

-  286 Billion USD of investments on the State's budget
-  40 billion USD of imports





## Comparative advantages

### A reservoir of business opportunities ...

#### Opportunities extracted from the Public investments programme 2010 - 2014

- *Improvement of human development*
- *Completion of basis infrastructures construction public service improvement*
- *National economy development support*
- *Industrial development*
- *Encouragement to job creation*
- *knowledge economy development*

#### Opportunities extracted from the Sectors' Needs

- **Industry** (Agro-food, chemicals/Pharmaceuticals, Manufacture, paper & packaging, engineering, electronics, mechanics...),
- **Building trade and civil engineering** (Housing, concessions, activities related to public services and works ...),
- **Mines & ores** (gold, marble, stone, salt, phosphate, ferrous & non ferrous metals...),
- **Agriculture & fisheries** (development of farmlands, fishing & aquaculture, breeding, Service to agriculture ...),
- **Services** (Banking & Insurance, Financial intermediation, Telecommunication, Tourism, Business consulting, transport...)



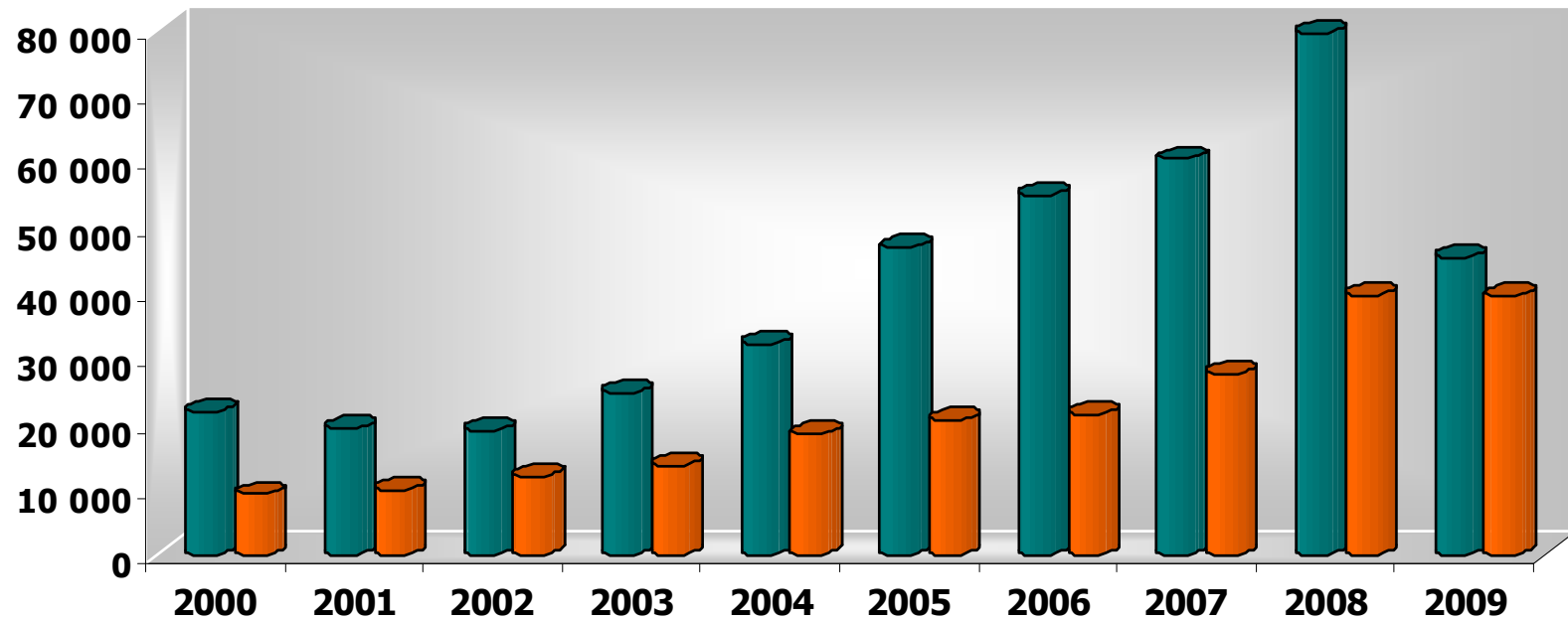
# Comparative advantages

*A reservoir of business opportunities ...*

*Opportunities extracted from the imports invoice*

■ Exports ■ Imports

Billion US\$



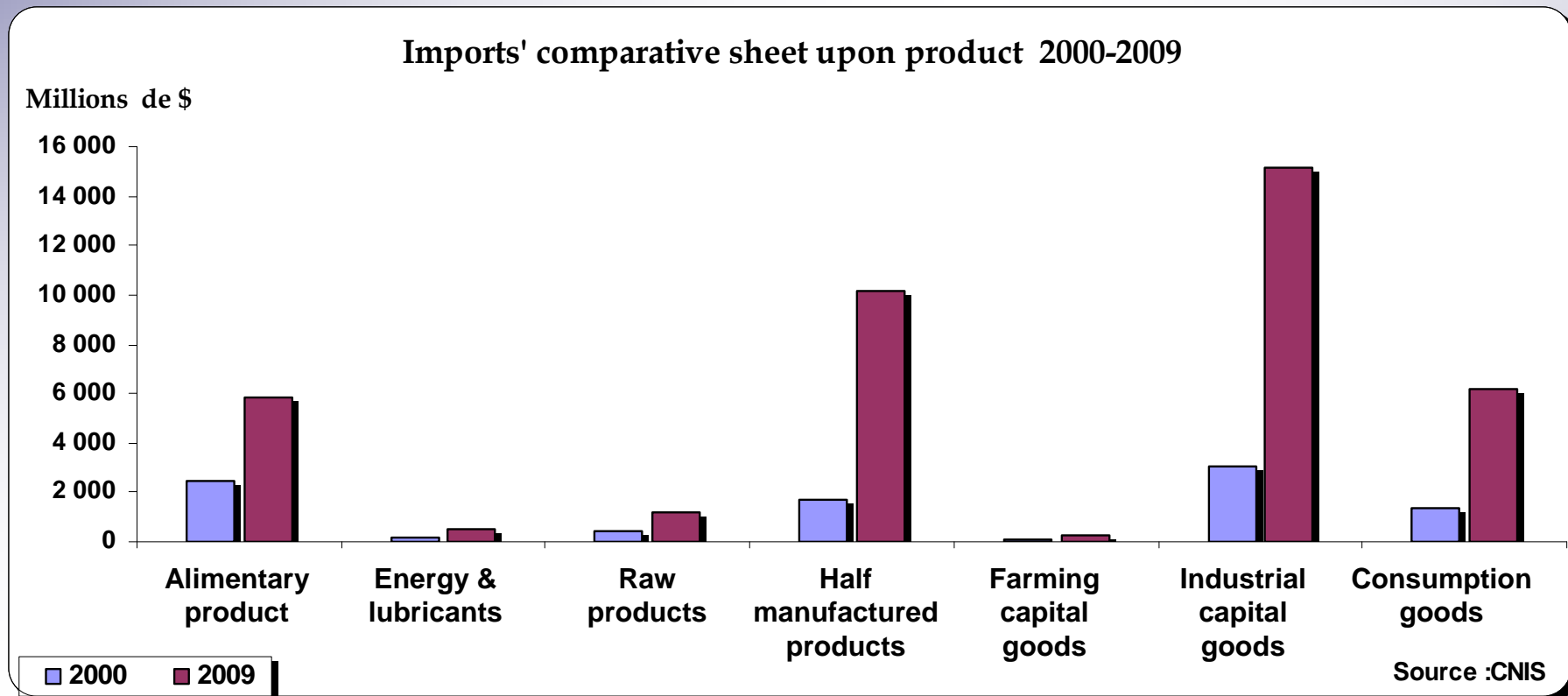
Source : CNIS



# Comparative advantages

*A reservoir of business opportunities ...*

*Opportunities extracted from the imports invoice*





# Comparative advantages

*An economic situation favorable to business (2009)*






Indicators	2001		2009
inflation	4%		3.5%
Exterior debt B.USD	30		3.8%
Rate of growth	2 %		3.8 %
Exchange reserves B.USD	18		146
Imports B.USD	10		40
Exports B.USD	20		43
Exchange rate US\$/DA	77		65



# Comparative advantages

## A securing country risk classification

Classification: OECD

Country	1999	2000	2001	2002	2003	2004	2005	2010
 Algeria	6	5	5	4	4	4	3	3
 Tunisia	3	3	3	3	3	3	3	3
 Marocco	4	4	4	4	4	4	4	3
 Libya	6	6	6	6	6	6	6	6
 Egypt	4	4	4	4	4	4	4	4






## Comparative advantages

### *Good basis infrastructures*

■ A large network for power and distribution, (rate of electrification : 97 % of the national territory)

■ A telecommunication network rapidly developing

■ Availability of Internet with high debit & ADSL

■ Roads :  +107 000 Km

■ Railways :  + 4 700 Km

■ Ports  11 Multiservice including 2 for hydrocarbon exportation

■ Airports  31 aerodrom opened to civil aviation including 13 for international aviation.



## Comparative advantages






***A reservoir of skilled human resources : 75 % of the Algerian population is of training age, each year and schooling of 97% of this population***

- 6 805 235 at the college
- 939 000 at the university
- 464 000 in professional training
- an average yearly success rate at the general certificate level of 40%
- + 120 000 graduated from 80 high schools
- 190 000 graduates from 1 035 professional trainings schools



## Comparative advantages

### ***Abundant natural resources***

-  15<sup>th</sup> place as far as oil worldwid reserves are concerned (45 billion tons equivalent oil for oil proved reserves),
-  18<sup>th</sup> oil producer
-  12<sup>th</sup> oil exporting country
-  reffining capacities up to 22 million tons/year.
-  7<sup>th</sup> place in the world as far as gas proved resources are concerned,
-  5<sup>th</sup> gas producer
-  3<sup>rd</sup> gas exporting country.
-  1<sup>st</sup> oil and natural gas producer & exporting country in Mediterranean bassin,
-  3<sup>rd</sup> supplier to the European Union in natural gas
-  4<sup>th</sup> total energy supplier to the European Union
-  other wealth : phosphate, zinc, iron, or, uranium, tungstene, kaolin, etc.



## Comparative advantages

### Advantageous production factors costs

#### Employment :

Public sector : in between 14 000 & 54 000 DA

Private sector : in between 12 000 & 70 000 DA

#### Energy :

Gas :

Electricity :

#### Telephony :

land line : local in between 3 & 8 DA – International : inbetween 12 & 15 DA

Cellular : local : 6 DA/unit - International : 15 DA/unit

#### Land :

State's private land : in between 4000 & 17000 DA/m<sup>2</sup>

Private ownership : upon negotiation, depending on the location



## Comparative advantages

### ***Reasonable companies taxation system***

- Corporate tax : 25 % for trade and services activities, 19 % for production activities & 12.5% if reinvested within the company
- Income tax :
  - \* employee's income : imposition is upon a scale depending on the income
  - \* Shareholders income : 12,5 % deduction at source
- Tax on the professional activity (T.A.P) : 2 % on the sales tax
- Tax on Value Added (TVA) : 7 & 17 %
- Employer's social security contribution: 26%





## Comparative advantages

### « Pro-Business » attitude

-  Dynamique and open country.
-  Equal treatment for resident and non resident investors.
-  Income and invested capital repatriation guarantee, including cessions capital gain.
-  Possibility to recourse to international arbitration.
-  Membership into different international agreements on investment guarantee and protection.
-  Signature of several bilateral agreements concerning foreign investments :

- \* 41 investment protection,

- \* 24 non double taxation








# *The Development policies*

## *I. The Industrial strategy*

### 1. The sectoral deployment of Industry :

-  To put to advantage the natural resources through promoting industries allowing their optimal use : move Algeria from a primary products exporting country to transformed goods produceur and exporting country
-  Densify the industrial base by encouraging industries that contribute to the integration of activities located at the end of the production chaine;
-  Promote new industries : mostly nonexisting or poorly developped industries such as ICT and automotive.



# *The Development policies*

## *I. The Industrial strategy*

### *2. The spacial deployment of industry*

Localize and put in place Zones of integrated industrial development, Technopoles and specialised Zones : create synergies through the special concentration of the economic activities and network enterprises, states' regulation establishments and research, training and expertise structures





Generate a real business microclimat and intensify investment



# *The Development policies*

## *I. The Industrial strategy*

### 2. Domaines couverts par les politiques de développement industriel

-  Enterprises' Upgrading
-  Conception of a National Innovation system to support the technical progress promotion and development policy.
-  The human resources and skills development
-  The Foreign Direct Investments' promotion





## ***The Development policies***

### ***II. The Fishing and aquaculture Development programme***

#### **1. Problematic :**

#### **Few figures that illustrate the fishing activity in Algeria :**






- 130.000 ton yearly production in average, made of up to 80% of small pelagics (sardine, anchovy).
- An average of exploitation of 2,2 million Ha on the global area under the national jurisdiction, estimated of 9,5 Million Ha.
- A growing aquaculture activity with a production reaching 500 tons/year.
- A present consumption of 4,58 kg/inhab./year against 6,2 kg/inhab./year : world association of health recommended threshold



# *The Development policies*

## *II. The Fishing and aquaculture Development programme*

### 2. Main objectives








-  Increase the production
-  Encourage exports
-  Contribute to the alimentary security
-  Preserve the biological resource
-  Create employment



# **The Development policies**

## **II. The Fishing and aquaculture Development programme**

### **3. Actions & measures**

-  Rational and optimum use of the sea potential,
-  Organize producing activities ;
-  Diversify the sea product supplying sources for the local market
-  Development of an aquacol industry
-  Fishing fleet rehabilitation, replacement and modernization ;
-  Construction and equipping of new facilities for fishing activities and optimize the exploitation of the existing infrastructures and superstructures;
-  Set up a downstream and a upstream industrial base
-  Improve the administrative, legal, scientific, technical and professional framing of the activities within the sector,



# *The Development policies*

## *III. The National Plan for farming Development*

### 1. Problematic

- Insure the natural potentialities better use and development;
- Adapt the production systems to the physical and climatic environment;
- Extend the utile agricole surface through development actions;
- Intensify and diversify farming production within the favorable zones to increase the national alimentary security



# *The Development policies*

## *III. The National Plan for farming Development*

### 2. Objectives

-  Set a durable agricole and rural development basis;
-  Improve the alimentary security of the country by adapting to the chronic aridity (dryness active handling);
-  Manage in a considered way the natural resources ( fight against desertification, waters rational utilization);
-  Implement alternatives for week potential agricole zones;
-  Identify and multiply land high capital gain products;
-  Create employment and stabilize rural populations.



# The Development policies

## III. The National Plan for farming Development

### 3. Main actions

- Upgrade farms and intensify farming production;
- Protect natural resources (fight against desertification) by :
  - ✓ Adapting the production systems (reconversion) to protect the vital water resources within soil;
  - ✓ Protect the versant bassins and improve the forestry cover
  - ✓ Protect the steppe, develop and handle in a rational way the path zones and the pastures.
- Develop land through concession granting ;
- Develop oasian and peri-oasian agriculture
- Recourse to the great development (agriculture of enterprise) within the South region





# *The Development policies*

## **IV. The Regional planning for Tourism development programme - SDAT**

### 1. Definition of the SDAT





- Display the National Tourism Development Vision to the different outlooks (mid term : 2015 & long term : 2025) to make Algeria a receiving country,
- Define the tools to implement this vision and precise its feasibility conditions
- Insure the social equity, the economic efficiency and the ecologic sustainability,
- Develop the natural, cultural and historical potential naturel of the country and put it at the service of the algerian tourism



## *The Development policies*

### *IV. The Regional planning for Tourism development programmeme - SDAT*

#### 2. Four major actions :

-  Reorganize the tourism activity whithin a new governance framework.
-  Set up the tourism planning upon the ecological and demographic loads' levels
-  Manage the tourism policy
-  Make the citizen more aware of the tourism fact



## **The Development policies**

### **IV. The Regional planning for Tourism development programmeme - SDAT**

#### **3. Five dynamics of action:**

-  1. Promote the destination “Algeria” to increase its attractiveness and competitiveness ;
-  2. Develop excellence tourism centers and villages by rationalizing the investment;
-  3. Deploy a “tourism quality” plan (PQT);
-  4. Promote the transversality and coherence in the action by shaking the tourism chain and setting up state/private partnership;
-  5. Define and implement an operational financing plan to support the tourism activities and the promoters/developpers, and attract major investments.



## **Conclusion 1 : A targeted investment**

### **Balanced Partnership : Win/Win basis**

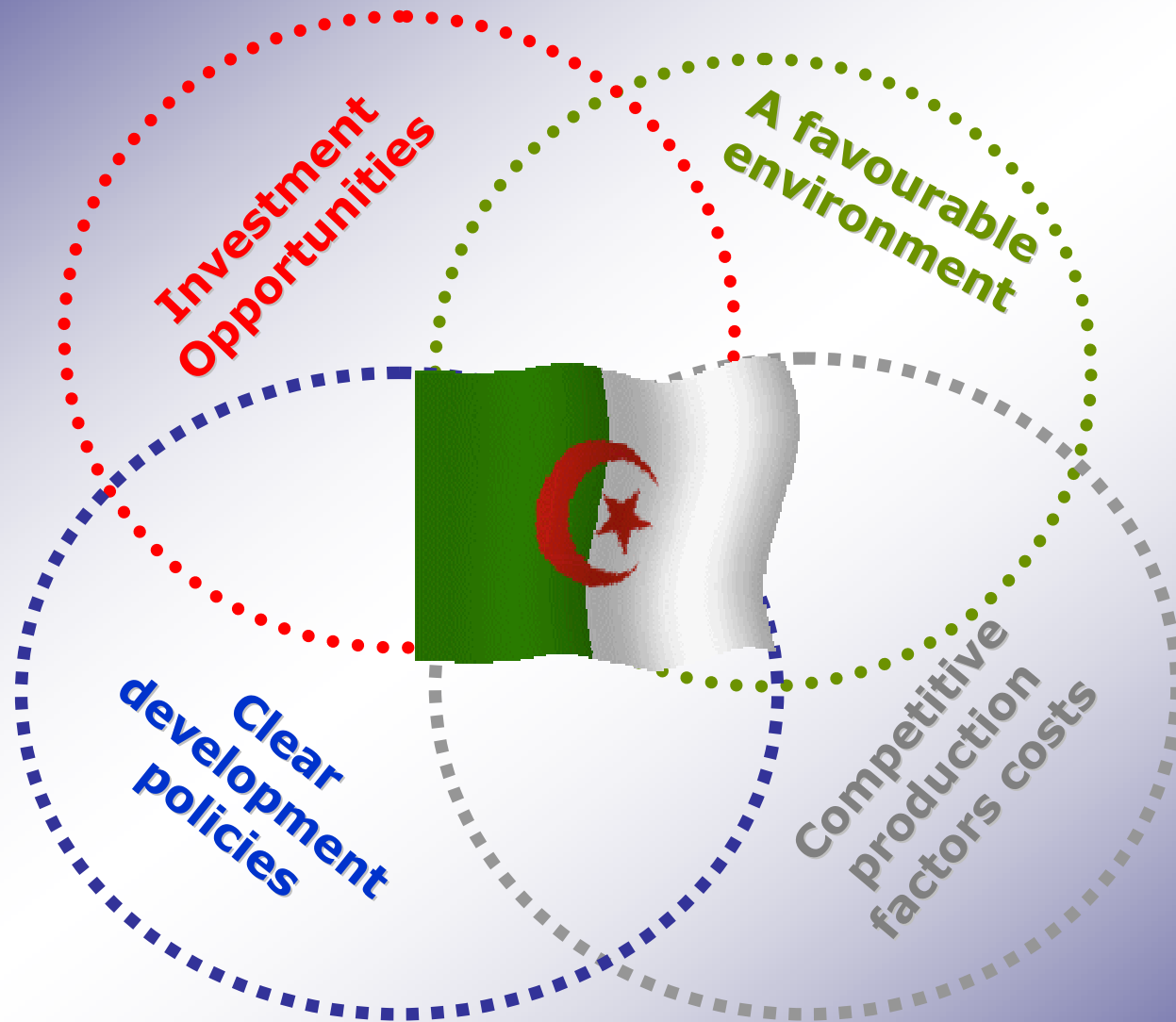
- Investment projects coherent with the development sectoral or territorial strategies and policies
- Reduced negative impact on the paiement balance
- A transfert of technology and know how
- A substitution to import and opening of new markets



- A geostrategic market with a tremendous potential
- Abundant natural and human resources at very competitive costs
- An economic environnement favorable to business
- A quite developped industrial base
- A complete scheme for investment support



## Conclusion 2 : L'Algérie ...





## Contact ANDI ...

*L'Agence Nationale de Développement de  
l'Investissement - ANDI.*

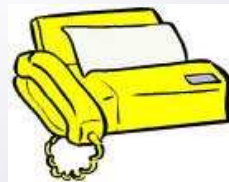
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