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The Evolution of Investment Legislation in Algeria
تطور قوانين الاستثمار في الجزائر

guesmia daheur, Laboratory of Law and Society in the Digital Space, University Center of illizi, Algeria, guesmia.daheur@cuillizi.dz
Ahmed Noui, Laboratory of Governance Horizons for Sustainable Local Development, University Center of Barika, Algeria, ahmed.noui@cu-barika.dz

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Abstract:

The evolution of political, economic, and social conditions in Algeria has directly influenced the development of legal texts governing Investment, particularly foreign Investment. During the socialist phase, most legislative texts significantly restricted the scope of foreign Investment, except within the framework of bilateral partnerships, due to the nature of the prevailing political system.

In response to subsequent economic reforms, the Algerian legislator sought to adapt by enacting Investment Law No. 22-18, which introduced guarantees that foreign investors often consider far more important than the incentives and exemptions provided by the current legal framework. Although this law may be regarded as relatively encouraging for foreign investors, several other factors have contributed to the weakness of foreign investment inflows, most notably deficiencies related to governance and sound management practices.

keyword: Evolution of Investment Laws; Foreign Investment; Incentives; Exemptions; Governance and Good Management Practices.
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Corresponding author: ahmed noui,
e-mail: ahmed.noui@cu-barika.dz

1. Introduction :

National economies are founded upon a set of interrelated pillars that collectively drive the wheel of development, foremost among which is Investment as a key engine of economic growth. Investment constitutes a subject of paramount importance, as it reflects a State's capacity to convince investors and attract their capital, particularly foreign direct Investment, which is regarded as the cornerstone of any national economy and an indispensable element thereof. Consequently, many States endeavor to offer a range of incentives to this end, given that the strength of foreign direct Investment has a significant impact on public treasury financing and on the achievement of economic and social objectives through capital inflows, technology transfer, and the reduction of unemployment rates.

Since independence, Algeria has demonstrated a clear aspiration to build a strong economy that would shield it from dependence on the former colonial power. In this context, the political system at the time sought to engage in foreign Investment during the post-independence period, leading to the successive enactment of legislative texts regulating this field. From this perspective, the following research problem arises:

What are the legal mechanisms adopted by the Algerian legislator to encourage Investment, particularly foreign Investment?

This study adopts a historical and analytical legal approach based on the examination of successive investment laws and related regulatory texts.

Despite the considerable academic literature devoted to investment legislation in Algeria, most previous studies have focused either on a specific legislative text or on the incentives granted to foreign investors during a particular period. Few studies have adopted a comprehensive legal approach tracing the evolution of investment legislation from independence to Law No. 22-18 while examining the relationship between legislative reforms and the changing political and economic orientations of the Algerian State. Accordingly, the originality of this article lies in its attempt to provide an integrated legal analysis of successive legislative developments and to assess their contribution to creating an attractive investment environment.

This issue will be addressed through three principal axes. The first examines the attraction of investors after independence through the

enactment of the first investment law. The second analyzes the phase marking Algeria's transition to a market economy and the promotion of foreign Investment. The third axis is devoted to the incentives introduced by the legislator in favor of foreign Investment through the 2016 constitutional amendment and specific legislative texts, foremost among them the current legal framework established by Law No. 22/18.

2. The Legal Framework Governing Investment after Independence

Algeria is among the countries that endured the hardships of colonialism; nevertheless, it achieved independence and restored national sovereignty, subsequently opting for a socialist economic model influenced by several factors. In this axis, we shall address the principal investment-related legislation adopted during the socialist phase, as follows:

2.1.The First Investment Law in Algeria

The first investment law after independence was enacted under Law No. 63-277 of 26 July 1963, concerning the Investment Code. This law constituted the first attempt by newly independent Algeria to regulate the field of Investment and attract both foreign and domestic capital. Its primary objective was to encourage foreign Investment and attract productive foreign capital, as can be inferred from Article 03, which stipulates that Investment is a right recognized for every foreign natural or legal person, within the framework of laws and general regulations governing residence in Algeria .(Law No. 63-277, 1963)

This law thus guaranteed freedom of activity for foreign investors, whether legal or natural persons, in line with international treaties and economic agreements, with a view to achieving the State’s economic and social objectives within the framework of the adopted socialist system. The importance of this law is reflected in the following objectives:

- Attracting national and international capital to contribute to the construction of the national economy after independence.
- Establishing a legal framework that facilitates and guarantees the entry of private capital into various sectors of economic activity without undermining the socialist system adopted by the State.
- Achieving tax equity in line with the objectives pursued by the law.
- Imposing restrictions on expropriation for public benefit, based on the principle of fair compensation proportionate to the material and

moral damages resulting from such expropriation. (Sara M. , 2010, p. 14)

- Regulating real estate assets acquired during the colonial period.

In conclusion, this law constituted the first legislative foundation upon which Algeria relied to organize the investment sector after independence, paving the way for subsequent legislative enactments, such as Order No. 66/284, which will be examined later.

From the analysis of this text, the Algerian legislator did not provide an explicit definition of Investment nor did it specify its various forms. However, it implicitly referred to two types of Investment in Article 01, namely productive investments and State investments. Article 02 also referred to foreign capital investments, in addition to public investments. (Abdelkarim Ba'dash, p. 120)

Nevertheless, it is well established that defining the substance of legal concepts is primarily the task of legal doctrine, which has provided several definitions of foreign Investment, including but not limited to the following:

"Foreign direct investment refers to that type of investment which occurs when an investor residing in the home country acquires an asset or ownership interest in the host country, with the intention of managing that asset ".(Boudlal, p. 40)

It has also been defined as "…the ownership by a foreign investor of part or all of the investments in a specific project in a State other than his own, coupled with participation in the management of the project in the case of joint investment, or full control over management and organization in the case of complete ownership of the investment project, in addition to the transfer of financial resources and the provision of advanced levels of technology and technical expertise to the host State ". (Bougra Rabah, 2014, p. 222)

In addition, some scholars view Investment as "the transfer of foreign capital for direct investment abroad, operating in the form of industrial, financial, construction, agricultural, or service units, with profit motive representing the principal driving force behind these foreign direct investments ".(Mohamed Toufik Chouaib, p. 442)

The limited effectiveness of Law No. 63-277 of 26 July 1963 in achieving its declared objectives can be attributed primarily to several factors, which may be summarized as follows:

- The enactment of the law coincided with the start of extensive nationalization measures in Algeria, sparking fear and hesitation among investors.
- The absence of supporting regulatory texts and effective implementation mechanisms necessary to ensure the proper application of the law and the realization of the legislator's intent, particularly about attracting foreign Investment.

These factors led to Law No. 63-277 failing to achieve its proclaimed objectives, prompting the enactment of successive legislative texts to remedy existing shortcomings and provide better guarantees for investors. Among these was Order No. 66/284, which was introduced to fill the gaps left by the first investment law in Algeria.

2.2.The Socialist Phase and Central Planning

Algeria experienced a political transformation marked by the Revolutionary Council's dominance over power in June 1965. During this period, the Council sought to articulate its political, economic, and social vision for the country by enacting new legislative texts to regulate Investment and direct it toward national development objectives. It also established the principles of administrative control and linked foreign Investment to direct partnership with the State.

2.2.1. The Enactment of a New Investment Law

The previous legislative text was repealed through the issuance of a new legal instrument, namely Order No. 66-284 (Order No. 66-284, 1966), which was adopted to remedy the shortcomings of its predecessor and to achieve the government’s objective of financing the economy primarily through national enterprises. This is evident from Article 02, which provides that the government entrusted the determination of strategic sectors subject to the investment law to a national committee . (Decree No. 67-42, 1967)

Following the same approach as the previous law, this Order did not provide an explicit classification of investment types. Instead, it employed the term "private capital," in both its national and foreign forms, to refer to investments made by the private sector.

Article 02 of the Order referred to the possibility of national and foreign private capital intervening in investment activities. At the same time, the term "mixed-economy companies" was used to denote investments carried out in partnership between the State and the private sector, whether national or foreign.

Furthermore, Article 03 of the exact text stipulated that "when the State participates in mixed-economy companies through a contribution of national or foreign private capital."…

In addition, Article 21, paragraph 2, laid down certain conditions imposed on "foreign investments" (Abdelkarim Ba'dash, p. 120), particularly about authorization for the establishment or expansion of enterprises that include an appropriate financial plan and maintain a sustained effort in specialized training for the national workforce, while taking into account the following elements:

- The regulation and orientation of national private investor intervention.
- The attraction of foreign Investment within the framework of a partnership with the State;
- Technology transfer and support for national development;
- Access to external markets for export purposes;
- The significance of the enterprise's profits generated in Algeria and reinvested as capital.
- The degree of utilization of local raw materials;
- The extent of coverage of private capital for the required Investment.

It is noteworthy that this legal text considerably restricted the scope of foreign Investment, as previously indicated, and even imposed a cap on profits transferable abroad, limiting them annually to 15% of the amount of foreign contributions (Order No. 66-284, 1966). This measure further contributed to the decline of foreign Investment flows into Algeria during that period.

In general, Order No. 66-284 represents an early and decisive stage in the history of Algerian investment legislation, as it laid down regulatory foundations intended to strike a balance between national development requirements and the economic needs prevailing at that time. This Order was subsequently followed by other legislative texts aimed at amending and developing it, notably Law No. 82-11 on mixed companies.

2.2.2. The Law on Mixed Companies

Mixed companies may be defined as entities that combine the characteristics of both partnerships and capital companies to benefit from the advantages of each. Examples include, without limitation, limited partnerships by shares and limited liability companies. The Algerian

legislator's reliance on this form was motivated by the objective of achieving flexibility in management, capital structure, and risk distribution. In such companies, some partners bear unlimited liability for the company's debts, while others are liable only to the extent of their contributions.

In general, mixed companies seek to achieve a balance between Investment and the development of economic activity while reducing risks for certain parties. They constitute a model of integration between the public and private sectors or among different categories of partners.

At the beginning of the 1980s, Algeria entered a new phase marked by the restructuring of economic enterprises as part of a gradual shift toward economic openness. Following earlier legislative texts adopted in the 1960s, Law No. 82-11 relating to private national economic Investment in development was enacted (Law No. 82-11, 1982), whereby the Algerian legislator abandoned the unification of public and private investment regulation within a single legal framework and proceeded to issue separate texts governing the private sector. The objectives of this law included:

- The creation of employment opportunities;
- The expansion of productive capacities.

This law also established the National Accreditation Committee and the Wilaya-level Accreditation Committees.

As for foreign Investment, the Algerian legislator enacted a specific legal text, namely Law No. 82-13 relating to the establishment and operation of mixed-economy companies (Law No. 82-13, 1982), within a broader legislative framework aimed at regulating national (private) and mixed Investment. This law sought to direct private Investment and contribute to the achievement of national economic objectives, with particular emphasis on technology transfer and the promotion of national development.

This legal text introduced a new principle, namely foreign Investment within the framework of mixed companies. Article 22 enshrined this principle by stipulating that, under no circumstances, may the shareholding of the socialist enterprise or enterprises fall below 51%. This provision led some scholars to consider that the restrictions imposed by the legislator on the principle of freedom of foreign Investment constituted genuine legislative constraints on the investment process,

whether at the stage of its inception or its implementation .(Sofiane, 2013, p. 105)

Indeed, foreign Investment remained confined to a limited scope. During this period, the National Office for the Orientation of Private Investment emerged (Decree No. 83-99, 1983) under the supervision of the Ministry of Planning and Urban Development. One of its primary missions was to direct national private Investment toward activities and regions capable of meeting development needs and ensuring its integration with the public sector.

Foreign direct investment incentives may be defined as economically quantifiable advantages granted by host States to incoming investments, determined by objective or geographic criteria .(Kouidri Kamal, p. 535)

One of the main criticisms leveled against this legal framework is that it did not allow recourse to international arbitration for dispute resolution. (Abdelkarim Ba'dash, p. 123)

The failure of this law ultimately led to the adoption of subsequent legislative reforms, such as the laws of 1988 and 1993, culminating in the current Investment Law of 2022, which was enacted to simplify procedures and more effectively enshrine the principle of freedom of Investment.

3. Algeria's Transition to a Market Economy

By the end of the 1980s, Algeria witnessed a series of economic reforms that led to the adoption of a liberal economic system, in contrast to the socialist system previously based on a State monopoly. Among the most prominent features of these reforms was the pursuit of economic openness through the attraction of foreign capital in the form of direct Investment, given its effective role in the economic process, both in financing economic projects and in transferring expertise and modern technology .(Sara A. , p. 582)

The inflow of foreign direct Investment into a given State depends on several factors that contribute to attracting such Investment, notably the incentives offered for this purpose. Algeria is among the States that have relied on tax incentives to entice foreign investors .(Talbi, p. 314)

In this axis, we shall address the stages of investment legislation following the economic reforms introduced at the end of 1989.

3.1. The Contribution of the Monetary and Credit Law to Investment Promotion

The reforms in Algeria at the end of the 1980s focused primarily on the political and social dimensions as for the economic dimension, they aimed at transitioning Investment toward a market economy through trade liberalization, reform of the tax and banking systems, the provision of incentives, the removal of subsidies, and the enshrinement of freedom of Investment and equality of opportunity between national and foreign investors, to attract Investment and achieve development through new legislative instruments such as Decree No. 93/12. These measures sought to overcome the economic crisis and build a more liberal economy, with an emphasis on transparency and guarantees. Although the 1989 Constitution did not explicitly address freedom of industry and trade, this omission was remedied by the 1996 constitutional amendment, notably in Article 37 .(Constitution of 28 November 1996, 1996)

In 1990, the Algerian financial system underwent a profound transformation with the promulgation of Law No. 90/10 relating to money and credit, which opened the door to significant reforms. The Bank of Algeria was established as an independent monetary authority, and a gradual liberalization of capital controls was initiated, international accounting standards were adopted, and a comprehensive restructuring of the banking sector was undertaken. This constituted a significant turning point in the history of the Algerian financial system toward greater modernization and liberalization.

The Monetary and Credit Council played a significant role in stimulating foreign investment dynamics in Algeria, as the legislator opened the way for all forms of foreign capital participation in sectors not reserved to the State and encouraged all forms of partnership, including direct Investment. At the same time, the Council was entrusted with the authority to issue opinions of conformity regarding any foreign investment project established in Algeria, as a regulatory constraint in this regard .(Law No. 90-10, 1999)

Among the positive aspects of the new legal framework were the following:

- The abolition of the multiplicity of previous monetary authorities (the Ministry of Finance, the Public Treasury, and the Central Bank).

- Allowing non-residents in Algeria to establish banks and financial institutions .(Law No. 90-10, 1999)
- Establishing the legal foundation for economic and financial reform programs in Algeria, under the supervision of international institutions such as the International Monetary Fund and the World Bank, in order to confront economic crises and adapt to globalization.
- Recognizing the authorization to transfer funds, revenues, and profits .(Law No. 90-10, 1999)

Furthermore, the legislator granted the Monetary and Credit Council regulatory authority over banking activity and the modalities of financing, while taking into account the needs of the national economy in the following areas:

- Employment promotion;
- Attention to human resources and the provision of appropriate training conditions;
- The acquisition of modern technical and scientific means contributes to scientific progress and to the optimal exploitation of registered trademarks and protected brands in Algeria, in accordance with international conventions and treaties .(Sara M. , 2010, p. 17)

However, these incentives failed to attract foreign capital to invest in Algeria, particularly amid the worsening economic situation and the rise in external debt. This led to a transition toward a new phase, marked by the subsequent replacement of this law by Order No. 03/11 in 2003, which established principles that remain in force within the current banking system.

3.2. Decrees and Orders Relating to the Promotion and Encouragement of Investment

This trend is clearly reflected in Legislative Decree No. 93-12, issued on 05/05/1993, which aimed to promote Investment, provide guarantees for investors—particularly foreign investors—and encourage investments of significance to the national economy. This decree was later repealed and replaced by new investment legislation, notably Law No. 22/18 of 2022. Article 01 of this law introduced an exception whereby private investors are explicitly prohibited from operating in specific economic sectors, as Investment must be conducted "…within economic activities relating to the production of goods or services not

expressly reserved for the State, its branches, or any legal person expressly designated by legislative text ".(Legislative Decree No. 93-12, 1993)

This law also recognized the right to resort to international arbitration, either at the initiative of the foreign investor or through procedures initiated by the State via its competent judicial bodies, unless bilateral or multilateral agreements exist concerning amicable settlement, in which case the parties may agree to resolve disputes through recourse to ad hoc arbitration .(Abdelkarim Ba'dash, p. 125)

These constitute contractual guarantees commonly relied upon by foreign investors and involve several international bodies, including the International Centre for Settlement of Investment Disputes. (Sara A. , p. 583)

Order No. 01-03 relating to the development of Investment is considered among the decrees and orders that directly contributed to establishing clear legal rules. (Order No. 01-03, 2001)

Article 02 of this Order defined Investment as "the acquisition of assets within the framework of the creation of new activities, the expansion of production capacities, rehabilitation, or restructuring ."… (Order No. 01-03, 2001)

Executive Decree No. 06-356 of 9 October 2006 established the National Agency for Investment Development, whose mission included assisting investors in fulfilling the formalities required for the realization of their investments. This agency operates as a one-stop shop. (Executive Decree No. 06-356, 2006)

Among the advantages provided by the legal framework for foreign investors are the benefits granted during the operational phase, introduced by the 2006 amendment, including exemptions from corporate profit tax and professional activity tax for a period of three years from the commencement of effective activity. (Abdelkarim Ba'dash, p. 125)

The recognition of the possibility of recourse to international arbitration constitutes a procedural guarantee for the settlement of this type of dispute, characterized by procedural speed, confidentiality, the specialization of arbitrators, and the parties' freedom to choose the form of arbitration. (Sara A. , p. 594)

Additional facilities include easier access to industrial and agricultural land, which constitutes one of the most important factors

supporting Investment, as any investment requires a physical base for its establishment. Obtaining project approval begins with securing ownership or land allocation, which falls within the wali's powers. (Kouidri Kamal, p. 541)

As examples of foreign Investment in the transport sector, within the framework of a partnership between the Algiers Metro Company, the TRANSTEV Group, and the Autonomous Transport Authority of Paris (RATP Développement), the company "Setram" was established, entrusted with the maintenance and operation of tramway lines in Algeria .(Mostafa, 2012, p. 89)

In the same context, several foreign private companies entered strategic sectors, such as the Spanish company Agbar in the field of water supply and sanitation through the Oran Water and Sanitation Company, and the French company Suez in the management of water and sanitation services through the Algiers Water and Sanitation Company .(Mostafa, 2012, p. 89)

In addition, the International Monetary Fund defines foreign Investment as projects established within a State and controlled by residents of another State, taking three primary forms:

- Private Investment, primarily concentrated in the oil and raw materials sector;
- Bilateral Investment, involving State participation with the foreign investor in projects established on its territory;
- Investment linked to multinational corporations, which account for more than 80% of foreign Investment worldwide and have come to exercise complete control over specific industries. (Mohamed Toufik Chouaib, p. 442)

4. The Legislator's Aspirations through Investment Laws

Investment is considered a relatively modern economic phenomenon when viewed from a historical perspective. In recent years, it has witnessed remarkable development, primarily driven by globalization and rapid technological advancement. Today, Investment has become one of the most fundamental pillars of development worldwide, in general, and in developing countries in particular . (Boudlal, p. 38)

Foreign investments are primarily directed toward States that possess a clear legal and regulatory framework defining, with precision, the rights and obligations of investors, an efficient monetary system, and

a set of procedures governing bankruptcy and judicial settlement. In parallel, such States are expected to have a legal system that clearly defines enforcement and implementation mechanisms for the establishment and dissolution of enterprises, as well as the application of free competition rules in a transparent manner. The existence of an independent and credible judicial system further reinforces this. (Issaoui Mohamed, p. 646)

4.1. Encouraging Investment through the 2016 Constitutional Amendment

The constitutional amendment introduced at the beginning of 2016 reflects the Algerian legislature's genuine intention to enhance investment in Algeria, particularly private, national, and foreign investment, by constitutionalizing the principle of freedom of Investment. This orientation aims to achieve several key objectives, most notably:

- The inflow of foreign capital, given the shortage of national resources resulting from the economic crisis.is of concern ,
- The optimal exploitation of local natural and human resources.
- The provision of economic capacities to develop export sectors, access new external markets, and strengthen economic relations with various States.
- The transfer of technology from developed countries to Algeria, particularly in production, marketing, and the conduct of economic and administrative activities.
- The opening of avenues for cooperation between national and foreign enterprises through partnership mechanisms. (Issaoui Mohamed, p. 648)

4.2. Incentives Introduced by the Current Investment Legal Framework No. 22/18

In light of global economic developments, coupled with the instability of the national economic situation, the Algerian legislator was compelled to reconsider and reformulate investment laws in order to attract a greater number of foreign investors, while ensuring a balance between the interests of the national economy and those of investors, and moving away from circumstantial legal policies when updating investment legislation in Algeria. (Sofiane, 2013, p. 121)

Given that any investment activity, regardless of its nature, is contingent upon the suitability of the investment climate within a given

economy and its capacity to attract and draw foreign investors, investment laws constitute one of the fundamental factors contributing to the attraction of foreign Investment. This is achieved by establishing equality and non-discrimination between national and foreign investors at all levels, including in terms of incentives, advantages, rights, and obligations. (Abdelkarim Ba'dash, p. 117)

Accordingly, the new investment law was enacted (Law No. 22-18, 2022), introducing three new incentive regimes that were not previously recognized in earlier investment legislation. These regimes relate to priority sectors and are structured as follows:

Sector-Based Incentive Regime

This regime concerns major priority sectors deemed of strategic importance to the State, insofar as they contribute directly to national economic development. Executive Decree No. 22/300 of 2022 defined the list of activities excluded from the benefits granted under this regime. The incentives provided include, by way of example, exemptions from customs duties on imported goods directly used in the realization of the Investment, a reduction in the value-added tax rate applicable to imported or locally acquired goods and services directly involved in the investment process, as well as the exemption from transfer duties on agricultural and industrial real estate ownership and from registration fees imposed on company incorporation contracts, among others . (Executive Decree No. 22-300, 2022)

Regional Incentive Regime

This regime aims at granting priority and specific incentives to investments located in the southern regions and the High Plateaus. Executive Decree No. 22/301 of 2022 established the list of such regions, which may be updated upon proposal by the competent ministers.

Among the incentives introduced under this regime is the State's assumption of, in whole or in part, the expenses related to infrastructure works necessary for the realization of the Investment, following evaluation by the Investment Support Agency. This is in addition to reductions in annual rental amounts determined by State property services for land granted under concession, sometimes at a symbolic dinar. (Executive Decree No. 22-301, 2022)

Structured Investment Regime

Structured investments, as defined under Law No. 22/18, refer to high-value-added investments with a strong capacity for wealth creation, whose capital is equal to or exceeds ten (10) billion Algerian dinars. Beneficiaries under this regime are entitled to exemptions from corporate profit tax and professional activity tax.

Furthermore, investments carried out outside the designated regions may benefit from operational incentives ranging from three (03) to fifteen (15) years when they create more than one hundred (100) permanent jobs, subject to compliance with the objectives set out in Article 02 of the same law, as well as the criteria established under the relevant incentive regime.

4.3. Critical Assessment of the Evolution of Investment Legislation

A critical reading of the evolution of Algerian investment legislation reveals that the legislator has continuously sought to adapt the legal framework to changing economic realities. The successive reforms introduced since independence demonstrate a gradual transition from a restrictive model centered on State control to a more liberal framework based on investment promotion and investor protection.

However, the multiplicity of legislative reforms has not always been accompanied by a proportional increase in foreign investment inflows. This observation suggests that the effectiveness of investment legislation cannot be measured solely by the number of incentives and guarantees granted to investors. Institutional stability, administrative efficiency, transparency, legal predictability, and governance quality remain essential factors influencing investment decisions.

This finding highlights a recurring characteristic of Algerian investment policy. Although successive legislative reforms have progressively expanded guarantees and incentives for investors, the repeated modification of investment legislation may, in some cases, generate perceptions of regulatory uncertainty. Consequently, investor confidence depends not only on the substance of legal reforms but also on the stability, continuity, and predictability of the regulatory framework over time.

Therefore, the evolution of investment legislation in Algeria should not be assessed only from a legislative perspective but also from the standpoint of its practical effectiveness in improving the overall investment climate and strengthening investor confidence.

5. Conclusion:

The evolution of investment legislation in Algeria has been closely shaped by political, economic, and social transformations. Since independence, successive legislative reforms have reflected the changing orientations of the Algerian State toward foreign investment, ranging from restrictive approaches during the socialist period to more liberal and investor-oriented policies in recent decades. The first investment law enacted after independence did not remain in force for long, as it was subsequently repealed and replaced by new legislative instruments. During the socialist phase, investment—particularly foreign investment—was subject to significant restrictions, except when undertaken within the framework of bilateral partnerships.

With the advent of the liberal phase, the door was opened wide to foreign capital through numerous tax-related incentives, which were further expanded and reinforced with the enactment of each new legal text. This development materialized in major investment projects, particularly under the current Law No. 22-18, which established a stimulating and transparent investment climate combining financial incentives with legal guarantees and targeting vital sectors to drive economic growth in Algeria.

Through this research, several findings may be highlighted, including the following:

- Political, economic, and social conditions in Algeria have had a direct impact on the evolution of legislative texts governing Investment, particularly foreign Investment.
- During the socialist phase, most legal texts significantly restricted the scope of foreign Investment, except within the framework of bilateral partnerships, due to the nature of the political system.
- The legislator sought to adapt to new reforms by adjusting the investment framework through Law No. 22-18, which introduced extensive incentives for priority sectors, special regions, and

structured investments. It also provided legal and judicial guarantees and simplified procedures through digitalization, aiming to create an attractive investment environment at both the national and international levels, promote productive investments, and diversify the economy, with particular emphasis on strategic sectors such as renewable energy.

- The current legal framework is relatively encouraging for foreign investors, thanks to the legal and judicial guarantees and additional mechanisms it has introduced, notably investor support and orientation toward sustainable development. However, several other factors have contributed to the weakness of foreign investment inflows, most of which relate to deficiencies in governance and good management practices.
- The study also demonstrates that the challenge currently facing Algeria is no longer limited to the adoption of new investment laws. Rather, it concerns the ability of public institutions to ensure the effective implementation of legislative reforms and to provide a stable, transparent, and predictable business environment. Consequently, improving governance mechanisms and administrative performance appears to be as important as the legal incentives themselves in attracting sustainable foreign investment.
- The evolution of investment legislation in Algeria demonstrates that legislative reform, although necessary, is not in itself sufficient to attract substantial foreign investment. The effectiveness of investment laws depends largely on the stability of the regulatory environment, the efficiency of public institutions, and the credibility of governance mechanisms. Accordingly, sustainable investment attractiveness requires a comprehensive approach combining legal reform with institutional modernization and administrative transparency.

In light of the foregoing, the following recommendations may be

proposed:

- Involving economic stakeholders and expanding consultation processes when amending investment legislation.
- Moving toward the establishment of an independent authority to oversee and regulate the investment sector.
- Revitalizing bank lending and reducing interest rates on loans across all sectors.
- Facilitating access to bank credit.
- Strengthening the digitalization of investment procedures and expanding one-stop-shop mechanisms in order to reduce administrative delays and improve the efficiency of investment administration.
- Supporting start-ups and innovation in order to create a dynamic entrepreneurial ecosystem.
- Ensuring greater stability of investment legislation by limiting frequent amendments and reinforcing legal predictability for investors.
- Integrating the environmental dimension into investment legislation to ensure sustainable development and granting incentives for clean activities and environmentally friendly projects.

Ultimately, the success of investment policy in Algeria will depend not only on the adoption of attractive legal provisions but also on the ability to ensure their stable, transparent, and effective implementation.

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