

Beyond Hydrocarbons: A Statistical Study and Critical Analysis of Legal and Institutional Frameworks in Algeria (2018–2025)

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Abstract:

This study aims to evaluate the effectiveness of the legal and institutional frameworks established in Algeria to promote non-hydrocarbon exports and to identify the main constraints limiting their impact. The research adopts a legal and analytical methodology based on the examination of legislative and regulatory texts governing foreign trade, combined with a descriptive institutional analysis of key actors involved in export promotion. It also relies on statistical tools, particularly official data from the National Statistics Office, to assess export performance and sectoral dynamics. The findings reveal that, despite the existence of comprehensive support mechanisms, non-hydrocarbon exports remain structurally weak and highly dependent on hydrocarbons. The results highlight that legal instruments alone are insufficient to achieve export diversification, as structural constraints such as limited competitiveness, production capacity, and weak integration into international markets continue to hinder sustainable export growth in Algeria.

Key Words: Foreign trade; exchange control regulation; economic liberalization; trade policy; Algeria.

JEL Classification : Q80, Q43, K32

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Introduction:

As part of its strategy for economic diversification, Algeria has established a comprehensive system of incentives aimed at promoting non-hydrocarbon exports. This system involves multiple sectors and seeks to capitalize on the significant potential of promising areas, particularly agriculture and industry. It includes a range of regulatory and operational measures implemented through various institutions, designed to support exporting firms through customs and tax incentives, banking facilities, export credit insurance mechanisms, and financial assistance throughout the export process.

The study has been updated to include recent legal developments up to 2025 in order to ensure chronological and analytical consistency.

Despite the existence of this extensive legal and institutional framework, the performance of non-hydrocarbon exports remains relatively modest and struggles

to achieve sustainable integration into international markets. This apparent contradiction highlights a persistent gap between regulatory ambition and actual economic outcomes, which constitutes the central focus of this study.

Problematic: This situation raises a central research question: To what extent do the legal framework and institutional support mechanisms established in Algeria effectively contribute to the promotion and efficiency of non-hydrocarbon exports, and what legal and institutional constraints limit their overall impact?

Hypothesis: In response to this question, the study advances the following hypothesis: Although Algeria has established an extensive legal and institutional framework to promote non-hydrocarbon exports, these mechanisms have not led to a significant or sustained structural transformation of export performance. Their limited effectiveness is mainly due to structural constraints related to production capacity, sectoral competitiveness, and the fragmented appropriation of support instruments by economic operators.

Methodology: This study adopts a legal and analytical methodology to examine the effectiveness of institutional mechanisms supporting non-hydrocarbon exports in Algeria. It is based on:

- ✓ An analysis of the legislative and regulatory framework governing foreign trade (laws, ordinances, executive decrees, and regulations);
- ✓ A descriptive institutional approach focusing on the roles and functions of public, financial, and professional bodies involved in export promotion;
- ✓ A descriptive analysis of official statistical data related to foreign trade and export performance;
- ✓ A critical comparative assessment between the legal framework and actual export outcomes in order to identify structural and institutional constraints.

To ensure analytical rigor, the selection of statistical indicators is based on three main criteria: **(1)** their relevance to export performance measurement—particularly trade balance, export structure, and sectoral export effort; **(2)** the availability and reliability of official data provided by the National Statistics Office (NSO); and **(3)** their direct linkage with the legal and institutional reforms analyzed in the study. This approach allows for a coherent evaluation of the interaction between regulatory frameworks and actual export dynamics.

Tools used : To support the methodology, the study relies on several tools, including:

- ✓ Legal texts and regulatory documents governing foreign trade and export promotion;
- ✓ Institutional reports and official publications from relevant public bodies;
- ✓ Statistical data issued by the National Statistics Office, particularly indicators related to foreign trade, export structure, and sectoral export effort rates;
- ✓ Analytical and comparative methods to evaluate the effectiveness of the existing framework.

I. Transformation of the Legal Framework Governing Foreign Trade in Algeria:

(Mouffokk, 2021, pp. 149-152) analyses the gradual transformations of the legal framework governing foreign trade in Algeria, taking into account the economic and institutional changes that have occurred since independence. Following an initial period inherited from the colonial system, the Algerian authorities quickly recognized the inadequacy of the existing mechanisms in light of the new development objectives. Financial imbalances, uncontrolled capital outflows, and pressure on foreign exchange reserves led to the establishment of a strict regulatory framework for transactions with foreign countries.

The author also emphasizes that, in an initial phase, the State exercised full control over import and export operations, relying on a centralized organizational structure and restrictive regulations aimed at safeguarding the national economy. Subsequently, adjustments were introduced to relax this system and to grant enterprises a limited degree of autonomy, while maintaining close supervision of commercial and financial flows. This transitional phase paved the way for a more profound reconfiguration of the role of banking institutions.

According to the same author, from the mid-1990s onward, a more open orientation was adopted, characterized by the easing of restrictions and the increased accountability of banks in the management of international trade. This evolution took place within a broader context of economic reforms and international commitments aimed at integrating Algeria into the market economy. Taken together, these developments illustrate the continuous adaptation of the regulatory framework, driven by the requirements of modernization and the growing complexity of international economic relations.

II. Institutional framework for governance and strategic guidance

The promotion of exports is supported by a dedicated institutional framework designed to ensure strategic direction, coordination, and effective oversight. Central to this framework is a national consultative body placed under the authority of the Head of Government, responsible for guiding export policy, monitoring its implementation, and strengthening the development of non-hydrocarbon exports.

1. National Consultative Council for the Promotion of Exports

A national consultative body tasked with the promotion of exports is hereby established, hereinafter referred to as the “Council,” and placed under the authority of the Head of Government. Its establishment is based on the provisions of Article 17 of Ordinance No. 03-04 of 2003. Pursuant to Article 18 of the same ordinance, the Council is entrusted with a set of specific mandates, notably: **(1)** defining strategic orientations in the field of exports; **(2)** monitoring and evaluating export promotion policies; and **(3)** formulating institutional and legal proposals aimed at fostering the development of non-hydrocarbon exports.

Within the scope of its mandate, the Council is assigned several key responsibilities (Executive Decree No. 23-290, 2023), including: **(1)** monitoring and assessing the national policy on non-hydrocarbon exports; **(2)** issuing recommendations for the

simplification of export procedures and improved access to international markets; (3) strengthening the performance and international competitiveness of Algerian products and services; (4) analyzing and optimizing incentive mechanisms in support of exporting operators; and (5) improving the functioning of free zones and removing constraints that hinder foreign trade.

The Council is conceived as a unifying institutional framework bringing together all stakeholders involved in export activities, including the relevant ministerial departments, public institutions and agencies, representatives of various professional chambers, as well as organizations and associations of exporters from different sectors and value chains.

The legal framework further provides for the establishment, within the ministry responsible for trade and export promotion, of a sector-based digital mechanism designed to centralize and process complaints submitted by exporters. This platform serves as an operational support tool for the Council, enabling it to monitor the difficulties encountered in export operations and to contribute to the adoption of solutions aimed at improving their efficiency and smooth functioning.

III. Public Policy Instruments for the Promotion and Support of Exports

In the context of economic diversification and the reduction of dependence on hydrocarbon revenues, Algeria has progressively strengthened its institutional framework dedicated to export promotion and foreign trade regulation. Public authorities have implemented a range of policy instruments aimed at structuring export activities, supporting economic operators, improving market access, and ensuring better integration into international trade. These instruments rely primarily on specialized institutions entrusted with regulatory, promotional, and representative functions.

Among the key actors in this framework are the Algerian Export Promotion Agency, the Algerian Company for Fairs and Exports, and the Algerian Chamber of Commerce and Industry. Together, these institutions reflect the State's commitment to enhancing export performance, promoting national products abroad, and fostering a more competitive and diversified economy.

1. The Algerian Export Promotion Agency

Executive Decree No. 25-235 of 2025 introduces an institutional reorganization in the field of export promotion by abolishing the National Agency for the Promotion of Foreign Trade, which had previously been established by Executive Decree No. 04-174 of 2004, and by transferring all of its missions and resources to a newly created body. This restructuring is intended to ensure the continuity of public service without any legal or administrative disruption.

Established in 2025 by Executive Decree No. 25-234, the new body is responsible for implementing the public strategy relating to the management of imports. To this end, it (1) contributes to the design of regulatory mechanisms; (2) relies on the analysis of the needs of the national market; and (3) utilizes available economic data to produce studies on the inflows of goods and services. It also ensures (1) the monitoring of distribution channels; (2) the oversight of international market

conditions; (3) the identification of competitive imbalances; and (4) the prevention of abusive commercial practices, while implementing the directives issued by the competent national authorities.

2. Algerian Company for Fairs and Exports

It is a state-owned economic enterprise resulting from the successive transformations of the legal status of the former National Office of Fairs and Exhibitions, which was established in 1971 as a public industrial and commercial establishment (Rahmani & Benyahia-Taibi, 2020, p. 215). In 1987, it was renamed the National Office of Fairs and Exports, with the aim of contributing to the development and enhancement of trade exchanges through export promotion activities.

As part of the implementation of the Law of 12 January 1988 relating to the reorganization of the public economic sector, the Office was transformed in 1989 into a state-owned economic enterprise (Mehdi-Amzal & Boukhezer-Hammiche, 2017, p. 275). Considering the need to divest itself of all activities deemed unprofitable, the entity amended its statutes in 1991 in order to restrict its corporate purpose to the organization of fairs and exhibitions and to the management of its real estate assets.

Its primary mission is to contribute to the development and promotion of commercial activities, as well as to the enhancement and management of its assets—particularly the infrastructure of the Exhibition Palace—through all appropriate means. It also participates in the promotion of exports by providing support to economic operators in the field of international trade through: (1) the identification of business opportunities abroad; (2) business matchmaking; (3) the publication of economic journals; and (4) the organization of seminars and conferences (Iguergaziz & Boulifa, 2023, p. 1355).

3. The Algerian Chamber of Commerce and Industry

Established by Executive Decree No. 96-94 of 1996, the Chamber performs, at the national level, a representative function on behalf of economic operators vis-à-vis public authorities, while ensuring the protection of interests related to commercial, industrial, and service activities (Executive Decree No. 22-83 of 2022).

The Chamber constitutes an institutional framework for dialogue and coordination among economic stakeholders, offering them the opportunity to participate in the formulation of a national orientation aimed at diversifying production, promoting national products, and strengthening both economic growth and the coherence of the economic fabric. In this capacity, it carries out several missions, notably those set out in Article 7 of Executive Decree No. 22-83 of 2022, including: (1) supporting the development of economic activities; (2) advising public authorities; (3) coordinating economic operators; (4) promoting national products and exports; (5) representing its members and Algeria in economic institutions and events; and (6) contributing to the improvement of foreign trade and international exchanges.

IV. Financial and Insurance Instruments Supporting Exports

To strengthen the competitiveness of Algerian products in international markets, the State has established a set of financial and insurance mechanisms designed to secure export operations and reduce the risks borne by exporters. These instruments aim not only to protect enterprises against commercial and political uncertainties linked to foreign trade, but also to provide financial support throughout the different stages of the export process.

Within this framework, Algeria relies primarily on two key mechanisms: the Algerian Export Insurance and Guarantee Company, which covers the various risks associated with export transactions, and the Special Fund for the Promotion of Exports, which offers financial assistance to enterprises to enhance their capacity to access and expand in foreign markets, particularly in the non-hydrocarbon sector. Together, these instruments reflect the State's commitment to promoting and diversifying national exports.

1. Algerian Export Insurance and Guarantee Company

Established on 10 January 1996, it specializes in export credit insurance (Lezoul, 2023, p. 617); (Hamidouche & Boudjana, 2024, p. 81). In other words, it is entrusted with the management of the new credit insurance system (Bouri, 2019, p. 353). In this context, the company is tasked, under the supervision of public authorities, with covering the risks associated with commercial transactions on its own account. In parallel, and still under State control, it assumes, on behalf of the State, political risks, constraints related to the transfer of funds, as well as exceptional events of a catastrophic nature (Kateb & Ouddane, 2018, p. 44) ; (Cheikh, 2018, p. 423); (Riad, 2022, p. 923).

- ✓ **Commercial risk** refers to a situation in which the buyer, whether a natural or legal person operating in the private sector, is unable to meet its financial obligations, independently of any contractual fault attributable to the exporter. Such default results primarily from the buyer's insolvency or financial insufficiency (Ordinance No. 96-06 of 1996).
- ✓ **Political risk** refers to a situation in which the foreign debtor fails to settle its debt for reasons unrelated to contractual performance, in particular due to political unrest or exceptional events such as armed conflicts, uprisings, or civil disturbances occurring in the country of residence (Article 6, Ordinance No. 96-06 of 1996).
- ✓ **Non-transfer risk** refers to a situation in which political, economic, or legal factors in the buyer's country hinder or delay the repatriation of sums due to the exporter (Article 7, Ordinance No. 96-06 of 1996).
- ✓ **Catastrophic risk** refers to a situation in which the debtor is unable to meet its financial obligations as a result of major natural events occurring in its country, which have adversely affected its economic activity and its capacity to pay (Article 8, Ordinance No. 96-06 of 1996).

2. Special Fund for the Promotion of Exports

Established by the Finance Law for 1996, the Special Fund for the Promotion of Exports covers part of the expenses incurred by Algerian enterprises in order to

encourage them to export their goods and services abroad, particularly non-hydrocarbon products. In other words, the State shares export-related costs to enhance the competitiveness of enterprises in international markets (Executive Decree No. 24-162 of 2024).

These costs relate to: **(1)** partial financing of market studies and product improvement; **(2)** partial coverage of participation in international fairs and exhibitions; **(3)** specific support for small and medium-sized enterprises (SMEs) in conducting export diagnostics; **(4)** partial financing of prospecting operations and establishment abroad; **(5)** assistance with promotion and communication activities; **(6)** support for labels, trademarks, and patents; **(7)** financing of training in export-related professions; **(8)** transportation of exported goods; **(9)** reimbursement of expenses related to the acquisition of tender documents for international calls for bids; and **(10)** partial compensation for participation in permanent exhibitions abroad.

This framework indicates that the Algerian State provides financial support for nearly all stages of the export process—from preparation (studies, training, and quality enhancement) to promotion, logistics, and establishment abroad—with the objective of stimulating non-hydrocarbon exports.

V. Associative and Professional Support Mechanisms for Exporters

In the context of increasing international competition and the progressive integration of Algeria into global markets, associative and professional support mechanisms play a crucial role in strengthening the performance and competitiveness of national exporters. These structures act as intermediaries between economic operators and public authorities, contributing to the defense of exporters' interests, the dissemination of strategic information, and the improvement of the regulatory and institutional environment governing foreign trade. Among these mechanisms, the National Association of Algerian Exporters represents a key institutional actor, providing structured support, advocacy, and professional guidance aimed at promoting and developing Algerian exports.

1. National Association of Algerian Exporters

Founded on 10 June 2001 in accordance with the provisions of Law No. 90-31 of 1990, the National Association of Algerian Exporters carries out its activities under the legal framework currently in force, governed by Law No. 12-06 of 2012 relating to associations, as well as by its own internal statutes.

According to the Association's official website, its mission is to structure and represent Algerian exporters, defend their interests, and contribute to the formulation of export promotion policies. It supports economic operators through information dissemination, training, and strategic assistance; fosters partnerships; supports participation in national and international economic events; and encourages the sharing of experience as well as the enhancement of productive and logistical capacities.

With regard to its activities, the Association plays a central role in supporting Algerian exporters by ensuring the monitoring and dissemination of economic and

legal information, providing strategic advice, and offering operational assistance. It contributes to the defense of exporters' interests, the improvement of the regulatory framework governing foreign trade, and the strengthening of financial support mechanisms for exports. Furthermore, the Association works toward the development of logistics infrastructure, the modernization of customs procedures, and the establishment of public policies that enhance firms' competitiveness in international markets, while encouraging greater involvement of the banking sector in the financing and facilitation of export operations.

VI. Specific Territorial and Economic Mechanisms

In the context of economic diversification and integration into global trade networks, states increasingly rely on specific territorial and economic mechanisms designed to enhance competitiveness, attract foreign investment, and stimulate regional development. Among these mechanisms, free zones occupy a central position. Conceived as geographically delimited areas subject to special legal, customs, and fiscal regimes, they constitute strategic instruments aimed at facilitating trade flows, encouraging industrial production, and promoting export-oriented activities.

In Algeria, the development of free zones reflects a broader public policy orientation toward strengthening foreign trade, improving the investment climate, and fostering regional integration—particularly within the African space. The following section examines the legal foundations, institutional framework, operational modalities, and recent regulatory developments governing free zones, highlighting their economic rationale and strategic significance.

1. Free Zones

From a normative perspective, free zones in Algeria find their legal basis in Legislative Decree No. 93-12 of 1993 on the promotion of investment, which authorizes the implementation of investments financed in convertible foreign currency within specific territorial areas benefiting from preferential customs regimes for commercial and industrial operations.

The concept of a free zone is subject to multiple doctrinal and institutional approaches. According to a broad interpretation adopted by the World Free Zones Association, the term encompasses all areas benefiting from a special regime established by public authorities, whether in the form of special-status ports, zones dedicated to commercial exchanges, areas with customs or industrial functions, or any other comparable configuration (Boudra & Gamouh, 2001, p. 70).

For its part, the United Nations Industrial Development Organization considers a free zone to be a clearly defined territory in both administrative and spatial terms, subject to specific customs rules allowing the unrestricted entry of goods, equipment, and inputs required for the manufacture of products intended for external markets. This arrangement is generally complemented by advantageous legal measures, particularly in the area of taxation, designed to stimulate international investment (Boudra & Gamouh, 2001, p. 70).

In Algeria, Law No. 22-15 of 2022 establishes the legal framework governing free zones by defining them as specific areas falling within the customs territory, dedicated to industrial, commercial, or service-related economic activities, and subject to a special legal regime (Law No. 22-15). In furtherance of this framework, Executive Decree No. 24-168 of 2024 sets out the rules governing the concession of their management, specifying that these zones encompass all assets necessary for their operation, including infrastructure, land, buildings, and facilities accommodating both economic operators and public services (Executive Decree No. 24-168).

According to (Lazreg & Godih, 2016, pp. 95-96), Free zones take different forms depending on their function:

- ✓ **Commercial zones** are dedicated to the storage and exchange of goods under preferential customs regimes;
- ✓ **Industrial zones** promote production, either for export to developing countries or, in certain developed countries, for the domestic market;
- ✓ **Banking free zones** provide a liberalized financial framework for institutions operating in foreign currencies with non-residents, while ensuring the free movement of capital.

Law No. 24-08 of 2024, enacting the Finance Law for the year 2025, introduced a Chapter VII bis relating to free zones, thereby supplementing Article 196 of the Customs Code (Law No. 79-07 of 21 July 1979). This reform clarifies the legal framework applicable to these areas with regard to their planning, control, and operation.

The new provisions strengthen security and customs surveillance requirements by mandating appropriate infrastructure and control equipment. They also regulate the storage of sensitive goods, exclude the admission of products subject to statutory prohibitions, and define the conditions for the entry of goods based on their origin. The free zone regime is characterized by operational flexibility, including the absence of a general time limit on the duration of stay, exemption from financial guarantees, and access to export-related benefits, subject to targeted customs control. Goods may exit either for export or for entry into the customs territory, in which case applicable duties and taxes are levied and fiscal advantages are recovered for goods of national origin released for domestic consumption.

Recent policy directions of the Algerian public authorities provide for the establishment of five free zones across the national territory, in line with presidential announcements and regulatory texts currently under preparation and implementation. These zones are conceived as instruments for boosting foreign trade and regional integration, with their locations planned along Algeria's borders with five African countries—namely Mauritania, Tunisia, Libya, Mali, and Niger. This geostrategic choice aims to facilitate cross-border trade, stimulate regional commercial flows, and strengthen Algeria's economic integration within its African environment. By way of illustration, the commercial free zone of Tindouf, located on the Algerian–Mauritanian border, represents one of the most advanced

projects, with its implementation initiated on the basis of a specific executive decree.

VII. Customs Trade Facilitation Mechanisms

Within the framework of customs trade facilitation mechanisms, customs administrations have progressively adopted modern tools designed to simplify procedures while maintaining effective control over cross-border operations. These mechanisms aim to strike a balance between accelerating the movement of goods and ensuring compliance with regulatory and security requirements.

Among these instruments, the green channel (or green lane) represents a key facilitation measure based on risk management principles and the selective control of consignments. By differentiating between low-risk and high-risk operations, customs authorities can optimize clearance procedures, reduce unnecessary inspections, and allocate control resources more efficiently.

The following section examines the concept, functioning, and scope of the green channel within the Algerian customs system, highlighting its role in streamlining export operations and supporting trade competitiveness.

1. Green Channel / Green Lane

The green channel is a customs trade facilitation procedure aimed at simplifying clearance formalities. It is based on modern risk analysis methods that make it possible to reduce physical inspections and limit direct intervention by customs officers, while ensuring the effectiveness of customs control (Ait kheddache, 2023, p. 352).

Implemented by the customs administration in a dematerialized form, the so-called green channel constitutes a mechanism for streamlining customs procedures. Since 2006, its application has been limited to export operations involving fruits and vegetables and other fresh perishable products (Khatim, 2021, p. 628). Today, its scope has been extended to new categories of goods, and its application now covers both maritime and air transport. This development forms part of a broader strategy to support non-hydrocarbon exports by providing operators with streamlined customs formalities, thereby helping to reduce processing times and facilitate export operations.

In practice, Algerian Customs applies a color-coded control system, whereby each color corresponds to a different level of control and risk assessment:

- ✓ **Green channel** — goods considered to be low risk, subject to neither immediate documentary nor physical inspection;
- ✓ **Blue, orange, and red channels** — other levels of verification depending on the assessed risk.

This indicates that the green channel does not constitute a physical location or a set of multiple lanes, but rather a processing category or clearance pathway assigned to customs declarations by the automated customs risk management system.

Access to the green channel mechanism is reserved for economic operators holding the status of Authorized Economic Operator (AEO). Within the framework of import and export operations, this mechanism enables them to benefit from

simplified and expedited customs procedures, in accordance with the provisions set out in Circular No. 1188/MF/DGD/SP/D012 of 9 July 2012 issued by the Directorate General of Algerian Customs.

VIII. Statistic studies (Impact of Support Mechanisms on the Evolution of Non-Hydrocarbon Exports)

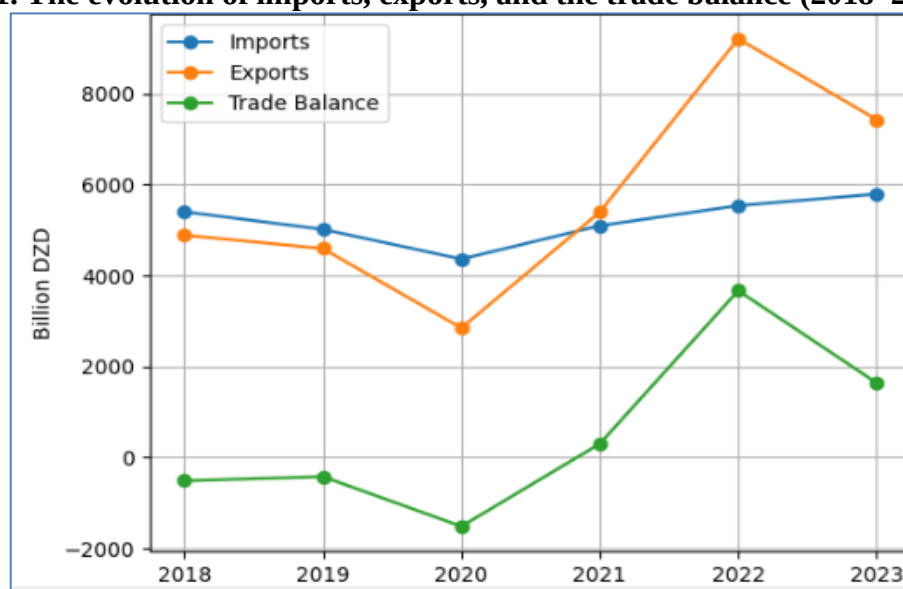
Table 1 highlights the overall evolution of Algeria's external trade over the 2018–2023 period, as reflected in the main aggregates: imports, exports, the trade balance and the coverage rate.

Table 1: Evolution of Merchandise Foreign Trade (2018–2023) (Unit: billion Algerian dinars)

Year	Imports	Exports	Trade Balance	Coverage Rate (%)
2018	5 403,2	4 889,2	–514,0	90,5
2019	5 016,8	4 593,9	–422,9	91,6
2020	4 363,7	2 846,4	–1 517,3	65,2
2021	5 097,5	5 397,6	+300,1	105,8
2022	5 539,7	9 208,6	+3 668,9	166,2
2023	5 794,0	7 432,0	+1 638,0	128,3

Source: National Statistics Office, 2024, p.12

Fig1. The evolution of imports, exports, and the trade balance (2018–2023).



Source: Based on the data from Table 1

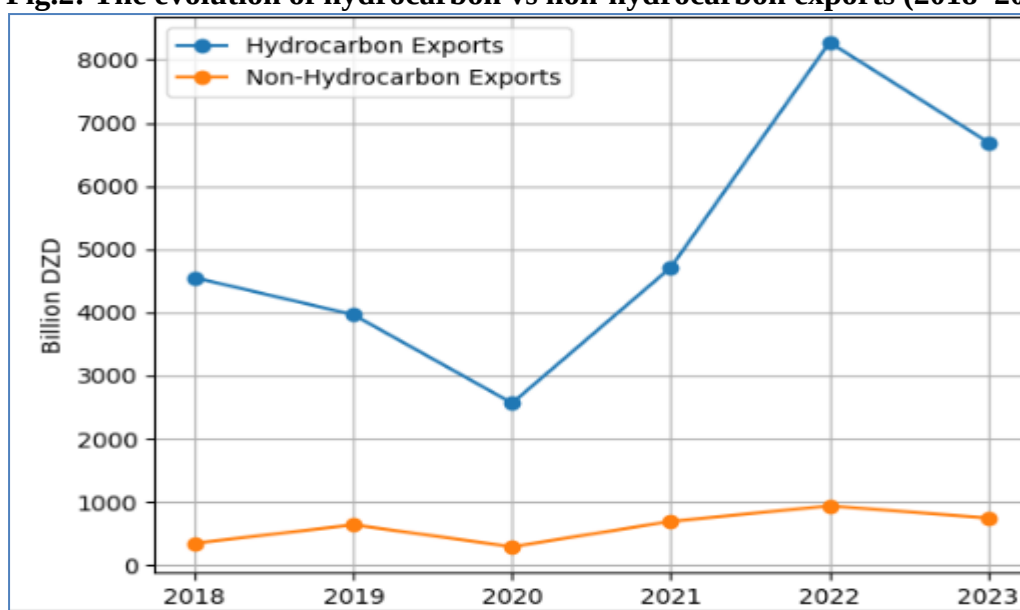
Table 1 shows that Algeria's foreign trade performance over the period 2018–2023 remains highly volatile. After persistent trade deficits between 2018 and 2020, the trade balance turned positive from 2021 onward, driven mainly by a sharp increase in export revenues in 2022. However, this improvement proved temporary, as exports declined again in 2023. The coverage rate follows the same pattern, confirming that recent surpluses are largely cyclical and dependent on export price effects rather than on a sustained expansion of export capacity.

Table 2: Hydrocarbon and Non-Hydrocarbon Exports in Algeria (2018–2023)
(Unit: billion Algerian dinars)

Year	Hydrocarbon Exports	Non-Hydrocarbon Exports	Total Exports
2018	4,548.1	341.1	4,889.2
2019	3,961.0	632.9	4,593.9
2020	2,560.5	285.9	2,846.4
2021	4,710.0	687.6	5,397.6
2022	8,275.1	933.5	9,208.6
2023	6,691.9	740.1	7,432.0

Source: National Statistics Office, 2024, p.66

Fig.2: The evolution of hydrocarbon vs non-hydrocarbon exports (2018–2023)



Source: Based on the data from Table 2

The data show that Algeria's exports over the period 2018–2023 remain overwhelmingly dominated by hydrocarbons. In 2018, hydrocarbon exports amounted to DZD 4,548.1 billion, representing approximately 93.0% of total exports, while non-hydrocarbon exports accounted for only 7.0%. Although the share of non-hydrocarbon exports increased temporarily to 13.8% in 2019, this improvement was not sustained.

In 2020, total exports contracted sharply due to adverse global conditions, with non-hydrocarbon exports representing around 10.0% of the total. The rebound observed from 2021 onward, and particularly in 2022, reflects a strong recovery in export values; however, hydrocarbons continued to account for nearly 90% of total exports, while non-hydrocarbon exports remained structurally limited, fluctuating between 10% and 13% of the total.

Overall, despite a noticeable increase in the absolute value of non-hydrocarbon exports—rising from DZD 341.1 billion in 2018 to DZD 740.1 billion in 2023—their relative contribution to total exports remains modest. This confirms that

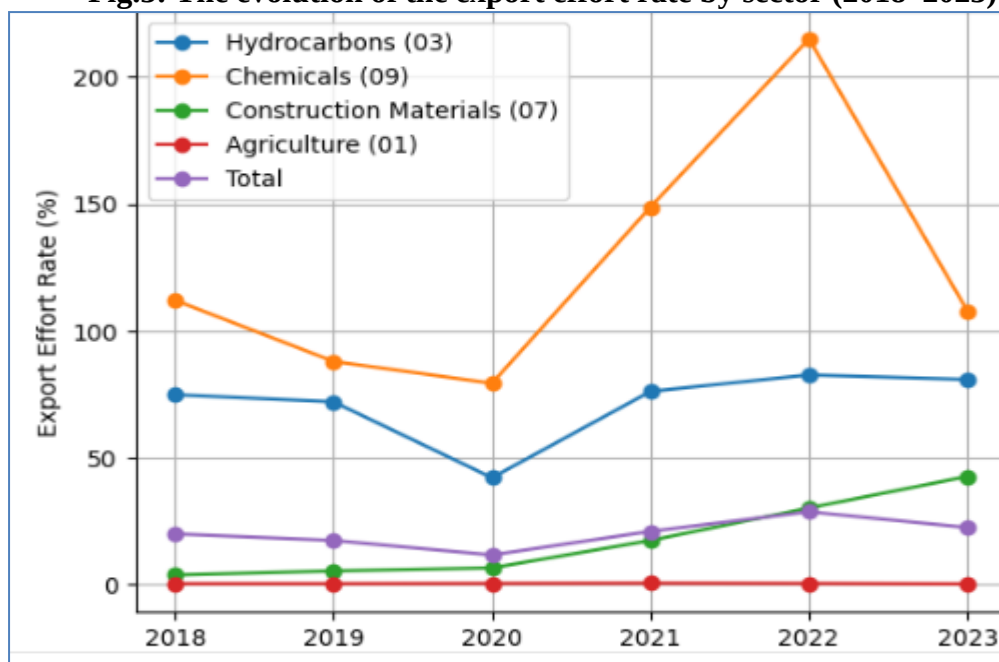
recent export growth is largely driven by hydrocarbons and that non-hydrocarbon exports have not yet achieved a significant or durable structural breakthrough.

Table 3: Evolution of the Export Effort Rate (%) by Nomenclature of Economic Activity Sectors (NEAS) 2018-2023

NEAS	2018	2019	2020	2021	2022	2023
01	0.4	0.4	0.5	0.6	0.5	0.3
02	0.0	0.0	0.0	0.0	0.0	0.0
03	74.8	72.0	42.1	76.1	82.6	80.8
05	14.5	13.6	12.3	19.9	23.6	23.8
06	4.6	5.4	4.9	31.2	26.3	25.3
07	3.8	5.4	6.6	17.4	30.2	42.6
09	112.0	87.9	79.3	148.7	214.9	107.8
10	2.4	2.6	3.1	3.7	1.2	2.2
11	1.7	1.9	2.6	3.7	2.7	1.4
12	18.1	9.0	9.0	8.7	10.8	6.0
13	5.8	5.5	7.0	14.9	22.7	18.4
14	0.2	0.3	0.2	1.3	3.4	2.1

Source: National Statistics Office, 2024, p.90

Fig.3: The evolution of the export effort rate by sector (2018–2023)



Source: Based on the data from Table 3

The export effort rate measures the share of a sector's national production that is effectively destined for external markets.

$$\text{Export effort rate (\%)} = \left(\frac{\text{value of sectoral export}}{\text{value of sectoral production}} \right) \times 100$$

It constitutes a key indicator of the degree of international openness of the productive system, independently of the absolute level of exports. A high rate

reflects a strong export orientation of the sector and increased dependence on foreign markets, whereas a low rate indicates production primarily directed toward the domestic market.

In certain cases, the export effort rate may exceed 100%, notably due to re-export operations, inventory drawdowns, or price valuation effects at export.

The analysis of the table highlights a marked sectoral heterogeneity in export effort over the 2018–2023 periods. The hydrocarbon sector (NEAS 03) is characterized by a structurally high export effort rate, fluctuating between 74.8% in 2018, 72.0% in 2019, and peaking at 82.6% in 2022, thereby confirming its historically export-oriented nature. The contraction observed in 2020, when the rate fell to 42.1%, is attributable to an exceptional cyclical shock, followed by a rapid recovery to 76.1% as early as 2021.

By contrast, non-hydrocarbon sectors display highly contrasted patterns. Certain industrial branches occasionally record high export effort rates, notably chemicals, rubber, and plastics (NEAS 09), whose rate reached 112.0% in 2018 and 214.9% in 2022, as well as construction materials, ceramics, and glass (NEAS 07), which increased from 3.8% in 2018 to 42.6% in 2023, reflecting a targeted export specialization.

However, the majority of non-oil productive sectors exhibit low and relatively stable export effort rates. This is the case for agriculture, fishing, and hunting (NEAS 01), whose export effort remained below 1% throughout the period, and for the agri-food industries (NEAS 10), where the rate fluctuated between 1.2% and 3.7%. Similarly, the textile industries (NEAS 11) recorded modest levels ranging from 1.4% to 3.7%, while miscellaneous industries (NEAS 14) did not exceed 3.4%, thereby confirming the limited and uneven integration of non-hydrocarbon sectors into international trade.

Critical Analytical Discussion

Despite the progressive expansion of Algeria's legal and institutional framework—particularly with the introduction of new mechanisms such as the restructuring of export promotion agencies (2025) and enhanced financial support instruments (2024)—a significant implementation gap persists. This gap can be explained by several structural factors:

✓ **Weak productive capacity**

The majority of non-hydrocarbon sectors lack sufficient industrial scale and technological competitiveness, limiting their ability to respond to international demand;

✓ **Limited integration into global value chains**

Algerian firms remain weakly embedded in international production networks, reducing export opportunities despite existing incentives;

✓ **Institutional fragmentation**

The multiplicity of actors involved in export promotion leads to coordination inefficiencies and reduces policy effectiveness;

✓ **Low appropriation of support mechanisms by firms**

Many SMEs are either unaware of or unable to access available support instruments due to administrative complexity;

✓ **Persistent rentier structure of the economy**

The dominance of hydrocarbons continues to shape export patterns, making diversification efforts highly sensitive to external price fluctuations.

Consequently, the existence of comprehensive legal frameworks has not yet translated into a structural transformation of Algeria's export model. The challenge is therefore not legislative production, but effective implementation and economic restructuring.

Conclusion

This study analyzed the legal and institutional frameworks established in Algeria to promote non-hydrocarbon exports within the broader strategy of economic diversification.

Main Results

The findings reveal that Algeria has developed a relatively comprehensive system combining regulatory instruments, institutional governance, financial support mechanisms, and trade facilitation tools. However, despite this structured framework, the overall effectiveness remains limited.

Empirical evidence shows that:

- ✓ Export performance continues to be highly dependent on hydrocarbons, which still dominate total exports;
- ✓ Non-hydrocarbon exports, although increasing in absolute terms, remain structurally weak and volatile;
- ✓ Export effort rates confirm a strong imbalance between sectors, with most non-hydrocarbon activities exhibiting low integration into international markets;
- ✓ The existing support mechanisms have not generated a sustained structural transformation of the export base.

Beyond the statistical findings, the study demonstrates that the core issue lies not in the absence of legal frameworks, but in their limited operational effectiveness. This highlights a structural disconnect between regulatory ambition and economic reality, calling for a shift from normative expansion toward implementation efficiency and productive transformation.

These results validate the initial hypothesis that legal and institutional measures alone are insufficient to significantly improve export diversification.

Recommendations

Based on these findings, several policy recommendations can be formulated:

✓ **Strengthen productive capacity and competitiveness**

Encourage industrial upgrading, innovation, and quality standards to enhance the international positioning of Algerian products;

✓ **Improve coordination and governance of export support mechanisms**

Reduce institutional fragmentation and ensure better alignment between policies, institutions, and economic operators;

✓ **Enhance access to international markets**

Develop trade diplomacy, logistics infrastructure, and integration into global value chains;

✓ **Promote a stronger export culture among firms**

Increase awareness, training, and support for SMEs to better utilize existing incentives and mechanisms;

✓ **Simplify administrative and customs procedures**

Further expand digitalization and risk-based systems (such as the green channel) to reduce transaction costs and delays.

Research Perspectives

This study opens several avenues for future research:

✓ **Micro-level analysis of exporting firms**

Investigate firm-level constraints, behavior, and strategies to better understand the limited appropriation of support mechanisms;

✓ **Comparative studies with similar economies**

Analyze successful export diversification experiences in comparable countries to identify transferable best practices;

✓ **Impact evaluation of specific policy instruments**

Conduct quantitative assessments of financial incentives, free zones, and insurance mechanisms on export performance;

✓ **Sector-specific research**

Explore high-potential sectors (e.g., agri-food, chemicals, construction materials) to identify targeted development strategies.

Ultimately, promoting non-hydrocarbon exports in Algeria requires a holistic approach that goes beyond legal and institutional reforms. It necessitates deep structural transformations in the productive system, stronger competitiveness, and a more effective integration into the global economy.

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Appendice

NEAS	Sector of Activity
01	Agriculture, Fishing and Hunting
02	Water and Energy
03	Hydrocarbons
05	Mining and Quarrying
06	Metallurgical, Mechanical and Electrical Industries
07	Construction Materials, Ceramics and Glass
09	Chemicals, Rubber and Plastics
10	Food Industries, Tobacco and Matches
11	Textile, Hosiery and Garment Industries
12	Leather and Footwear Industries
13	Wood, Cork and Paper Industries
14	Miscellaneous Industries