

IOA | 2019 | ACBR



AFRICA COUNTRY BENCHMARK REPORT

Algeria Profile



The Port of Algiers can cater for ships over 150 metres in length, making it one of the most important infrastructural features for a city with a notoriously high cost of living.





Image courtesy of Magharebia



ALGERIA

#15

ALGERIA



OVERVIEW ANALYSIS

Ranked by the World Bank as the third-most important economy in the Middle-East/North Africa region, Algeria is one of the very few countries worldwide and the only African country to reduce poverty by 20% in the past two decades. Due to significant European trade and a robust domestic market, Algeria remains North Africa's second-largest economy behind Egypt. Government is using revenue from economic growth as a means to improve Algerians' social conditions. This is politically essential to keep in power the long-ruling National Liberation Front by avoiding economic-related public protests. Algeria's position in ACBR 2019 ranks in 15th place and represents a rise in two positions from 2017. The climb up the rankings can be credited to stronger Economic, Politics and Society quadrant scores.

KEY OPPORTUNITIES

- The country is considered the gateway to Europe
- Government is intent on economic diversification
- New and expanding auto assembly trade

KEY CONCERNS

- Decreasing oil prices jeopardise social welfare programmes
- Rampant urban migration
- Agriculture needs investment and growth

COUNTRY HIGHLIGHTS

PREDOMINANT RELIGION	PREDOMINANT LANGUAGE	POPULATION WITHOUT ELECTRICITY	LITERACY RATE	PRIMARY ELECTRICITY SOURCE
 Islam	 Arabic	 0.6% (#5) ▼ ⁶	 80.2% (#14) —	 Gas
IMPORT/EXPORT	EXTERNAL DEBT	ACTIVE CONFLICT	LAND SIZE	INTERNET PENETRATION
 Capital goods/ Petroleum	 US\$ 8.163 billion (#19) —	 No	 2,381,741 km ² (#1)	 42.9% (#9) —

13.2%



AGRICULTURE

36.1%



INDUSTRY

50.7%



SERVICES

29.3%



0-14

15.3%



15-24

42.9%



22-54

12.5%



55+



Term:
27/04/1999 - present
5 years (2 term limit)



Political Party:
National Liberal Front



Recent Electoral Information:
17/04/2014
8 332 598 Votes
81.5%
Voter turnout: 51.7%



President
Abdelaziz
Bouteflika

CONTRIBUTIONS TO GDP BY SECTOR

POPULATION AGE BREAKDOWN

NATIONAL GOVERNANCE

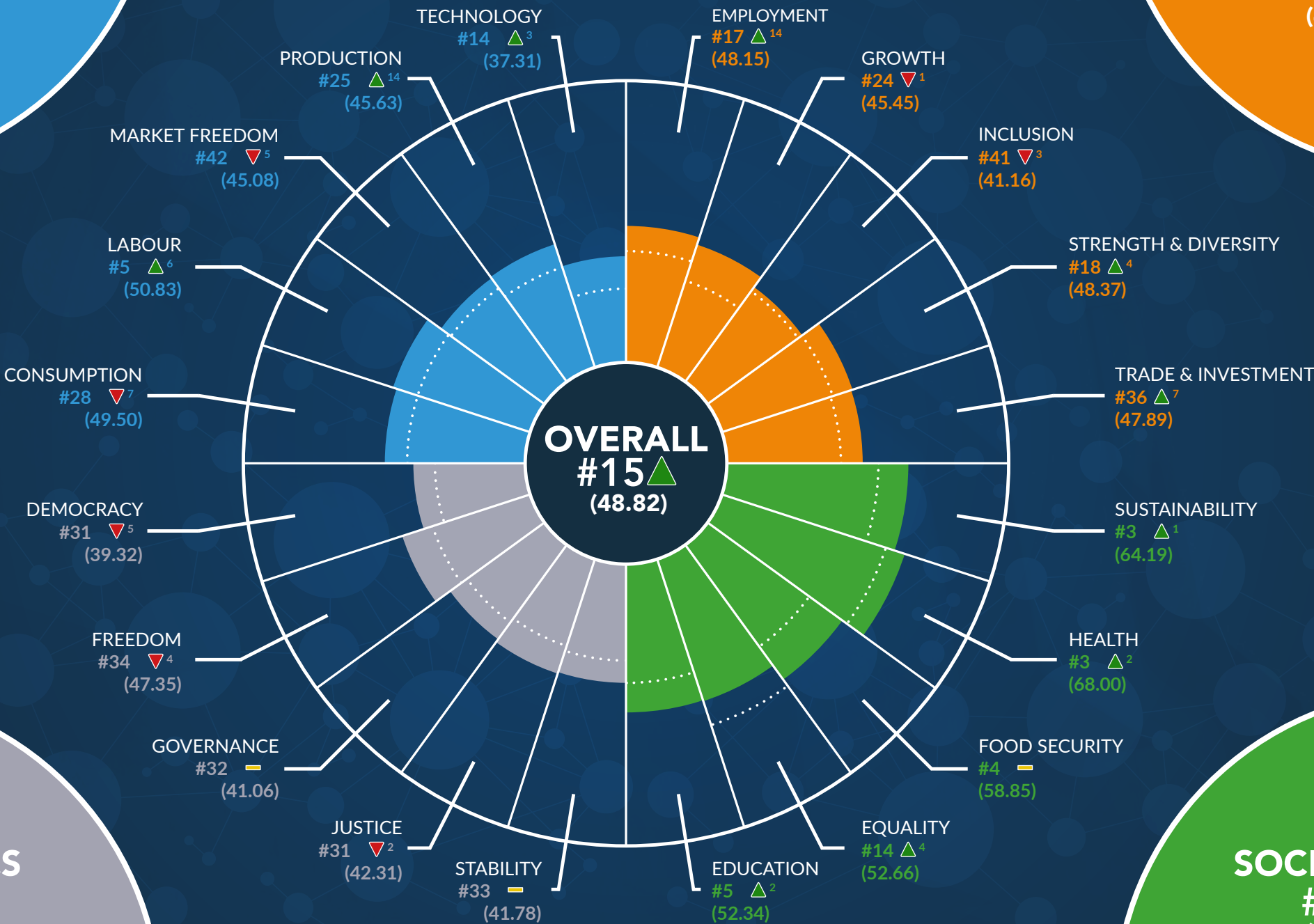
BUSINESS

#21
(45.67)

ECONOMICS

#22
(46.56)

ALGERIA PERFORMANCE OVERVIEW



POLITICS

#33
(42.36)

SOCIETY

#2
(60.69)

▲ Increase from 2017 ▼ Decrease from 2017 ■ No change 2017 Score

ALGERIA BUSINESS ANALYSIS



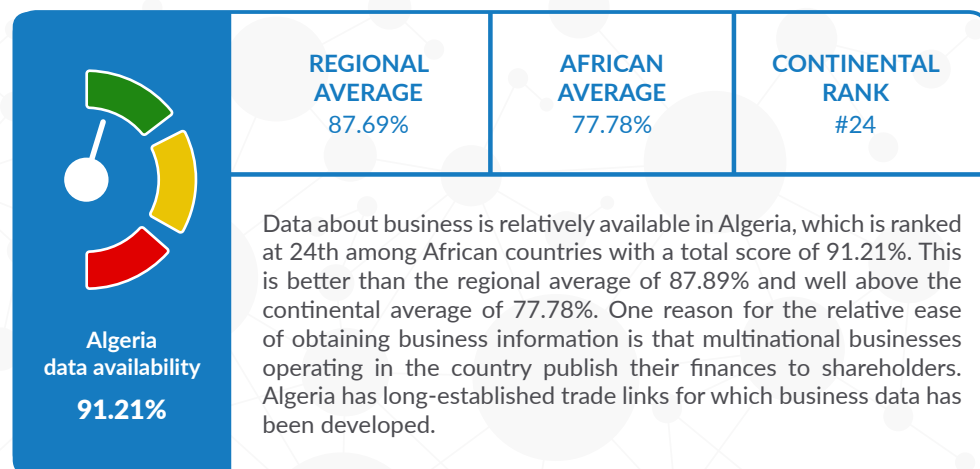
BUSINESS OVERVIEW

Algeria's goal of diversifying their economy away from the dominance of the energy sector depends on external trade and the success of new businesses to exploit those links. Foremost of these are the foreign markets in Europe, which have long-standing ties with Algeria. Algeria seeks to enter the African market with their manufacturing output, particularly with regard to the production of automobile assembly plants. Algeria is competing with Morocco for Sub-Saharan Africa's car business, where new car ownership is low. European car makers with plants in Algeria include France's Peugeot-Citroen and Renault, Germany's Volkswagen and Italy's Iveco. Algeria also has historic trade ties with the Middle East. In addition to revenues generated by the auto industry,

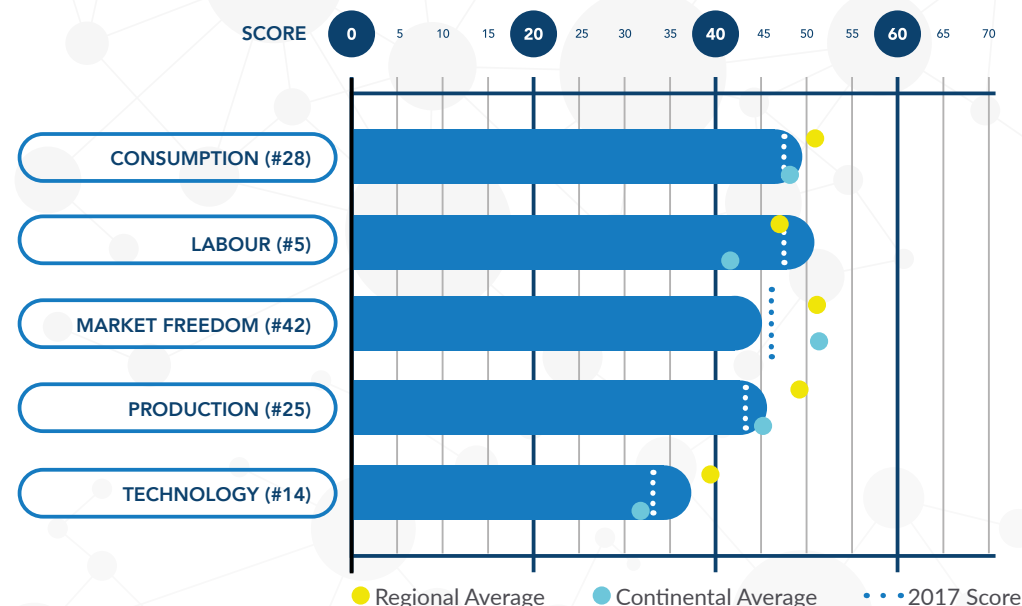
the plants will raise the technical level of Algerian labourers through the transfer of skills. The auto industry is relatively new, commencing with a Renault plant in 2014, but corresponds with a simultaneous influx of business to service the auto plants. The tourism sector has also seen new investors, whose presence can also be felt in the processed foods business. Some manufacturing output is aimed at local consumption, but much is designed for export.

Algeria's position as 21st in the Business quadrant, with a total score of 45.67, is an improvement by two country positions and a rise of 2.34 points from 2017, when Algeria's ranking stood at 23rd based on a score of 43.33.

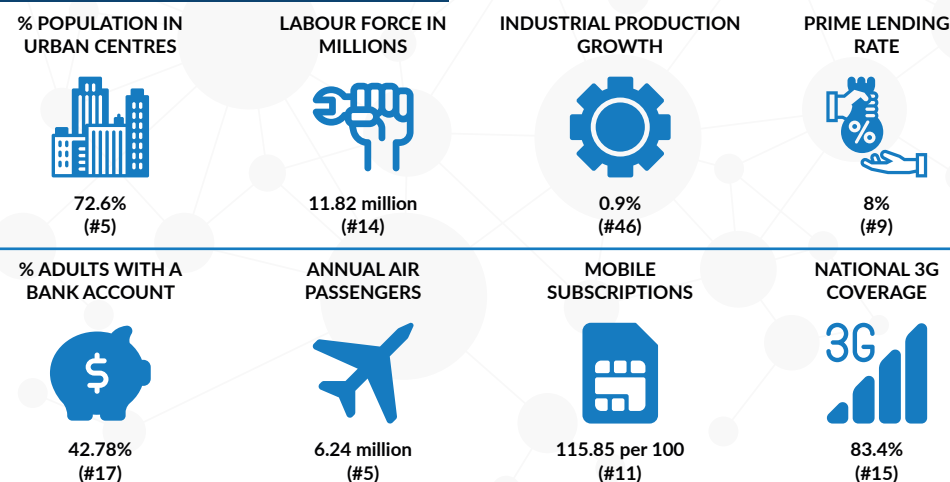
BUSINESS DATA COMMENTARY



BUSINESS SCORES & RANKINGS



BUSINESS STATISTICS



ALGERIA ECONOMIC ANALYSIS



ECONOMICS OVERVIEW

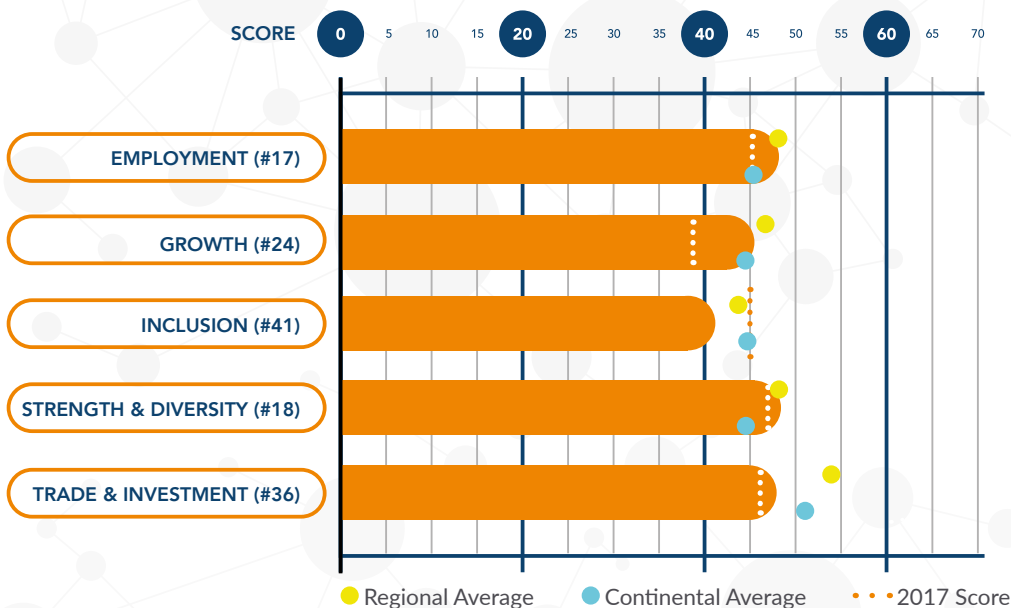
More investment is sought in the agricultural sector because foodstuffs, along with consumer goods, are Algeria's top non-energy exports. Yet the availability of cultivatable land, which comprises only 3.2% of this desert country's land, hinders expansion of agriculture without the use of new irrigation technologies. The decline in worldwide oil prices saw a contraction in Algeria's economy to 2% in 2017 from 3.3% in 2016. Algeria has the world's tenth-largest reserves of natural gas, but these are no longer reliable revenue earners, when critical energy earnings have accounted for 60% of government's budget and 95% of export earnings.

An initiative launched by President Bouteflika late in 2017 is goaled with

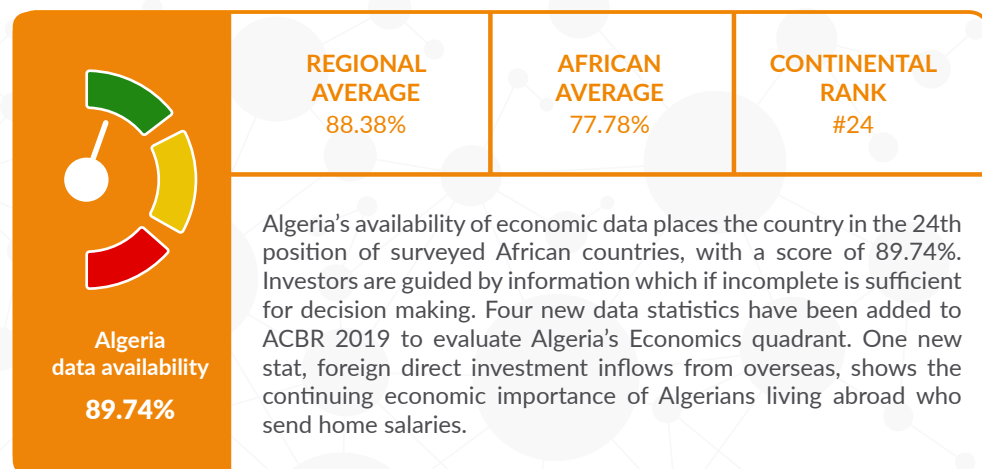
the development of renewable energies. To assist local industry, government suspended the importation of 850 products.

With a total score of 46.56, Algeria's ranking of 22nd in the Economics quadrant is a significant improvement by eleven positions over 2017's ranking of 33rd, from a score of 44.24. Because the score rise of 2.32 is modest compared to the rise in the country's ranking, this rise in rank can be attributed also to worsening performances by other African nations' economies during the time period under review. However, improvements in Algeria's own economy on the back of the Revised Investment Law (16-09) also play a factor.

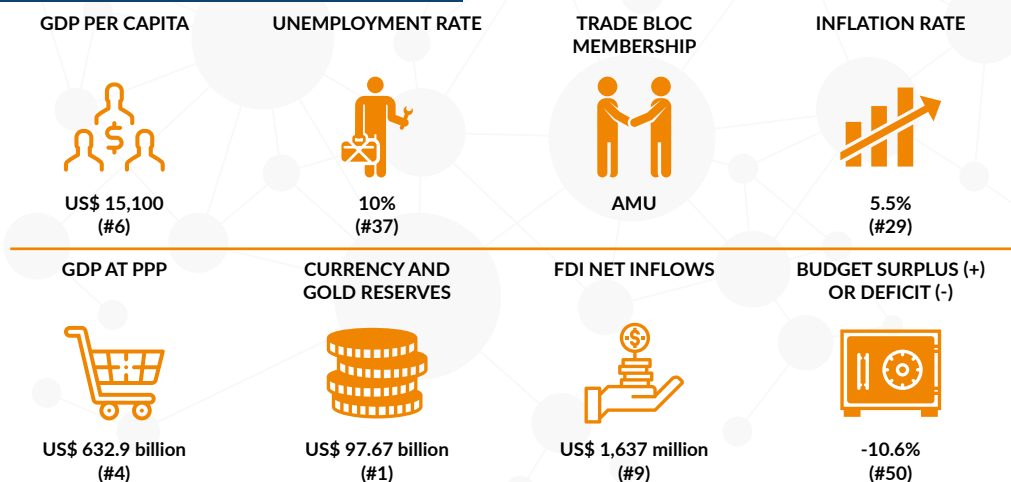
ECONOMIC SCORES & RANKINGS



ECONOMIC DATA COMMENTARY



ECONOMICS STATISTICS



ALGERIA POLITICAL ANALYSIS

#33

POLITICAL OVERVIEW

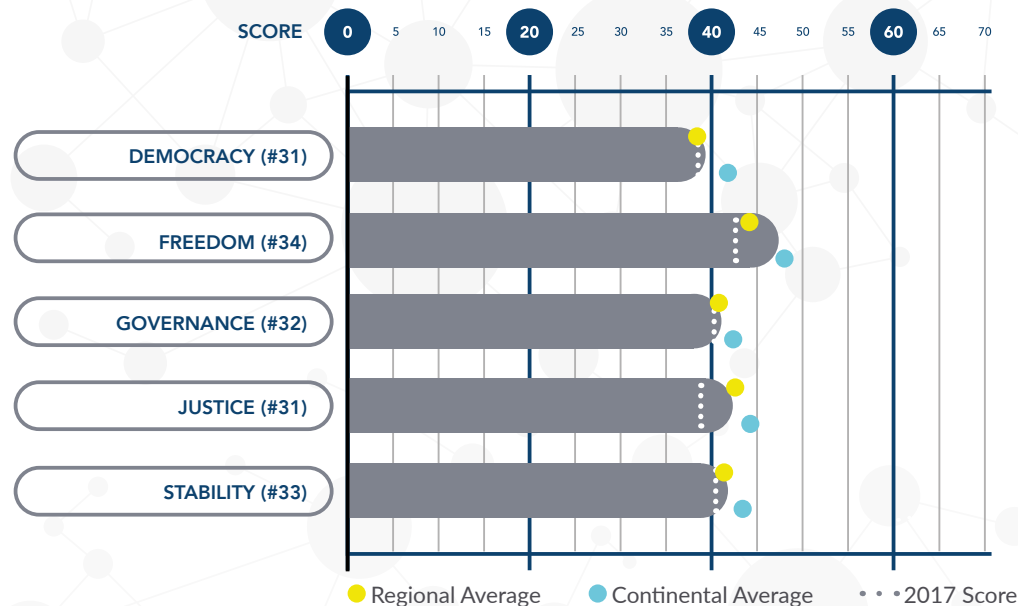
Algeria's leader – Bouteflika, installed by the military in April 1999 at the cessation of a brutal civil war that killed 100,000 people – is likely to hold his position until he chooses to retire. The 2008 constitution, written under his rule, grants the possibility of him becoming a President-for-Life. Having won elections in 2004, 2009 and 2014, he is favoured to win the 2019 polling. He turned 80 in March 2018 and is increasingly out of public view, having suffered a stroke in 2013.

During the Arab Spring of 2011, Algerians demanded greater political freedoms. To ensure his survival, Bouteflika conceded some reforms and has done a good job using energy revenues to buttress social welfare programmes.

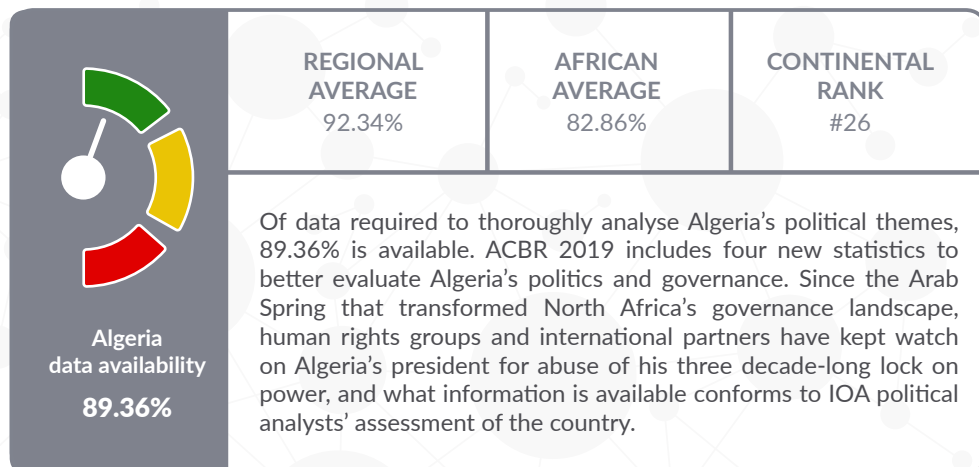
Although Bouteflika's ruling Algerian National Front has a lock on power, more than 22 other parties participate in the political process. Algerian law is a combination of French law bequeathed by the former colonial power and Islamic fundamentalist law. Nevertheless, a 1997 law banned political parties from forming along religious lines.

Positioned in 33rd place because of a score of 42.36, Algeria has fallen by four ranks in the Politics quadrant, despite a score increase of 1.25 from 41.11 earned in 2017. The better scoring performance of some other countries in this quadrant should not diminish Algeria's improvement.

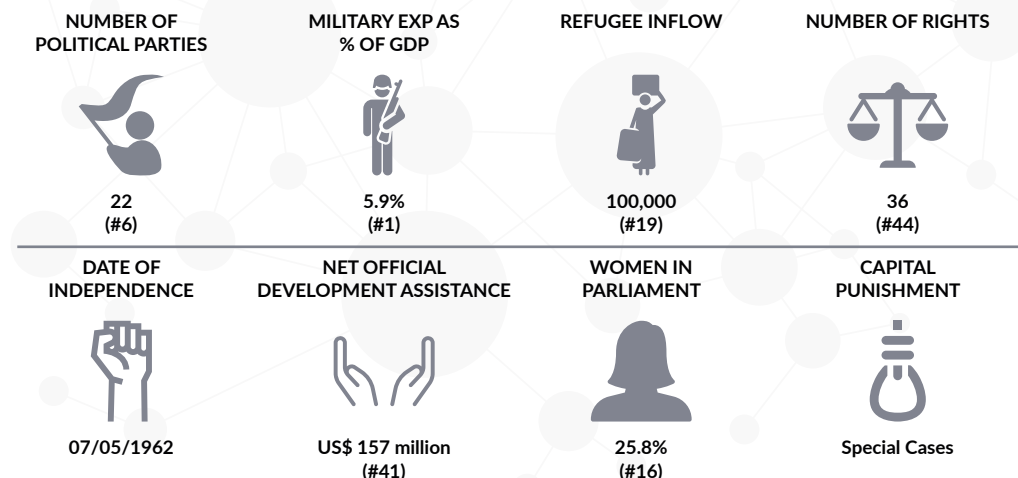
POLITICAL SCORES & RANKINGS



POLITICAL DATA COMMENTARY



POLITICAL STATISTICS



ALGERIA SOCIETAL ANALYSIS



SOCIETAL OVERVIEW

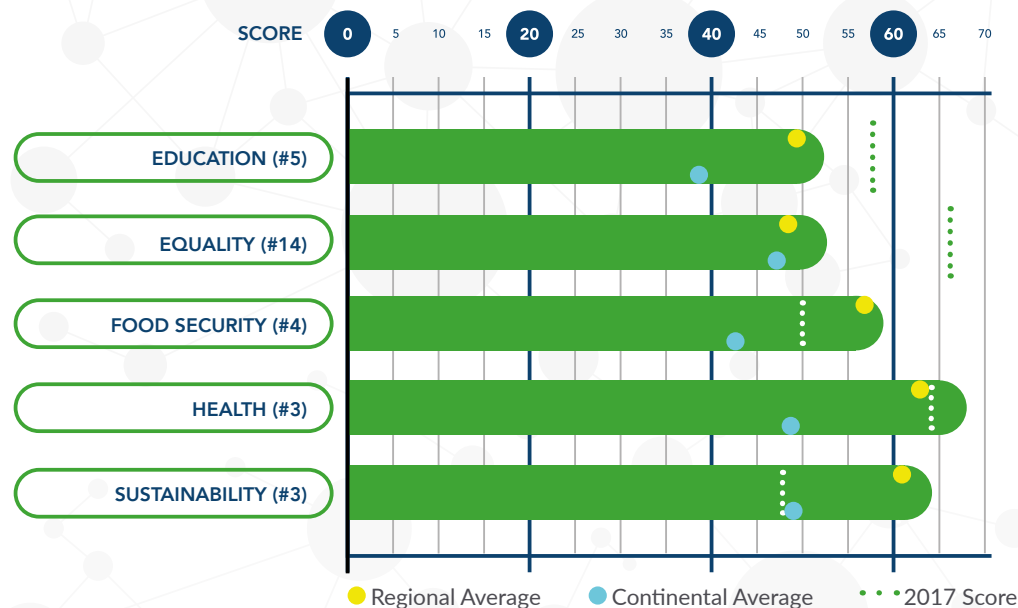
The United Nations reports that Algeria has made significant gains in each of the key Human Development Indicators, ranking 83rd out of 188 countries. This gives Algeria the status of “highly developed cohort” in the latest Human Development Report.

Life expectancy stands at 77 years. A social insurance system paid for by government and employers allows workers to retire at the age of 60, however, few women benefit from this as only 10% of the workforce is female. Years of high birth rates prior to national independence in 1962 have slowed considerably in the decades that followed, from seven children per woman in the 1950s to 2.7 children today.

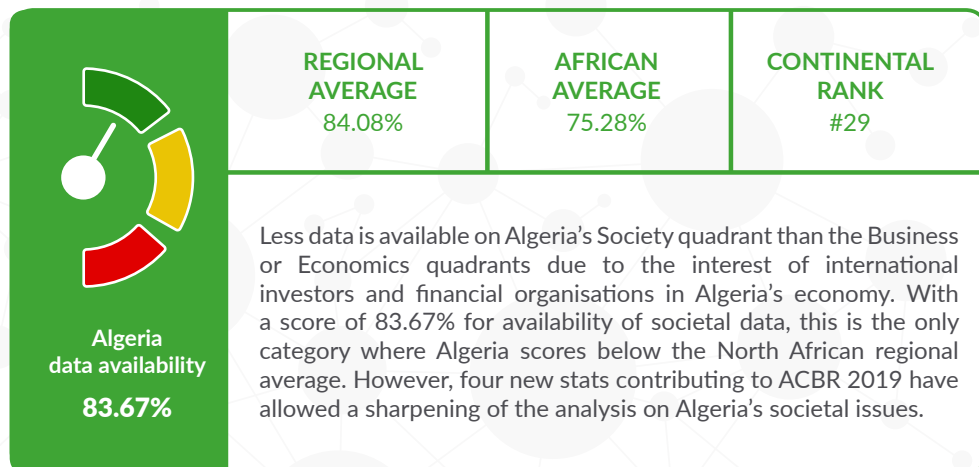
Meanwhile, the average woman's age at first marriage rose from 19 in the mid-1950s to 24 in the 1970s and then to 30.5 by 2000. One reason for postponed marriage is the acute housing shortage in towns as urban migration from the countryside continues unabated. About 77% of Algerians are urban dwellers. As an indication of Algerians' growing affluence, today's eight million cars are expected to multiply to 20 million by 2025.

Algeria's high position of 2nd among African countries in the Society quadrant, with a total of 60.69 points, is an improvement by two ranks from 2017's ranking of 4th and a score of 56.37, a rise of 4.32 points.

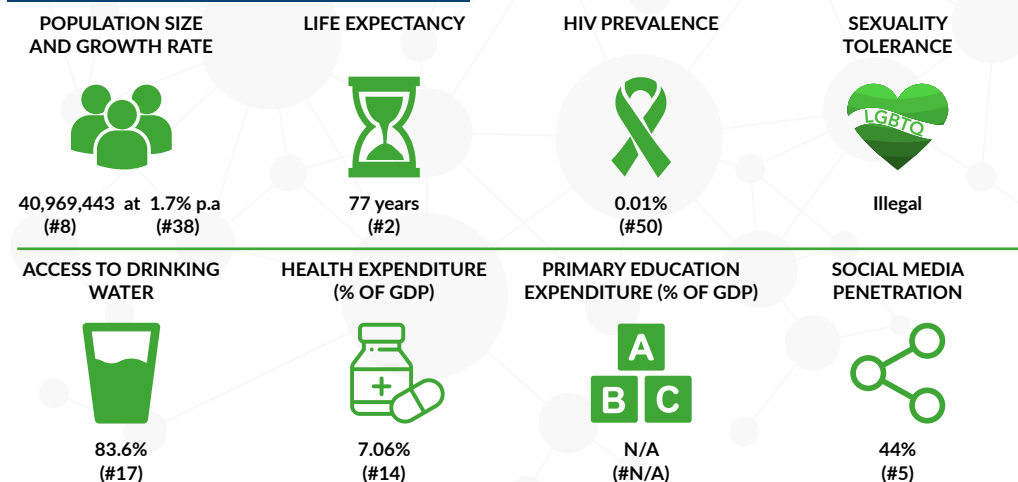
SOCIETAL SCORES & RANKINGS



SOCIETAL DATA COMMENTARY



SOCIETAL STATISTICS



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