



UNITED NATIONS
INDUSTRIAL DEVELOPMENT ORGANIZATION



Algeria
the land of
Opportunities

Invest in Algeria
UNIDO ITPO Tokyo, 2019

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Ministry of Industry and Mines

www.mdipi.gov.dz

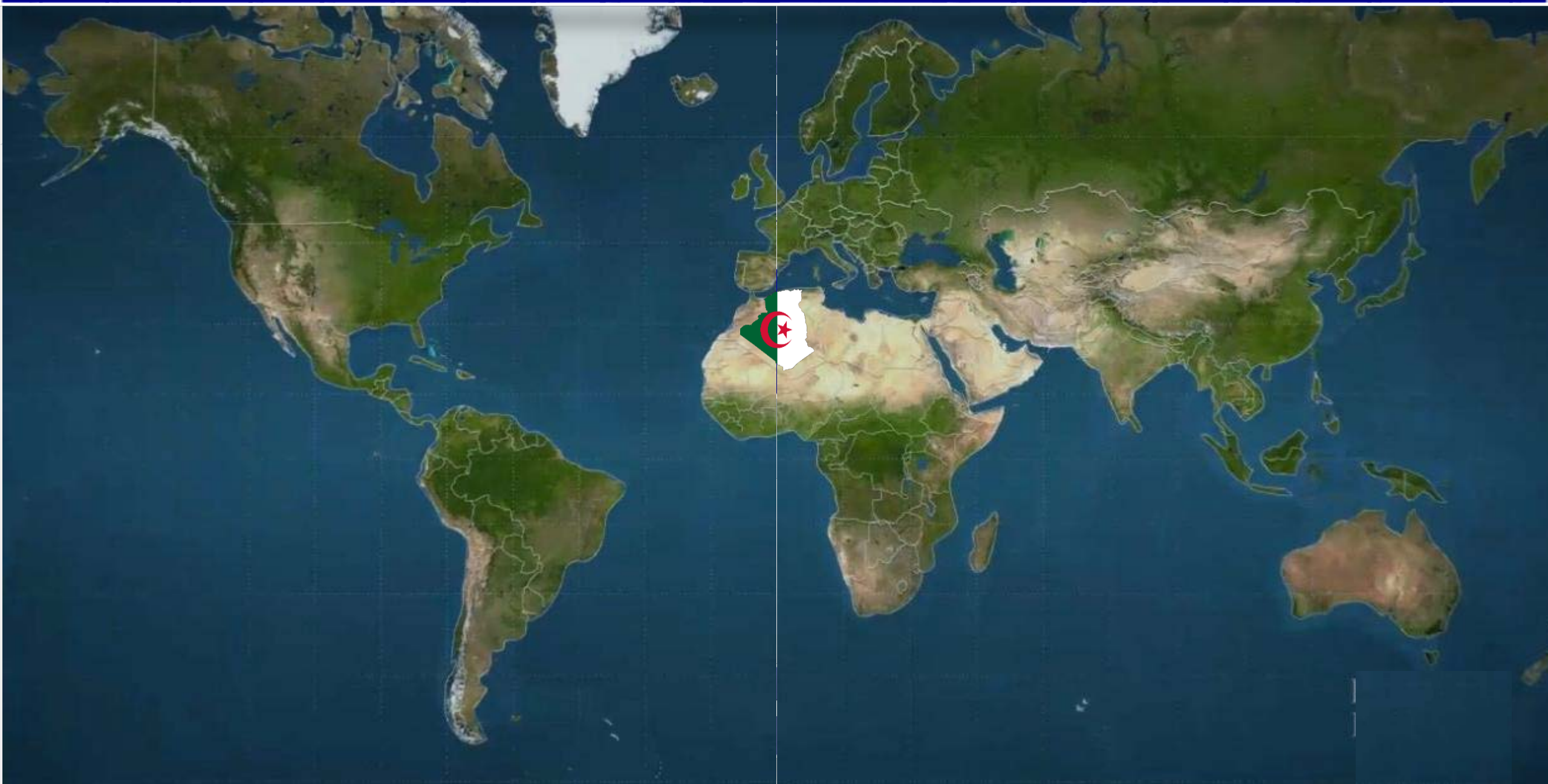
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- **Introduction**
- **Investment Opportunities**
- **Encouragement Measures**
- **Profitability**
- **Evolution of Sustained Investments**
- **Investment Climate Improvement**





This is Algeria



This is Algeria

**The largest country in
Africa & the Arab World**

**Quick & direct access to
economic metropolises**

**the 9th largest country in the
world**

**cross-border market :
125 million inhab**

**Local market : 2 381 741 sq km
42 million inhab.**

**Growth rate 2.2%
Inflation rate 5 %**

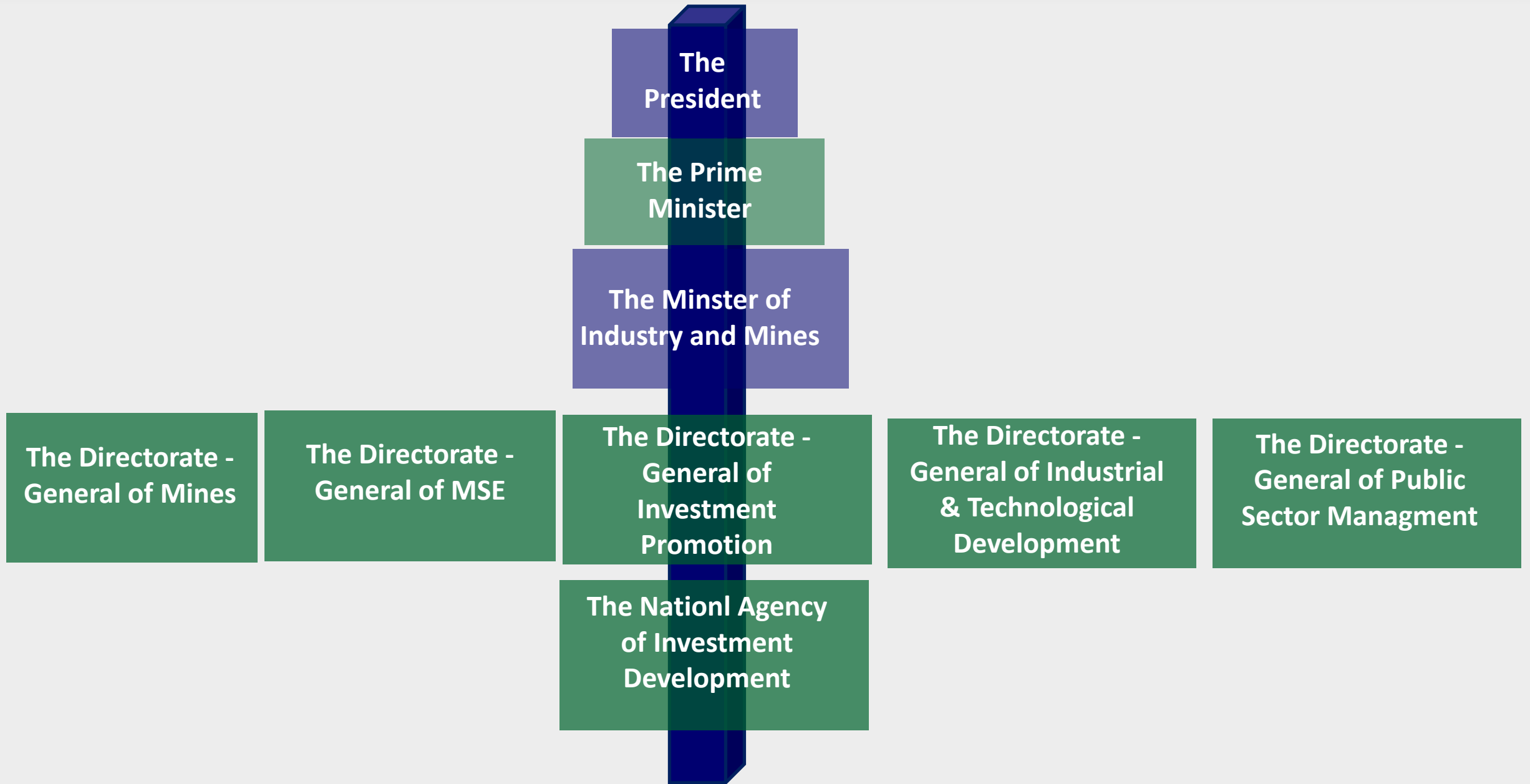
**GDP : 200 bn US \$
4,645 US \$**

**foreign debt :
< 3 bn US \$**

**foreign exchange
reserves : 97.3 bn US \$**

Gate to Africa

The Algerian Government



Investment Opportunities

Agriculture

Industry

Tourism

Renewable energies

ICT



Crops and livestock

- **Development of farmlands** : irrigated areas & Saharan agriculture
- **Grain farming & dried vegetables** : expected production by 2019 : 69.8 million quintals & 2 million quintals
- **Fodder crops** : to be sown : 80.000 ha
- **Date palm cultivation** : modernization of cultivation techniques
- **Olive cultivation** : intensive/semi intensive planting (200 & 400 plt/ha) ; Intensification & grafting olive trees, 6.4 million of olive trees
- **Fruit farming** : (13.5 million quintals in 2019) - plantation of 79 million trees/vines
- **Integrated farms** : livestock breeding, dairy production , red meat (fattening centers, modern slaughterhouses), white meat (5.8 million Q/2019), cereals
- **Beekeeping** : honey production 10.000 tons by 2019

Fishing

- Tuna fishery development
- Reactivating coral exploitation
- Development of marine, continental & Saharan aquaculture.

Forests

- **Arboriculture developing & wood parks** : + 1,050,000 ha of forest-oriented lands
- **Rational exploitation and upgrading forest products** : Wood, cork, wild honey, aromatic and medicinal plants. 4.1 million ha

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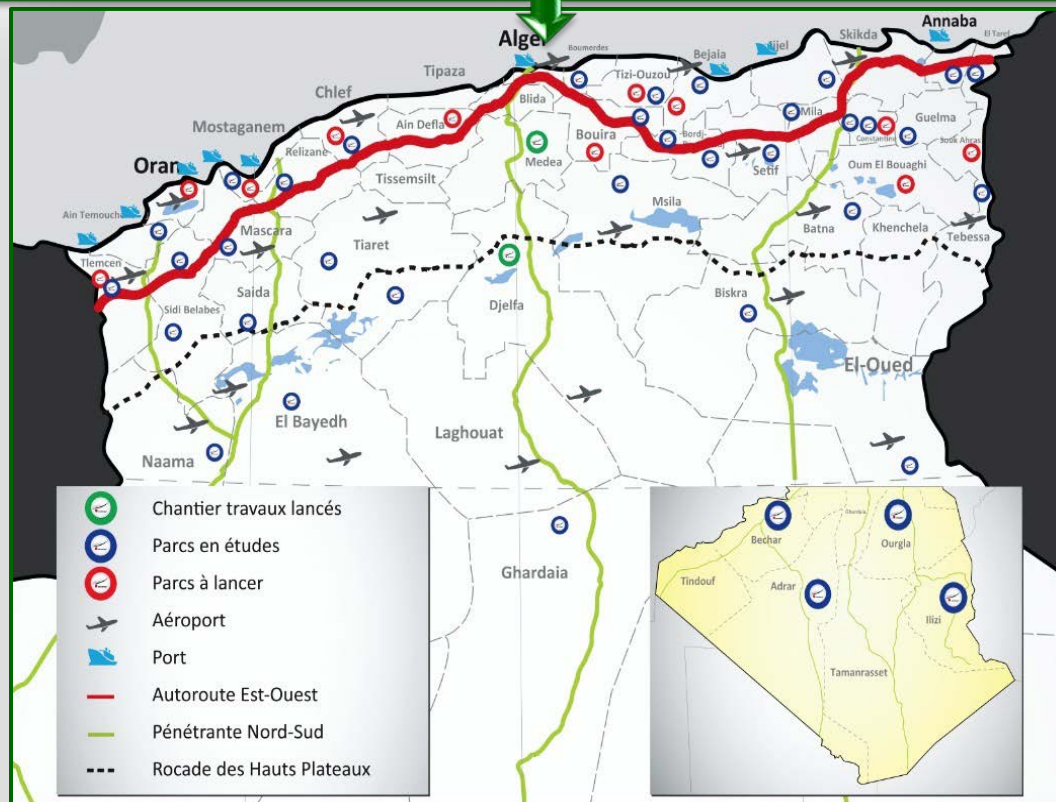
Renewable
Energies

ICT



50 industrial zones covering 15,000 ha

- Iron and steel industry,
- Hydraulic binders,
- Electronics & home appliances,
- Chemical Industry & Pharmaceutical
- Mechanics & car-manufacturing,
- Aeronautics,
- Shipbuilding (construction/repairing)



- Advanced technologies,
- Food industry,
- Textile and clothing,
- Leather and derived products,
- Wood and furniture industry,
- Mines & quarries

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Real Estate

225 tourism expansion zones : 56 mille ha

- 166 coastal zones (38 mille ha)
- 36 highland (8 mille ha)
- 23 zones in the South (9 mille ha)

Hotels

Programme 311,000 beds

- Rehabilitating and renovating of the existing : 111,000 beds
- implementing 2,000 new hotels : 200,000 beds
 - 50 hotels ★★★★★
 - 150 hotels ★★★
 - 500 Hotels ★★ to ★★★★★
 - 800 hotels 0 to ★

Investment Opportunities

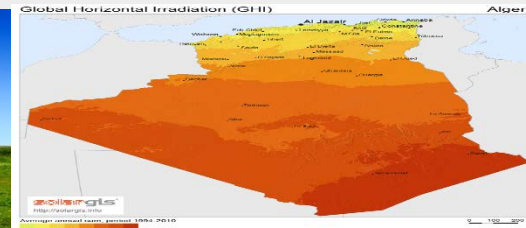
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Renewable Energies Program

13,575
MW

Photovoltaic Solar

15
MW

geothermal energy

400
MW

Cogeneration

3,000 hours of
Sunlight

Biomass

thermal solar energy

2,000
MW

wind power

5,010
MW

1,000
MW

22,000 MW between 2015-2030, 4,500 MW by 2020.

Investment Opportunities

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Subscribers

3G :

23,701,023

Subscribers

4G : 10,968,495

Providers

e-services :

1,182

- Digital economy: e-commerce, web portals, software & smart applications, geo-localization,
- Tech Parcs (R&D innovation & ICT industry, incubators)
- Electronic payment : creditcard , mobile & online payment
- Database Security Systems
- E-Learning & e-logistics platform
- Telemedicine
- Space Infrastructures
- Antennas and satellites
- Electronic certification
- Postal service upgrading
- E-administration
- Capacity building (expertise & training)

Internet Subscribers (ADSL, 4G LTE fixe,
WIMAX, 3G mobile, 4G mobile) : 37,836,425

Protection & guarantees



The non-retroactivity of laws



Protection by international conventions



Dividend transfers Guarantee



Fair and equal treatment



Automaticity of benefits



Administrative, Jurisdictional &/or Arbitral Appeal



Procedures Simplification



Cumulative benefit of different support mechanisms

Eligibility

01

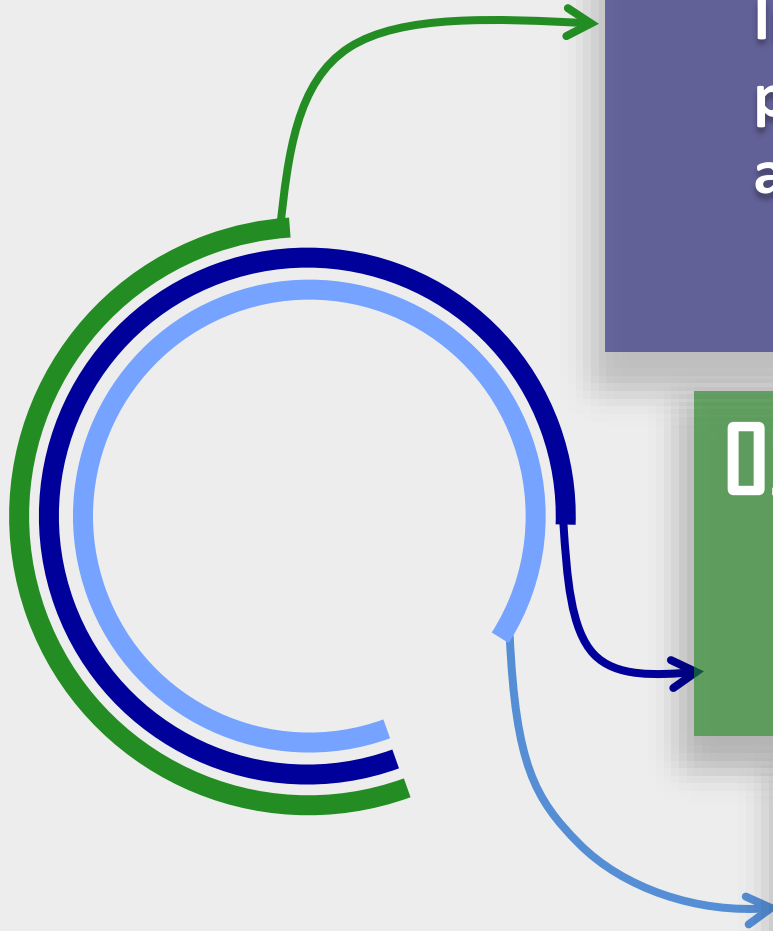
Investments in economic activities for the production of goods and services (National and / or foreign investments in partnership)

02

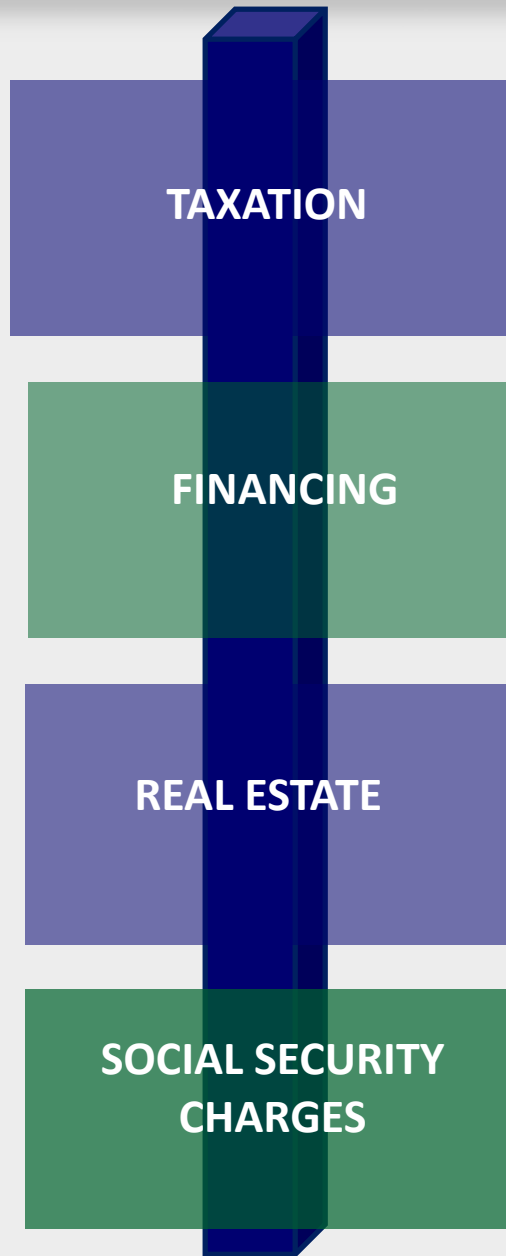
Investments of creation (Greenfield) , extension of production capacities, rehabilitation or participations in the capital of a company

03

Goods constituting external contributions in the context of relocations & New goods acquired through international leasing.



Common Law Benefits



- ✓ Corporate Tax reduction for SME/ SM Industries located in the highlands and the South (for production activities)
- ✓ Exemption from VAT, customs duties, Corporate Tax & tax on professional activity (for export activities)

- ✓ Granting of unpaid loans
- ✓ Interest rate rebate of 2%
- ✓ Establishment of investment funds
- ✓ Establishment of guarantee funds

- ✓ Granting of land concessions on the private domain of the State
 - Duration: 33 years renewable 2 times
 - Effects: possibility of using the concession title as a real security

- ✓ Reduction of employers' social security contributions (recruitment of young jobseekers)
 - North of the country: from 56% to 80%
 - Highlans and South: from 72% to 90%

Newly added benefits (incentives)

01

Common Benefits

Investments in the production of goods and services not excluded, according to location (North - South & Highlands)

02

Additional Benefits

Privileged (strategic) and / or job-creating activities: tourism, industry and agriculture

03

Exceptional Benefits

Investments of national importance

Common Benefits (new investment law)

Projects implemented in the North

1- Implementation phase:

- ✓ a. exoneration from : customs duties, VAT, transfer duties, Stamp duty and cadastral tax,
- ✓ b. 90% reduction on the annual rental charges;

2- Operation phase: (for 03 or 05 years)

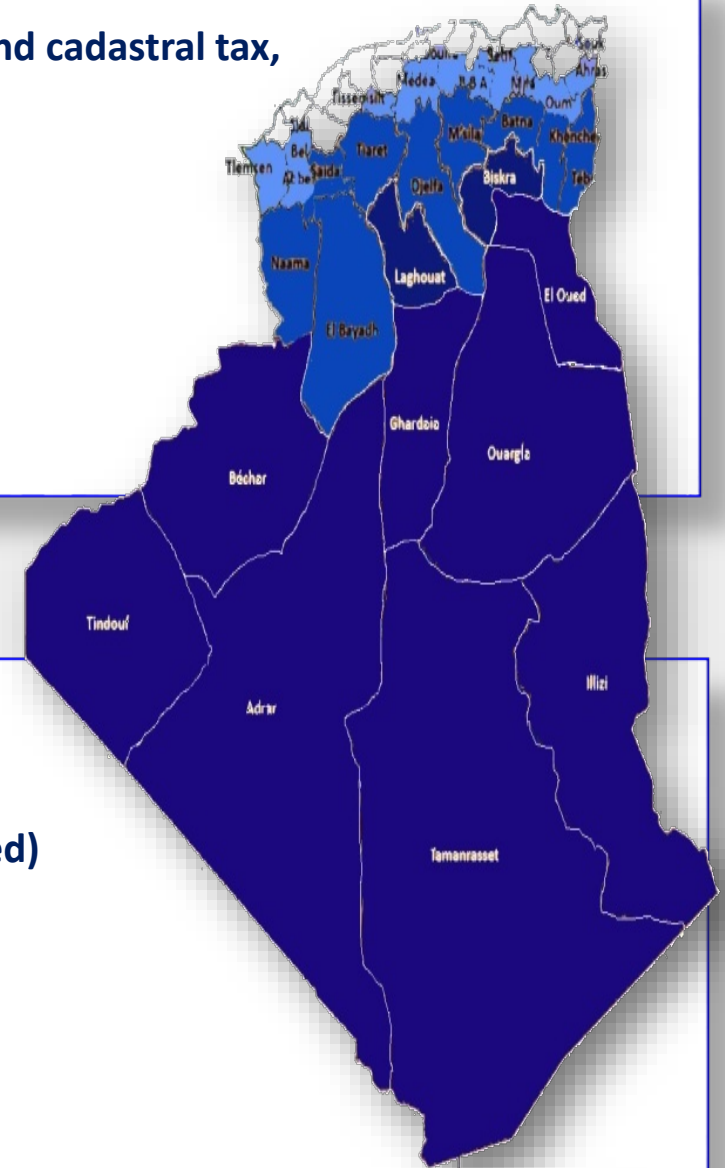
- ✓ c. exoneration from : Corporate Benefit tax , professional activity tax;
- ✓ d. 50 % reduction on the annual rental charges

Projets implemented in the South & Highlands

1. Implementation phase :

- ✓ Benefit (a)
- ✓ reduction on the annual rental charges
 - ✓ 1DA/sq.m for 10 year (for highlands & other zones to be developed) and 15 years (for Wilayas located in the grand South)
 - ✓ 50 % of the state fee for the same periods of time

2. Operation phase : Benefits (c), (d) and (e) for 10 ans



Additional Benefits

AGRICULTURE



- ✓ Crop loan R'fig ;
- ✓ Subsidized loans :
- ✓ Guaranteed devices for bank credits

INDUSTRY



- ✓ 5 years exoneration from Corporate Tax, Income tax & professional activities tax
- ✓ 3% bonus of the interest rate on bank loans

TOURISM



- ✓ 3% bonus of the interest rate on bank loans (Project-North) & 4.5 % (project-South)
- ✓ 50% reduction on land concession (HL) & 80% (South)

Exceptional Benefits

Projects supported by investment agreement

- ✓ Common benefits
 - ✓ Additional benefits
 - ✓ Up to (10) extension, on the benefit duration of « common benefits »
-
- ✓ exonerations or reduction on custom duties, taxes, charges and all other taxations of fiscal nature, fundings, aid and financial support ,
 - ✓ duty-free purchases of goods and materials used for goods production (benefiting from VAT exemption).

Average profitability of projects



Cost Factors

**Natural
Gas**



**0.21 to 0.40
€/ the**

Fuel



**Pertol : 0.30 € / L
Diesel : 0.17 € / L**

Electricity



**1- 4 euro cents
/ kWh**

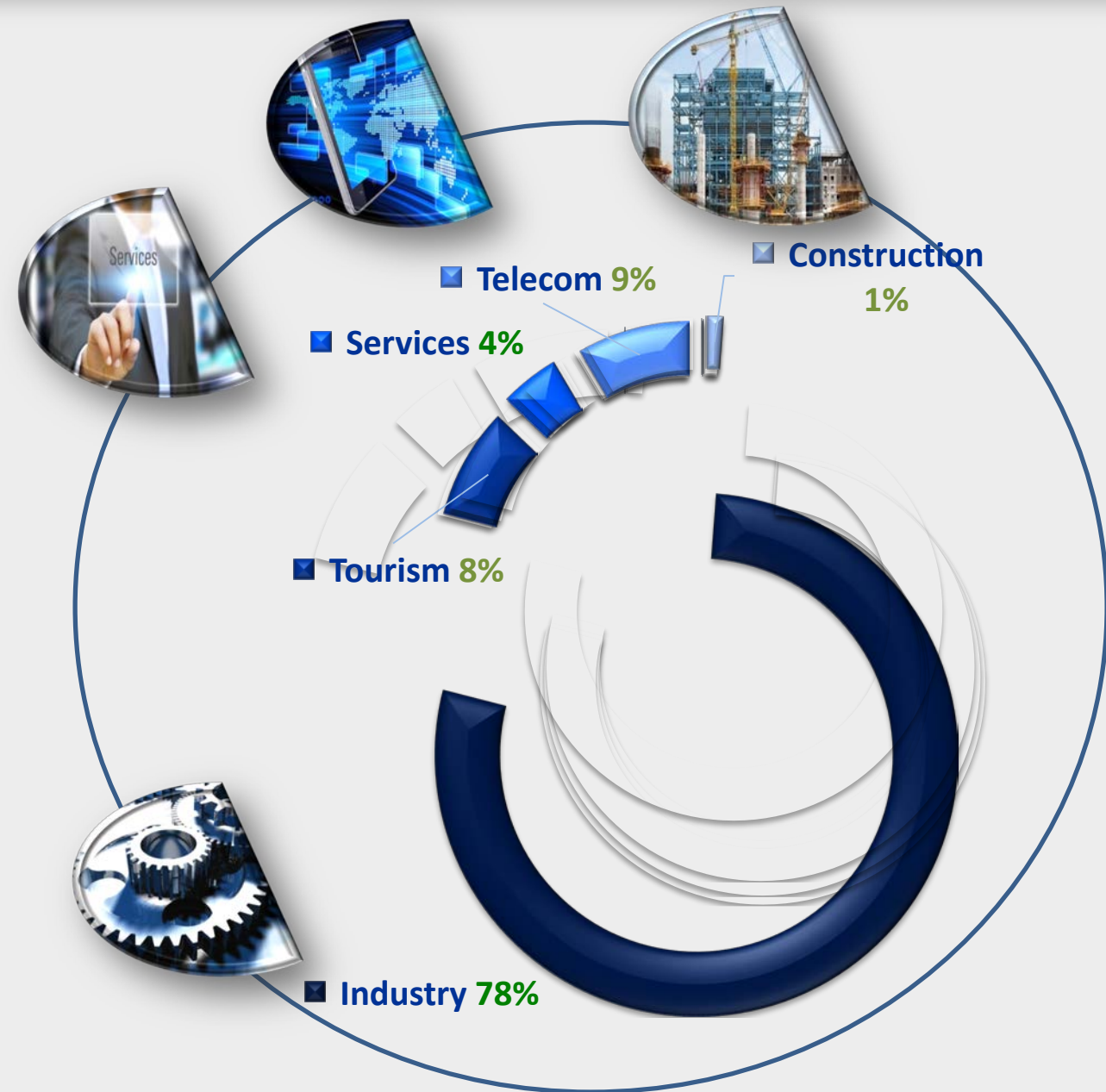
Work Froce



**180 to 900 €
M wage: 180 €**

FDI flows recorded (last 17 years)

Rank	Region	Amount M USD	%
1	Europe	9,898	45.57%
2	Arabe Countries	9,114	41.96%
3	Asia	1,463	6.74%
4	America	593	2.73%
5	Africa	342	1.57%
6	Multi-nationality	286	1.32%
7	Australia	26	0.12%
Total		21,723	100%



Algerian Japanese exchange



Japan is Algeria's 23rd supplier and its 22nd client

687 million Dollars : in 03 years

exporting mainly hydrocarbons : 250 M USD

Importing mainly electronics, appliances, metal & steel products and equipments : 437 M USD

Legal Framework for bilateral cooperation



1982 : Joint economic committee

2004 : Technical cooperation agreement

**Non double taxation agreement , Encouragement &
mutual Investment protection agreement are under
negotiation**

03 major japanese car manufacturers chose Algeria



World Companies who chose Algeria

Marubeni

Schneider
Electric

HYUNDAI

Fuji Electric

RENAULT

DANONE



HITACHI

IHI

JGC

SANOFI

LafargeHolcim

ITOHU
ITOCHU



MASSEY FERGUSON

CHIYODA

SAMSUNG

Pfizer

SOCIETE
GENERALE

Henkel



NEC

Nestlé

TOTAL

International conventions



48 bilateral agreements and including investments promotion and mutual protection agreements;

65 bilateral agreements on non-double taxation.

Member of the African Free Zone Trade ZLEC

Member of the Arab free Zone Trade GZALE

European Union Association Agreement

Improvement of investment conditions

- **Establishment of an online registration procedure for investments and an online partnership portfolio (by the National Agency of Investment Development ANDI)**
- **Reduction in administrative timeline for customs clearance, construction license issuing , connection with electricity, water and telecommunications and for transfer of ownership;**
- **Database Consultation of the National Center of the Trade Registry « CNRC »,**
- **Online publication of construction licence governing regulation in Algeria,**
- **Online publication of electricity connection tariffs and deadlines,**
- **Online payment of electricity, water, telephone fees,**
- **Ongoing implementation of systems and networks for e-commerce generalization**
- **Ongoing implementation of the Port Single Window, linking customs with the port and all other parties involved in the export and import process via an electronic data communication platform.**

ACCOMPLISHMENTS

- **Infrastructure:** Construction of the Rocade Highway (Highland Highway) linking major cities in the interior of Algeria (1,500km of roadway and services)
- **Infrastructure:** Services for the Coastal Highway (East-West Highway) linking major cities along the Mediterranean coast (highway services, signage, hotels, tourism, gas stations, electricity grids, transportation, toll booths, security)
- **Water Resources:** Renovation of water network, waste water, pumping stations, pipes, desalination and treatment plants for drinking water
- **Construction:** buildings to respond to the housing shortage, new city of Hassi Messaoud in southern Algeria, residential developments for middle class family homes, hotels and resorts, airports, and hospitals
- **Medical Facilities:** diagnostic centers, hospitals, trauma units, hospital management expertise
- **Transportation:** New airports, upgrade existing airports, railroad (passenger and freight) line renovation, new tracks covering 4,000 kilometers
- **Agriculture:** launching commercial dairy farms, fertilizers production, seeds production, irrigation systems, water reclamation for agriculture, Agricultural equipments.
- **Energy:** new exploration concessions, new tenders for hydrocarbon transformation, renewable energy projects with emphasis on turbine generation, solar panels and wind farms
- **Technology:** Fiber optic cables, signal repeating stations, radar & surveillance equipment, e-government and e-learning platforms, mapping systems, project management training and software, telecommunications and increased internet connectivity

(18) targeted industrial fields to be promoted

- 1) Textile & clothing**
- 2) Leather & derived products**
- 3) Wood & furniture industry**
- 4) Steel & metallurgical products**
- 5) Hydraulic binders & building materials**
- 6) Electrical products & cabling**
- 7) Electronics & Appliances**
- 8) Pharmaceuticals & Para-pharmaceuticals**
- 9) Petrochemistry & industrial chemistry**
- 10) Aeronautics**
- 11) Mechanics & automobiles**
- 12) Digital industry**
- 13) Advanced technologies**
- 14) Ship building & repairing**
- 15) Agribusiness (food) industry**
- 16) The transport industry sector**
- 17) The sustainable city sector**
- 18) The water processing, sanitation & desalination**

Project Sheets for potential partnerships

Opportunities for Algerian Japanese partnership are open, we invite Japanese companies to come and see and seize limitless opportunities, on the basis of mutual benefit, ,

We have identified tens of partnership projects, that we believe Japanese companies could be interested in

The fields are: Petrochemistry & industrial chemistry, Textile & clothing, Pharmaceuticals, Mechanics & automobiles, Ship building & repairing ,electronic and subcontracting,

The detailed project sheets are at your disposal

For more Information please visit :



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www.andi.dz



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Algeria ...it's a lot closer than you think



Thank you for your attention