

## **Economic Information on Algeria**

The country is officially known as the Democratic People's Republic of Algeria

Population:

The population of Algeria is 36.3 million based on 2011 census. It is expected to come to 37.1 million at the beginning of 2012. Most of the Algerians descend from the Arabs and Amazigh.

Area:

Neighboring countries, Libya, Tunisia, Morocco, Western Sahara, Mauritania, Mali and Niger

The length of the land borders of Algeria is 6.343 km

Economy:

Algeria passed through a transitional stage during 1993, as it shifts from the central socialist approach to market economy. Its natural resources played an important role in this regard.

Algeria has one of the largest economies in Africa, with an estimated national income of 120 billion dollars.

Socialism played a role in disrupting the agricultural role, heading towards the unprepared industrial sector, but the arrival of President Chadli Ben Gadid confirmed the importance of changing the old policy as a whole. The events of October 1988 were behind the acceleration of the reform process. Political and economic reforms were carried out during the period of President Gadid, the global drop in oil prices in 1986 was behind the country's crisis at that time.

The oil sector constitutes the pillar of the Algerian economy, accounting for about 60% of the overall budget, and 30% of GDP and 97% of total exports. Algeria aims to reduce dependence on oil revenues by focusing on agriculture to reduce the import of agricultural products such as grain, potatoes and fruits in particular, as well as the development of export products such as dates for which Algeria is famous. Algeria's other natural resources include iron, coal and uranium.

The main objective s of the reforms is to make a transition towards market economy with an aim to encourage foreign investment, and create a competitive environment within the country. . Finally, the country heavily promoted the privatization of the agricultural sector.

Economic indices rose in Algeria in the second half of the nineties, due to the World Bank support for policy reforms and the process of debt restructuring approved by the Paris Club.

Although the rank of Algeria in terms of global GDP is 51 out of 195 countries covered by the classification, the unemployment rate is relatively high at 17.7%. Thus, Algeria ranks 17 in term s of unemployment according to statistics of 2004.

Investment:

The most important investment sectors are energy , gas exploration, mining , tourism and agriculture.

Investment privileges in Algeria

The National Agency for Investment Development in Algeria , based on Statutory Order No. 01-03 on the development of the investment, provide a system applicable to national and foreign investments falling within the framework of the economic activities of production of goods and services, as well as the investments made in the framework of granting concessions and licenses.

- Privileges:

Public order: In addition to tax, non-tax and customs incentives enshrined in the law; investors set forth in articles 1 and 2 enjoy the following benefits in the framework of implementing their investment projects:

- Reduced rate of customs duties on imported equipment, which directly contribute to the implementation of the investment project;
- Exemption from VAT for goods and services that contribute directly to the completion of the investment project;
- Exemption from the transfer of ownership of property necessary for the completion of the investment project.

- Exemption from the transfer of ownership of property necessary for the completion of the investment project;
- The investment project shall , after the commencement of its actual activity, get a 10-year exemption from corporate taxes , income and total payments taxes and professional tax to which dividends are amenable.
- Ordinary and legal person, whether Algerian or otherwise, from both private and public sectors, shall be treated on the same footing with Algerians in respect of investment rights and obligations.
- The possibility of recourse to international arbitration in the event of disputes for non-resident investors.

#### Total investment:

- The total amount of investment is about 2001 billion dinars i.e. more than \$ 16 billion, including 730 billion Algerian Dinars or more than 60 percent, provided by the state and about 250 billion AD provided by the national economy while more than 200 billion dinars are provided by foreign institutions.

#### Natural resources and reserves:

Algeria has mineral and energy reserves, which are among the largest in the world. Such deposits are available generally in the south. According to Algeria's Sonatrach, 67% of the reserves of oil and gas are existing in the Hassi Messaoud and Wadi Mia. Gas in the Hassi Arml and oil in Hassi Messaoud, and Illizi contain 14% of the reserve and the rest is scattered in several areas.

Mining activity in Algeria is very diverse; there are more than 30 mineral used in various human needs, including iron, salt, zinc, lead, barite, marble, tungsten, gold and precious metals, such as diamond, precious stones and rare metals. Iron is available in mines of Alonzh and Bokhaddrh, Khanikat ALmohad Tmazirt, and Beni Saf. The largest mine in terms of reserve is situated at Gar Ajabilat and e Mishri Abdul Aziz min (35 billion tons of iron). In Hoggar , there are 173.000 tons of gold ore in the mines of Tirak and Omsmash that produce 18 g / ton.

The country also has large reserves of gypsum, limestone, sand, clay, and cement concentrated in the north of the country