



**EMPOWERING WOMEN ENTREPRENEURS
IN THE MENA REGION TOWARDS EQUAL ACCESS
WITH MEN TO BUSINESS AND TRADE**

MARKET STATE OF ART & TRENDS

ALGERIA COUNTRY PROFILE

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LIST OF ABBREVIATIONS

Abbreviation	Definition
BPO	<i>Business Process Outsourcing</i>
CAPMAS	<i>Central Agency for Public Mobilization and Statistics</i>
CAWTAR	<i>Center of Arab Women for Training and Research</i>
ECES	<i>Egyptian Center for Economic Studies</i>
EGP	<i>Egyptian Pounds</i>
EU	<i>European Union</i>
FTA	<i>Free Trade Agreement</i>
GDP	<i>Gross Domestic Process</i>
GI	<i>Government Issued</i>
GOEIC	<i>General Organization For Export & Import Control</i>
ICT	<i>Information Communication Technology</i>
IT	<i>Information Technology</i>
ITO	<i>Information Trade Organizations</i>
MCIT	<i>Ministry of Communications and Information</i>
MENA	<i>Middle East and North Africa</i>
NFSA	<i>Egyptian Food Safety Authority</i>
PPE	<i>Personal Protective Equipment</i>
PPP	<i>Public private partnership</i>
SWOT	<i>Strengths, Weaknesses, Opportunities, and Threats</i>
USD	<i>United States Dollar</i>
VPN	<i>Virtual Private Network</i>

INTRODUCTION

Under developmental efforts by The Centre of Arab Women for Training and Research (CAWTAR), launching the project 'Empowering Women Entrepreneurs in the MENA Region towards Equal Access with Men to Business and Trade Markets'. This report aims to analyse the sectors that were previously identified as sectors with high potential for women participation and for creating businesses in 6 MENA countries. This report is amongst a series of 6 reports for each of the following countries namely Algeria, Egypt, Jordan, Lebanon, Morocco, and Tunisia in the prominent sectors of agri-food, textile, and ICT. In this line, the report presents a main economic overview of the country followed by a market trends analysis on each of these sectors. This report therefore represents Algeria and emphasizes on assessing potential business opportunities to be led by women in the country.

Considering Algeria's economic nature which is characterized by high dependence on oil and gas industries, other sectors of ICT, textile and food industries are of less importance to the economic scene. Coupled with Algeria's closed economy, these sectors are considered of minimum advancement, and thus are highly dependent on imports. Despite low performance in these sectors, it still represents a potential for Algerian businesses to substitute large volumes of imports and thus replace demand of imported products with local ones.

Macroeconomic Overview

Algeria has the highest Human Development Index of any non-island African country and one of the continent's largest economies which are based on energy exports, particularly petroleum and natural gas, where it scores the world's sixteenth largest in oil reserves and ninth largest in natural gas reserves. It is estimated that hydrocarbons account for about 60 percent of budget revenues, 30 percent of GDP, and over 95 percent of export earnings. In 2020, the GDP per capita was recorded at USD 11,268 ⁽¹⁾.

Algeria's economy is highly informal; nearly 6.2 million people are not affiliated with the tax authorities, compared to 4.7 million people with social security coverage, suggesting that 57 percent of Algeria's workers are part of the informal sector⁽²⁾. Additionally, the rate of female participation in the labor force in Algeria is amongst the lowest in the in the MENA region, measuring at a 16 percent participation rate in 2019⁽³⁾.

The table below lists Algeria's most relevant and most recent available demographics and macroeconomic indicators.

-
1. Perspective Monde, 2021
 2. Bensaadi, Djamilia. L'économie informelle en Algérie : Enjeux et avantages de son intégration – Article de Djamilia Bensaadi, Membre du Club d'Alger du Centre Algérien de Diplomatie Économique. Algerian Center, 2021.
 3. Labour Market Report Algeria – 2020, Danish Trade Union Development Agency (DTDA) and the Confederation of Danish Industry (DI).

Table 1: Algeria's macroeconomic indicator

Demographics & Macroeconomic Indicators	
Population (2020) ⁽⁴⁾	43.8 million
Age structure ⁽⁵⁾	0-14 years: 30.55% 15-59 years: 62.9% 60 years and over: 6.55%
Population distribution by gender (2020)	Males ⁽⁶⁾ : 22.1 million. Females ⁽⁷⁾ : 21.7 million
Labor force (2021) ⁽⁸⁾	12.2 million
Urbanization rate (2019) ⁽⁹⁾	73.19% of the population.
Literacy rate ⁽¹⁰⁾	Adult male population: 87.42% Adult female population: 81.41%
Unemployment rate (2020) ⁽¹¹⁾	12.83%
Poverty rate ⁽¹²⁾	1.9 million people in 2021
GDP growth trend ⁽¹³⁾	2015: 3.7%, 2016: 1.3%, 2017: 1.2%, 2018: 0.8%, 2019: 0.8%, 2020: - 5.48%
GDP ⁽¹⁴⁾ GDP per capita (2020) ⁽¹⁵⁾	USD 145.16 billion USD 11,268
GDP by sector (2020) ⁽¹⁶⁾	Agriculture: 47.78%, Industry: 34.25%, Services: 47.78%
Government debt to GDP (2020) ⁽¹⁷⁾	57.2%
Average inflation rate (2020) ⁽¹⁸⁾	2.41%
Ease of doing business score ⁽¹⁹⁾	48.6

4. Population, total – Algeria. World Bank, 2020
5. O'Neill. Age structure in Algeria 2019. Statista, 2021
6. Population, male – Algeria, World Bank, 2020
7. Population, female – Algeria, World Bank, 2020
8. Labor force, total – Algeria. World Bank, 2021
9. O'Neill. Urbanization in Algeria 2019. Statista, 2021
10. Literacy rate, adult total (% of people ages 15 and above) – Algeria. World Bank, 2021
11. O'Neill, Aaron. Algeria: Unemployment rate from 1999 to 2020. Statista, 2021
12. Saleh, Mariam. Population under the poverty line in Algeria 2018-2021. Statista, 2021
13. GDP growth (annual %) – Algeria. World Bank.
14. Algeria GDP 1960-2021. Macro Trends.
15. Perspective Monde, 2021
16. O'Neill, Aaron. Algeria: Distribution of gross domestic product (GDP) across economic sectors from 2010 to 2020. Statista, 2021
17. Bank of Algeria database
18. Inflation, consumer prices (annual %) - Algeria. World Bank, 2020
19. Ease of Doing Business Scores. World Bank, 2020

Covid-19 impact

Much like other countries, the pandemic has affected the Algerian economy greatly; the country has seen a 4.7 percent fall in real GDP in 2020⁽²⁰⁾, as well as a 1.02 percent increase in unemployment, bringing the unemployment rate up to 12.83 percent⁽²¹⁾. Additionally, Algeria's high dependence on oil and gas exports have weighed on the economy as oil prices fell globally due to the pandemic,⁽²²⁾ plunging from 64.4 USD in 2019 to 19.19 USD as at end of March 2020⁽²³⁾. This phenomenon exacerbated the country's economic strain and drove it into a recession and increased the government's national and external debt⁽²⁴⁾. Significant public spending undertaken to mitigate the health crisis and its effects has also added to the budget deficit, which has more than doubled from 5.6 percent of GDP in 2019 to 13.6 percent in 2020⁽²⁵⁾.

Selected sectors

I. Agri-food

Agri-food is the second largest industry in the country, making up 40 percent of the total turnover of national industries (excluding hydrocarbons). It contributes to 13 percent of Algeria's GDP, provides 23 percent of its jobs, and houses 47,200 companies from the agri-food fabric (95 percent are managed by the private sector and 300 are public companies)⁽²⁶⁾. In 2019, the food industry housed some 230,000 active companies which contributed to 50 percent of the national industrial production, producing a growth rate of 6.8 percent⁽²⁷⁾. Additionally, in the same year, reports showed that 45 percent of household expenditure was devoted to food⁽²⁸⁾. The same report showed that albeit depending mostly on small retailers, supermarkets in Algeria are becoming more common⁽²⁹⁾.

The agri-food sector's main subsectors in Algeria are sugar, fruits, food products n.e.s., fish and shellfish, cocoa beans and products, non-alcoholic beverages, vegetables, vegetable oils and fats, and dairy products. Despite the sector's enormity, the sector is unable to satisfy local demand or ensure self-sufficiency; local production only meets 55 percent of local demand for milk, between 25 and 30 percent of cereal needs, and 45 percent of beef consumption⁽³⁰⁾. Algeria has thus become the largest food importing country in Africa⁽³¹⁾. In an attempt to stimulate the industry and enable its self-reliance, the government is launching a national plan to develop the agri-food industries and create four technopoles of 500 agri-food industries⁽³²⁾.

-
20. Algeria Economic Outlook. African Development Bank Group, 2021
 21. O'Neill, Aaron. Algeria: Unemployment rate from 1999 to 2020. Statista, 2021
 22. Algeria Economic Outlook. African Development Bank Group, 2021
 23. COVID-19 Crisis in North Africa: The Impact and Mitigation Responses. UNECA. 2020.
 24. Algeria Economic Outlook. African Development Bank Group, 2021
 25. Ibid
 26. Bretagne Commerce International, 2019
 27. Ibid
 28. Ibid
 29. Algérie: Approcher le consommateur. Bank of Africa, 2021
 30. Bretagne Commerce International, 2019
 31. Ibid
 32. L'agroalimentaire et ses réseaux de distribution – Algérie Maroc - Semaine Maghreb. Team France, 2021

Exports and Imports

As illustrated in Figures (1) and (2)⁽³³⁾, raw sugar is Algeria's most exported and imported agri-food good, however, imports far exceed its exports.

Figure 1: Top 5 agri-food exports, in USD million. *Source: OEC*

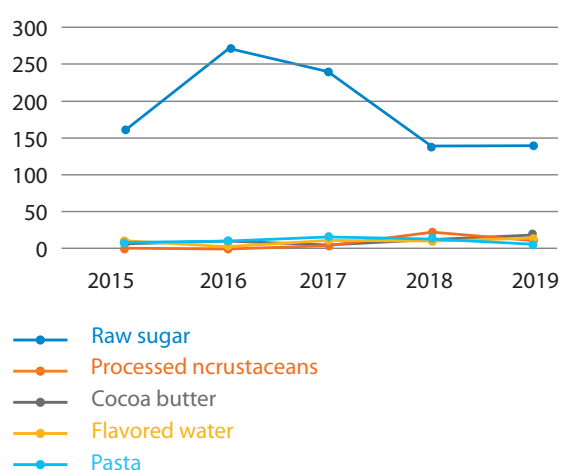
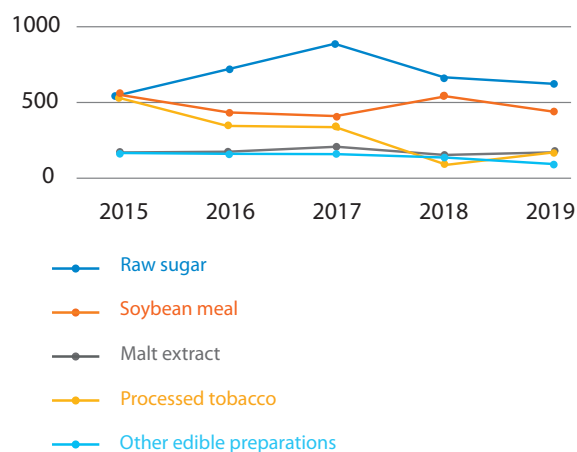


Figure 2: Top 5 Agri-food imports, in USD million. *Source: OEC*



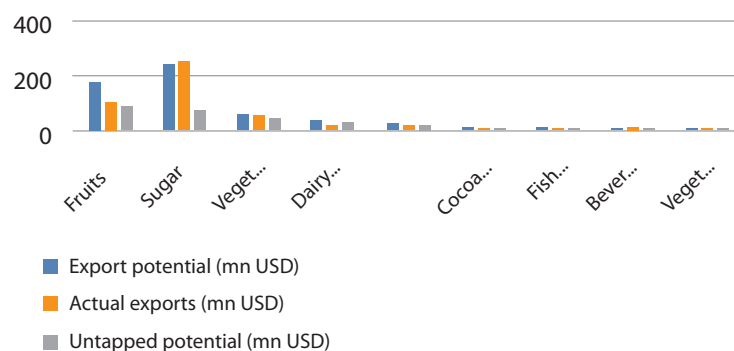
Exports of processed crustaceans have increased significantly as of 2017, making headway into realizing the subsector's apparent export potential. Most of Algeria's exports are to the European Union, which is also the case for agri-food products⁽³⁴⁾.

As for imports, processed tobacco has been witnessing a significant, yet steady decline since 2016.

Export Potential

Figure (3) shows the untapped export potential for the main food products in Algeria, also highlighting the actual exports versus the untapped export potential. As illustrated, the top five food products with untapped export potential are Fruits, Sugar, Vegetable oils and fats, Dairy products, and Food products n.e.s.

Figure 3: Egypt's top agri-food imports, in USD millions. *Source: OEC*



33. The Observatory of Economic Complexity (OEC)

34. Trade Map

As demonstrated, the country exports food products—sans sugar—in relatively small amounts. This, however, cannot be attributed to lack of potential, as statistics show that there is quite substantial untapped export potential in multiple sectors.

Attached in this report’s Market Opportunity section is a table that illustrates in detail the export potential of Algeria’s agri-food products, as well as their export values and untapped export potential. It also specifies the markets within which the untapped potential lies and highlights the largest ones⁽³⁵⁾.

Main Sectoral opportunities and challenges

Table (2) summarizes the strengths, weaknesses, opportunities, and threats characterizing and faced by the agri-food industry in Algeria to be considered by policy makers and support organizations. The following analysis is based on the analysis of secondary data gathered⁽³⁶⁾:

Table 2: SWOT analysis of the agri-food sector in Algeria

Strengths	Weaknesses
<ul style="list-style-type: none"> • A 6.8 percent growth rate in 2019 • Self-sufficiency in the sectors of white meats, sheep meats, citrus fruits, and vegetables. 	<ul style="list-style-type: none"> • Cold chain not well mastered throughout the sector.
Opportunities	Threats
<ul style="list-style-type: none"> • Great demand in Europe for some typically Algerian products. • Processing of agricultural products, mainly potatoes. • Processing and packaging of mushrooms. • Production of gluten-free cookies. • Production of ice cream. • Production of milk and dairy products 	<ul style="list-style-type: none"> • Due to the high reliance of the country on agri-food imports, it is highly vulnerable to global price fluctuations. • Structural fragility of food systems. • Water scarcity⁽³⁷⁾. • Debilitating climate change⁽³⁸⁾. • Falling energy prices caused by COVID-19 severely reduced Algeria’s capacity to fund food subsidies through hydrocarbon revenues⁽³⁹⁾.

COVID’s Impact on the Sector

As the pandemic has affected people’s incomes and purchasing ability, international trade, as well as sectors complementary to the agri-food sector—such as tourism and the hospitality sector—the agri-food sector has been one of the sectors most affected by the health crisis⁽⁴⁰⁾. This impact has also been felt by industries that produce staples of the Algerian diet. For

35. Ibid

36. Bretagne Commerce International, 2019

37. Tanchum, Michael. The Fragile State of Food Security in the Maghreb: Implication of the 2021 Cereal Grains Crisis in Tunisia, Algeria, and Morocco. MEI. 2021.

38. Ibid

39. Ibid

40. Rabhi, Meziane. Mesures Du Gouvernement Sur L’impact De La Crise Économique : Les entreprises non satisfaites. Liberté Algérie, 2021

example, despite being an emblematic product of the Algerian diet, bread has seen a significant decrease in purchases, which caused bread production to decline by 30 percent, according to the National Federation of Bakers (FNB)⁽⁴¹⁾.

COVID'S impact on Consumer Behavior

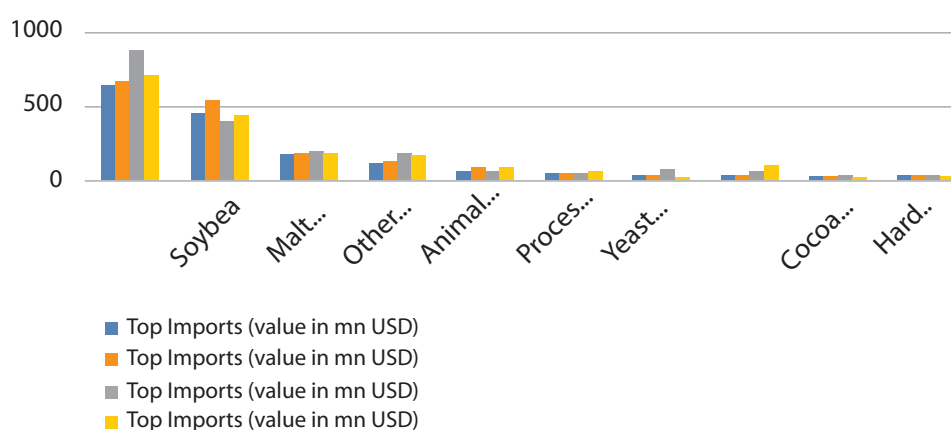
During quarantine, food consumption for some increased, physical activity decreased, and weight was gained (estimated average weight of 4 kg/adult person)⁽⁴²⁾, while others restricted their consumption as purchasing power decreased significantly, such that Algerians face great difficulty obtaining necessities with items such as fruit showing nearly a 100 percent inflation⁽⁴³⁾.

According to the president of the National Association of Traders and Craftsmen (ANCA), demand for some food products, namely semolina, canned food, sugar, oil sugar, oil, coffee and dried vegetables, increased by 40 percent⁽⁴⁴⁾. On the other hand, demand for other products, such as bread—a staple of the Algerian diet—has dropped, where purchases of bread have decreased by 30 percent as previously mentioned⁽⁴⁵⁾. Financial and economic difficulties, as well as the complications related to international trade arising from COVID-19 have also created a shift in consumer preference, shifting it towards local products as well as towards a more sustainable consumption pattern⁽⁴⁶⁾.

Demand trends and needs

Even though demand trends for Algerians are not readily available, they can be to some extent extrapolated from import data, which is demonstrated in Figure (4)⁽⁴⁷⁾.

Figure 4 Top 10 imported agri-food products 2016-2019, in USD million. . Source: ECES



41. Chikhi, Kamel. Consumption Behavior of Algerians During the Period of the Covid-19 Pandemic Crisis. Markets, Globalization & Development Review: Vol. 5: No. 4, Article 4. International Society of Markets and Development, 2020.
 42. Chikhi, Kamel. L'impact De La Crise Sanitaire Du COVID-19 Sur Le Comportement De Consommation des Algériens. Revue D'Etudes en Management et Finance D'Organisation, 2021
 43. Le pouvoir d'achat des Algériens lourdement impacté. Al Watan, 2021.
 44. Chikhi, Kamel. Consumption Behavior of Algerians During the Period of the Covid-19 Pandemic Crisis. Markets, Globalization & Development Review: Vol. 5: No. 4, Article 4. International Society of Markets and Development, 2020.
 45. Ibid
 46. Chikhi, Kamel. L'impact De La Crise Sanitaire Du COVID-19 Sur Le Comportement De Consommation des Algeriens. Revue D'Etudes en Management et Finance D'Organisation, 2021
 47. The Observatory of Economic Complexity (OEC)

The data here indicates that demand for raw sugar, soybean meal, and malt extract have been consistently high, showing little variance, while demand for the other top imported products have been relatively low and/or decreasing.

High demand products

Domestic demand

Domestic demand trends relevant to the agri-food industry can be inferred from the most imported agri-food products, demonstrated in figure (5).

As illustrated, raw sugar occupies the largest share of imports, and while it is also the country's top exported commodity, there remains a huge gap between its imports and exports. The local agri-food industry can likely tap into the local market by tuning production and prices to suit local consumers.

Other demand trends indicated relevant to the aftermath of COVID-19, was the increase in the consumption of fizzy drinks by around 30-40 percent.

International demand

While international demand trends can be inferred from actual exports, they are even more clearly demonstrated through the sector's untapped export potential, which figure (6) illustrates.

As shown, Cane or beet sugar & chemically pure sucrose and dates are the main commodities within the agri-food sector with the highest untapped export potential.

Figure 5: Top 5 Agri-food imports, in USD million. *Source: OEC*

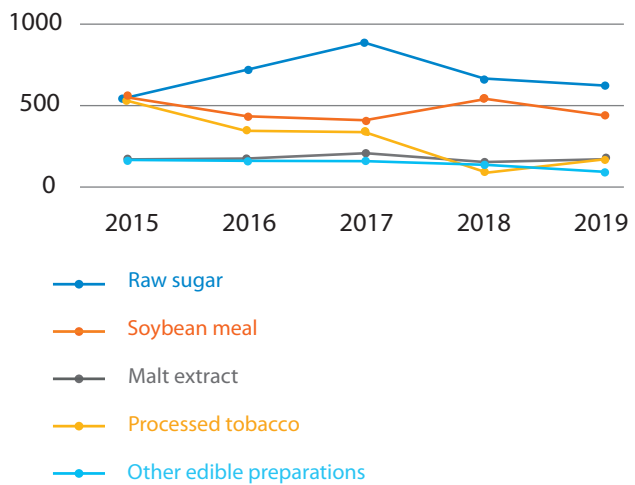
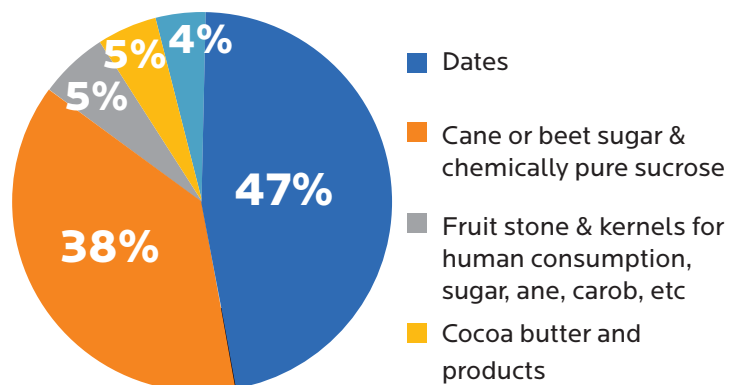


Figure 6: Top commodities with untapped export potential. *Source: Trade Map*



II. Textile

The Algerian textile industry has a relatively small presence in the local market; imports account for nearly 90 percent of textile supply and local products take up only about 6 percent of local market share. To add, the sector employs a meagre 13,000 employees⁽⁴⁸⁾. Clothes and fabrics are imported mainly from Turkey, China and Europe. Furniture fabrics are mostly imported from Turkey, while fabrics used for the manufacturing of RMG are imported from China.

Algeria's main textile main sub-sectors are skins, leather and products thereof, cotton (fabric), synthetic textile fabric, and raw silk and wool.

Additionally, the leather and shoes industry show high vibrancy and potential, with a recorded 88.1 percent capacity utilization rate in 2019—a significant increase from 72.1 percent recorded in 2018⁽⁴⁹⁾.

Exports and Imports

Algerians are highly dependent on imports for their textile consumption, where exports occur in relatively miniscule amounts. The exports and imports of textiles, 2015 through 2019, are illustrated in Figure (7)⁽⁵⁰⁾.

Figure (8) and (9) highlight the main exported and imported commodities by Algeria.

Figure 7 Exports and imports of textiles, in USD Millions. *Source: OEC.*

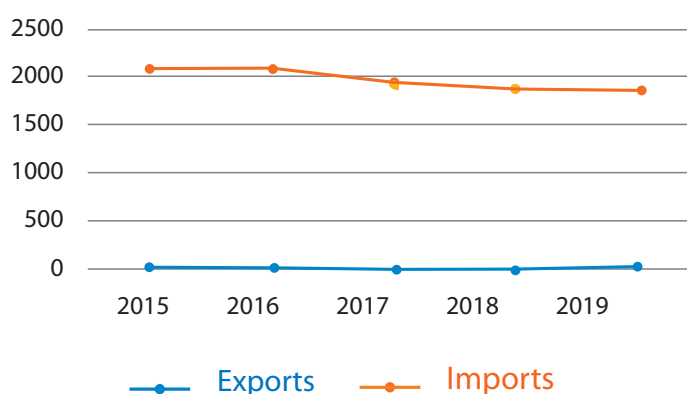


Figure 8 Subsector export flows, in USD million. *Source: OEC.*

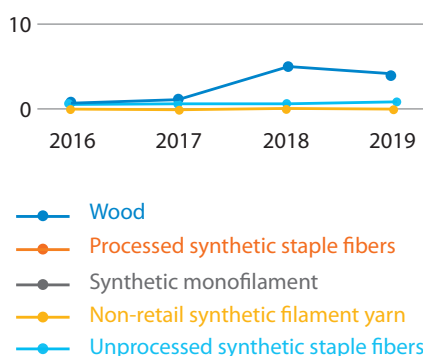
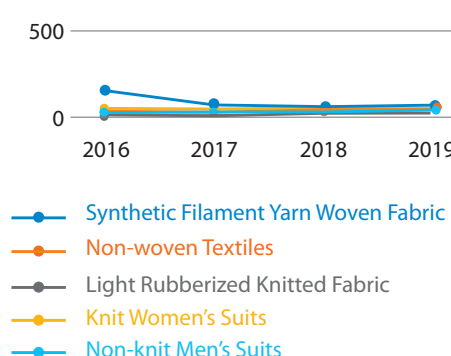


Figure 9 Subsector import flows, in USD million. *Source: OEC.*



48. Bliidi, Amel. Conséquences de la crise sanitaire : Le secteur de l'habillement désorienté. El Watan, 2020

49. Algeria Capacity Utilization Rate: Leather and Shoes Industry. Global Economic Data, Indicators, Charts & Forecasts (CEIC)

50. The Observatory of Economic Complexity (OEC)

Figure (8) shows a significant growth in wool exports since 2016 till 2019. Moreover, processed synthetic staple fibres have also been steadily rising in their export levels, proving the subsector still has room for additional expansion.

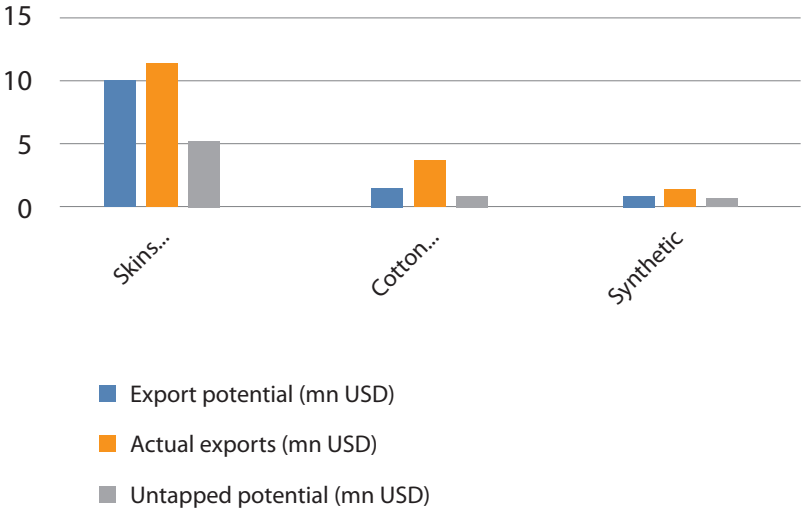
Figure (9) shows that while imports of synthetic filament yarn woven fabric has declined over the years, it still continues to take up the largest share of textile imports.

Export Potential

Despite the sector being somewhat active on the international market, there remains some untapped export potential.

Figure (10) shows the untapped export potential for the main textile products in Algeria. It also highlights the actual exports versus the untapped export potential. As illustrated, the top textile products with untapped export potential are Skins, leather and products, Cotton (fabric), and Synthetic textile fabric.

Figure 10 Untapped export potential across commodities in Algeria. *Source: Trade Map.*



Attached in the Market Opportunity section below is a table that illustrates the export potential of Algeria’s textile products, as well as their export values and untapped export potential. It also specifies the markets within which the untapped potential lies and highlights the largest ones⁽⁵¹⁾.

51. Trade Map

Main Sectoral opportunities and challenges

Table (3) summarizes the strengths, weaknesses, opportunities, and threats characterizing and faced by the textile industry in Algeria based on analysis of the aforementioned data ⁽⁵²⁾:

Table 3: SWOT analysis of the textile sector in Algeria

Strengths	Weaknesses
<ul style="list-style-type: none"> • Real know-how in the field • Algerian shoes are known to be of good quality. 	<ul style="list-style-type: none"> • Difficulty in competing with foreign products. • Poor marketing of products and little access to e-commerce
Opportunities	Threats
<ul style="list-style-type: none"> • Availability of raw materials. • Good opportunity for the manufacturing of shoes given that North Africa's largest shoe-production factories are located in Algeria. 	<ul style="list-style-type: none"> • Raw material discarded or smuggled.

COVID's Impact on the Sector

The effect of COVID-19 was felt across North African economies as a result of supply chain disruptions, impacting the manufacturing production, particularly textiles, electronics, and mechanics. For example, the Algerian textile industry has experienced a decline of 14.6 percent after the pandemic⁽⁵³⁾.

COVID's Impact on Consumer Behavior

As COVID-19 has impacted consumers' incomes, an increase in the demand for local products and more sustainable consumption patterns have been observed⁽⁵⁴⁾.

Demand trends and needs

Generally, demand on most non-essential goods including fabrics and clothes have witnessed a significant decline in Algeria. Despite the fact that this decrease in demand was not triggered by the pandemic, it was certainly exacerbated by it. Traders estimate this decrease in purchasing power to be around 40 percent. Further with dependence on imports for both fabrics and RMG, Algerians naturally prefer imported RMG over clothes manufactured in Algeria especially if the raw material is of low quality (usually from China). In addition to the Algerians' pursuit of good quality, imported shoes and RMG (particularly from Turkey) are usually in the same price

52. Bliidi, Amel. Conséquences de la crise sanitaire : Le secteur de l'habillement désorienté. El Watan, 2020

53. Mohamed, Yahia, and Lamine Mestek. Algeria: Politics and Protests in Coronavirus Times.

54. Chikhi, Kamel. L'impact De La Crise Sanitaire Du COVID-19 Sur Le Comportement De Consommation des Algeriens. Revue D'Etudes en Management et Finance D'Organisation, 2021

range as those manufactured in Algeria. Thus, there is usually little motive for Algerians to purchase Algerian-manufactured shoes and RMG. To add, Algerian traditional folk wear which is 100 percent locally produced is also purchased by Algerians and foreigners but based on seasonal and occasional demand such as during the summer during tourist season as well during by brides before their weddings given that it is considered as part of the bride's attire. Although precise quantitative demand trends are not readily available, they can be to some extent extrapolated from import data, which is illustrated in Figure (11)⁽⁵⁵⁾.

As the figure shows, imports of textiles are high across all categories, especially imports of synthetic filament yarn woven fabric, which is due to the inability of local companies to satisfy local demand.

High demand products

Domestic demand

Domestic demand trends relevant to the textile industry can be extrapolated from the most imported textile products, demonstrated in figure (12).

As it shows, synthetic filament yarn woven fabric is the highest imported product to fill the gap in demand. The local textile industry can likely tap into the local market by tuning production and prices to suit local consumers. Products with most potential in terms of local demand are locally manufactured Algerian shoes. Such potential can be attributed to good know-how as well Algeria historically being a North African hub for shoe manufacturing. Other products with potential for local demand include underwear and sportswear.

Figure 11 Top 10 imported textile products 2016-2019, in USD million. *Source: OEC.*

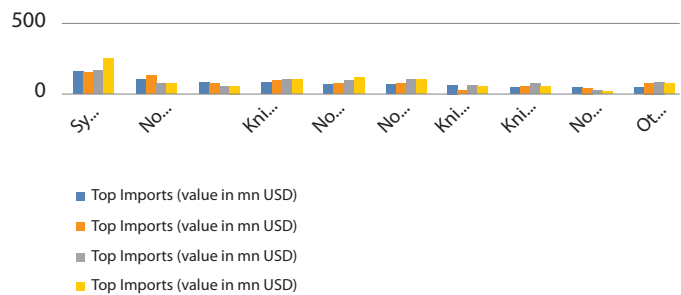
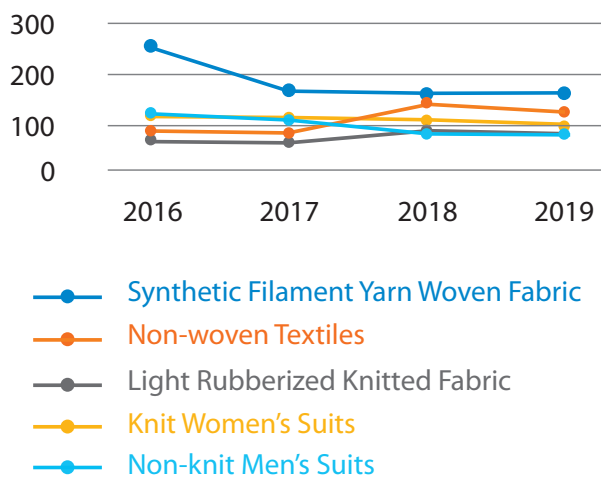


Figure 12 Subsector import flows, in USD million. *Source: OEC.*



55. The Observatory of Economic Complexity (OEC)

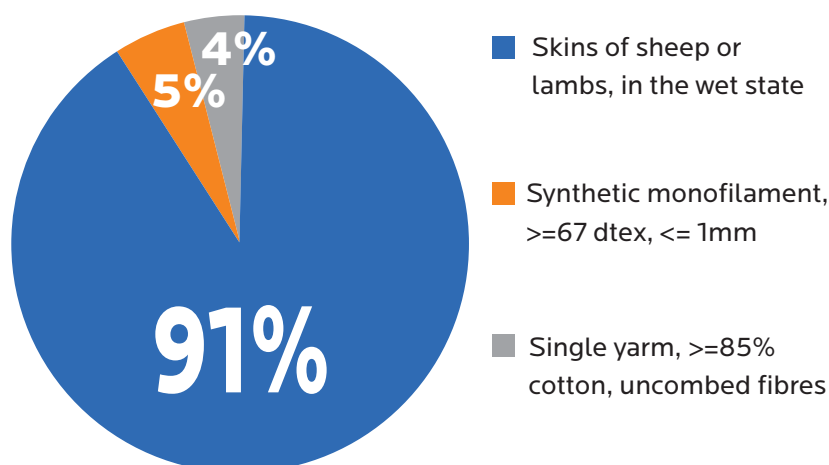
International demand

While international demand trends can be extrapolated through actual exports, they are even more clearly demonstrated through the sector's untapped export potential, which is illustrated in figure (13).

The data demonstrated shows that the untapped export potential within the textile sector revolves primarily around skins of sheep or lambs (in the wet state), which has over 90 percent of all the untapped potential within the sector.

Figure 13 Top commodities with untapped export potential.

Source: Trade Map.



III. ICT

According to the latest available data, the contribution of the ICT sector to Algeria's GDP is 4.7 percent and is projected to grow to reach 5.5%⁽⁵⁶⁾. Nonetheless, Algerian consumers still prefer to purchase things in person, in cash, and from brick-and-mortar shops⁽⁵⁷⁾. In addition, studies have indicated that companies in Algeria do not adequately utilize ICT products—as only 20 percent of companies have an efficient computer tool, 15 percent have their own website, and 50 percent lack an adequate accounting system⁽⁵⁸⁾. Further, while there are over 45 million mobile handsets in Algeria, they are mostly used for phone calls and do not contribute much to the digital economy⁽⁵⁹⁾. That said, between 2010 and 2019, more than \$3.7 billion has been invested by the Algerian government in ICT infrastructure, and during the same period, 10 to 15 percent of all professional investment where IT investments with exports, totalling 22 billion from 2015 to 2019 alone⁽⁶⁰⁾.

Main Sectoral opportunities and challenges

Table (4) summarizes the strengths, weakness, opportunities, and threats characterizing and faced by the ICT sector in Algeria, as gathered from the aforementioned findings as well as relevant secondary research available⁽⁶¹⁾ ⁽⁶²⁾:

56. Kwasi, Stellan; Cilliers, Jakkie, Institute for Security Studies, "Stagnation or growth? Algeria's Development Pathway to 2040", p. 30
 57. Algérie : Approcher le consommateur. Bank of Africa, 2021
 58. Khenniche, Youcef; Mokrane, Ali; Dhifalla, Mohamed Ethadi. Adoption et utilisation des Technologies de l'Information et de la Communication (TIC) en Algérie : état des lieux. Research Gate, 2020.
 59. Kwasi, Stellan; Cilliers, Jakkie, Institute for Security Studies, "Stagnation or growth? Algeria's Development Pathway to 2040", p. 29
 60. Information & Communications Technologies. Algeria - Country Commercial Guide. International Trade Administration, 2021
 61. Ibid
 62. ICT Maghreb. FinPro.

Table 4: SWOT analysis of the ICT sector in Algeria.

Strengths	Weaknesses
<ul style="list-style-type: none"> • High government investment and interest in the sector. • High government purchases • Local private ICT companies are mainly SME accessible and responsive. 	<ul style="list-style-type: none"> • Fairly low level of appropriation of ICT by Algerian companies, all sectors combined. • Lack of confidence in online transactions and payments • Weak communication infrastructure • Lack of legal rules governing electronic transactions
Opportunities	Threats
<ul style="list-style-type: none"> • Creating an electronics manufacturing hub in North Africa by expanding local manufacturing of ICT equipment, such as mobile phones, home appliances, and audio equipment⁽⁶³⁾. 	<ul style="list-style-type: none"> • Increasing state control over telecom sector may be affecting competition and delay investments.

COVID's impact on the sector and consumption behaviour

As of January 2021, Algeria had 26.35 million internet and social media users, representing 60 percent of its population, and exhibiting a 16 percent increase in its number of users, compared to January 2020 figures⁽⁶⁴⁾. That said, Algeria remains behind its peers in ICT; the rate of smartphone penetration is around 40 percent compared to an average rate of 111 percent in other MENA countries⁽⁶⁵⁾.

Algeria's ICT hardware sector was negatively affected by the pandemic, which was particularly evident in the dramatic drop in sales in hardware components. With increase in prices, consumers shifted their priorities to purchasing necessities, conveying less willingness to purchase new products, and opting instead to fix their old ones. However, As COVID regulations started to loosen, demand on laptops has increased.

Demand trends and needs

While Algeria still lags far behind other countries in employing the ICT sector as a development arm, the number of chances for ICT strategies and solutions to be sold to other businesses is growing. Further, Algerians can benefit from improvements in their digital services, including banking and public services, which would also improve governance and lead to greater transparency. Digitization can also absorb a large portion of Algeria's informal economy into the formal work force. A digital economy would in all cases provide opportunities for enterprises to increase their sales and be better able to promote their products⁽⁶⁶⁾.

Market opportunity

Market opportunity resides within products with untapped export potential. Identifying these sub-products and relevant export markets showcase where global demand lies. This could, in turn, be a compass for investors and business owners alike, as to where to invest their efforts. The tables below (tables 5 and 6⁽⁶⁷⁾) highlight the top sub-products in the agri-food and textile sectors with their corresponding untapped export potential, as well the main potential export markets for those sub-products:

63. Ibid

64. Le nombre d'internautes a augmenté de 3,6 millions en une année. Algérie Presse Service, 2021

65. Kwasi, Stellah; Cilliers, Jakkie, Institute for Security Studies, "Stagnation or growth? Algeria's Development Pathway to 2040", p. 29

66. Abbes, Lahmar; Hadj, Benzidane, Strategy and Development Review, "ICT in Algeria: Reality and Prospects", 2019

67. Source: Trade Map

Table 5: Untapped export potential for the top agri-food sub-products and the main potential export markets for those sub-products

Sub-category with highest untapped export potential	Export potential (mn USD)	Actual exports (mn USD)	Untapped potential (mn USD)	Markets per product group	Comments
Sugar					
Cane or beet sugar and chemically pure sucrose	243.7	251.5	74.7	Mauritania, Jordan and Tunisia	Spain shows the largest absolute difference between potential and actual exports in value terms, leaving room to realize additional exports worth \$12.3 mn.
Total	245	253.9	75.6	Mauritania, Jordan and Tunisia	
Fruits					
Dates	177.1	107.1	93.1	Morocco, France and Spain	Morocco shows the largest absolute difference between potential and actual exports in value terms, leaving room to realize additional exports worth \$17.1 mn.
Total	177.3	107.2	93.2	Morocco, France and Spain	
Food products n.e.s.					
Fruit stones & kernels for human consumption, sugar .cane, carob, etc	22.1	13.1	12.2	Spain, Italy and United States	United States shows the largest absolute difference between potential and actual exports in value terms, leaving room to realize additional exports worth \$2.2 mn.
Total	29.2	20.1	17.6	Spain, Italy and France	
Fish & shellfish					
2.7	16.9	11.4	7.9	Spain, Italy and Portugal	Italy shows the largest absolute difference between potential and actual exports in value terms, leaving room to realize additional exports worth \$3.2 mn.
Total	28.9	20.7	19.3	Spain, Italy and United States	
Cocoa beans & products					
Cocoa butter & products	12.3	8.9	9.2	Netherland, France and United States	France shows the largest absolute difference between potential and actual exports in value terms, leaving room to realize additional exports worth \$2.0 mn.
Total	13.5	10	10.2	Netherland, France and United States	
Beverages (not alcoholic)					
Waters as beverages	7.9	10.3	6.2	United States, France and Spain	United States shows the largest absolute difference between potential and actual exports in value terms, leaving room to realize additional exports worth \$2.3 mn.
Total	8.9	11.6	7	United States, France and Spain	
Vegetables					
Vegetables, fresh or chilled	3	2.3	2.7	France, Netherlands and Spain	France shows the largest absolute difference between potential and actual exports in value terms, leaving room to realize additional exports worth \$1.5 mn.
Total	6.4	4.5	5.7		

Vegetables oil & fats					
Soya-bean oil (excl crude) & fractions	2.7	8.3	2.3	Mauritania, Libya and Jordan	Mauritania shows the largest absolute difference between potential and actual exports in value terms, leaving room to realize additional exports worth \$784.5K.
Total	3.7	9.6	3.1		
Dairy products					
Cheese	0.97	0.67	0.95	United States, Spain and France	United States shows the largest absolute difference between potential and actual exports in value terms, leaving room to realize additional exports worth \$191.5K.
Total	0.97	0.67	0.95	United States, Spain and France	

Table 6: Untapped export potential for the top textile sub-products and the main potential export markets for those sub-products.

Textile subproduct with highest untapped export potential	Export potential (mn USD)	Actual exports (mn USD)	Untapped potential (mn USD)	Markets per product group	Comments
Apparel					
Single yarn, >=85% cotton, uncombed fibres 232,56-714, 29 decitex	0.3	1.1	0.25	Turkey, Colombia and Macedonia, North	France shows the largest absolute difference between potential and actual exports in value terms, leaving room to realize additional exports worth \$109.2K.
Total	1.2	3.5	0.77	Egypt, Tunisia and Turkey	
Synthetic textile fabric					
Synthetic mono-filament, >=67 dtex, <=1mm	0.39	0.45	0.3	France, Italy and Spain	France shows the largest absolute difference between potential and actual exports in value terms, leaving room to realize additional exports worth \$103.1K.
Total	0.72	1.1	0.57	France, Germany and United States	
Home Textiles					
Skins of sheep or lambs, in the wet state	4.6	4.2	2.5	Italy, France and Turkey	France shows the largest absolute difference between potential and actual exports in value terms, leaving room to realize additional exports worth \$1.3 mn.
Total	10.2	11.4	5.3	Italy, France and Spain	

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