

Tracing the growth of e-commerce in Algeria

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Abstract: This study aims to highlight the registration trends and the rise of parallel e-commerce in Algeria by examining the annual evolution of the number of natural and legal persons registered with the National Trade Register Center (CNRC) from 2018 to 2024 (partially) to practice their activity as e-merchants. The year 2018 was chosen because it coincided with the issuance of Law No. 18/05 dated 05/10/2018, pertaining to e-commerce.

This study also addresses some examples of commercial websites that have gained popularity and significant interaction from electronic consumers, serving as an alternative to legitimate e-merchants. This has led most merchants to refrain from registering or depositing their e-commerce domain with the National Trade Register Center, thus opting for parallel e-commerce through digital communication means.

The most important conclusion of this study is that the legitimate e-merchant, in the eyes of Algerian law, remains far removed from the level befitting global digital developments.

Keywords: E-commerce; e-consumer; e-merchant; trade register.

ملخص: تهدف هذه الدراسة إلى تسليط الضوء على تطورات حركة التجارة الإلكترونية والسوق الموازية في الجزائر من خلال دراسة التطور السنوي لعدد الأشخاص الطبيعيين والاعتباريين المسجلين لدى المركز الوطني للسجل التجاري من 2018 إلى 2024 (جزئياً) لممارسة نشاطهم كتجار إلكترونيين. وقد تم اختيار سنة 2018 لتزامنها مع صدور القانون رقم 05/18 المؤرخ في 05/10/2018 المتعلق بالتجارة الإلكترونية. كما تتناول هذه الدراسة بعض الأمثلة على بعض المواقع التجارية التي اكتسبت شعبية وتفاعلاً كبيراً من المستهلكين الإلكترونيين، لتكون بديلاً للتجار الإلكترونيين الشرعيين. وقد أدى ذلك إلى امتناع معظم التجار عن تسجيل أو إيداع نطاق تجارهم الإلكترونية لدى المركز الوطني للسجل التجاري، وبالتالي اختيار التجارة الإلكترونية الموازية عبر وسائل الاتصال الرقمية. إن أهم ما خلصت إليه هذه الدراسة هو أن التاجر الإلكتروني الشرعي، في نظر القانون الجزائري، لا يزال بعيداً عن المستوى الذي يليق بالتطورات الرقمية العالمية. **الكلمات المفتاحية:** التجارة الإلكترونية؛ للمستهلك الإلكتروني؛ التاجر الإلكتروني؛ السجل التجاري.

I- Introduction

E-commerce has developed significantly worldwide in general and in Algeria in particular. What helped its spread in Algeria was the lockdown caused by the Coronavirus pandemic, which turned most consumers into e-consumers. Given this interest in e-commerce, the Algerian merchant or operator in the national territory, like his counterpart in the world, thought about

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transforming himself into an e-merchant, providing the e-consumer with all the goods and services he wishes to purchase remotely, especially with the issuance of the law on e-commerce in 2018, which regulated this process to preserve the rights of those dealing with this form of trade.

Based on the above, we formulate the following questions:

How has the regulatory framework and the rise of parallel platforms influenced the registration and practices of e-merchants in Algeria?"

Research structure:

This paper will start with some definitions and overview of our subject, which is the theoretical framework of e-commerce. Then, in order to increase our knowledge on this issue, we will describe and analyse the case of the Algerian e-commerce market. Lastly, our research will end with some results and recommendations.

II- Theoretical framework of e-commerce

1- Definition

Electronic commerce, commonly referred to as e-commerce, encompasses the activities of buying, selling, or exchanging goods, services, and information through telecommunications networks.. (NYCYK, 2023)

It involves the transaction of products and services via computer networks, utilizing specific methods designed for order placement and receipt. (Drobyazko, 2020)

E-commerce primarily focuses on online commercial activities that facilitate commodity exchanges through electronic means, particularly the Internet, involving various entities such as companies, factories, and consumers. Numerous prominent organizations have articulated their own interpretations of e-commerce. For instance, the International Organization for Standardization (ISO) describes it as the broad term for the exchange of information between enterprises and their customers, while the Global Information Infrastructure Committee characterizes it as economic activities conducted through electronic communications, enabling individuals to purchase products, promote goods, and conduct transactions

Notable definitions from multinational corporations include Intel's view of e-commerce as a combination of electronic markets, trade, and services; IBM's perspective linking it to information technology, the web, and business; and HP's definition emphasizing the execution of commercial activities through electronic means.. (Quin, 2009)

Collectively, these definitions highlight the integral relationship between business and telecommunication networks. Thus, we can conclude that e-commerce represents the segment of e-business dedicated to the online sale and purchase of products.

2- Brief historical review

The advent of the Internet has unlocked vast opportunities in information technology and various other fields. It has also created new avenues for businesses.

The evolution of e-commerce began in the early 1970s with the introduction of Electronic Funds Transfer (EFT), a computer-based system designed for conducting financial transactions electronically. Initially, the application of EFT was restricted to financial institutions, large corporations, and certain organizations.

To address the limitations of EFT, Electronic Data Interchange (EDI) was introduced in the late 1970s, broadening the scope of participating businesses to include service providers, retailers, and manufacturers. These systems are referred to as Inter-Organizational Systems (IOS).

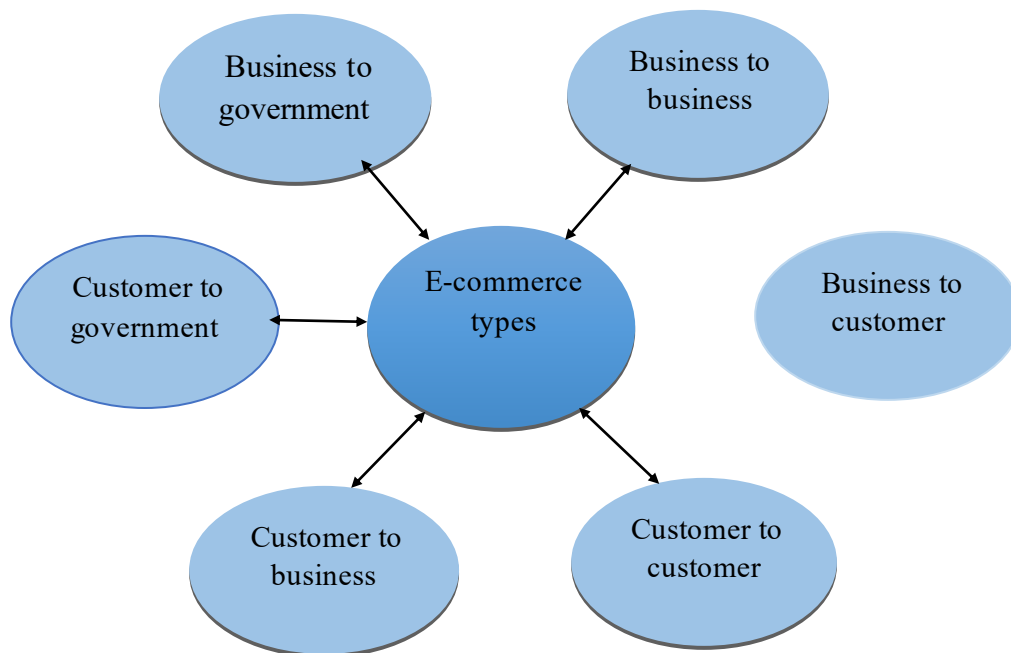
An Inter-Organizational System (IOS) allows for an integrated flow of information between organizations to achieve a desired supply chain management system that allows successful organizations to grow.

Furthermore, electronic commerce has encompassed enterprise resource planning systems (ERP), data mining, and data warehousing since the 1990s.. (Vijay & Vaibhav, 2021)

a. Types of e-commerce

There are mainly six basic types of electronic commerce as shown in the Figure 01:

Figure 1 Schematic illustration of the Types of the E-commerce based on their Characteristics



Source : (VIPIN JAIN, 2021)

- **Business-to-Business (B2B)** refers to the electronic exchange of products or services between companies.
- **Business-to-Consumer (B2C):** represents the e-commerce sector where traditional retail transactions occur. Unlike conventional retail sales, B2C consumers often possess greater awareness of available information and are generally perceived to have access to lower prices, all while maintaining a personalized shopping experience and ensuring efficient processing and delivery..
- **Consumer-to-consumer (C2C):** this category of e-commerce includes all electronic transactions between clients for the exchange of goods and services. Usually, a third party that provides an online transaction forum conducts this exchange.
- **Consumer-to-business (C2B):** the typical framework for a goods exchange is inverted. This e-commerce approach is popular among crowdsourcing businesses. Individuals also

sell their goods and services to businesses that target specific categories of goods and services.

- **Business-to- government (B2G):** All electronic exchanges between businesses and the government fall under this category. This encompasses a broad range of varied programs, particularly in fields like taxes, social services, healthcare, legal records, and documentation, among others..
- **Consumer-to-government (C2G):** All electronic transactions between governments and private citizens are included in the C2G concept.

(VIPIN JAIN, 2021)

b. E-Commerce in Algeria

The Algerian legislator articulated the concept of e-commerce in Article 06 of the relevant law, defining it as the process by which an e-merchant offers or ensures the delivery of goods and services to an electronic consumer via electronic communication channels.. (Law No. 18/05 , 2018, p. 04)

E-commerce involves two key participants: the e-merchant, who engages in electronic marketing aimed at the online consumer interested in acquiring the goods or services offered by the e-merchant. The agreement between these parties is formalized through an electronic contract, with all related activities conducted via electronic communication methods, including smartphones or computers connected to the Internet.

3- The E-Merchant

E-commerce involves two key participants: the e-merchant, who engages in electronic marketing aimed at the online consumer interested in acquiring the goods or services offered by the e-merchant. The agreement between these parties is formalized through an electronic contract, with all related activities conducted via electronic communication methods, including smartphones or computers connected to the Internet.. (Law No. 18/05 , 2018, p. 05)

An individual is classified as a merchant if they engage in commercial activities on a regular and professional basis, utilizing these activities as their primary source of income. In essence, an individual seeking to register in the commercial register must fulfill the following criteria.: (Web Site of the Algerian Ministry of Commerce , 2025)

- a) Engaging in a commercial activity: This includes any activity aimed at making a profit through the buying and selling of goods and services.
- b) Regularity: The commercial activity must be practiced regularly, i.e., repeatedly and periodically.
- c) Professionalism: The commercial activity must be practiced professionally, i.e., efficiently and with expertise.
- d) Main source of income: The commercial activity must constitute the main source of income for the natural person.

As for the legal entity, the Algerian Commercial Law defines it as "any entity with an independent legal existence, its own financial liability, and the legal capacity enabling it to exercise rights and obligations. (Algerian Ministry of Justice)"

The conditions for registering a legal entity in the Commercial Register are:

1. It must have articles of association specifying its name, legal form, headquarters, capital, activity, and members.
2. It must have a specific headquarters in Algeria.
3. It must have sufficient capital to carry out its activity.
4. It must submit all required documents to the National Center for the Commercial Register.

The National Center for the Commercial Register (CNRC), which is an independent administrative body under the supervision of the Minister of Trade since March 1997, grants natural persons a commercial register bearing the letter "A", while legal persons are granted a commercial register bearing the letter "B". (National Trade Registry Centre, 2025)

4- The Reality of Electronic Merchants in Algeria

Through this element, we will address the reality of electronic merchants in Algeria through the evolution of their number in the period from 2018 to the end of 2024, and how its development was very limited despite the developments and stakes that occurred in the digital field. We will also address some leading models of trade through means of communication where merchants carry out commercial operations without registering their domain with the services of the National Center for the Commercial Register, as stipulated in Article 09 of Law 18/05 relating to electronic commerce. Therefore, this type of trade can be called parallel electronic commerce.

2.1 Electronic merchants registered with the National Center for the Commercial Register (CNRC) from 2018 to 2024.

Registration means depositing the domain name with the services of the National Center for the Commercial Register, which is the deposit of the electronic site that is the subject of the electronic transaction and which must bear dz.com.

The following is the total number of electronic merchants since 2018, the year of issuance of Law 18/05 relating to electronic commerce, until the end of 2024.

Table No. 01: Total number of electronic merchants registered with the National Center for the Commercial Register (CNRC) from 2018 to 2024.

Year	Electronic Merchants Registered Each Year	Total Number of Electronic Merchants	Total number of merchants (person A + person B)
2018	00	00	2013374
2019	02	02	2059810
2020	50	52	2125472
2021	106	158	2183389
2022	54	212	2227814
2023	66	278	2290743

2024	61	339	/*
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Source: Prepared by the researchers based on data from the National Center for the Commercial Register (CNRC) via the digital platform Sidjilcom at the link: <https://sidjilcom.cnrc.dz> Date of access 30/04/2024.

*: data are not available.

The data from this table has been extracted into the graph below:

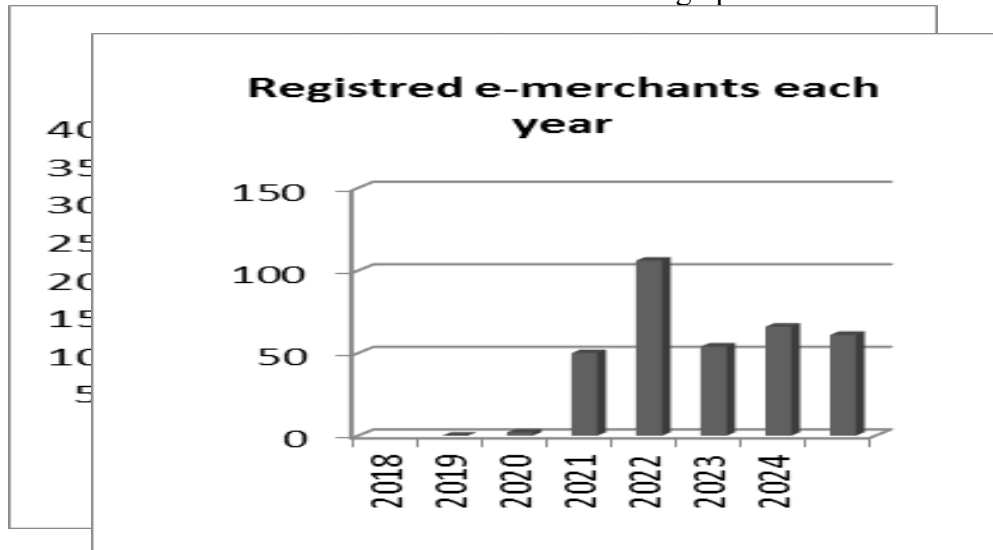


Fig. 2: Electronic merchants registered with the National Center for the Commercial Register (CNRC) from 2018 to 2024.

From the table and figure above, we note the following:

- The total number of electronic merchants registered with the National Center for the Commercial Register (CNRC) is constantly increasing from year to year throughout the study period. The first electronic merchant was registered in 2019, which is the year following the issuance of Law 18/05 relating to electronic commerce in Algeria, where only two merchants were registered that year, with no registration in 2018, despite the fact that the law relating to electronic commerce was issued in the fifth month of 2018. The lack of registered e-merchant in 2018 is due to the administrative delays in setting up registration processes. Then the number rose to reach 339 electronic merchants in 2024, which is a very small number if we compare it to the number of merchants holding commercial registers, which in 2018 reached 2013374 merchants (between natural and legal persons).
- The number of registered e-merchants each year has fluctuated throughout the study period, from only two merchants in 2019 to 50 in 2020, rising in 2021 to 106 new e-merchants, the highest number recorded during the study period. This is attributed to the Coronavirus pandemic, which forced individuals into home quarantine, leading them to resort to all things digital for shopping. Some merchants exploited the situation to become e-merchants as the number of electronic consumers increased. The number of new registrants returned to decline in 2022, with 54 new e-merchants registered, coinciding with the decline of the Coronavirus pandemic and the absence of home quarantine, after which their number somewhat stabilized in the following years.

Based on the above, we note that the total number of e-merchants did not exceed 339, a small number considering several reasons, including:

- The significant developments the world has witnessed in general in the field of digitization;
- The massive amount of electronic commercial transactions recorded across various electronic media;
- The vastness of Algeria and its large population of over 40 million, where most studies have proven that a portion of them have become digital consumers.
- The number of merchants increased from 2,013,374 in 2018 to 2,290,743 in 2023, figures that cannot be compared to the number of e-merchants in the eyes of the Algerian legislator.

5- Some examples of parallel e-commerce in Algeria:

Ouedkniss website (aouedkniss.com)

It is an Algerian electronic marketing website that brings together thousands of Algerians and opens the door for them to buy and sell products and provide services in many branches and fields. The site was founded in 2006, making it the dean of e-commerce sites on the Internet in Algeria. It forms a real link between small advertisers and those wishing to sell, buy, or exchange various products, by focusing on placing commercial advertisements. It attracted about 8.3 million visitors during August 2010, achieving remarkable success since its establishment;

It was founded in 2006 by a group of university students, making it one of the most famous sites for buying and selling in Algeria. According to a statement by one of the founders of this site, he believes that the spread of high-speed internet and its widespread use has greatly helped in the development of this site and the increase in the number of its visitors. The second reason is the aspirations of the five young men at the time for the developments in the electronic arena and the digitization of services, so the site is based on the principle of bringing together the seller and the buyer in one place and providing many services such as real estate, buying and renting cars, etc.

The website allows access to many free classified ads placed by organizations, merchants, or amateurs, directed to those wishing to obtain a commodity or service or sell what they own. Many Algerians now resort to the Ouedkniss.com website via the Internet to search for the latest new and available offers that meet their requirements and tastes.

The Ouedkniss store receives a huge number of visitors daily from all over Algeria, and we find that some stores achieve more than 80% of their sales through the Ouedkniss website by adding advertisements accompanied by pictures of their products. Today, the Ouedkniss website is the most powerful electronic site in Algeria, with more than 800,000 visitors browsing it daily recently, which is a very large number compared to even regional and global sites. It is ranked first in Algeria and fourth globally among the sites browsed by Algerians. (Atiq & Sadek, 2024, p. 190)

Jumia dz website

It is a huge electronic shopping site that includes thousands of high-quality products at reasonable prices. The Jumia website was founded in 2010 and was able to open its sites in 8 countries, including Algeria, Morocco, Egypt, Nigeria, Ivory Coast, Uganda, Cameroon, Ghana, and Kenya (JUMIA Web site, 2024).

The Jumia store has witnessed increasing and flourishing growth, becoming a destination for many customers to shop from comfortably. It provides excellent services and contains professional support 24/24 hours to shop from it without problems, which made it win the award for the best site of 2014 in Africa in Paris. One of the features of the Jumia Algeria website is its elegant design and its adoption of a very advanced script to search for what you want, and it is a guaranteed and reliable site that has all the products.

From a business model standpoint, Jumia Algeria takes a unique three-pronged approach. Their platform acts as a marketplace that links thousands of sellers with millions of consumers, all while offering integrated logistics and digital payment services.

Nevertheless, the way in which Jumia operates under these circumstances is quite fascinating from a business standpoint. The platform itself might technically be registered and in compliance with regulations, but it's a marketplace where individual sellers can function without having to comply with the entire registration process. That is what we perhaps could describe as a form of «regulatory arbitrage" - the platform takes care of the formal compliance necessities, enabling fringe informal retailers to tap in e-commerce infrastructure.

III- Conclusion:

Based on the results of this study, we reach the assumption that digital developments, particularly e-commerce, have had a significant impact on Algerian consumers, transforming them into digital users in regardless of all the challenges they have faced. However, the impact on e-merchants has been minimal, as the majority of merchants have chosen to market and sell their goods and services on unauthorized electronic sites—which Algerian legislators consider illegal—while ignoring the laws governing e-commerce.

Perhaps the most important obstacles that have prevented the spread of e-commerce and thus the activity of e-merchants are:

- The inflexibility of the laws related to e-commerce in line with the continuous changes from time to time (the existence of one law, which is law No. 18/05).
- The absence of cultural awareness aimed at keeping pace with digital developments.
- The weak purchasing power of the Algerian citizen, who prefers direct purchase to save on digital service expenses.
- The absence of transparency in e-commerce, which often leads to disputes between the merchant and the electronic consumer due to the mismatch of the product or service.
- The limited communication technology infrastructure makes relying on this type of commerce permanently difficult.
- The emergence of so-called parallel e-commerce through social media, which allows the merchant and consumer to deal and complete the commercial transaction without resorting to registering the merchant himself with the interests of the National Register of Commerce, and thus evade the real declaration of the volume of commercial transactions.

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