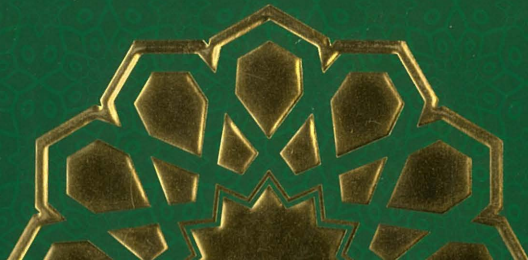


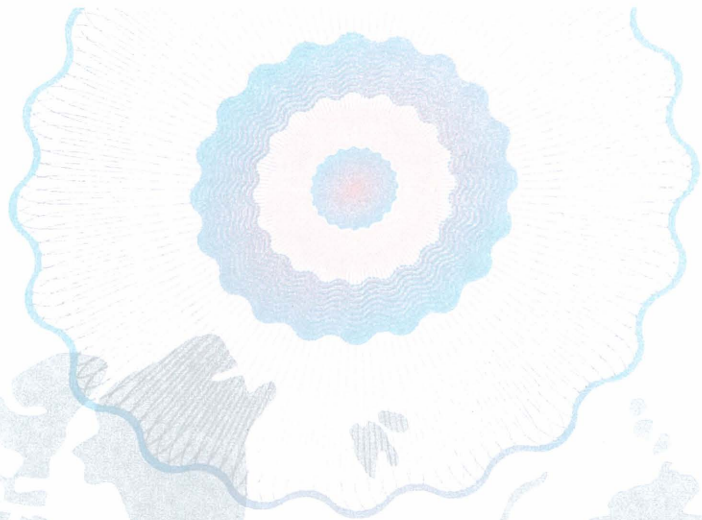
PEOPLE'S DEMOCRATIC REPUBLIC OF ALGERIA

MINISTRY OF INDUSTRY
AND PHARMACEUTICAL PRODUCTION



Your Passport to Invest in Algeria









عَبْدَالمَجِيدُ تَبُّوْنُ رَئِيسُ الْجُمْهُورِيَّةِ

Determined to continue advancing our national economy (...) through the adoption of modernization mechanisms, the promotion of productive investment and the optimal use of the human and natural resources that our country abounds in (...).

The new investment law, to establish legal certainty and improve the investment and business climate (...) and to encourage real and productive investment, whether private or public, foreign or national.

July 18, 2022



Summary

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- Promotion and Protection of Investments 16
- Favorable Investment Climate 25
- Opportunities for Investment in Algeria 28

*Your passport
to invest in Algeria*



Official Denomination
People's Democratic Republic of Algeria

Surface : **2 381 741** km²

The territory includes 58 provinces (wilayas), each province includes sub-prefectures (Daïra) and municipalities (Baladia).

Capital: **Algiers**



Currency
Algerian Dinar DZD



Population

44,6

Millions Inhabitants
(2021)



GDP Growth Rate
(2021)

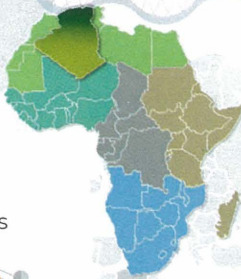
3,4 %



Nominal GDP
(2021)

163

Billion \$



GDP Per Capita
(2021)

\$ 3630,4

KEY DATA



A Strategic Location



- Largest African Country & the 10th Largest in the World.
- Seafront on the Mediterranean Sea of 1622 km.
- Gateway to Africa.
- Borders with 7 countries.
- Fast Access to Economic Metropolises.
- Multitude of Landforms: Plains, Mountains, Highlands and Sahara.



**GOOD
REASONS TO
INVEST IN
ALGERIA**

Modern Infrastructure

AIRPORTS

51 Aerodromes Including **20** International

PORTS

51 Ports Including

- ◆ Commercial Ports
- ◆ Hydrocarbon Ports
- ◆ Fishing Harbors
- ◆ Marinas (Leisure Ports)

RAIL NETWORK

4695 km

ROAD NETWORK

918 140 Km Roads

1408 Km Highways

10 227 Km Southern Trans-Saharan Road (Road of African Unity)

including **3766 Km** on algerian territory

The African Unity Road crosses six countries: Algeria, Tunisia, Niger, Mali, Chad and Nigeria



Large Consumer Market



✦ A major local market of: **44,6** Million consumers

✦ A border market of more than: **103** Million consumers

Agreements With Three Major Economic Areas

African Continental Free Trade Area - AfCFTA

54 Countries with **1,2** Billion people

Association Agreement with the European Union

27 Countries with **448** Million People

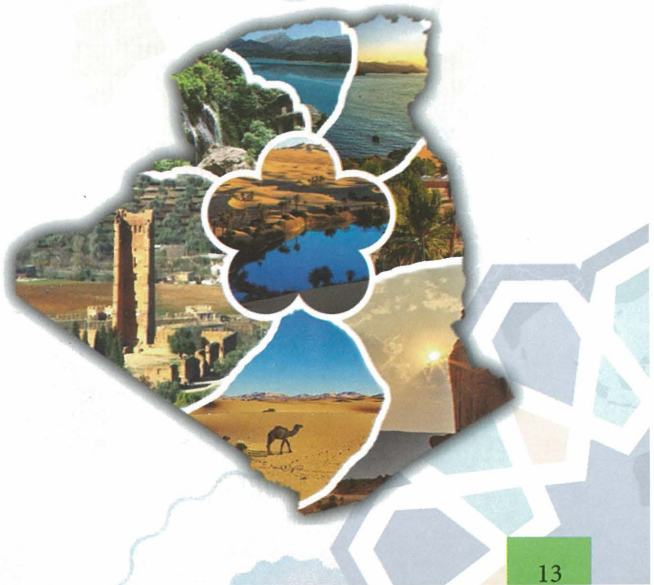
Greater Arab Free Trade Area - GAFTA

18 Countries with **421** Million People



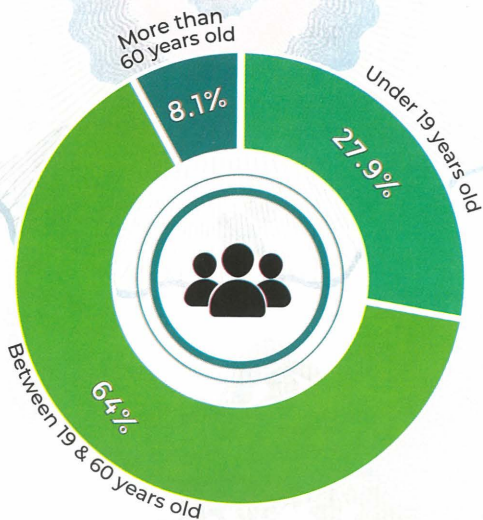
A Diversified Economic Fabric

- ◆ A dynamic private sector, which represents 85% of the national economic fabric. It is a key element in the pursuit of economic development policy objectives.
- ◆ A strong public sector, open to partnerships in various activities: Energy, Petrochemicals, Pharmaceutical industry, Agro-industry, Mechanical industry, Metallurgy Iron and Steel, Building materials, Textiles and Leather, Transport equipment, Manufacturing industries, Chemicals, Electrical and Electronic equipment, Services.



Young and Qualified Workforce

Breakdown of the Population by Age Group

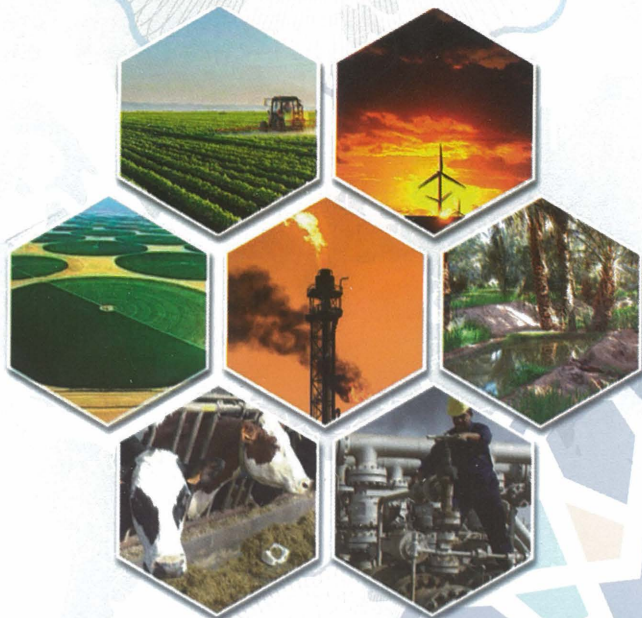


250 000

Graduates per year in different specialties.

► In The Agricultural Field

- ◆ Total Agricultural Area: **48.1** Million hectares.
- ◆ Arable Agricultural Area: **8.6** Million hectares including **1.47** Million hectares irrigated.
- ◆ Pastoral routes: **32.7** Million hectares.
- ◆ Forests: **4.1** Million hectares.



Significant Potential

► In The Energy Field



Considerable natural wealth in hydrocarbons:

- ◆ 16th place in the world in terms of oil reserves.
- ◆ 10th place in the world in terms of proven natural gas resources.

► In The New and Renewable Energy Field

One of the largest solar deposits in the world: The duration of sunshine on the national territory exceeds 2000 hours annually and 3900 hours in the regions of the Highlands and the Sahara.

► In The Mining Resources Field

A vast country that encompasses various geological domains with important potential: Gold, Tin, Tungsten, Zinc, Iron, Manganese, Molybdenum, Mercury, Phosphate, Bentonite, Barite, Fluorine, Celestine, Kaolin, Marble, Building materials...

PROMOTION AND PROTECTION OF INVESTMENTS

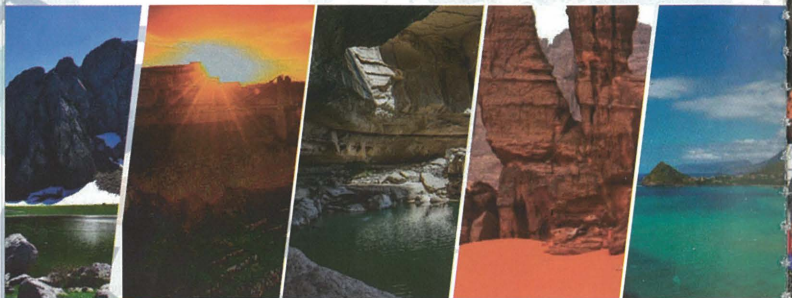
Provisions of Law N° 22-18
of July 24, 2022
Relating to Investment



► In The Tourism Field

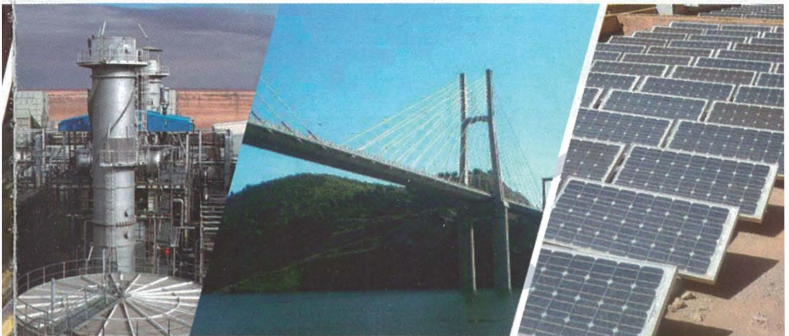


- ◆ A coastline of **1622 km** with **600** beaches including **432** authorized for swimming.
- ◆ A land portfolio consisting of **57 872** Hectares, located in **40** Wilayas.
- ◆ **282** thermal springs, characterized by proven therapeutic virtues, over **38** Wilayas.
- ◆ A vast sahara sheltering many natural parks.



Guarantees Provided by the Investment Law

1. The possibility of benefiting from land pertaining to the state private domain.
2. Exemption from foreign trade formalities and banking domiciliation for:
 - ◆ External contributions in kind within the framework of the relocation of activity from abroad.
 - ◆ New goods constituting an external contribution in kind.
3. The transfer guarantee relating to:
 - ◆ Invested capital, in the form of a capital contribution, and related incomes.
 - ◆ In kind contributions of external origin after evaluation.
 - ◆ Net real proceeds from the disposal and liquidation of investments of foreign origin.
4. Admission as “external contribution” reinvestments of profits and dividends declared transferable.



What is Meant by Investment ?

- ◆ The acquisition of assets, material or immaterial, directly involved in the production of goods and services, as part of the creation of new activities, the extension of production capacities and/or the rehabilitation of the production tool.
- ◆ Contributing to the capital of an enterprise in the cash or in kind shares form.
- ◆ The relocation of activities from abroad.



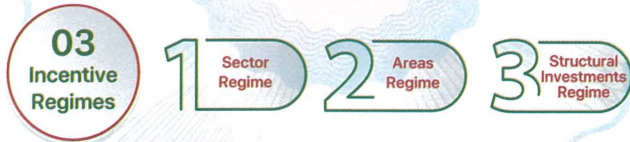
Principles Enshrined by the Investment Law

- ◆ Freedom of investment.
- ◆ Transparency and equality in the treatment of investments.



Incentive Regimes

Investments benefit from significant incentives under three (03) regimes.



1. Sector Regime

Investments made in the following fields of activity :

- ◆ Mines and Quarries.
- ◆ Agriculture, Aquaculture and Fisheries.
- ◆ Industry, Food Industry, Pharmaceuticals and Petrochemicals.
- ◆ Services and Tourism .
- ◆ New and Renewable Energy.
- ◆ Knowledge Economy and Information and Communication Technologies.

2. Areas Regime

Are concerned the investments made in :

- ◆ Highlands, South and Great South localities.
- ◆ Localities whose development requires special support from the State.
- ◆ Localities with natural resources potential to be developed.

5. Protection of the investment against any requisition by administrative means, except for cases provided for by law and against fair and equitable compensation.
6. The right to transfer or assign goods and services having benefited from the advantages.
7. The right to appeal to a High Commission settled with the Presidency of the Republic, and this, in addition to the right to legal recourse.
8. The right to appeal to international dispute settlement bodies (conciliation, mediation, arbitration).
9. Maintaining of the rights and benefits legally acquired by the investor under previous legislations and under applicable law.
10. Protection of intellectual property rights, in accordance with current legislation.



Advantages Granted to Investments

Advantages Under the Implementation Phase:

1. Exemption from customs duties for imported goods directly involved into realization of the investment.
2. Value Added Tax (VAT) exemption for goods and services imported or acquired locally, directly involved in the realization of the investment.
3. Exemption from transfer tax, against payment, and from land registration taxes, for all real estate acquisitions made in connection with the investment concerned.
4. Exemption from registration fees for corporate instruments and capital increases.
5. Exemption from registration fees, land advertising tax as well as State remuneration relating to the concessions of built and unbuilt real estate, intended for the realization of investment projects.
6. Exemption from property tax on real estate, as part of the investment, for a period of ten (10) years from the date of acquisition.

Duration :

- ◆ **Sector Regime:** Three (3) years extendable two (02) years.
- ◆ **Areas Regime:** Five (5) years extendable two (02) years.
- ◆ **Structural Investments Regime:** (5) years extendable two (02) years.

3. Structural Investments Regime

Investments with high potential for creating wealth and jobs, likely to increase the attractiveness of the territory and to create a knock-on effect on economic activity for sustainable development.

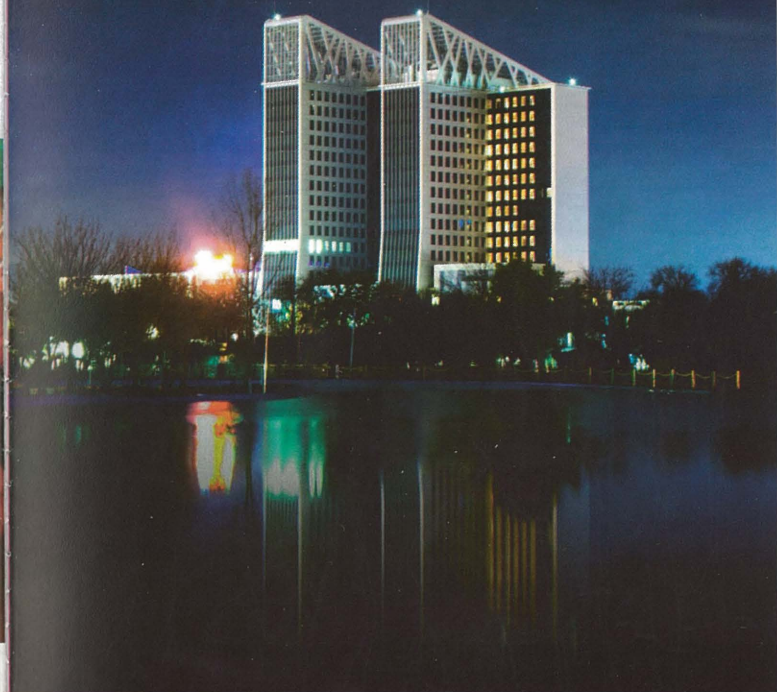
Are eligible for the structural investments regime, investments satisfying the following criteria:

- ◆ Creation of at least 500 jobs.
- ◆ Investment of ten (10) billion Algerian Dinar or more.

Structural investments can benefit from the support of the State by taking charge, in partial or total, of the development and infrastructure works necessary for their realization, based on an agreement between the investor and the Algerian Agency for Investment Promotion acting on behalf of the State. The agreement is concluded after its approval by the Government.



FAVORABLE CLIMATE OF INVESTMENT



Advantages the Operating (Exploitation) Phase

1. Exemption from Corporate Income Tax (IBS) .
2. Exemption from the Tax on Professional Activity(TAP).

Duration :

From the date of entry into operation and on the basis of an evaluation grid:

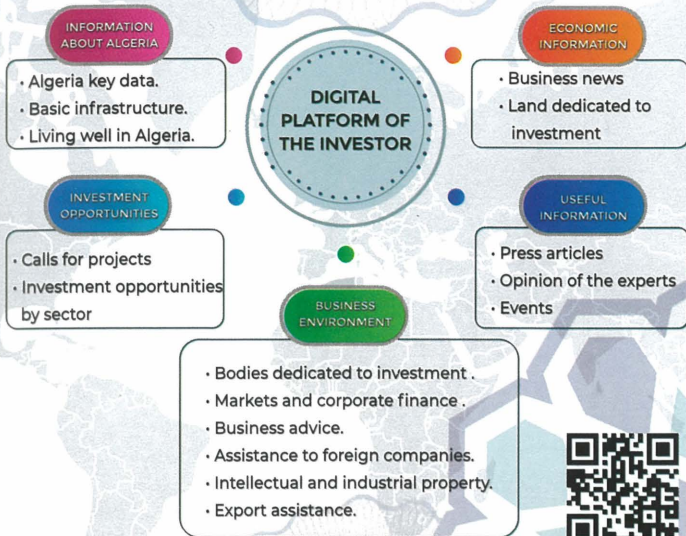
- ✦ **Sector Regime:** Between three (3) and five (5) years.
- ✦ **Areas Regime:** Between five (5) and ten (10) years.
Great South locations: Ten (10) years.
- ✦ **Structural Investments Regime:** Between five (5) and ten (10) years.



Ease of Access to Information and Timeliness of File Processing

Implementation of a *Digital Investor Platform*:

- ▶ Simplification and facilitation of business creation.
- ▶ Transparency of the procedures to be carried out and the procedures for handling investor files.
- ▶ Quick processing of files.
- ▶ Monitoring, remotely, the evolution of files by investors.
- ▶ Improved communication between investors and economic administration



International Treaties and Conventions

Algeria has signed:

- ▶ **47** Agreements on the promotion and reciprocal protection of investments.
- ▶ **34** International tax treaties to avoid double taxation.

One Contact for The Investor

« Algerian Investment Promotion Agency »

A one-stop shop for major projects and foreign investments.

National competence

Decentralized one stop-shops

Local competence

- o Welcome and support investors.
- o Record, manage and track investment files.

Industry Sector

► Mechanical, Aeronautical and Naval Industries:

- ◆ Light vehicles, utility vehicles, transportation vehicles and industrial vehicles.
- ◆ Agricultural machinery, public works, building and hydraulics machines.
- ◆ Motors, industrial bodies, original equipment parts and mechanical parts for industrial maintenance.
- ◆ Aviation industry.
- ◆ Shipbuilding and manufacture of equipments and accessories related to naval industry.

► Electrical, Electronic and Appliance Industries:

- ◆ Electrical equipment for the development of smart grids.
- ◆ High-efficiency components.
- ◆ High power transformers and generators.
- ◆ Various products: cables, wires, isolators.



INVESTMENT OPPORTUNITIES IN ALGERIA



► **Steel and Metallurgical Industry:**

- ◆ Iron and steel complexes, foundries, steel mills and rolling mills.
- ◆ Various types of steel and metallurgical products.
- ◆ Processing of non-ferrous metals.

► **Advanced Technology Industries:**

- ◆ Biotechnology.
- ◆ Robotics.
- ◆ Nanotechnology.

Agriculture Sector

- ◆ A large integrated farms for the intensive breeding.
- ◆ Forest economy.
- ◆ Fodder crops.
- ◆ Saharian agriculture.
- ◆ Development of hardy species in the different preferred agro-ecological zones (mountains, highlands, steppe and south).
- ◆ Strengthening of the logistics base and storage of agricultural products.



► Food Industry:

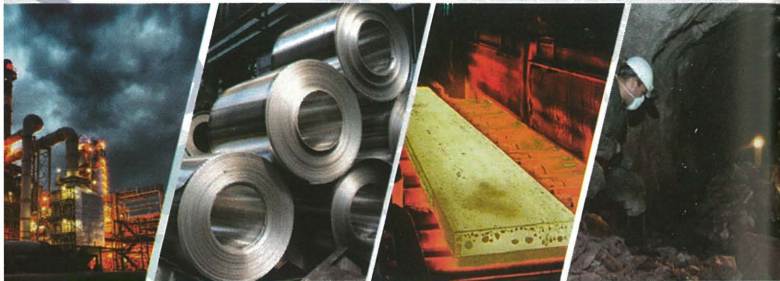
- ◆ Integrated complexes in strategic sectors: Cereals, livestock feed, oils (oil crops) and sugar (sugar beets).
- ◆ Development of agro-industrial branches.

► Textile and Leather Industries:

- ◆ Synthetic fibers.
- ◆ Fabrics and clothing.
- ◆ Processing and transformation of skins and leathers.
- ◆ Shoes and footwear.

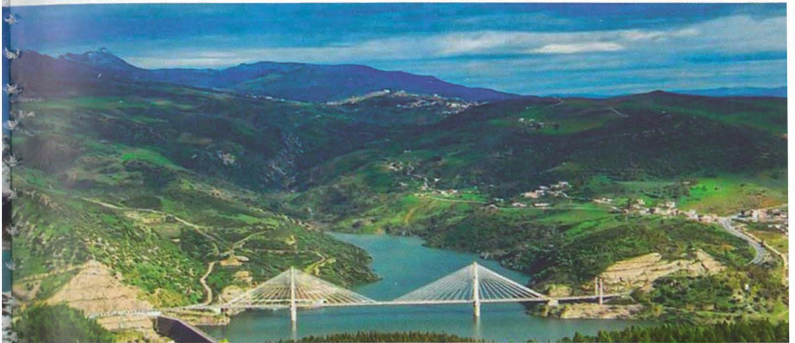
► Chemical Industry and Materials Industry:

- ◆ Petrochemical industry.
- ◆ Chemical industry.
- ◆ Industrial gases.
- ◆ Cellulose, Paper and Packaging.
- ◆ Ammonia, Urea and Ethyl alcohol.
- ◆ Building materials with high insulating potential.



Hydraulic and Public Works Sector

- ◆ Construction of desalination plants with their downstream facilities (connections, rework stations and autonomy storage tanks).
- ◆ Construction of infrastructure to mobilize water resources.
- ◆ Dams dredging and their interconnection with transfer systems.
- ◆ Rehabilitation and construction of infrastructures, automation and remote management of installations, pressure monitoring on the drinking water supply network.
- ◆ Spare parts to ensure the operation and maintenance of water desalination plants.
- ◆ Partnership development with accredited laboratories.
- ◆ Design and manufacture of equipment and accessories related to public works.



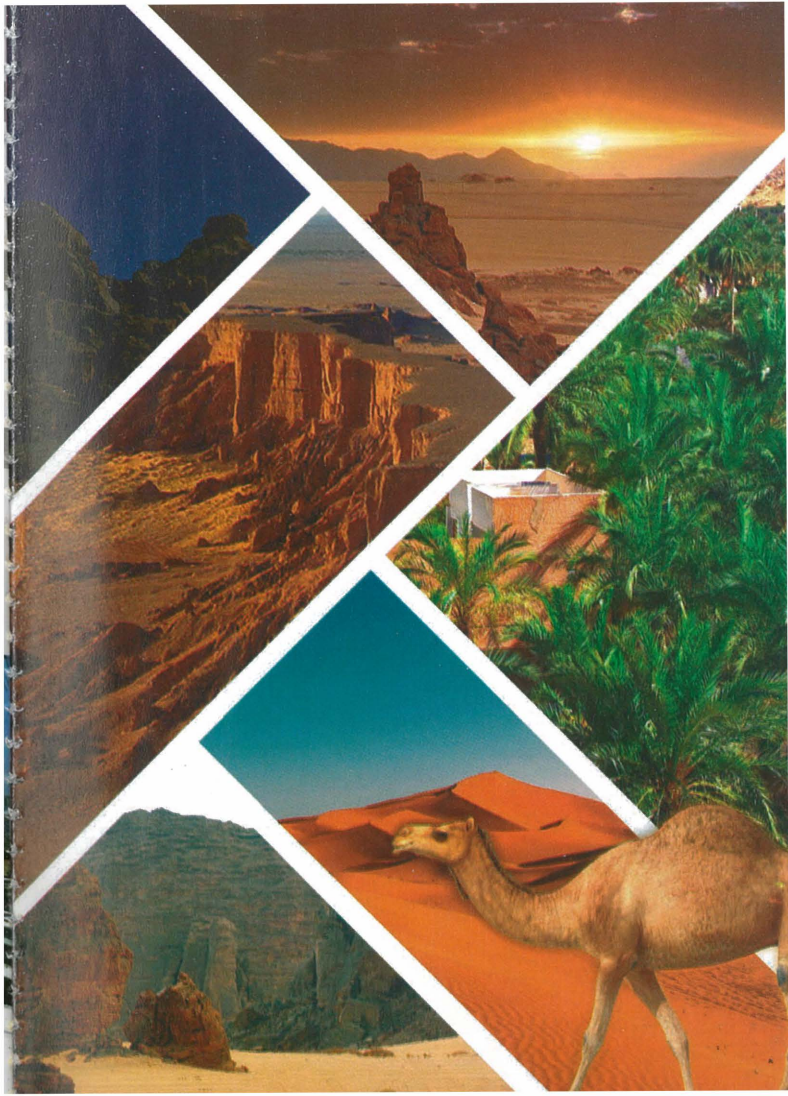
Fishing Sector

- ◆ Exploitation of fishing resources.
- ◆ Fishing industry (manufacture of fishing equipment, fish products processing).
- ◆ Aquaculture development.
- ◆ Fisheries-related services (developing systems and applications for processing various cards and marine information for maritime navigation, training and technical support).

Tourism Sector

- ◆ Achievement of **28** thalassotherapy centers.
- ◆ Modernization of **34** traditional thermal baths over **18** wilayas.
- ◆ Achievement of **20** spas over **17** Wilayas.
- ◆ Development of investment in tourist expansion zones in Djanet, Timimoune, El Oued , Biskra and Beni Abbes.





Mining Sector

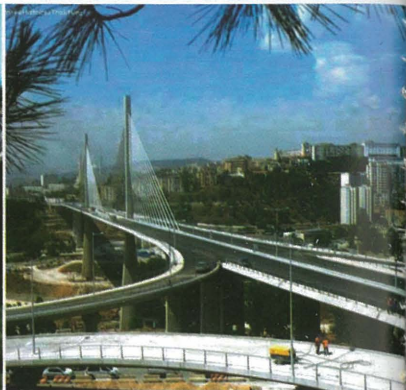
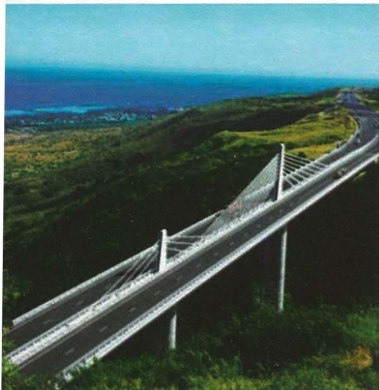
- ◆ Mining exploration for the discovery of new mineral resources.
- ◆ Valuation of mining products.

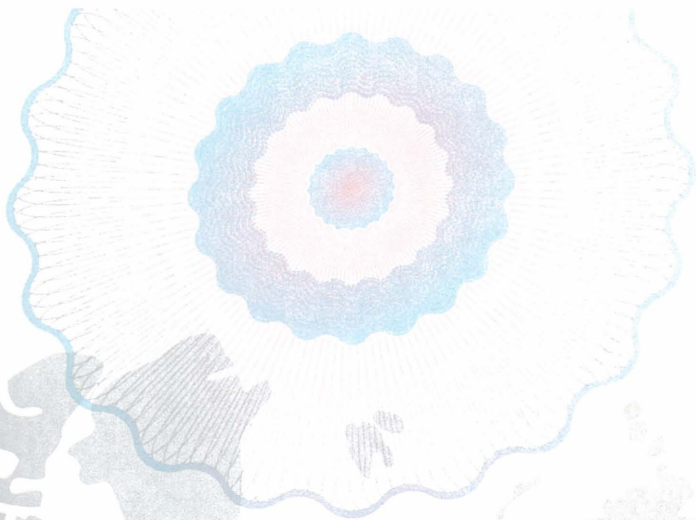
New and Renewable Energy Sector

- ◆ Production of green hydrogen.
- ◆ Photovoltaic systems: Cells, encapsulant, solar inverter, solar battery, wiring.

Green and Circular Economy Sector

- ◆ Recovery of waste.
- ◆ Pharmacological sector.
- ◆ Agro-silvo-pastoral sector.
- ◆ Extraction of essential oils.








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