

Enhancing E-commerce in Algeria: Regulatory frameworks, Infrastructure and Development Strategies

تعزيز التجارة الالكترونية في الجزائر: الأطر التنظيمية، البنية التحتية واستراتيجيات التنمية

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Abstract:

This study aimed to investigate potential strategies for enhancing e-commerce in Algeria. An analytical approach was used, examining the existing legislative and regulatory frameworks, and evaluating Algeria's digital maturity across several key indicators. These include the current state of internet connectivity, assessed by user penetration and connection speed, the adoption of electronic financial instruments over the past five years, and the logistic system supporting e-commerce.

Our study deduced significant obstacles impending e-commerce in Algeria and proposes suitable solutions. The most important of these are strengthening legal frameworks and improving internet quality, particularly in remote regions, while simultaneously enhancing delivery services to these areas. Furthermore, the study emphasizes the importance of building consumer and supplier confidence in e-payment systems and e-commerce.

Keywords: e-commerce; Law 18-05; internet connectivity; e-payment; logistic systems.

Jel Classification Codes : O330 ; M21; K20

ملخص:

هدفت هذه الدراسة إلى البحث على الاستراتيجيات الممكنة لتحسين نمو التجارة الالكترونية في الجزائر. تم استعمال المنهج التحليلي من خلال فحص الأطر التشريعية والتنظيمية وتقييم مدى تطور الرقمنة في الجزائر عبر مختلف المؤشرات، بدءا بواقع الاتصال بالانترنت الذي تم تقييمه من حيث عدد المستخدمين وسرعة التدفق، ومدى تبني الأدوات المالية الالكترونية خلال الخمس سنوات الأخيرة، والبنية التحتية اللوجستية التي تدعم نشاط التجارة الالكترونية، ومن ثم استنتاج أهم الصعوبات التي تعرقل نشاط التجارة الالكترونية في الجزائر ومحاولة تقديم حلول مناسبة لها، أهمها تعزيز الأطر القانونية وتحسين جودة الانترنت لا سيما في المناطق النائية، مع ضرورة تحسين خدمة التوصيل لهذه المناطق. علاوة على ذلك، تؤكد دراستنا على أهمية زرع الثقة في أنظمة الدفع الالكترونية والتعاملات التجارية عن بعد سواء لدى المستهلكين أو الموردين الالكترونيين.

كلمات مفتاحية: تجارة الكترونية؛ قانون 05-18؛ اتصال بالانترنت، دفع الكتروني؛ نظم لوجستية.

تصنيفات JEL : O330 ، M21 ، K20.

INTRODUCTION:

E-commerce has emerged as a pivotal force in the contemporary global economy, revolutionizing commercial exchange between individuals and institutions. Driven by rapid advancements in digitalization and technology, this shift is redefining how business is conducted worldwide. Sellers benefit from reduced operating costs and increased revenues through access to a wider range of markets. Conversely, buyers benefit from a variety of products and services without effort and at lower cost. Consequently, this impacts the economy through increased trade and investment volume and openness to global markets.

Algeria is actively embracing this digital transformation, demonstrating a growing commitment to its digitization policy. This push has translated into heightened attention to the regulatory and legislative frameworks governing e-commerce, influencing various digital performance metrics, particularly in electronic financial transactions. Despite these efforts, Algeria's e-commerce landscape remains relatively nascent when compared to other nations, as highlighted by UNCTAD reports. This stark contrast underscores the pressing need to investigate strategies for developing and promoting e-commerce within Algeria.

Based on these considerations, the following **problematic** can be attributed:

How can e-commerce be effectively enhanced in Algeria?

This leads us to ask the following sub-questions:

- How do regulatory and legislative frameworks contribute to the encouragement of e-commerce in Algeria?
- What is the current status of digitalization and e-commerce indicators in Algeria?
- Why is Algeria facing difficulties in e-commerce, and what are the most viable solutions to address them?

To address these questions, we propose the following hypotheses:

- Regulatory and legislative frameworks play a crucial role in promoting e-commerce in Algeria by comprehensively regulating all its various facets and targeted tax incentives.
- Algeria has demonstrated continuous progress in recent years concerning internet connectivity, electronic payment adoption, and overall e-commerce indicators.
- The difficulties faced in e-commerce in Algeria can be attributed to existing legal ambiguities and the insufficient development of its digital infrastructure.

This study holds significant importance due to the impact of e-commerce on economic actors. It serves as a powerful engine for revenue generation and provides crucial support for businesses. Furthermore, e-commerce actively promotes international trade by facilitating access to global markets.

There are numerous previous studies on e-commerce in Algeria, examining it from various perspectives. Among these studies are:

- A study by Aicha Mouzaoui and Abdelkader Mouzaoui on the economic impact of e-commerce on the consumer, *Journal of Economic Integration*, Volume 5, N°1, University of Adrar, 2020. This study aimed to focus on the consumer and the extent to which he is affected by e-commerce by using a descriptive and analytical approach. The study addressed the concepts related to e-commerce and then analyzed the impact of e-commerce on the consumer from an economic perspective using statistical methods. The study conducted by presenting the many positive points of e-commerce, represented by the low price of products and services, the ability to shop from multiple place, and

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make quick comparisons, with the possibility of fast delivery in some cases, especially for digital products.

- A study on the current status of e-commerce indicators in Algeria. This study aimed to analyze the reality of e-commerce indicators and their contribution to diversifying the Algerian economy. It used a descriptive and analytical approach to define study variables and analyses statistical information collected at the level of organizations during the period 2018-2022. The study concluded that e-commerce in Algeria is experiencing continuous growth, thanks to the increase in the number of internet users and the widespread use of smartphones among the population. However, its effectiveness remains below the desired level, due to the weakness of electronic payment and economic constraints. Finally, the study recommended the need to restructure the planning model and develop digital infrastructure in Algeria.

Since these studies addressed the theoretical aspect of e-commerce, our study directly addressed the analysis of the various aspects that affect e-commerce in Algeria, through the analytical approach during 2020-2024, and divided into the following axes:

- The Legal and Policy Environment for E-commerce in Algeria
- Key Metrics on Digitization and E-commerce infrastructure in Algeria.
- Key Drivers and Enablers for Algerian E-commerce Expansion.

1- The Legal and Policy Environment for E-commerce in Algeria:

While Law 18-05 serves as the cornerstone of e-commerce regulation in Algeria and will be discussed, our scope extends to an examination of other critical regulatory aspects. These include taxation, customs systems for cross border transactions...

1-1 Algerian E-commerce Legislation:

To understand the regulatory framework for e-commerce in Algeria, it is crucial to review the governing law 18-05 on e-commerce, issued on May 10, 2018, and analyze its effectiveness and the challenges of its implementation, as follows:

- **Application of Law 18-05:** To ensure comprehensive coverage of e-commerce transactions in Algeria, the law 18-05 defines its jurisdictional scope, it applies if one of the electronic contracts is an Algerian citizen or legally residing in Algeria, or a legal entity subject to Algerian law, or if the contract was concluded or executed in Algeria. This covers the diverse range of participants subject to the provisions and regulatory oversight of law 18-05.
- **Transactions prohibited by Law in E-commerce:** The law defines commercial activities prohibited from being conducted electronically, which often affect either consumer safety or the country's public order, in addition to goods that require a formal contract. (For these prohibitions, see Article 3 of Law 18-05)
- **Cross-Border Commercial Transactions:** Article 7 stipulates that the electronic suppliers and consumers are exempted from foreign trade and exchange control procedures when the value of the goods or services does not exceed the equivalent in Dinars stipulated in future applicable legislation and regulations. Furthermore, the proceeds of the sale must be transferred to the account of the electronic supplier

domiciled in Algeria at a bank accredited by the "Bank of Algeria" or at "Algeria Post", and the electronic payment by Algerian consumers for purchases must be covered by a hard currency bank account domiciled in Algeria.

In the same context, exemptions from trade and exchange control procedures directed to consumers, according to Articles 135 to 137 of the 2022 Finance Law, are as follow: (Algerian Official Gazette, 2021)

- New Items intended for professional activity without direct resale, and their value does not exceed 100 000 DZD;
- New Items contained in shipments arriving by postal or express parcel, and their value does not exceed 200 000 DZD;
- New items intended for personal use and devoid of any commercial character, and their value does not exceed 300 000 DZD.

These exemptions come as part of the Algerian state's policy of encouraging e-commerce, including cross-border e-commerce. This policy is being implemented even as the state strives to reduce imports and encourage local production.

- **Condition for Practicing E-commerce:** To practice e-commerce, the conditions stipulated in Article 8 of Law 18-05 must be met, as outlined below:
 - Registration in "The National Center for Commercial Registration"(CNRC – Centre National du Registre de Commerce) or "The Traditional and Craft Register" as applicable. Noting that after the official launch of the self-employed entrepreneur card in January 2024, registrants may engage in digital services and related activities, which entitle them to engage in e-commerce;
 - Publishing a website or webpage hosted in Algeria with the "com.dz" extension, knowing that obtaining an Algerian domain name is mandatory. This must be done by registering with "The Algerian National Domain Name Registry" or through intermediaries authorized by the aforementioned entity, after ensuring that the website has the means to verify its authenticity;
 - Filling the domain name with the "The National Center for Commercial Registration- CNRC".
- **Requirements Related to E-commerce Transactions:** This section of Law 18-05, in Article 10 to 15, includes conditions required in e-commerce transactions. These requirements begin with the commercial offer, specifying its necessary content and stages. Following this, the law outlines a three stages order process: first, the contractual terms must be made available to the e-consumer; second, the e-consumer must verify the order details and explicitly confirm their choice; and finally, order confirmation takes place, signifying the formation of the e-contract. The law also elaborates on the specific content of the e-consumer's validation.
- **E-consumer's Obligations:** Once the e-contact is concluded, the consumer is obligated to adhere to its terms, pay the agreed price, and sign a receipt. In this context, Law 18-05 specifically mandates that the e-supplier must request the e-consumer to sign a receipt upon the actual delivery of the product or service. However, in reality, it is the delivery company that delivers the goods to the consumer, and therefore this responsibility falls on them. This must be confirmed between the supplier and the

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delivery company to ensure that all conditions are met in the event of a dispute.

- **E-supplier's duties:** Law 18-05 devotes Articles 18 to 26 to the duties of the e-supplier, given their responsibility to the e-consumer and also to regulate e- transactions. Key obligations include adhering to the e-contract, preparing the invoice, and committing to delivering goods or services according to the required specifications, the agreed-upon price, and delivery deadlines. The law also details the procedures and conditions for returns if delivery deadlines are not met or goods do not conform to requirements.

To enhance transparency, e-suppliers are mandated to keep records of completed transactions and their dates, electronically submitting them to "The National Center for Commercial Registration- CNRC". And Regarding customer data, e-suppliers must only collect necessary information with consumer consent, ensuring its security and confidentiality.

- **E-payment:** In Algeria, payment in electronic transactions is made either remotely, i.e., electronically, or upon delivery. Recently, most e-commerce transactions end with payment upon delivery. This is primarily due to the lack of e-payment options offered by e-suppliers, especially with the proliferation of informal e-commerce websites, platforms, and social media vendors operating without legal standing. This reliance on cash-on-delivery affect the actual statistics of e-commerce in Algeria, despite recent efforts to simplify e-commerce regulations.

While e-payment via credit cards began in October 2016 (initially rolled out by utility companies, mobile network operators, insurers, airlines, and some public administrations), its usages is subject to transaction caps according to the type of cards (classic, gold, platinum) and the bank system. The maximum transaction limit is usually 100 000 DZD per day and does not exceed 300 000 DZD per week.

However cross-border transactions necessitate e-payment. A notable deficiency in Law 18-05 is its lack of detailed scrutiny regarding international payment procedures and the absence of accompanying implementation laws, such as setting the permissible ceiling for purchasing electronically from abroad and procedures related to payment in foreign currencies, which vary according to the bank's system and usually do not exceed 1 500 Euros.

Within the framework of the development of the payment system infrastructure in Algeria, "The Local Development Bank –BDL" took the initiative in 2025 to facilitate electronic payment in the context of e-commerce by introducing an electronic payment platform that enables e-merchants to collect their transactions online using all CIB cards, including Algeria post cards. This could contribute to encouraging payment without the need to pay upon receipt, as well as encouraging cross-border transactions.

- **Electronic Advertising:** Recognizing electronic advertising as an integral part of e-commerce, Law 18-05 (Articles 30 to 34) establishes clear conditions to safeguard consumer protection. These requirements ensure that advertising is clearly defined, its source is identifiable, and respects public morals and order. Furthermore, the law mandates transparent disclosure of any discounts or rewards and strictly prohibits misleading content in electronic advertisements.

To enhance trust in electronic transactions, e-commerce is subject to not only the previous law (18-05) but also other applicable laws that address its numerous aspects, such as:

- Law 09-04 issued in August 2009 concerning the special rules for preventing and combating crimes related to ICT;
- Law 15-04 issued in February 2015 concerning electronic signatures and certification;
- Law 18-04 issued in May 2018 setting out the general rules relating to mail and electronic communications;
- Law 18-05 issued in June 2018 concerning the protection of natural persons in the processing of personal data.

1-2 Algerian E-commerce Tax System: Algeria's move toward regulating e-commerce taxation has been embodied by the inclusion of specific tax mechanism, as follows:

- **Single Flat Tax:** According to Article 10 of the 2019 financial Law, (Algerian Official Gazette, 2018) a single flat tax of 5% was introduced on e-commerce transactions. This tax is deducted at source based on total invoice amount. E-commerce operators must transfer the collected amounts to the state budget within twenty days of the invoice date. This is part of the government's efforts to encourage e-commerce by reducing, simplifying, and unifying the tax burden.
- **Value Added Tax (VAT):** According to Articles 39 and 41 of the 2020 Finance Law (Algerian Official Gazette, 2019) e-commerce transactions are subject to a reduced VAT rate of 9%, compared to the normal 19% rate applied to most products and services.

Despite efforts to simplify its e-commerce tax system, Algeria, like many other nations faces significant implementation challenges. Authorities are grappling with how to balance encouraging the growth of e-commerce with the need for effective regulation and taxation. A key difficulty arises with applying VAT to cross border transactions, where the supplier is typically required to calculate the tax based on the consumer's country of origin. This necessitates suppliers being acutely aware of the diverse tax laws in their target markets.

On this basis, several international bodies are working to unify tax systems related to e-commerce such as The Base Erosion and Profit Shifting (BEPS) project, including "the BEPS Financial Inclusion Framework" developed by OECD, encompasses over 140 nations with Algeria as member, and aims to establish international laws to combat tax evasion by multinational corporations and develop new approaches to address the tax challenges arising from digitalization.

2- Key Metrics on Digitization and E-commerce infrastructure in Algeria:

While Algeria has shown a clear commitment to digitalization in recent years, The efficacy and global competitiveness of these advancements remain a key question. Therefore, this research investigates the progression of internet connectivity and electronic payment within Algeria during 2020-2024, alongside an assessment of existing delivery services which contribute to the development of e-commerce in Algeria.

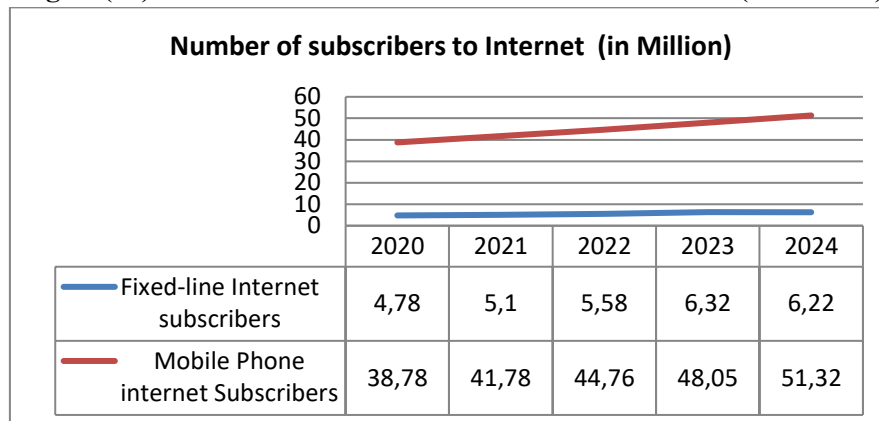
2-1 Internet Connectivity in Algeria:

According to the Regulatory Authority for Post and Electronic Communications (ARPCE, 2024), in 2024, Algeria's internet subscriber reached 57 536 959 with mobile internet (3G and 4G) accounting for a dominant 87.89% (51 320 813 subscribers), while the rest were landline

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internet subscribers. The following figure highlights the development of mobile phone subscribers connected to internet:

Figure(01): Evolution of Number of Internet Subscribers (2020-2024)



Source: elaborated by the author based on ARPCE 2023 report and the Internet Market Observatory 2024 on ARPCE website, <https://www.arpce.dz/fr/file/x6v1d6>, consulted 30/06/2025.

This extensive mobile internet adoption provides a strategic advantage for promoting e-commerce, particularly considering user habits involving considerable time spent on mobile devices. The availability of mobile e-commerce platforms (electronic stores), coupled with facilitated and secure electronic payment options via mobile, is consequently driving an increase in digital transactions.

According to the statistics realized by "Speedgeo" (a platform providing internet speed test), in the initial quarter of 2025, "Algeria Telecom" emerged as the leading provider of high-speed broadband internet in Algeria, demonstrating an average download speed of 30.3 Mbps. During this period the company also recorded the highest average upload speed, reaching 14.1 Mbps. (Speedgeo) However, the download and upload speed in Algeria is considered lower than the average compared to the global level, as the download speed reaches about 97 Mbps and the upload speed is about 52 Mbps.

2-2 Financial Digitization in Algeria:

In order to understand the extent of the development of electronic payment in Algeria, we decided to begin by presenting the number of credit cards users in the following table:

Table(01): Cards in Circulation in Algeria (2020-2024)

year	Number of CIB Cards	Number of EDAHABIA Cards	Total Cards
2020	2 854 634	6 766 383	9 621 017
2021	2 768 285	8 841 339	11 609 624
2022	3 461 317	10 124 456	13 585 773
2023	4 022 203	12 487 304	16 509 507
2024	4 239 021	15 605 882	19 844 903

Source: elaborated by the author based on annual reports of Bank of Algeria for the years 2020 to 2023 and statistics on GIE Monétique website, <https://giemonetique.dz/cartes/>, consulted 08/06/2025.

In a strategic move to promote electronic financial transactions, Algerian financial authorities have implemented policies encouraging the distribution and promotion of payment cards by financial institutions. This policy thrust has demonstrably expanded card issuance, evidenced

by a 106.26% rise in the total number of cards between 2020 and 2024.

Algeria Poste is identified as the primary issuer of payment cards, attributed to its extensive customer base and automated card issuance process, which includes automatic renewal upon expiration. However, it is crucial to note that card issuance does not equate to active utilization. According to the Bank of Algeria's 2024 report, only 2,977,153 out of 10,124,456 issued cards were activated in 2022, representing merely 29.40% of the total in circulation, and reflecting limited interest in electronic transactions via ATMs or online platforms. However, a notable shift occurred in 2023, with electronic card usage estimated at 88.31% which is a substantial increase without a corresponding change in issuance volume, This means that the significant trend among citizens towards using electronic cards began in 2023. This can be understood from the statistics related to online payment operations, as follows:

Table (02): The Distribution by Sector of Activity of Payment Transactions on Internet in Algeria (2020-2024)

<i>year</i>	2020	2021	2022	2023	2024
telecom	4 210 284	6 993 135	7 490 626	8 400 869	9 838 682
Transportat	11 350	72 164	195 490	371 317	758 764
Insurance	4 845	8 372	23 571	36 996	61 739
Invoice	85 676	120 841	302 273	640 485	1 447 168
Administrat ive Service	68 395	155 640	153 957	4 086 659	5 248 922
Service Provider	213 175	457 726	705 114	1 055 672	1 386 790
property	235	13 468	24 169	51 154	106 219
Sport and	0	0	152 925	708 212	746 198
Total number of	4 593 960	7 821 346	9 048 125	15 351 354	19 594 482
Total amount	5423727074 .80	11176475535 68.	18151104423 96.	32196672024 03.	51945560351 45.

Source: GIE MONETIQUE website, <https://giemonetique.dz/qui-sommes-nous/activite-paiement-sur-internet>, consulted 09/06/2025.

The year 2020 witnessed an unprecedented shift towards digitalization in Algeria due to the prevailing circumstances at that time, represented by the spread of the Corona pandemic and the need for quarantine, thus the necessity of dealing remotely in various sectors. On this basis, the Algerian authorities adopted a set of measures to facilitate and encourage remote financial transactions. An agreement was concluded between the Algerian Post Office (Algérie Poste), Interbank and Electronic Banking Transaction Company (SATIM- Société d'automatisation des Transactions Interbancaires et Monétique) and the Monetic Economic Interest Group (GIE Monétique) regarding transactions between the Algerian Post Office cash system and the interbank cash system, thus achieving compatibility between CIB/EDAHABIA. This agreement entered into force on January 5, 2020 leading to the generalization of the use of the EDAHABIA card issued by the Algerian Post Office in various electronic financial transactions. The key observation from the table above is the considerable and consistent growth during the period 2020-2024 across various sectors, we can illustrate it by calculating the compound

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annual growth rate (CAGR), which measures the average annual growth rate of online payment transactions for each sector over the five years, using the following equation:

$$CAGR = \left[\left(\frac{\text{Ending Value}}{\text{begining value}} \right)^{\frac{1}{n}} - 1 \right] \times 100\%$$

Thus we find:

Table (03): The Compound Annual Growth Rate (CAGR) by sector (2020-2024)

sect or	telec om	Transport ation	Insura nce	Invoi ce	Administr ative Service	Servic e Provi der	prope rty sale	Total number of transac	Total amount of transac
CA GR (%)	23.64	185.94	88.94	102. 73	195.98	59.71	361.0 9	43.71	75.92

Source: elaborated by the author based on the table above.

Notably, the table demonstrates the significant and continuous rise in the use of online payments over the last five years.

In the telecom sector, the growth rate of online payment usage for fixed and mobile phone bills was estimated at 133.68% in 2024 compared to 2020. This growth is attributed, on one hand, to the widespread adoption of electronic payment cards, as previously noted, and on the other hand, to telecom companies' encouraging electronic payment through special offers incentives for these transactions.

As for the transportation sector, the airline company "Air Algérie" launched a ticket booking application in 2019, which made it easier for customers to check flight schedules and purchase tickets without the hassle of going to sales points. This explains the continuous development across various sectors, as many public and private entities have resorted to providing electronic payment services. Examples include water and energy distribution companies (gas and electricity), and various administrations, all aiming to facilitate flexible financial payments that align with modern requirement.

The insurance sector also experienced significant development in electronic payments, with its CAGR reaching 88.94%. This growth notably intensified in the last two years of the analyzed period, almost doubling the sector's electronic transactions. This trend is further supported by regulatory shifts. It's worth noting that, according to Article 207 of the 2025 Finance Law, non-cash transaction (i.e., via bank accounts or electronic payment) have been made mandatory as part of Algeria's push to digitalization.

Property sale in this context refers to the online sale of various goods and services, representing the most developed field in this area. This is evident by its remarkable 361.09% CAGR. It is crucial to recognize that in 2020, Algeria's e-commerce culture was underdeveloped, largely due to limited electronic payment systems and individuals' lack of trust in digital transactions. The CIB card online payment service is only authorized on sites approved by the "GIE Monétique". Certain minimum security requirements are required, such as encryption of exchanges with the interbank payment platform and authentication using the 3D-Secure method. (GIE MONETIQUE)

Table(04): Mobile payment activity in Algeria (2022-2024)

year	2022	2023	2024
Total number of "Mobile Payments"	2 165 941	39 283 478	58 465 858
Montant global des transactions "Paielement Mobile" (DZD)	1491356478,36	27855521037,78	43590424114,00

Source: GIE MONETIQUE website, <https://giemonetique.dz/activite-paiement-par-mobile/>, consulted 09/06/2025.

Mobile payment was launched in Algeria in 2022. Initially, the service was available only to customers from the same bank. In June 2024, interoperability for mobile transactions was launched thanks to the Switch Mobile platform, enabling customers to conduct transactions without requiring the sender and recipient to be from the same bank.

It is worth noting that in January 2025, the "DZ Mob" electronic payment system was launched across banks. This system allows all citizens to make payments via QR code and transfer money between individuals.

In the same vein, the National Bank of Algeria (BNA) Launched "WIMPAY", a mobile payment service, On March 5, 2025. This contactless payment Application allows for payment and transfers within and between banks, with near-real-time credit to bank accounts. It is available in three separate applications, tailored to meet the specific needs of each user: "WIMPAY DZ BNA" for individual customers, and "WIMPAY BNA Marchand" and "WIMPAY BNA Caissier" for commercial customers. In addition to the ability to conduct financial transactions, this service provides full visibility into transactions conducted, allowing for improved treasury management. (National Bank of Algeria)

Following this, Algeria Post also launched "Barid Pay", a QR code-based mobile payment service via its Baridi Mob application. This service's gradual introduction to merchants nationwide initiated on June 14, 2025.

As evinced by the table below, there has been a significant increase in mobile payment from its launch in 2022 to 2024. This is due to the expanding use of mobile phones in Algeria, and their ease of use in various fields, including commercial transactions, given the availability of internet.

We should mention that, in Algeria, fintech represents a promising opportunity to improve access to banking and financial services, as it can provide innovative solutions to overcome the challenges associated with the geographical spread of banks and the high cost of traditional services through the use of e-payment applications, digital platforms, mobile money transfers and ATMs, this technology can effectively contribute to the integration of large segments of society into the formal financial system. (Fatima & Eddine, 2025)

2-3 Logistic systems and e-commerce in Algeria:

Algeria Post Facilitate the delivery of documents and goods for both individual and institutional clients. This extensive service relies on 74 specialized centers strategically located across the country. Algeria Post employs also two distinct systems for delivery services:)Ministry of Post and Telecommunications(

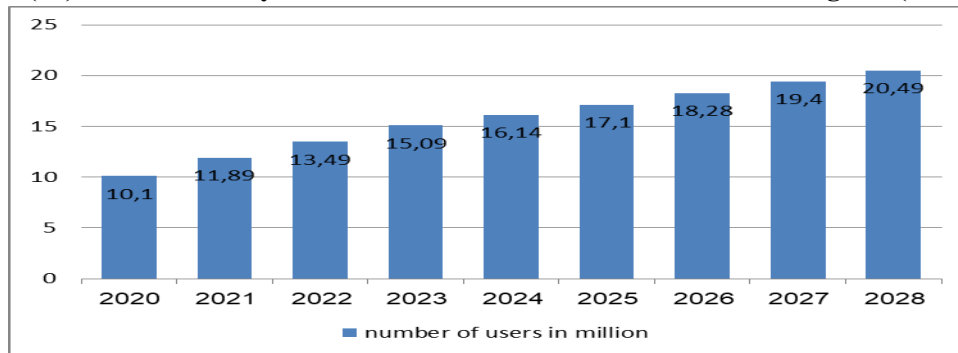
- The "Authorization System": It includes five private companies (ARAMZX ALGERIE, DHL INTERNATIONAL, EMS CHAPION POST, EURL CONNEXLOG, and FALCON EXPRESS ALGERIE) licensed for the international collection and distribution of documents and parcels.
- The "Simple Declaration System": It includes 71 companies licensed for the local

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collection and distribution of documents and parcels.

Regarding e-commerce, it is difficult to determine precise statistics in Algeria, given the prevalence of informal businesses. Even legal traditional merchants operate in a hybrid manner, meaning they also transact electronically. Below is a figure outlining a perspective study of the development of e-commerce in Algeria until 2028:

Figure (02): Forecast study of the Number of users of e-commerce in Algeria (2020-2028)



Source: Statista website, <https://www.statista.com/forecasts/1331902/number-of-e-commerce-users-in-algeria>, consulted 12/06/2025.

In alignment with Algeria's progressing digitalization, a predictive study by Statista (a German company that provides reliable research and source of statistical data and information), indicates a significant and sustained expansion of e-commerce users within the country, with a growth rate estimated at 102.87% in 2028 compared to 2020. This is due to the state's efforts to develop the sector, and individuals' interest in e-commerce given its numerous advantages, such as saving time, effort, and even costs. In addition, online stores frequently offer more competitive pricing due to lower operational overheads (e.g., absence of rental costs and a highly competitive environment that simplifies price comparison for consumers).

3- Key Drivers and Enablers for Algerian E-commerce Expansion:

Before outlining strategies for the advancement of Algerian e-commerce, it is imperative to identify the obstacles currently impeding its development.

3-1 Obstacles to E-commerce Development in Algeria:

E-commerce in Algeria faces numerous obstacles and challenges that prevent it from keeping pace with developments in this field. These include:

- Limited internet infrastructure, especially in remote and desert areas;
- Incompatibility of some legal provisions in Law 18-05 with practical reality, such as requiring the electronic supplier to provide a receipt to the electronic consumer for signature, while the delivery company is responsible for delivery. It is worth noting the absence of legal provisions related to shipping and delivery, in addition to the lack of scrutiny of payment procedures and customs and tax procedures, especially regarding electronic services;
- Difficulty in determining the tax base in cross-border electronic transactions;
- Spread of informal e-commerce;
- E-commerce merchants' lack of interest in providing e-payment services and relying on cash on delivery;

- Lack of adequate promotion of e-payment systems by financial institutions;
- Limited e-commerce culture among Algerian consumers, especially regarding transactions that culminate in e-payments;
- Limited consumer confidence in e-commerce, primarily due to the proliferation of the informal sector and weak regulatory control;
- Difficulty in providing shipping and delivery services to isolated areas due to the lack of shipping companies and the deterioration of road infrastructure;
- Low awareness of cyber risks among small merchants and consumers;
- Lack of trust in remote transactions among consumers. Despite the development of digitalization and e-payment indicators, Algerian consumers prefer to purchase their necessities through traditional methods and verify their quality directly. Development in e-commerce is also due to the emergence of shipping companies that offer cash-on-delivery services and the ability to view orders.

3-2 Recommended Strategies to Enhance E-commerce in Algeria:

After reviewing the legislative and regulatory framework for e-commerce in Algeria and the most important indicators regarding digitization and electronic payments, we can see the efforts made by the authorities to develop this field. We also propose the following solutions that will enable the promotion of e-commerce in Algeria:

- **Enhancing the Digital Environment:** The digital environment must be developed by improving the speed and quality of internet in Algeria. The most widespread internet connection technology is 4G, while 5G can be faster and more reliable. In addition, internet service should be expanded via fiber optics, which is also more efficient than traditional internet. Internet access should also be expanded to cover all regions, even isolated and desert areas, to ensure widespread access to digital technology across the country.
- **Reinforcing the Legal Ecosystem:** This involves improving synergy between different government bodies, such as customs and tax sector.
Regarding the cross border e-commerce, it's essential to intensify efforts in defining the tax base. This involves redoubling the implementation of BEPS measures to combat international tax evasion and ensure tax justice, particularly for multinational corporations, and to leverage new mechanism for tax procedures.
For improved international tax synergy, establishing databases and systems for sharing tax information and updates is crucial. This should be complemented by the development of harmonized tax forms especially for e-commerce, alongside the unification of laws pertaining to disputes, fraud, and tax evasion.
- **Improving Logistics Systems:** Even with growing number of delivery companies in Algeria, their current services are rudimentary. Implementing digital tracking solutions (via platforms or mobile applications) would significantly enhance the consumer experience by providing real-time order status and simplifying return procedures for discrepancies or unwanted goods. Moreover, establishing pickup points in distant and rural areas could compensate for the absence of delivery company branches, while concurrently, transportation networks require substantial improvement.
- **Promoting E-commerce Culture among Consumers:** To cultivate consumer confidence in online transactions, it's essential to implement strict measures that ensure

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the credibility of e-suppliers. This involves developing a standardized template for precise product and service specifications, which suppliers must accurately complete to mitigate fraud and deception. Furthermore, activating and widely promoting electronic payment systems is crucial. This should be supported by comprehensive awareness initiatives that emphasize the value of e-commerce and disseminate knowledge regarding cyber-security protocols, the functionality of electronic payment solutions, and their security implications.

Conclusion:

Algeria has made significant efforts towards digital transformation in recent years, establishing foundational digital infrastructure and crafting regulatory and legislative frameworks for electronic transactions. However, despite these advancements and fluctuating digital indicators, it's clear that some shortcomings still persist with Algeria e-commerce ecosystem, hindered by a confluence of limiting factors.

Our analysis allowed us to thoroughly examine our initial hypotheses:

- **Hypothesis 1:** While a direct link exists between regulatory frameworks and e-commerce encouragement, our findings reveal shortcomings in Law 18-05, particularly concerning foreign trade overlaps and disconnect between some provisions and practical realities. This includes a perceived lack of impartiality in customs and tax measures.
- **Hypothesis 2:** We affirmed a validity of this hypothesis, noting continuous development in internet connectivity, e-payment. However, it's crucial to acknowledge that this progress hasn't kept pace with global advancements in the digital sphere.
- **Hypothesis 3:** This hypothesis also held true. Algeria's e-commerce struggles stem from insufficient digital infrastructure development, with a particular weakness in internet access, especially in isolated and rural areas. This negatively impacts digital financial indicators.

Our study yielded several critical **findings** regarding the state of e-commerce in Algeria:

- Despite concerted efforts to establish regulatory and legislative frameworks for e-commerce, they still contain certain deficiencies;
- There's been a notable increase in internet users over the past five years. However, internet download and upload speed remain sluggish, falling below the global average.
- Significant progress in electronic payment adoption has been observed across various product categories, evident in the increased use of credit cards and online mobile payments.
- A substantial number of local shipping and delivery companies operate, yet challenges persist, particularly in isolated areas.

Based on these findings, we propose the following **recommendations**:

- Enable high speed internet in Algeria, by switching to 5G communication technology and expanding fiber optic internet services to encompass isolated areas.
- Promote the use of e-payment systems and incentivize e-sellers to adopt them by offering attractive facilitation packages for their financial transactions with banks.

- Implement the BEPS measures to combat tax base erosion, specifically targeting international tax evasion. This includes introducing new taxes relevant to e-commerce.
- Establish a comprehensive database for exchange tax information, alongside unified tax models for e-commerce and fostering international cooperation in taxation.
- Develop electronic tracking systems for shipments via devices, allowing consumers to monitor their orders, and enhance delivery services to remote and rural areas.
- Launch widespread awareness campaigns on cyber security targeting both e-suppliers and e-consumers to foster a secure and informed digital environment.

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