Challenges and Barriers to the Export of Textile SMEs in Algeria: Between Perceived Support and Structural Reality

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Abstract:
This article investigates the export constraints facing Algerian textile SMEs, with an emphasis on both structural and institutional reasons. The major purpose is to understand how productivity limits, non-compliance with international standards, and insufficient support systems affect their worldwide competitiveness. The research adopts a mixed-methods approach, integrating statistical data analysis, field surveys of textile SMEs, and semi-structured interviews with institutional players. Data collecting options include structured questionnaires and qualitative content analysis approaches. The findings suggest a twin challenge: internal restrictions such as high manufacturing costs and insufficient technology integration, and external problems related to the inefficiency or misalignment of public and private support systems. These combined variables greatly limit export performance. The study underscores the gap between policy objectives and business reality, demonstrating that support programs are often separated from the actual needs of SMEs. The presentation includes tangible policy proposals targeted at increasing institutional support and strengthening the international competitiveness of Algeria's textile sector.

***Key Words*:** Export barriers, Institutional support, Competitiveness, Emerging economies

JEL Classification: L67, L16, O53

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Introduction:

The Algerian economy urgently requires diversification away from hydrocarbons, establishing the textile industry as a crucial sector for industrial development, job generation, and economic stability. Despite its historical importance in Algeria's 1970s-1980s industrialization, currently the textile sector remains mostly absent from global markets despite a high number of SMEs nationwide. While other rising economies have successfully leveraged textile exports for growth, Algerian textile SMEs struggle to enter into international trade. This paradox stimulates inquiry: **why does a sector with historical importance and present capability fail to realize its export potential?**

This research explores the structural and institutional constraints inhibiting Algerian textile SMEs' export success, despite government aspirations and support systems. Despite attempts like export promotion organizations and finance schemes, their

influence is minimal. The sector has obstacles including antiquated technology, difficulty complying with international standards, limited market access, and high manufacturing costs, worsened by a bureaucratic environment.
The study hypothesizes that dismal export performance arises from internal vulnerabilities and inadequate institutional assistance disconnected from SMEs' demands. It employ a mixed-methods approach: statistical analysis, SME surveys, and interviews with governmental agencies. By applying a theme content analysis and triangulating data, the study seeks to deliver well-founded findings. This combination of empirical data and institutional research delivers actionable insights to strengthen support mechanisms and boost the textile sector's international competitiveness.

I. Conceptual Framework:

1. Export Specificities and Support Mechanisms in Developing Countries :

1.1.Specific features of textile exports in developing countries:

The textile sector plays a significant role in emerging economies by providing jobs and foreign exchange through exports. However, these countries have distinct opportunities and limits that effect global competitiveness. A study across African countries (Côte d'Ivoire, Senegal, Cameroon, Madagascar, Mali, Togo) discovered that although textile production mainly provides domestic markets, there is potential for competitive export industries if higher operating costs are balanced by wage advantages (Berenschot-Bosboom, cited in AEI, 1987). Competitiveness varies by country and production segment, affected primarily by labor training and infrastructural quality.

Many developing countries' textile enterprises focus on low-value-added tasks like cutting and stitching, with insufficient upstream integration (GTEX, 2021). This restricted specialty hinders value capture and diminishes international positioning. Globalization and regionalization have altered competition. China now dominates over 60% of developing countries' textile exports, followed by South Asia (CEPII, 2002), increasing pressure on others who face tighter sustainability and social responsibility norms.

Structural problems include high transit costs, inefficient ports, insufficient infrastructure, and limited industrial land (OECD, 1997). Trade liberalization such as the EU's 2005 quota removal improves competition but opens markets, requiring swift adaption and sustainable practices (European Commission, 2003; GTEX, 2021).

Vietnam's 6.19% export increase in early 2024 emphasizes achievements through order transfers and free trade agreements, highlighting green technology investments (VNA, 2024). This highlights the need for integrated, innovative export strategies beyond low-cost manufacture.

1.2. Export support: types and roles:

Export support is crucial for SME development, especially in Algeria where enterprises confront major structural and institutional hurdles (Abdlehadi, 2009).

Support methods often fall into three complementary categories: information, financing, and logistics.

Informational support decreases export uncertainties by providing SMEs with reliable, up-to-date market data, including risks, opportunities, rules, and trade practices. Tools like as market surveys, trade fairs, prospecting missions, and strategic consultancy give personalized, on-the-ground expertise (La Tribune of Algeria, 2009; Joyal, Sabeg & Torres, 2010).

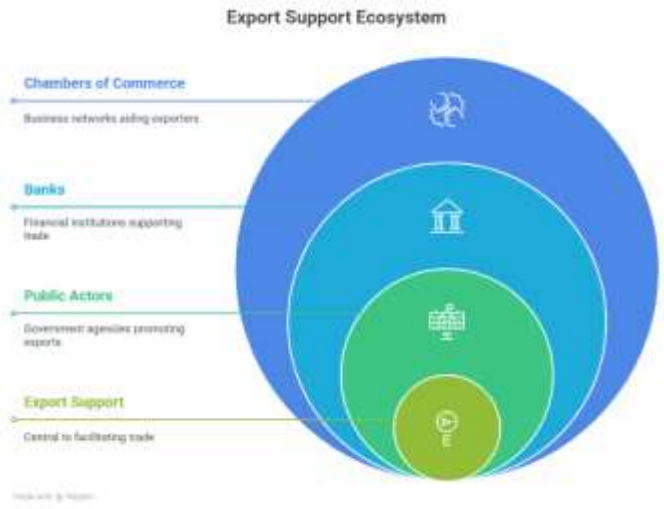
Financial support frequently provides the largest impediment. SMEs struggle with limited financing access, hefty guarantees, prices, and lengthy approvals (Abedou, Bouyacoub & Kherbachi, 2013). Instruments including export loans, credit insurance, and public guarantees aim to relieve financial difficulties and secure transactions (France Chimie, 2020). However, cumbersome procedures and poor coordination impede access in Algeria (Daoud, 2013; Amblard, 2007).

Logistics is another crucial factor. High transport costs, inefficient ports, inadequate infrastructure, and restricted industrial land impede export competitiveness (Si Lekhel et al., 2013; OECD, 1997). Modern infrastructure is vital to minimizing costs and lead times (Boukella & Bouaita, 2002).

Standardized "one size fits all" strategies fail to suit SMEs' diverse needs (Joyal et al., 2010). Segmented, coordinated, and integrated support combining information, money, and logistics is important (Abedou et al., 2013). While ALGEX plays a crucial role, it is typically considered as inadequately fitted to SMEs' realities (Daoud, 2013; Abdlehadi, 2009).

A flexible, comprehensive export support approach is required to overcome Algeria's institutional obstacles and boost SME internationalization.

Fig.01: Export Support Ecosystem



Source: Author's own elaboration based on literature review

1.3. The failure of "one size fits all" policies:

Public policies supporting Algerian SMEs have long depended on a "one size fits all" approach, implementing identical solutions without accounting for sectoral,

regional, or structural specificities. This method has proven mostly ineffectual and often detrimental in a situation where SMEs are highly diverse and face numerous issues (Abdlehadi, 2009; Abedou, Bouyacoub & Kherbachi, 2013). Abdlehadi (2009) stresses that Algerian SMEs, facing globalization, must adjust to complicated surroundings, however conventional assistance methods neglect distinctions in size, industry, and development stage. Such policies fail to address specific restrictions linked to financing, training, innovation, and administrative management, marginalizing many enterprises and limiting their access to public backing and export networks.

Boukella and Bouaita (2002) note that Algeria's industrial variety necessitates specific, tailored responses. Ignoring unique value chain dynamics inhibits policy impact and SME growth. Daoud (2013) urges customizing help to sectoral and regional circumstances for best efficacy.

Managerial literature supports this: Amblard (2007) emphasizes SME effectiveness depends on management and support tools suited to needs, whereas Bergeron (1998) promotes individualized management systems for monitoring and adapting support. Joyal, Sabeg, and Torres (2010) propose that SMEs' internationalization plans must reflect their diversity through precise segmentation by maturity, innovation, and market positioning, enabling better targeting of training, finance, and logistics. Finally, the OECD (2018) stresses that effective SME policies identify local and sector-specific qualities and ensure public-private coordination. The failure of uniform programs underscores the urgent need for customized, flexible support mechanisms to harness Algerian SMEs' export potential and global integration.

Fig.02: Foundation of SME Export Success



Source: Author's own elaboration based on literature review

2. Structural Reality and Export Barriers for Algerian SMEs

The structural reality of Algerian SMEs is characterized by a variety of constraints that restrict their ability to effectively penetrate foreign markets. These impediments are varied and revolve around technology and organizational limits, deficiencies in infrastructure and logistics, as well as an institutional and business environment that is generally unfriendly. This analysis is built in the work of experts and institutions who have investigated the peculiarities of Algeria's entrepreneurial fabric in the context of globalization.

Fig.03: Algerian Textile SME Sector



Source: Author's own elaboration based on literature review

2.1. Technological and Organizational Constraints

Algerian SMEs suffer from a severe technology gap that hinders their production and export competitiveness (Boukella & Bouaita, 2002). This lag is evident in the employment of outmoded technologies, low levels of process automation, and insufficient investment in research and development (Daoud, 2013). Their insufficient grasp of technological developments also inhibits their ability to comply with international standards and adapt to the requirements of foreign markets (Joyal, Sabeg & Torres, 2010).

On the organizational level, Algerian SMEs are generally defined by centralized and non-professional management, with a low proportion of skilled supervisory staff (Abdlehadi, 2009). This structure hinders their abilities to establish effective internationalization plans and to manage the complexity of export operations. Amblard (2007) underlines that financial and organizational performance in SMEs is intimately connected to their ability to use appropriate management tools a practice still underdeveloped in the Algerian setting.

2.2. Infrastructure and Logistics Deficiencies

Inadequate infrastructure is a major hindrance to the competitiveness of exporting SMEs. Inefficient port services, poor road networks, restricted access to communication technology, and weak energy infrastructure greatly enhance logistics expenses (Si Lekhel et al., 2013). These limits contribute to longer delivery times and lower the reliability of supply networks key factors in international competition (OECD, 1997).

Access to industrial land, frequently inadequately equipped and burdened by cumbersome administrative procedures, is another important structural impediment (Boukella & Bouaita, 2002). This condition inhibits SMEs' capacity to establish operations in efficient industrial zones and modernize their equipment. Daoud (2013) underlines that these logistical problems severely affect SMEs, who have limited financial flexibility.

2.3. Institutional Framework and Business Environment

Algeria's institutional structure is distinguished by high bureaucracy, regulatory instability, and inadequate coordination among state entities supporting SMEs, providing a discouraging climate for investment and export (Abdlehadi, 2009). Procedural complexity and lack of transparency are important impediments to SME competitiveness (Joyal, Sabeg & Torres, 2010). The financial system, dominated by state banks ill-suited to SME demands, inhibits access to credit and export finance, worsened by the absence of venture capital and public guarantees (Abedou, Bouyacoub & Kherbachi, 2013; Amblard, 2007). Additionally, the informal sector's dominance encourages unfair competition, while macroeconomic instability and changeable policies enhance uncertainty, inhibiting long-term export investments (Daoud, 2013; OECD, 2000). Algerian SMEs consequently face linked technological, organizational, infrastructural, and institutional restrictions. Overcoming these requires an integrated strategy integrating modernization, infrastructure development, administrative simplification, and financial reform, laying the basis for investigating export support theories and models in the following section.

II.Research Methodology

1. Methodological Approach and Scientific Positioning:

This study used a mixed-methodologies approach, which means it used both quantitative and qualitative methods to take advantage of the strengths of each. This method helps us comprehend the problems that come with making Algerian small and medium-sized businesses more international in a deeper and more complex way. A mixed methodology is the best choice since the phenomenon being studied is complicated and has many different aspects. This means that both reliable trend measurement and in-depth analysis of the perspectives and experiences of important stakeholders are needed.

1.1.Mixed-Methods Approach (Quantitative and Qualitative):

Creswell and Plano Clark (2011) say that a mixed-methods approach means gathering and analyzing both quantitative and qualitative data, and then combining

the results to make more complete interpretations. This integration is necessary to get around the problems that come up when each method is utilized on its own. Quantitative research gives us facts that can be generalized and measured, while qualitative research gives us more information about the situations, reasons, and underlying dynamics (Methodo Recherche, 2024). Using these methodologies together lets us look into both the statistical magnitude of export restrictions and the depth of entrepreneurial experience.

In this study, the quantitative phase used structured questionnaires to find out how many Algerian SMEs thought there were export restrictions. In parallel, the qualitative phase includes semi-structured interviews with corporate executives, specialists, and institutional stakeholders, to acquire thorough data on support systems, strategies, and faced challenges. This parallel data gathering allowed for result triangulation and enriched the final analysis.

1.2.Justification for the Mixed Approach:

The use of a mixed-methods design fits several methodological and practical requirements. First, as contemporary literature on research methodologies stresses, this methodology is particularly suitable for examining complex, multifactorial phenomena where quantitative data alone is insufficient to represent the complexity of the difficulties involved (Science et Bien Commun, 2024). Second, it permits data triangulation, so boosting both internal and external validity (Comprendre la Recherche, 2024).

Third, the scientific posture used in this study strives to move beyond the conventional contradiction between positivist and constructivist paradigms by incorporating insights from both to better comprehend the social realities affecting Algerian SMEs (Methodo Recherche, 2024). This pragmatic perspective aligns with the advice of authors such as Johnson and Onwuegbuzie (2004), who advocate for methodological complementarity in social science research.

Finally, the mixed-methods approach offers the methodological flexibility necessary to adapt data collection and analysis tools to the Algerian field context, where quantitative data may be incomplete or biased, and where qualitative interviews provide indispensable insight into actors' practices and perceptions (Pinard et al., 2019). This adaptability is key to accomplishing the research objectives, which aim both to measure export restrictions and to understand the support dynamics at play.

2. Data Collection Tools and Techniques:

2.1. Structured questionnaire for textile SME:

Data gathering is a vital step in understanding the problems associated to the export activities of textile SMEs in Algeria. In this study, two main instruments were used: a structured questionnaire targeted to textile SMEs, and semi-structured interviews performed with export managers. This methodological combination enables for capturing both the quantitative dimension of the barriers encountered and the qualitative depth of the perceptions and experiences of the numerous individuals involved.

The structured questionnaire was developed to obtain exact and comparable data on the practices, issues, and needs of textile SMEs in connection to export. Inspired by

standard statistical surveys, such as those carried out by INSEE in its Monthly Branch Surveys (EMB) and Annual Production Surveys (EAP) (INSEE, 2014), this questionnaire was developed to cover the main themes identified in the literature: access to financing, compliance with standards, logistical constraints, institutional support, etc. The tool was distributed using appropriate digital platforms (Google Forms) to assist the speedy and effective gathering of responses from five (5) SMEs engaged in the textile sector. This approach makes it possible to obtain usable quantitative data to measure the frequency and intensity of the perceived barriers.

2.2. Semi-structured interviews with export experts:

Semi-structured interviews were conducted with export managers of surveyed companies to enhance understanding of their perceptions, motivations, and tactics (Savoie-Zajc, 1997; Euréval, 2010). Using a flexible theme outline, these interviews allowed participants to express themselves openly while focusing on critical export challenges (Scribbr, 2025). This strategy acquired useful insights on institutional dynamics, stakeholder interactions, and prospective enhancements to support mechanisms.

This qualitative tool complimented the structured questionnaire inside a mixed-methods framework aimed at triangulating data for a robust and nuanced analysis (Creswell & Plano Clark, 2011). While the questionnaire gave broad statistical data on export challenges, interviews added contextual explanations critical to understanding fundamental reasons and identifying actionable levers. Rigor was achieved through explicit objective definitions, pre-testing with a small SME panel, question revision for clarity and relevance, and guaranteed anonymity to promote honest responses (INSEE, 2014; Textile Survey Case Study, 2025). These steps enhanced data dependability and the validity of conclusions.

3. Sampling and Analytical Procedure:

3.1. Sample Description:

The international development consultants, and managers of exporting enterprises. These interviews increased the understanding of export support mechanisms, structural constraints, and the strateg quantitative sample consists of 34 SMEs active in the textile sector, chosen using a sampling method designed to reflect diversity in size, geographic location, and activity segment (production, garment manufacturing, distribution). Among these enterprises, just five have actually exported or attempted to export, demonstrating the low fraction of textile SMEs engaged in international markets. These five SMEs range in terms of age, turnover, and export intensity, presenting a typical view of the problems faced by the few enterprises expanding into overseas markets. For example, a SME situated in Algiers noted the difficulty of complying with international standards, while another located in Oran stressed the significant logistical expenditures.

In parallel, four semi-structured interviews were held with export professionals and specialists, including foreign trade experts, ies adopted by textile SMEs to access worldwide markets (Analysis of the Competitiveness of the Textile Sector in Algeria, 2025).

Table 01: Distribution of the sample of textile SMEs by size and location

Geographic Zone	Small SMEs (1–49 employees)	Medium SMEs (50–249 employees)	Total
North	6	2	8
East	2	2	4
West	15	8	23
South	2	0	2
Total	25	9	34

Source: Author's own elaboration based on questionnaire data

This table highlights the regional representativeness of the sample by geographic zone, reflecting Algeria's spatial textile industry distribution.

3.2. Statistical analysis methods and qualitative data processing:

Quantitative data from questionnaires were processed using SPSS and Excel. Descriptive research assessed the frequency of perceived obstacles such as money, standards compliance, logistics, and institutional support. Cross-tabulations evaluated relationships between SME characteristics (size, age, location) and perceived barriers; for example, older SMEs manage standards better but experience more financial issues (Business Creation Project ILHEM, 2024). Qualitative interview data underwent thematic analysis using manual coding and NVivo software, identifying themes including bureaucratic complexity, lack of coordination, and need for technical training (Analysis of the Competitiveness of the Textile Sector in Algeria, 2025). This enhanced quantitative data with contextual insights.

Triangulating quantitative and qualitative data increased result validity, as statistical findings on limited financial access were validated by interviewees indicating banking system limits and the need for targeted reforms (Abdlehadi, 2009).

III. Results and Analysis

1. SMEs' Perceptions of Support Mechanisms:

1.1.Level of Information on Available Support:

According to the survey, nearly 62% of textile SMEs report not having sufficient information on export support mechanisms, limiting their ability to access these aids. This information gap is confirmed by export professionals interviewed, who highlight that public support mechanisms, such as those offered by the Agency for the Development of SMEs (ADPME) or the SME Credit Guarantee Fund (FGAR), remain poorly known or poorly explained in the field (Ministry of Industry, 2021). This situation contributes to a low utilization rate of the available support, even though the Algerian textile sector has seen a decrease in imports and a modest start to exports, with only USD 22 million in clothing exports in 2022, compared to imports of USD 231 million (Algeria Invest, 2023).

Moreover, 54% of the SMEs surveyed find the administrative procedures for obtaining support too complex, which discourages them from utilizing these aids. The proliferation of intermediaries and the lack of coordination between public institutions exacerbate this complexity and reduce the visibility of the support mechanisms (Abdlehadi, 2009).

1.2.Access to Export Financing:

Financing remains a crucial obstacle. Nearly 78% of textile SMEs face difficulties in obtaining financing suited to their export needs, particularly due to the high guarantees required and high interest rates. The professionals interviewed confirm that current financial mechanisms, although available, do not adequately address the specific needs related to export, such as financing working capital or securing international transactions (Ministry of Industry, 2021).

The SME Credit Guarantee Fund, which can cover up to 80% of the loan amount, remains underused, particularly in less developed regions (APS, 2021). This situation forces SMEs to rely largely on self-financing, thereby limiting their ability to invest in the quality and innovation necessary to penetrate foreign markets.

1.3.Logistical Support and Participation in Trade Fairs:

Logistical support is also insufficient. Only 28% of textile SMEs have benefited from concrete assistance in managing transportation, customs procedures, or participation in international trade fairs. However, participation in trade fairs is a recognized lever to increase export visibility, yet it remains limited by high costs and a lack of appropriate preparation by companies.

The public group GETEX recently initiated partnerships with start-ups to promote its products through digital platforms, illustrating a willingness to improve visibility and distribution (Algeria Invest, 2025). Nevertheless, professionals stress the need for better coordination between public and private actors to optimize these actions and strengthen logistical support.

Table 02: Utilization Rate of Export Support Mechanisms

Support Mechanism	% of SMEs That Used It	Observation
Information on available assistance	38%	Low visibility and insufficient outreach
Export financing programs	22%	Access issues due to complex procedures and guarantees
Logistical support (transport, customs, documentation)	28%	Limited support and high implementation costs
Participation in international trade fairs	24%	Financial cost and poor preparation limit participation
Technical training and export-related consultancy	18%	Services poorly adapted to SME needs

Source: Author's own elaboration based on questionnaire data

This table highlights the low utilization rates of public support services and illustrates the gap between existing measures and SMEs' actual needs.

2. Internal Constraints of Textile SMEs in Exporting

2.1. Production Costs and Production Capacity

Production costs represent a fundamental barrier for Algerian textile SMEs. According to official data, national production only covers 4 to 5% of local demand, estimated at around 150 million items per year. This low coverage is largely due to high production costs, linked in particular to dependence on imported raw materials and outdated technologies (Ecofin Agency, 2023). Most SMEs must import the majority of fibers and fabrics, which increases their expenses and weakens their price competitiveness in export markets.

Furthermore, production capacity is often insufficient to fulfill large or recurring international orders. Textile SMEs are generally small in size, with limited equipment and a low-skilled workforce. This situation restricts their ability to produce at scale, meet deadlines, and ensure consistent quality key requirements for competing abroad. The example of the Tayal complex in Relizane, which has partnered with international brands such as Zara and Celio, illustrates the need for massive investment in production capacity to meet domestic demand and boost exports (Ecofin Agency, 2025).

2.2. Compliance with International Standards

Compliance with international standards is another major challenge. Algerian textile SMEs struggle to meet the quality, safety, and traceability requirements imposed by foreign markets, particularly in Europe. These standards apply to raw materials, manufacturing processes, packaging, and labeling.

The lack of specialized training and technical expertise hinders the adoption of these standards. According to the survey, 70% of textile SMEs report difficulties in complying with the certifications required for export. This situation is worsened by the lack of access to appropriate technical support and quality control services, which remain either insufficient or poorly adapted to the needs of small businesses.

2.3. Mastery of Value Chains and Innovation:

Lastly, value chain integration and innovation are underutilized levers among Algerian textile SMEs. Most companies are confined to low value-added activities such as garment assembly or finishing, without upstream (spinning, weaving) or downstream (distribution, international marketing) integration. This fragmentation limits their ability to capture a significant share of created value and to differentiate themselves in international markets.

Innovation whether technological, organizational, or commercial is also poorly developed. The sector suffers from technological lag, limited investment in R&D, and a weak innovation culture (Ecofin Agency, 2023). However, some initiatives are emerging, particularly in textile waste recycling and sustainable production, which may represent promising development paths.

Weak integration into industrial networks or specialized clusters also hinders the diffusion of know-how and best practices. The lack of cooperation between SMEs and large firms limits technology transfer and access to international markets (OECD, 2018). Strengthening industrial synergies therefore appears to be a key issue for enhancing the overall competitiveness of Algeria's textile sector.

3. Limits of Institutional Action: A Disconnected Support System?

The analysis of support mechanisms for Algerian textile SMEs highlights a significant gap between the actual needs of businesses and the existing institutional responses. This disconnect is particularly evident in the mismatch between SMEs' expectations and public support offerings, the lack of coordination between public and private actors, and emblematic cases such as those involving the National Agency for the Promotion of Foreign Trade (ALGEX) and the chambers of commerce.

3.1. Gaps Between Real Needs and Existing Mechanisms

The National Economic and Social Council (CNES) emphasizes that despite efforts made through public policies such as APSI, ANSEJ, or CALPI, the growth of SMEs remains limited mainly due to the misalignment between the support offered and the real needs of businesses (CNES, 2023). Indeed, a large majority of textile SMEs surveyed express a sense of inadequacy and irrelevance in the available assistance, particularly regarding access to financing, specialized training, and export support.

SMEs also lament the lack of clear and accessible information about available support. According to 62% of respondents, institutional communication is insufficient, limiting their ability to take full advantage of the available mechanisms (Ministry of Industry, 2021). This situation is further worsened by the complexity of administrative procedures, which are often perceived as burdensome and lacking transparency, discouraging many firms from initiating the required steps.

3.2. Lack of Coordination Between Public and Private Actors

Another limiting factor lies in the absence of effective coordination among the various stakeholders involved in SME support. The Minister of Industry, Ahmed Zeghdar, recently stressed the need for better synergy between the SME Development Agency (ADPME), the SME Credit Guarantee Fund (FGAR), and other public bodies to optimize support mechanisms (APS, 2021). This lack of coordination results in fragmented responsibilities, duplication of efforts, and dispersed resources undermining the overall visibility and effectiveness of support initiatives.

In addition, sector professionals highlight those partnerships with the private sector, particularly chambers of commerce, remain too limited. Yet these institutions play a key role in training, awareness-raising, and networking for SMEs. However, their efforts are hampered by limited resources and weak integration into national strategies (Le Courrier d'Algérie, 2023), which prevents the development of a coherent and context-adapted support ecosystem.

3.3.The Case of ALGEX and the Chambers of Commerce

ALGEX, a central player in the promotion of non-hydrocarbon exports, clearly illustrates these limitations. According to a recent study, although the agency offers strategic services such as access to market data, training, and international networking opportunities, its impact remains mixed (Ounadi & Yacine, 2024). The textile SMEs surveyed consider ALGEX's services too generic, poorly tailored to the specificities of the textile sector, and largely inaccessible to small businesses.

Moreover, a ministerial decree issued in 2022 now regulates ALGEX's paid activities, which may pose an additional barrier for SMEs with limited financial resources (Official Gazette, 2022). Export professionals interviewed also mentioned communication and proximity issues with SMEs, which limit the dissemination and adoption of available services.

As for the chambers of commerce, they play a complementary role by organizing export training sessions and facilitating dialogue among economic actors (Le Courrier d'Algérie, 2023). However, their activities are often limited to one-off events, lacking a long-term, integrated support strategy. Although the state covers 80% of training costs, the remaining expense borne by SMEs can be a deterrent for smaller or financially constrained firms.

IV.Discussion & recommandations:

1.Cross-Reading of Perceptions and Structural Reality:

The comparison between the perceptions of Algerian textile SMEs and the structural reality of the sector reveals significant discrepancies, which allow for the development of a typology of major export barriers. This cross-analysis, based on the survey results and the conceptual framework from the literature, offers a more nuanced understanding of the challenges encountered.

1.1. Analysis of Observed Discrepancies

The first major discrepancy concerns access to information. While SMEs generally acknowledge the existence of support mechanisms, they often consider the available information insufficient, overly complex, and poorly adapted to their specific needs. This perception contrasts with efforts made by public authorities to communicate about available support, particularly through websites and awareness campaigns (Ministry of Industry, 2021). However, these efforts appear to fall short of effectively reaching SMEs, due to a lack of targeting and overly institutional communication.

A second discrepancy involves access to financing. Although guarantee schemes and interest rate subsidies are available, SMEs still face persistent difficulties in obtaining export-related credit (APS, 2021). This situation is partly due to the risk-averse behavior of banks, which require excessive guarantees and impose burdensome procedures. It is also explained by the SMEs' poor preparation of funding applications and a general lack of awareness about existing mechanisms (Abdlehadi, 2009).

The third discrepancy concerns logistical support. SMEs express a strong need for assistance in overcoming challenges related to transport, customs procedures, and participation in international trade fairs, yet the existing mechanisms remain largely inaccessible and ineffective (Textile Survey Case Study, 2025). This issue is compounded by the lack of coordination among stakeholders in the logistics chain, making the procedures more complex and increasing associated costs.

1.2. Typology of Major Export Barriers

The cross-analysis of perceptions and structural realities allows for the identification of three main categories of export barriers:

- **Informational and administrative barriers**: lack of clear and accessible information on available support, complexity of administrative procedures, and poor coordination among public institutions (Ounadi & Yacine, 2024).
- **Financial barriers**: difficulty accessing credit, excessive guarantees, high interest rates, and a lack of financial mechanisms tailored to the specific needs of export.
- **Logistical and technical barriers**: high transport costs, complex customs formalities, difficulty meeting international standards, and limited support for participation in trade fairs.

Table 03: Main Internal Export Barriers Identified by SMEs

Internal Barriers	% of SMEs Identifying This Barrier
High production costs	74
Limited production capacity	68
Non-compliance with international standards	70
Low level of technological integration	63

Source: Author's own elaboration based on questionnaire data

Table 03 shows that high production costs, limited capacity, and non-compliance with international standards are the top internal barriers. These structural weaknesses significantly hinder the export readiness of Algerian textile SMEs

This typology highlights the need for a comprehensive and coordinated approach to remove the obstacles hindering the export development of Algerian textile SMEs. The following recommendations aim to propose concrete actions to improve the effectiveness of support mechanisms and enhance the competitiveness of the sector.

2. Policy Improvement Pathways for Export Support

To address the shortcomings of current institutional support and unlock the export potential of Algerian textile SMEs, strategic improvements to public policies are crucial. These must align support mechanisms with the sector's operational realities and structural challenges.

The first strategy involves segmenting support programs based on SME profiles. Rather than a uniform "one-size-fits-all" model, assistance should be tailored to factors like size, export readiness, location, and value chain position. Startups, small manufacturers, and export-ready firms have distinct needs for financing, training, and market access, making targeted support essential for optimizing resources and boosting export success.

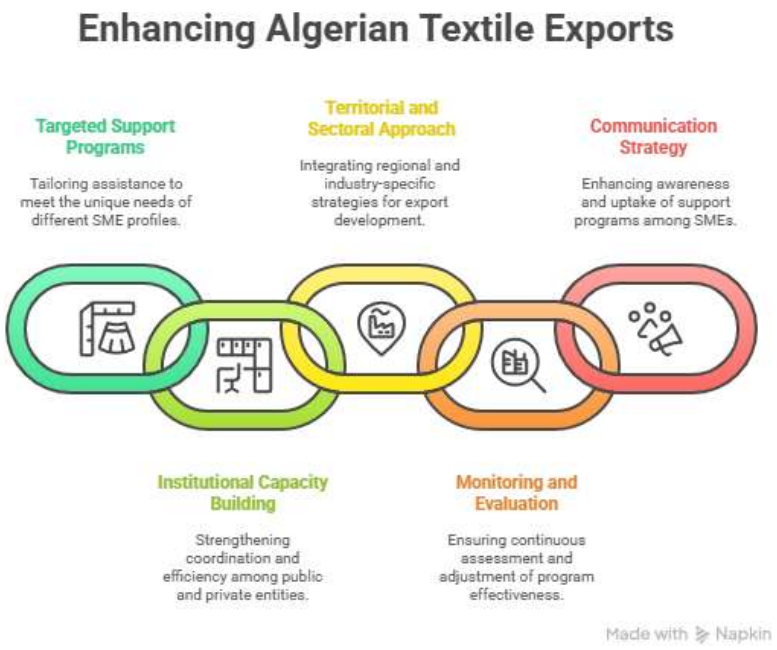
Second, strengthening institutional capacities and governance is necessary. This includes better coordination among public bodies such as ADPME, FGAR, and ALGEX, and improved collaboration with private actors like chambers of commerce and professional associations. Streamlining and digitizing administrative procedures will reduce delays and complexity, while specialized training for public advisors on export and sector-specific issues is vital (Le Courrier d'Algérie, 2023).

Third, adopting a territorial and sectoral approach is key. Public policies should address regional disparities and industry dynamics by promoting industrial clusters, regional value chains, and export-focused SME consortia. Regional hubs specializing in spinning, dyeing, or sustainable textiles can drive collective upgrading. Encouraging public-private partnerships and local innovation ecosystems will facilitate technology transfer, best practice sharing, and shared logistics platforms.

Finally, reinforcing monitoring and evaluation mechanisms is essential for continuous assessment. Regular reviews of export outcomes, SME satisfaction, and competitiveness indicators will inform policy adjustments. A comprehensive communication strategy is also needed to increase SME awareness and participation, especially in underserved regions.

Together, these targeted, institutional, regional, and transparent reforms can significantly improve export support effectiveness, fostering a more inclusive and competitive Algerian textile SME sector.

Fig 04: Enhacing Algerian Textile Exports



Source: Author's own elaboration based on questionnaire data

Conclusion

The analysis of Algerian textile SMEs' perceptions and sector realities reveals major internal and institutional barriers to internationalization. Despite the textile sector's strategic importance, most SMEs remain domestic due to high production costs, limited capacity, and difficulty meeting international standards, with only 15% attempting exports. Institutional support often mismatches SME needs because of poor tailored information, complex procedures, limited export financing, and weak logistics. Fragmented public-private coordination and lack of integrated strategies further weaken support. A differentiated approach is needed, focusing on segmenting support, strengthening institutions, and integrating territorial strategies, including clusters and specialized training, to enhance competitiveness and export potential.

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