

Algeria economic profile

Algeria is seeking major investment from international sources to restructure its economy which remains oil based despite attempts to diversify. In a recent announcement made during a visit to the USA in early November, President Abdelaziz Bouteflika stated that his country needs to attract between \$8 billion to \$10 billion inward investment annually for sustained economic development. The government is increasing public spending in order to stimulate investment.

The president also suggested a target of 7 percent annual economic growth over the next decade to enable the Algerian economy to acquire firm foundations. A major challenge is the high rate of unemployment which currently stands at nearly 30 percent and disproportionately affecting the country's youth. The government is giving priority to measures designed at sustainable job creation with the key to which is growth driven by investment.

Attracting Investors

To make the economy more attractive a reform programme has been adopted whose elements include deregulation, restructuring of the public sector and privatisation measures. A national debate has been taking place over the extent that the privatisation should take which has led to assiduous lobbying of the minister for privatisation, Nouredine Boukrouh, who under new legislation has sole responsibility for privatisation. A new ministerial body, the Council of State Participations (CPE), is charged with drawing up a strategy and approving details of individual sales.

Previously the government had stated its intention to sell stakes in some 184 state assets through a phased process. A central aspect of the economic reform package is the proposed hydrocarbons law pursued by energy minister Chakib Kheli. The government's intention is to radically liberalise and restructure the hydrocarbons sector, although its plans have been amended after a consultation process with the effect of limiting the scope of restructuring and slowing the pace.