

The Reality of Investment in Algeria During the Period (2010–2023): An Analysis of Obstacles and Mechanisms for Overcoming Them.

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Abstract

This study aims to analyze the investment climate in Algeria during the period 2010–2023, focusing on the legislative, institutional, and economic reforms that have shaped the country's investment environment. The paper highlights the key factors influencing both domestic and foreign investment flows, including the role of hydrocarbons, infrastructure development, and macroeconomic stability. By examining data from official national sources and international organizations, the research seeks to identify the main constraints hindering investment and assess the effectiveness of policies implemented to attract private and foreign capital. The findings reveal that, despite notable reforms and government efforts to diversify the economy, Algeria still faces structural challenges related to bureaucracy, financing mechanisms, and the dominance of the hydrocarbon sector. The study concludes with recommendations aimed at improving the business climate and enhancing the competitiveness of the Algerian economy in the regional and global context.

Keywords: Investment climate, Algeria, economic reforms, diversification, foreign investment.

Introduction:

Investment constitutes one of the fundamental drivers of economic growth and sustainable development, and it is considered one of the most important factors contributing to strengthening countries' ability to achieve the well-being of their peoples. In this context, Algeria attaches increasing importance to improving the investment climate as part of its efforts to achieve comprehensive economic development. Since 2010, the Algerian government has undertaken a series of economic and legal reforms aimed at attracting both domestic and foreign investments and enhancing the investment environment. However, the reality of investment in Algeria still faces many challenges and obstacles that limit its effectiveness and affect the level of its growth.

Research Problem:

Based on the foregoing, the following research problem can be formulated:

- What is the reality of investment in Algeria during the period 2010–2023? What are the main obstacles it faces, and how effective are the mechanisms adopted to address them?

To answer this main question, the following sub-questions are raised:

- What is the state of investment in Algeria during the period (2010–2023)?
- What challenges hinder the promotion of investment in Algeria?
- What mechanisms have been implemented to support and encourage investment in Algeria?

Research Hypothesis:

Investment in Algeria during the period (2010–2023) has suffered from persistent weakness due to structural and institutional challenges, despite the efforts made by the state.

Research Objectives:

- To diagnose the reality of investment in Algeria during the period (2010–2023).
- To identify and analyze the main challenges facing the investment climate in Algeria.

- To present the policies and mechanisms supporting the investment climate in Algeria.
- To provide practical proposals and recommendations for promoting investment in Algeria.

Research Methodology:

The study relied on the descriptive and analytical approach through the analysis of quantitative and statistical data related to investment in Algeria, while objectively addressing the constraints and mechanisms involved. The research was based on official data and reports issued by national and international institutions.

Study Axes:

To answer the research problem, this study is divided into the following main axes:

- Axis One: The nature of investment.
- Axis Two: The evolution of investment in Algeria during the period (2010–2023).
- Axis Three: The obstacles to the investment climate in Algeria and the mechanisms adopted to address them.

Axis One: The Nature of Investment

Investment constitutes a fundamental pillar of economic growth, as it contributes to increasing production, creating job opportunities, and improving living standards. Investment takes various forms that differ according to the nature of the activity and the risks associated with it, which makes understanding its essence essential for accurately defining its objectives.

First: The Concept of Investment :

Investment is considered a key element in the economic process, as it contributes to increasing production and national income and supports sustainable growth. Its definitions vary depending on the perspective from which it is viewed-economic, financial, or social.

- Investment was originally defined as the allocation of capital into an economic process or activity with the objective of generating a financial return. It is also understood as the postponement of current consumption to a future period, whereby these funds are directed toward productive investment rather than being hoarded (Al-Hourani, 2014)..
- According to Oman Charles, investment is defined as “a process undertaken by the investor with the aim of increasing the value of the resources (capital) at his disposal, which are utilized to create and acquire new value (added value)” (Hanan, 2021).
- It is also defined as “the productive employment of capital by directing savings toward uses that lead to the production of goods or services that meet the economic needs of society and enhance its welfare; or, in other words, it is that part of income not consumed but reinvested in production processes to increase or maintain output, thereby achieving a real addition to the national economy. This is referred to as gross investment, representing the total value of productive real assets generated over a period of time, contributing to the increase of capital accumulation.” (Tamesh, 2016)

Hence, investment can be defined as the process of employing available financial and economic resources-by individuals, institutions, or governments-in projects or real and financial assets, with the objective of achieving future returns or economic benefits, while bearing a certain degree of risk associated with the expected returns.

Second: Forms of Investment

The forms of investment are diverse and multifaceted, depending on the perspective from which they are considered. Economists have sought to classify investment according to different criteria, whether in terms of the nature of its intended objectives or the entity undertaking it. Accordingly, investment can be categorized into several types based on a set of criteria, including the following (Reda, 2024):

1. Geographical Classification of Investment :

Investment can be classified geographically into three main types:

1.1. Public (Government) Investment:

This type of investment is carried out by the state to finance economic and social development projects. It is funded through budget surpluses or loans and aims to increase capital formation within society.

1.2. Private (Domestic) Investment:

This type of investment is undertaken by individuals or national companies with the objective of generating profit. It is usually financed through savings or retained earnings and is directed toward domestic projects without the cross-border movement of capital.

1.3. Foreign (External) Investment:

This involves the employment of national capital in foreign countries and is considered an important source of development financing in developing nations. Such investment is influenced by several factors, including the economic environment, tax and customs policies, and differences in profit margins between domestic and foreign markets.

2. Qualitative Classification of Investment

Investment can also be classified according to the type of asset into three main categories:

2.1. Real (Economic) Investment:

This type involves the employment of funds in tangible assets such as real estate, commodities, and gold. It generates real benefits and added value that contribute to increasing the wealth of individuals and society, excluding investment in financial securities.

2.2. Financial Investment:

This form focuses on financial assets such as stocks, bonds, and certificates of deposit, and it is subdivided into:

- **Short-term investment:** Such as treasury bills, which are considered monetary investments.
- **Long-term investment:** Such as stocks and bonds, which are regarded as capital investments contributing to capital formation.

2.3. Human Investment:

This type consists of expenditures on health and education aimed at developing individuals' skills and capabilities, thereby enhancing their productivity and improving social welfare. It is considered an investment in human capital, designed to prepare individuals as productive and active members of society.

3. Classification According to the Investor

Investment can also be classified based on the entity undertaking it into two main types:

3.1. Direct Investment:

This form involves establishing or developing productive enterprises in a foreign country. It is preferred when the foreign market is large and offers advantages such as lower production costs. Direct investment contributes to technology transfer and the creation of job opportunities in the host country.

3.2. Indirect Investment:

This type involves purchasing financial securities without participating in the management of the enterprise. It is the most common form of foreign investment and represents a source of financing that supports direct investment through financial markets.

Third: Objectives of Investment

Investment is one of the most important economic activities aimed at achieving future benefits, whether at the individual or institutional level. Its objectives vary according to differences in motives, capacities, and circumstances; however, they collectively form the foundation upon which investment decisions are made. These objectives can be summarized as follows (Adnan, 2008):

1. Preservation of Physical Assets:

In some cases, the primary goal of investment is to protect assets from deterioration or loss of value. This is achieved by reinvesting them in a well-studied manner that takes into account the investment climate and potential risks, thereby minimizing the adverse effects of such risks.

2. Profit Generation:

Profit is the main driving force behind investment decisions. It is essential to distinguish between realized profit and expected profit, both of which serve as incentives for investment, albeit to varying degrees. Profit should materialize in the form of continuous cash flows that maintain their purchasing power, which requires focusing on the net present value of returns. Therefore, an investor proceeds with investment only when the net returns, evaluated at present value, exceed the investment cost.

3. Maintaining Cash Liquidity:

Although liquidity may not be a strategic priority for most investors, it remains vital to ensure the continuity of investment activity. Liquidity enables investors to cover operational expenses, maintenance, repairs, and short-term obligations, in addition to meeting living needs-especially when the investor operates individually or within a family context.

4. Meeting Potential Demand:

When an investor or producer anticipates an upcoming increase in demand for their product, they may seek to expand production capacity to meet the expected demand or maintain their market share.

5. Keeping Pace with Technological Progress:

Technological advancement may serve as a strong motivation for creating new investment opportunities, either by establishing production units specialized in manufacturing modern technologies or by replacing outdated equipment with advanced ones, thus ensuring the project's competitiveness and sustainability in the market.

6. Personal Objective:

This objective reflects the investor's aspiration to break away from daily routine and fulfill ambitions that enhance their standard of living. Such goals are shared among all individuals, whether they are producers or unemployed persons, as everyone seeks personal and material development that reflects their life aspirations.

Axis Two: Evolution of Investment in Algeria (2010–2023)

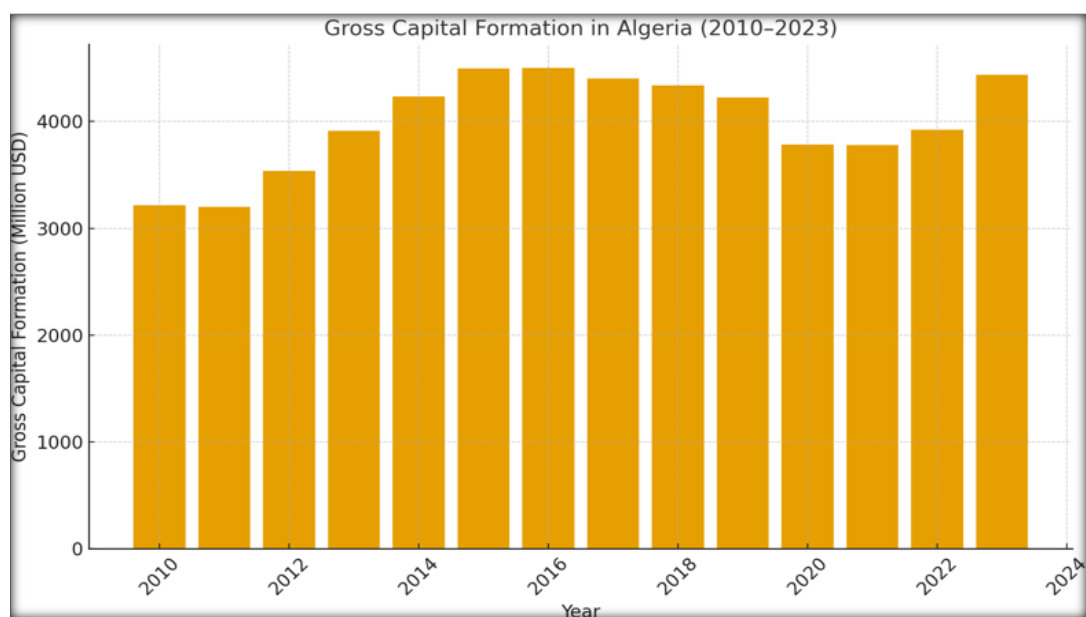
Tracking the evolution of investment during the period 2010–2023 is essential to understanding the dynamics of investment activity in Algeria and the changes it has undergone in light of adopted economic policies.

First: Evolution of Gross Capital Formation in Algeria (2010–2023)

The following table represents the evolution of gross capital formation (an economic indicator used to measure the value of investments carried out over a specific period in the economy) in Algeria during the period 2010–2023.

Table 01: Evolution of Gross Capital Formation in Algeria (2010–2023)*Unit: Billion DZD*

Year	Gross Capital Formation
2010	3217.79
2011	3199.72
2012	3537.21
2013	3914.84
2014	4234.23
2015	4495.37
2016	4500.09
2017	4399.89
2018	4338.71
2019	4222.53
2020	3786.37
2021	3777.51
2022	3923.16
2023	4434.96

Source: World Bank.**Figure 01: Evolution of Gross Capital Formation in Algeria (2010–2023)***Unit: Billion DZD***Source:** Prepared by the researchers based on Table 01.

Total capital formation in Algeria during the period 2010–2023 experienced a varied trajectory, influenced by multiple domestic and external economic factors, as well as the effectiveness of government policies and the contribution of investment-supporting institutions in stimulating economic activity.

At the beginning of the period, total capital formation in 2010 amounted to approximately 3,217.79 billion Algerian Dinars (DZD), and it continued to grow gradually, reaching 4,500.09 billion (DZD) in 2016, representing a growth of nearly 40% over six years. This improvement was largely due to abundant oil revenues during that phase, which enabled the state to finance major development programs, supported by institutions such as the National Investment Council and the former National Agency for Investment Development (ANDI). These institutions provided financial and tax incentives, as well as administrative facilitation, to enhance the investment climate, particularly in infrastructure, housing, and industry.

However, the growth trend began to gradually decline from 2017, with capital formation decreasing to 4,399.89 billion (DZD), then to 4,338.71 billion (DZD) in 2018, and further to 4,222.53 billion (DZD) in 2019—a total decline of 6.2% compared to the 2016 peak. This downturn reflected the limited effectiveness of some incentive mechanisms and the emergence of structural imbalances, particularly regarding delayed banking system reforms and the slow implementation of mechanisms by the National Agency for Mediation and Land Regulation, which at times failed to provide adequately prepared land plots for investors.

The year 2020 marked a sharp turning point, as capital formation fell to 3,786.37 billion (DZD), a 10.13% decrease compared to 2019. This decline was the result of a dual shock: the collapse in oil prices and the impact of the COVID-19 pandemic, which led to the freezing or postponement of numerous projects. No significant recovery occurred in 2021, with the figure stabilizing at 3,777.51 billion (DZD), reflecting the continued investment slump, despite state attempts to mitigate it by renewing the role and expanding the powers of investment agencies.

Starting in 2022, signs of recovery gradually appeared, with capital formation rising to 3,923.16 billion (DZD), and then to 4,434.96 billion (DZD) in 2023, representing a 13.1% growth compared to 2021. This recovery was largely due to the adoption of the new Investment Law in 2022, which established a new institutional framework led by the Algerian Agency for Investment Promotion (AAPI), replacing ANDI. AAPI played a central role in supporting investors through one-stop services, providing facilitation, guarantees, and customs and tax benefits, thereby enhancing investor confidence, particularly in productive sectors outside hydrocarbons.

Additionally, the National Agency for Mediation and Land Regulation contributed to this momentum by facilitating access to industrial land through improved transparency in the real estate market and provision of suitable plots—a fundamental condition for attracting private, domestic, and foreign investment.

Secondly : Analysis of the Share of Gross Fixed Capital Formation in Algeria's GDP (2010–2023)

The following table presents the share of gross fixed capital formation (GFCF) in Algeria's Gross Domestic Product (GDP) during the period 2010–2023.

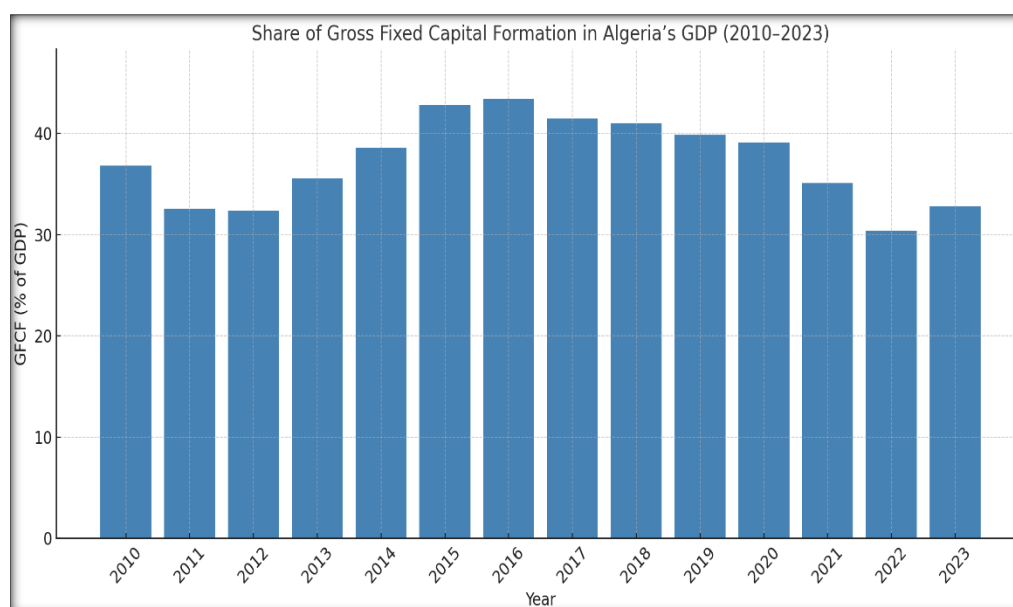
Table 02: Share of Gross Fixed Capital Formation in Algeria's GDP (2010–2023)

Year	Gross Fixed Capital Formation (% of GDP)
2010	36.82
2011	32.56
2012	32.37
2013	35.55

2014	38.60
2015	42.81
2016	43.39
2017	41.51
2018	41.01
2019	39.87
2020	39.09
2021	35.12
2022	30.38
2023	32.82

Source: World Bank.

Figure 02: Share of Gross Fixed Capital Formation in Algeria's GDP (2010–2023)



Source: Prepared by the researchers based on Table No (02).

The table and figure above illustrate the evolution of Gross Fixed Capital Formation (GFCF) as a percentage of Algeria's GDP over the period from 2010 to 2023. Several significant trends reflecting the country's economic and investment dynamics can be observed.

Initially, the GFCF ratio was relatively high in 2010, reaching 36.82%. It then experienced fluctuations over the following years, with notable declines in certain periods, dropping to 32.56% in 2011 and 32.37% in 2012, indicating a slowdown in fixed capital investments during those years. However, in the subsequent years, a marked improvement was observed, with the ratio rising to 42.81% in 2015, reflecting a substantial increase in fixed capital formation, likely driven by higher government spending or growth in investment sectors.

Between 2015 and 2019, the ratio remained relatively stable around 41%, suggesting consistency in infrastructure investments and other investment projects. Nevertheless, a gradual decline began after 2019, with the ratio reaching 39.87% in 2019 and then falling sharply to 35.12% in 2021, which can be

attributed to the global COVID-19 pandemic's impact on the economy, as many sectors experienced a reduction in investments.

Finally, the period from 2022 to 2023 saw relative stabilization, with a slight improvement in GFCF to 32.82% in 2023 compared to 2022, indicating a tentative recovery or relative stabilization of investments following a period of significant declines.

Axis Three: Obstacles to the Investment Climate in Algeria and Mechanisms for Their Mitigation **First: Obstacles to the Investment Climate in Algeria**

Despite the legal and institutional reforms undertaken by Algeria to improve the investment climate, the environment still suffers from a range of structural and functional obstacles. These challenges represent one of the main factors explaining the decline in both domestic and foreign investment flows.

1. Political and Legal Obstacles

Political stability is a fundamental condition for attracting investment, as it provides reassurance to investors and reduces risk levels. In previous periods, Algeria experienced political and security instability, which negatively affected investment flows due to tensions, violence, and frequent changes in government. Although security and political conditions have improved in recent years, uncertainties still surround the investment environment, particularly as economic decisions remain influenced by political considerations.

At the legal level, Algeria suffers from instability in investment legislation, with frequent amendments and changes to laws that undermine investor confidence. The legal system also faces problems related to unclear legal texts, numerous disputes with workers, partners, or competitors, and weak enforcement of laws due to corruption and the pursuit of private interests within some institutions. These factors discourage many investors from entering the Algerian market (Belkacem, 2006).

2. Financial and Administrative Obstacles

The banking system in Algeria is one of the main barriers hindering investment development. Many experts believe it still suffers from structural deficiencies that prevent it from meeting the needs of the national economy. This weakness stems from several factors, most notably bureaucracy and favoritism in handling applications, weak technological and information infrastructure, and a lack of effective coordination among banks. Banks are also characterized by excessive caution and risk aversion, often requiring guarantees that exceed the actual value of projects, which burdens investors. Additionally, there is a lack of qualified personnel, poor banking services based mainly on traditional methods, and lengthy loan processing times, sometimes taking several months. These issues delay investment opportunities and reduce the attractiveness of the national market (Belkacem, 2006).

3. Social and Economic Obstacles

Social and economic challenges constitute some of the most significant barriers to investment in Algeria. Delays in certain aspects of economic transformation, particularly in privatization processes, have hindered progress compared to some developing countries. Weak infrastructure also obstructs investment, with many areas lacking basic services such as water, electricity, and gas, alongside inadequate communication networks and sewage systems.

Moreover, procedures for promoting investment opportunities remain insufficient, making it difficult for investors to access necessary information. The industrial real estate sector faces significant challenges, including delays in granting land use permits for investment, which can sometimes take up to a year.

Regarding taxation, despite some positive amendments to Algerian laws, the tax burden remains high compared to other countries, negatively affecting investment attractiveness. Additionally, a shortage of skilled and specialized labor poses a challenge for companies relying on qualified workforces. Weak economic policies have also contributed to the emergence of parallel markets, exacerbating issues of corruption and unfair competition (Fatima, 2019).

Secondly: Investment Support Mechanisms in Algeria

Algeria attaches great importance to strengthening investment, considering it a fundamental pillar for achieving economic growth and diversifying national income sources beyond the hydrocarbons sector. In this context, the state has sought to develop various mechanisms to support and incentivize investors by establishing institutional structures such as the **National** Investment Council, the Algerian

Investment Promotion Agency (AAPI), and the National Agency for Intermediation and Land Regulation (ANIREF).

These efforts are part of a national strategy aimed at making Algeria an attractive destination for both domestic and foreign capital, thereby contributing to sustainable development and creating employment opportunities

1. Government Institutions Supporting Investment in Algeria

These institutions aim to improve the investment climate and make it more attractive to both domestic and foreign investors. The most prominent among them include the following (Qarnash, 2022):

1.1. The National Investment Council (CNI)

The National Investment Council is one of the key government bodies established by the Algerian government to improve the investment environment in the country. Its main objective is to promote a continuous flow of both foreign and domestic investments by simplifying legal and administrative procedures and reducing bureaucracy, which has historically posed a significant barrier to investors.

The Council was established under Ordinance No. 01-03 dated August 20, 2001, and its organization was confirmed by Executive Decree No. 06-355 of October 9, 2006.

1.1.1. Objectives of the National Investment Council

The Council aims to create a favorable investment environment in Algeria by improving legislation and regulatory frameworks. This aligns with national efforts to attract both foreign and domestic investments to contribute to national economic development. The Council focuses on **facilitating procedures** and **reducing obstacles** investors might encounter, such as complex administrative processes.

1.1.2. Functions of the National Investment Council

• Proposing Investment Development Strategies

The Council develops comprehensive strategies to strengthen the investment environment in Algeria. It identifies investment priorities based on local and international economic criteria, aligning them with global trends. This includes pinpointing strategic sectors such as renewable energy, manufacturing, and technology that can significantly drive economic growth.

• Proposing Measures to Encourage Investment

The Council proposes practical measures to increase investment volume in Algeria. This includes recommending necessary incentives such as amendments to labor laws, customs regulations, and tax exemptions. It also works on simplifying administrative procedures for company formation and licensing.

• Reviewing Incentives for Foreign Investors

The Council reviews and defines the incentives offered by the state to foreign investors, including access to land, tax exemptions, project financing support, and guarantees to protect foreign investments from political and economic risks. It also evaluates the effectiveness of these incentives in improving the overall business climate.

• Monitoring the Implementation of Investment Policies

The Council follows up on the implementation of investment-related policies and strategies, assessing their effectiveness to ensure they achieve the government's economic and development goals. It also coordinates among various government bodies involved in investment to create a more favorable investment environment.

• Approving Major Investment Projects

The Council reviews large-scale investment projects that require government approval. It evaluates their economic and environmental feasibility and makes decisions based on national development objectives and market needs.

• Resolving Investor Issues

Beyond its administrative and regulatory tasks, the Council provides technical support to investors by facilitating licensing procedures and addressing any issues they may encounter during project implementation. It contributes to reducing legal and administrative burdens by establishing flexible and efficient procedures.

1.2. The Algerian Investment Promotion Agency (AAPI)

The Algerian Investment Promotion Agency (AAPI) is the body responsible for regulating and promoting investments in Algeria. It is a public institution with legal personality and financial autonomy. The agency

supports and enhances investments by providing technical and administrative support to both domestic and foreign investors (Investment, 2024).

The AAPI was established under Law No. 22-18 of July 24, 2022, replacing the former National Agency for Investment Development (ANDI). This change was part of a comprehensive reform of Algeria's investment system aimed at modernizing it, overcoming previous shortcomings, and providing more effective and transparent services to investors.

The agency operates under the supervision of the Prime Minister's Office, granting it a strategic role in implementing national investment policies.

1.2.1. Roles and Responsibilities

The agency is tasked with numerous responsibilities related to the development and promotion of investment in Algeria. Its main powers include:

- **Assisting Domestic and Foreign Investors**

- Providing accurate information about investment opportunities in Algeria.
- Guiding and assisting investors throughout all stages of their projects, from conception to implementation.
- Offering legal and administrative support to overcome obstacles.

- **Simplifying Administrative Procedures**

- Managing decentralized one-stop shops (OSS) at the wilaya (provincial) level, where investors can complete all procedures in one place.
- Coordinating with other government departments and ministries to ensure smooth processes.

- **Granting Incentives and Encouraging Investment**

- Reviewing investment files and issuing project registration certificates.
- Enabling investors to benefit from tax and customs exemptions provided for in the Investment Law, depending on the nature and location of the project.
- Monitoring investors' compliance with the conditions of granted incentives.

- **Managing and Monitoring the Incentives System**

- Operating the **National Digital Investment Platform**, used for electronic submission and tracking of investment applications.
- Coordinating with relevant authorities to ensure investors comply with the proper use of incentives as per the law.

- **Proposing Incentive Policies**

- Submitting regular reports to the government on the state of investment and any identified challenges.
- Contributing to proposals for necessary reforms to improve the investment system.

- **One-Stop Shop for Investment**

The one-stop shop is one of the most significant improvements introduced by the new agency. It allows investors to complete all project-related procedures in one place, including:

- Registration
- Obtaining licenses
- Legal guidance
- Technical and administrative follow-up

This system was designed to reduce bureaucracy and implement the principle of a "single interlocutor," which helps speed up project implementation and improves the investor experience.

- **Digital Services via the National Investment Platform**

The agency has launched a unified national digital platform for investment, an online portal dedicated to:

- Submitting investment project applications
- Tracking the processing progress of submitted files
- Accessing comprehensive information on legislation, incentives, and support services

2.2.1. Objectives of the Algerian Investment Promotion Agency (AAPI)

The Algerian Investment Promotion Agency seeks to achieve a set of strategic objectives that serve the national economy by improving the investment climate and stimulating both domestic and foreign investors. Its main objectives are as follows (AAPI, 2024):

• Improving the Investment Climate in Algeria

The agency aims to provide a competitive and attractive business environment characterized by clarity, transparency, and stability through:

- Simplifying administrative procedures and reducing bureaucracy, which has historically hindered project implementation.
- Establishing a transparent institutional framework that ensures equal treatment for all investors.
- Working towards making investment-related legislation more flexible and aligned with international best practices.

• Attracting Foreign Direct Investment (FDI)

The agency places significant importance on attracting foreign capital due to its role in technology transfer, job creation, and value-added generation. It seeks to achieve this by:

- Promoting investment opportunities in Algeria in international markets.
- Offering competitive tax and customs incentives and benefits.
- Ensuring the protection of foreign investors through clear legal mechanisms, such as the freedom to repatriate profits and guarantees against expropriation.

• Encouraging and Facilitating Domestic Investment

The agency's role is not limited to attracting foreign investment; it also focuses on:

- Supporting domestic investors by assisting them throughout all project phases.
- Facilitating access to necessary licenses, permits, and financing mechanisms.
- Encouraging entrepreneurship and investment in productive sectors beyond hydrocarbons, such as agriculture, manufacturing, tourism, and technology.

Granting and Managing Incentive Schemes

The agency is responsible for implementing the incentive system stipulated in Investment Law No. 22-18, which includes:

- Tax and customs exemptions for projects that meet the legal requirements.
- Special incentives for projects located in remote areas or regions with developmental priority.
- Monitoring investor compliance with the conditions of incentive schemes and withdrawing benefits in cases of non-compliance.

• Ensuring Effective Follow-Up of Investment Projects

The agency undertakes key field-level tasks to ensure project success, including:

- Administrative and technical follow-up of projects from their registration stage until they become operational.
- Intervening to resolve potential obstacles faced by investors, whether related to land, administrative procedures, or legal matters.
- Ensuring compliance with construction and operational timelines, and assisting investors during project expansion or modification phases.

• Developing National and International Partnerships

By promoting economic cooperation, the agency works to:

- Facilitate partnerships between domestic investors and their foreign counterparts.
- Promote partnership opportunities through international forums and exhibitions.
- Coordinate with Algerian embassies and economic missions abroad to attract foreign investors' interest.

• Promoting Algeria's Economic Image

The agency strives to enhance Algeria's image as a promising investment destination by:

- Organizing national and international conferences and exhibitions to showcase investment opportunities.
- Preparing periodic reports and publications on the economic potential of each sector.
- Developing digital communication tools (such as the National Investment Platform) to facilitate access to investment-related information.

• Proposing Public Policies for Investment Development

Based on its field experience and in-depth understanding of the investment landscape, the agency:

- Submits regular reports to the government on the state of investment and the challenges identified.
- Provides recommendations for amending or improving legislation and public policies.
- Contributes to the formulation of a national investment roadmap that takes into account local capacities and development priorities.

1.3. The National Agency for Land Mediation and Regulation (ANIREF)

As part of the efforts undertaken by the public authorities in Algeria to improve the investment climate and remove obstacles related to land acquisition, the National Agency for Land Mediation and Regulation (ANIREF) was established by Executive Decree No. 07-119 of 23 April 2007. The agency is a public administrative body with legal personality and financial autonomy, operating under the supervision of the Ministry of Finance. Its objectives and missions are as follows (Official Gazette, 2007):

1.3.1. General Objective of the Agency

The agency is responsible for providing and managing land allocated for investment in a rational and transparent manner, as land is one of the fundamental elements in attracting investments and facilitating the implementation of economic projects. This is particularly significant given the challenges associated with the scarcity of industrial land and the complexity of related procedures.

1.3.2. Core Functions of the National Agency for Land Mediation and Regulation

• Organizing, Managing, and Developing the Investment Land Market

- The agency works on establishing a national database of land available for investment, including state-owned properties located within industrial zones or business activity areas.
- It manages and allocates public land designated for investment purposes through concession or long-term lease, ensuring transparency in the allocation process.
- The agency is also tasked with real estate development, which involves preparing investment sites and providing essential infrastructure such as roads, electricity, gas, and water.

• Real Estate Mediation Between the State and Investors

- The agency plays the role of mediator between landowners (the state or local authorities) and investors seeking to implement their projects.
- It helps overcome administrative barriers that often hinder land utilization by unifying procedures and facilitating land allocation within reasonable timeframes.

• Monitoring and Analyzing the Land Market and Providing Information

- The agency is responsible for collecting and analyzing data related to land supply and demand and providing this information to local and central authorities to support decision-making.
- It publishes periodic reports that include indicators of real estate market trends and future prospects, enabling public policies to be adjusted in line with investors' needs.

• Regulating the Land Market and Investment-Oriented Properties

- The agency works on establishing regulatory frameworks to help control the real estate market, particularly in terms of pricing and mechanisms for allocating land to priority sectors.
- It aims to limit land speculation through clear regulatory and monitoring mechanisms, thereby enhancing transparency and encouraging genuine investors.

Conclusion:

Through our study of this topic, we conclude that the state of investment in Algeria during the period (2010–2023) has experienced fluctuations in capital formation rates. The early years of this period were characterized by a slight decline in total investment, while the later years (2022–2023) showed some improvement in these indicators, reflecting the impact of certain reforms and enhancements introduced into the investment environment. However, structural and administrative obstacles remain a major barrier to achieving significant progress in investment attractiveness. Bureaucracy, a lack of transparency, and legal and regulatory instability have continued to limit the country's ability to attract both domestic and foreign investments. Moreover, the mechanisms adopted to address these challenges, despite their importance, have either not been implemented effectively or have failed to produce the expected impact on the real economy.

Recommendations:

Based on the findings of this study, the following recommendations can be proposed:

- Enhance transparency and reduce bureaucracy through the digitization and simplification of administrative procedures.
- Stimulate both foreign and domestic investment by improving tax incentives and providing stronger legal guarantees.
- Reform the judicial system to accelerate dispute resolution and protect investors' rights.
- Implement effective policies to support emerging sectors and reduce excessive dependence on the hydrocarbons sector, including fostering technological innovation in productive industries.

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