

The Reality and Prospects of Investment in Algeria under the Implementation of Law 22-18

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Abstract:

This study aims to examine the reality and prospects of investment in Algeria in light of the implementation of Law 22-18, and to assess its contribution to promoting both domestic and foreign investment, as well as its role in boosting economic growth and development. Algeria has enacted several investment laws, the most recent being Law 22-18, which clearly defines the rights and obligations of investors and outlines the incentive schemes offered, especially in light of the new services introduced by the Algerian Investment Promotion Agency and the launch of the digital investment platform. This study adopts both the descriptive and analytical approaches to examine and analyze the provisions of this law and explore its legislative and regulatory texts.

Keywords: Investment, Guarantees, Incentives, Law 22-18, Algeria.

Résumé:

Cette étude vise à analyser la réalité et les perspectives de l'investissement en Algérie dans le contexte de l'application de la loi 22-18, ainsi que son rôle dans la promotion de l'investissement national et étranger, et dans l'amélioration des taux de croissance et de développement économique. L'Algérie a promulgué plusieurs lois relatives à l'investissement, dont la plus récente est la loi 22-18, qui définit clairement les droits et obligations des investisseurs, ainsi que les régimes incitatifs disponibles, notamment à travers les nouveaux services offerts par l'Agence Algérienne de Promotion de l'Investissement et la mise en place de la plateforme numérique dédiée aux investisseurs. La présente étude adopte une approche à la fois descriptive et analytique afin d'examiner et d'analyser les dispositions de cette loi et de mettre en lumière ses textes législatifs et réglementaires.

Mots-clés : Investissement, garanties, avantages, loi 22-18, Algérie.

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1-Introduction:

Investment is considered one of the fundamental pillars upon which the economies of both developed and developing countries are built, due to its essential role in achieving economic development, creating employment opportunities, increasing GDP, and enhancing economic competitiveness. In recognition of this importance, governments seek to establish a favorable investment climate by adopting a set of structural reforms and enacting laws and regulations that encourage the inflow of capital—both domestic and foreign—into various economic sectors.

In this context, Algeria, like many other countries, has made significant efforts to improve the investment climate by reviewing and modernizing the legal and regulatory framework governing investment activities, in line with national and global economic transformations. These efforts have been embodied in the issuance of several laws and procedures aimed at removing barriers and constraints faced by investors, particularly those of a financial, administrative, or legal nature, in addition to offering various incentives and facilitations.

Among the most prominent of these legal reforms is Law No. 22-18, issued on July 24, 2022, concerning investment. This law represents a qualitative shift in Algeria's investment policy, as it includes a comprehensive set of legal guarantees for investors, in addition to significant financial and fiscal incentives. Moreover, it introduces modern mechanisms for managing investment files, including the digitalization of administrative and financial procedures, thereby ensuring greater transparency and efficiency in project processing and reducing implementation delays.

This new legal framework also aims to enhance investor confidence and increase Algeria's economic attractiveness by providing safeguards against sudden changes in economic policy, simplifying procedures for acquiring economic land, and ensuring continuous and effective support for investors throughout the various phases of their projects, including the operational phase. These reforms form part of a broader strategy to diversify the national economy, reduce reliance on the hydrocarbon sector, and achieve inclusive and sustainable economic growth.

Based on the above, the following research question can be raised:
To what extent does Law 22-18 contribute to improving investment in

Algeria, simplifying its legal and administrative procedures, and increasing its volume and diversity?

2-The General Framework of Investment in Algeria :

2.1- The Concept of Investment :

Obtaining future benefits. It involves a trade-off between current expenditure and the expected future return, requiring decision-making based on a thorough analysis of both return and risk¹.

Investment is also defined as the utilization of savings to acquire financial or real assets with the objective of generating periodic income or capital gains, while taking into account the level of risk associated with each type of asset².

Investment is the current commitment of money or other resources in the expectation of reaping future benefits³.

An investment is any vehicle into which funds can be placed with the expectation that it will generate positive income and/or increase its value⁴.

In terms of the concept of investment under Algerian law, the Algerian legislator did not provide an explicit definition until the promulgation of Ordinance No. 01-03 dated 1st Jumada al-Thani 1422, corresponding to August 20, 2001, on the development of investment. Article 2 of this ordinance defines investment as⁵:

- The acquisition of assets aimed at creating new activities, expanding production capacity, or undertaking rehabilitation or restructuring operations.
- Participation in a company's capital through financial or in-kind contributions.

¹ Mohammed Al-Sadiq, & Mohammed Siam, *Investment: Concepts, Fundamentals, and Decision-Making*. Dar Al-Hamed Publishing and Distribution, Amman, Jordan, 2018, p. 17.

² Ahmed Atiyah Allah, *Financial Investment and Security Analysis*. Dar Al-Jami'a Al-Jadida, Alexandria, (2012), p. 23.

³ Bodie, Kane & Marcus – McGraw-Hill, *Investments*, 11th Edition, McGraw-Hill Education, New York, 2018, p. 02.

⁴ Gitman, Lawrence J, & Joehnk, Michael D, *Fundamentals of Investing*, 13th Edition, Pearson Education, USA, 2015, p. 04.

⁵ Article 2 of Ordinance No. 01-03 of 1st Jumada al-Thani 1422, corresponding to August 20, 2001, on the Development of Investment, Official Gazette of the People's Democratic Republic of Algeria, No. 47, p. 05.

- The acquisition of activities within the framework of partial or total privatization.

Subsequently, Law No. 16-09, dated 29th Shawwal 1437, corresponding to August 3, 2016, on the promotion of investment, provided in its Article 2 that investment includes⁶:

- The acquisition of assets related to the creation of new activities, expansion of production capacity, and/or rehabilitation.
- Contributions to a company's share capital.

However, Law No. 22-18, dated 25th Dhu al-Hijjah 1443, corresponding to July 24, 2022, concerning investment, was introduced with the objective of defining the rules governing investment, the rights and obligations of investors, and the incentive systems applicable to investments in economic activities for the production of goods and services carried out by natural or legal persons, whether national or foreign, resident or non-resident.

This law also focused on clarifying a number of key terms, including⁷:

- **Investor:** Any natural or legal person, whether national or foreign, resident or non-resident, within the meaning of the exchange regulations, who carries out an investment in accordance with the provisions of this law.
- **Greenfield Investment:** Any investment undertaken for the creation of technical capital from scratch through the acquisition of assets for the purpose of launching a new activity in the production of goods and/or services.
- **Expansion Investment:** Any investment made with the objective of increasing the capacity to produce goods and/or services through the acquisition of new production means in addition to the existing ones. The acquisition of complementary or related equipment does not qualify the investment as an expansion, nor does the acquisition of replacement equipment identical to existing ones.
- **Rehabilitation Investment:** Any investment involving the acquisition of goods and/or services aimed at upgrading existing equipment in order to

⁶ Article 2 of Law No. 16-09 of 29 th Shawwal 1437, corresponding to August 3, 2016, on the Promotion of Investment, Official Gazette of the People's Democratic Republic of Algeria, No. 46, p. 18.

⁷ Article 5 of Law No. 22-18 of 25th Dhu al-Hijjah 1443, corresponding to July 24, 2022, on Investment, Official Gazette of the People's Democratic Republic of Algeria, No. 50, p. 06.

address technological obsolescence or wear and tear, with the goal of improving productivity or relaunching an activity that has been halted for at least three (3) years.

- **Relocation of Activities from Abroad:** The process by which a company governed by foreign law transfers all or part of its activities from abroad to Algeria.

2.2- Guarantees and Obligations under Law 22-18

Under Law 22-18, the Algerian state has introduced several incentives and guarantees aimed at expanding investment activities and gaining investor confidence. Among the most significant guarantees provided are⁸:

1. **Access to State-Owned Land:** Investment projects that qualify for the incentive regimes outlined in this law may benefit from access to land belonging to the private domain of the state. Such land is granted by the bodies responsible for land management, in accordance with the conditions and procedures stipulated by the applicable legislation and regulations.
2. **Exemption from Foreign Trade and Banking Domiciliation Procedures:** All foreign in-kind contributions that fall exclusively within the scope of business relocation operations from abroad, as well as new goods included in external in-kind quotas, are exempt from foreign trade procedures and banking domiciliation.
3. **Guarantee of Capital Repatriation and Related Returns:** Investments made through equity contributions in the form of foreign currency capital, imported via the banking system and denominated in freely convertible currency as regularly priced and acquired by the Bank of Algeria, are guaranteed repatriation of capital and returns, provided that the value meets or exceeds the minimum thresholds determined based on the total cost of the project.
4. **Intellectual Property Rights Protection:** Investors are guaranteed protection of their intellectual property rights in accordance with applicable legislation.

⁸ Articles 6 ,7 ,8 ,9 ,10 and 11 of Law No. 22-18 of 25th Dhu al-Hijjah 1443, corresponding to July 24, 2022, on Investment, Official Gazette of the People's Democratic Republic of Algeria, No. 50, p. 06.

5. **Protection of Realized Investments:** Investments are protected against expropriation by the state, except in cases explicitly provided for by law, and such cases must entail fair and equitable compensation.
6. **Right to Transfer or Assign Assets:** Investors have the right to transfer or assign goods and services that have benefited from the advantages granted under Law 22-18, as well as those granted under previous legislation, upon receiving authorization issued by the Algerian Investment Promotion Agency.
7. **Right to Appeal:** Investors have the right to appeal decisions before the National High Committee for Investment-Related Appeals, established under the authority of the Presidency of the Republic. They may also seek recourse before the competent judicial authorities.
8. **Protection Against the Effects of Repeal or Amendment of Investment Law:** To ensure fairness, the consequences of repealing or amending Law 22-18 shall not apply retroactively to existing investments unless expressly requested by the investor.

3-2 Incentives Granted to Investors under Law No. 22-18

Law No. 22-18 offers several incentives to investors through the establishment of three incentive schemes:

3-3-1 Sectoral Incentive Scheme

This scheme, previously referred to in Law No. 16-09 as "activities of privilege," has been expanded to include six priority investment sectors instead of three. The sectoral scheme targets areas of investment that are of particular importance to the state due to their significant contribution to national economic development.

Investments eligible under the sectoral scheme include activities in the following areas⁹:

- Mining and quarrying
- Agriculture, aquaculture, and fisheries
- Industry, agri-food industry, pharmaceutical and petrochemical industries
- Services and tourism
- New and renewable energy

⁹ Article 26 of Law No. 22-18 of 25th Dhu al-Hijjah 1443, corresponding to July 24, 2022, on Investment, Official Gazette of the People's Democratic Republic of Algeria, No. 50, p. 08.

- Knowledge-based economy and information and communication technologies

In addition to the tax, parafiscal, and customs incentives provided by general legislation, investments benefiting from the sectoral scheme are granted the following advantages¹⁰:

A. During the implementation phase:

- Exemption from customs duties for imported goods directly involved in the realization of the investment
- Exemption from value-added tax for imported or locally acquired goods and services directly involved in the investment
- Exemption from the payment of transfer duties and registration fees on real estate acquisitions made in the framework of the investment
- Exemption from registration fees related to the incorporation of companies and capital increases
- Exemption from registration fees, land registration fees, and national property charges for concession rights on built and unbuilt land intended for investment projects
- Exemption from property tax on real estate assets used for the investment for a period of ten (10) years from the date of acquisition

B. During the operational phase:

Investments benefit from exemptions from the professional activity tax and corporate income tax (IBS) for a period ranging from three (3) to five (5) years, starting from the date of commencement of operations.

3-3-2 Regional Incentive Scheme

This scheme applies to locations in the High Plateaus, the South, and the Far South, as well as areas requiring special support from the state for development purposes, or those possessing exploitable natural resources. The list of locations designated as priority areas is established by regulatory decree.

Investors benefiting from this scheme are entitled to the following advantages¹¹:

¹⁰ Article 27 of Law No. 22-18 of 25th Dhu al-Hijjah 1443, corresponding to July 24, 2022, on Investment, Official Gazette of the People's Democratic Republic of Algeria, No. 50, p. 09.

¹¹ Article 29 of Law No. 22-18 of 25th Dhu al-Hijjah 1443, corresponding to July 24, 2022, on Investment, Official Gazette of the People's Democratic Republic of Algeria, No. 50, p. 09.

A. During the implementation phase:

Investments falling under the regional scheme benefit from the same advantages granted under the sectoral scheme during the implementation phase, as stipulated in Article 27 of Law No. 22-18.

B. During the operational phase:

For a period ranging from five (5) to ten (10) years from the commencement of operations, the following exemptions apply:

- Exemption from corporate income tax (IBS)
- Exemption from the professional activity tax .

A regulatory decree shall define the list of activities excluded from benefiting under the regional incentive scheme.

3. The Institutional Framework for Investment in Algeria :

The Algerian legislator has established a set of institutions aimed at regulating investment, with the objective of promoting investment in Algeria while ensuring transparency and fairness among investors. Among these institutions, we highlight the following:

3.1 The Algerian Investment Promotion Agency :

Article 2 of Executive Decree No. 22-298 defines the Algerian Investment Promotion Agency as “a public administrative institution with legal personality and financial autonomy, placed under the authority of the Prime Minister¹².” This agency was created pursuant to Article 16 of Law No. 22-18, which replaced the former National Agency for Investment Development (ANDI) with the new Algerian Investment Promotion Agency ‘ The agency is entrusted with promoting investment, monitoring investors’ activities, and managing the incentives granted, through the following core functions¹³:

- Promoting and enhancing investment opportunities both domestically and internationally, and improving Algeria's attractiveness in coordination with Algerian diplomatic and consular missions abroad.

¹²Article 2 of Executive Decree No. 22-298 of 21 Safar 1444 corresponding to September 18, 2022, which sets out the organization and functioning of the Algerian Investment Promotion Agency, Official Gazette, No. 60, p. 06.

¹³ Article 16 of Law No. 22-18 of 25th Dhu al-Hijjah 1443, corresponding to July 24, 2022, on Investment, Official Gazette of the People's Democratic Republic of Algeria, No. 50, p. 07.

- Informing and raising awareness among media stakeholders.
- Receiving, registering, and processing investment files.
- Monitoring investor compliance with procedures related to their investments.
- Managing investment incentives, including those related to projects declared or registered prior to the entry into force of the current law.
- Following up on the progress and implementation of investment projects.

To facilitate these functions, two main structures have been established:

a. The Single Window for Major Projects and Foreign Investments

This structure acts as the sole interlocutor with national jurisdiction. It is responsible for undertaking all necessary procedures to implement and support major investment projects and foreign investments.

Article 4 of Executive Decree No. 22-299 defines “major projects” as those with a value equal to or exceeding 2 billion Algerian Dinars. Foreign investments refer to projects whose capital is partially or entirely owned by foreign natural or legal persons, and such investments benefit from incentives including the transfer of invested capital and the repatriation of revenues¹⁴.

b. Decentralized Single Windows

These are locally competent windows responsible for handling investments that do not fall within the jurisdiction of the Single Window for Major Projects and Foreign Investments.

3.2 The National Investment Council

The National Investment Council was established by Article 18 of Ordinance No. 01-03 of 20 August 2001, which remains in force. The Council is entrusted with the following tasks:

- Proposing the national investment strategy.
- Ensuring its overall coherence.
- Evaluating its implementation.

¹⁴ Article 4 of Executive Decree No. 22-299 of 21 Safar 1444 corresponding to September 18, 2022, which sets the procedures for the registration, transfer, or disposal of investments, as well as the amount and modalities for collecting the fee related to the processing of investment files, Official Gazette, No. 60, p. 12.

Preparing an annual evaluation report to be submitted to the President of the Republic.

4 .Evolution of the Algerian Investment Legal Framework and Investor Guarantees

-Ordinance No. 01-03 of 2001 on the Development of Investment constituted the first comprehensive legislative instrument to provide a legal definition of investment within the Algerian legal system. It focused on promoting investment through the establishment of general rules governing incentives and guarantees. The ordinance included specific chapters addressing investment guarantees and the institutional mechanisms responsible for monitoring and supervising investment activities. Despite its foundational role as a starting point for investment legislation in Algeria, practical application revealed several shortcomings, notably procedural complexity and limited incentive effectiveness when compared to economic realities, which reduced its operational efficiency.

-Law No. 16-09 of 2016 on the Promotion of Investment (repealed) was enacted with the aim of strengthening incentive mechanisms and renewing investor guarantees, particularly in order to reduce barriers to foreign investment. The law maintained several essential legal protections for investors, including the protection of property rights and the possibility of recovering invested capital. However, it fell short of achieving its intended objectives due to persistent restrictions on foreign financing and stringent administrative requirements, which ultimately limited its attractiveness and practical impact.

-Law No. 22-18 of 2022 relating to Investment was introduced to establish a more comprehensive and coherent investment framework. It seeks to improve the investment climate by clearly defining investors' rights and obligations, strengthening incentive schemes, reinforcing legal guarantees, and restructuring the institutional framework governing investment. This law aims to remedy the deficiencies observed in previous legislation by ensuring greater legislative stability and providing clearer and more robust guarantees, particularly for foreign investors and foreign capital.

4.1 Fundamental Guarantees Granted to Investors

With regard to legal stability and fair regulation, **Law No. 16-09** provided for the protection of invested capital against changes in legislation, albeit within certain limits. In contrast, **Law No. 22-18** significantly reinforced legal certainty by expressly stipulating that the repeal or amendment of the investment law

shall not affect existing investments retroactively, unless expressly requested by the investor. This provision enhances the stability and predictability of the legal framework governing completed investments.

Furthermore, Law No. 22-18 guarantees investors the right to challenge administrative decisions before a National High Committee for Investment-Related Appeals, without prejudice to their right to seek recourse before the competent national courts. Where applicable and in accordance with international agreements concluded by the State, investors may also resort to international dispute settlement mechanisms. The law also expressly guarantees the protection of intellectual property rights as an integral component of investment protection and provides explicit safeguards against administrative expropriation, except in cases provided for by law and subject to fair and equitable compensation

4.2 Incentive and Tax Regimes

Under **Law No. 16-09**, investors benefited from basic incentive measures, including tax and customs exemptions. However, these incentives were relatively limited and insufficient to address the strategic and developmental requirements of large-scale investment projects.

By contrast, **Law No. 22-18** establishes three clearly defined incentive schemes:

1. **The Sectoral Incentive Scheme**, targeting priority sectors such as agriculture, industry, renewable energy, and services.
2. **The Regional Incentive Scheme**, applicable to regions requiring enhanced economic development, including the High Plateaus and southern areas.
3. **The Structuring Investment Scheme**, designed for projects with a significant impact on wealth creation and employment generation.

Investments benefiting from these schemes may be granted a range of incentives, including exemptions from customs duties on imported equipment, exemptions from value-added tax and registration fees, and exemptions from corporate income tax for periods ranging from three to ten years, depending on the nature, size, and location of the investment. Additional advantages may also be granted under the structuring investment scheme, in accordance with the applicable regulatory provisions.

5. The Investment Landscape in Algeria from 2022 to 2023 :

Algeria has sought to enact fundamental legislation to regulate and attract investment, most notably through the introduction of Law No. 22-18. The outcomes and performance of this law during the period from 2022 to 2023 can be summarized as follows:

5.1 Declared Investment Projects by Type of Investment:

The following table provides a summary of declared investment projects, categorized by type:

Table (01): Declared Investment Projects by Type

%	Number of Jobs Created	%	Investment Value (in million DZD)	%	Number of Projects	Type of Project	No
58,05	60936	69,94	1449111	53,76	2254	New Projects	01
41,19	43234	29,65	614386	45,17	1894	Expansion Projects	02
0,76	797	0,41	8407	1,07	45	Rehabilitation Projects	03
100	104967	100	2071904	100	4193	Total	04

Source: Algerian Investment Promotion Agency (AIPA), www.AAPI.dz

From the table above, it is evident that the majority of declared investment projects during this period were new projects, totaling 2,254 and representing 53.76% of the total. These projects accounted for the largest share of the total investment value, amounting to 1,449,111 million DZD or 69.94%, and created the highest number of jobs, estimated at 60,936 or 58.05%.

Expansion projects ranked second, with 1,894 projects representing 45.17% of the total. They constituted the second-largest share of the total investment value, estimated at 614,386 million DZD or 29.65%, and generated 43,234 jobs or 41.19%.

Rehabilitation projects ranked third, with only 45 projects or 1.07%, representing the smallest share of total investment value (8,407 million DZD or 0.41%) and resulting in the lowest number of job creations (797 jobs or 0.76%).

These figures reflect a logical outcome during the initial phases of implementing Law No. 22-18 and its associated executive decrees.

5.2 Declared Investment Projects by Sector of Activity: An Overview :

Table (02) provides a summary of declared investment projects classified according to the sector of economic activity

No.	Sector	Number of Projects	%	Investment Value (million DZD)	%	%
01	Industry	2,092	49.89	1,528,586	73.78	60.46
02	Public Works & Construction	669	15.96	118,488	5.72	10.00
03	Transport	624	14.88	109,710	5.30	8.65
04	Agriculture	294	7.01	88,378	4.27	5.07
05	Services	232	5.53	98,799	4.77	5.84
06	Tourism	146	3.48	77,831	3.76	6.53
07	Health	136	3.24	50,113	2.42	3.46
08	Total	4,193	100	2,071,904	100.0	100.0

Source: Algerian Investment Promotion Agency (AIPA), www.AAPI.dz

The data presented in Table 02 provides a detailed overview of the sectoral distribution of registered investment projects in Algeria between 2022 and 2023. The analysis reveals significant disparities in investment volumes, project counts, and job creation across different sectors, offering insights into the structural priorities and economic focus of the country during the early implementation phase of Law No. 22-18.

The **industrial sector** emerges as the clear leader, both in terms of the number of projects (2,092 or 49.89%) and investment volume (1,528,586 million DZD or 73.78%). It also generated the largest share of employment (63,464 jobs or 60.46%). This dominant position highlights the strategic emphasis placed on industrialization as a driver of economic diversification and job creation. The sector's high capital intensity and employment potential suggest a deliberate policy shift toward revitalizing manufacturing and industrial production.

The **public works and construction sector** ranks second, accounting for 15.96% of projects and 5.72% of total investment. Its contribution to employment (10,494 jobs or 10%) is notable, indicating its continued relevance

in infrastructure development and its alignment with national job-generation strategies. However, the relatively modest investment figures may reflect market saturation or regulatory constraints.

The **transport sector** follows closely, with 14.88% of projects and 5.30% of investment value. It also contributed to 8.65% of job creation. This reflects ongoing efforts to modernize logistics and mobility infrastructure, which are crucial for improving economic connectivity and reducing regional disparities.

The **agriculture sector**, while lower in terms of project count and investment share (7.01% and 4.27%, respectively), remains important for rural development and food security. It generated 5,323 jobs (5.07%), underscoring its role as a moderate but consistent source of employment.

The **services sector** accounts for a small portion of both investment (4.77%) and job creation (5.84%). Despite its potential for growth, especially in ICT and business services, the sector appears underdeveloped, possibly due to limited private sector dynamism or weak digital infrastructure.

Interestingly, the **tourism sector**, despite receiving only 3.76% of investment, ranks relatively high in job creation (6.53%). This underscores its labor-intensive nature and potential for inclusive growth, especially in underserved regions. The data suggests that even modest investment in tourism can yield substantial employment benefits.

Lastly, the **health sector**, although vital for societal wellbeing, remains marginal in terms of investment (2.42%) and employment (3.46%). This underrepresentation may stem from high capital requirements, long project timelines, and complex regulatory frameworks, despite growing demand for healthcare services.

In summary, the table reflects Algeria's ongoing economic restructuring, with a strong focus on industry and infrastructure, while sectors such as health, tourism, and services offer untapped potential. The data also highlights the need for more balanced sectoral investment and targeted policy interventions to support underperforming but socially critical sectors.

5.3 Investment Activity by Region for the Period from 2022 to 2023:

Table (02) Investment Activity by Region for the Period from 2022 to 2023

Region	Number of Projects	%	Investment Value	%	Number of Jobs Created	%
North	2,138	50.99%	1,065,735	51.44%	62,433	59.48%
Highlands	1,234	29.43%	827,455	39.94%	29,505	28.11%
South	821	19.58%	178,713	8.63%	13,029	12.41%
Total	4,193	100%	2,071,904	100%	104,967	100%

Source: Algerian Investment Promotion Agency (AIPA), www.AAPI.dz

The data covering the period from 2022 to 2023, reveals significant regional disparities in the distribution of investment projects across the country. The Highlands region ranked second in terms of the number of registered projects, with a total of 1,234 projects, representing 29.43% of the national total. The corresponding investment value amounted to 827,455 million DZD, resulting in the creation of 29,505 jobs, or 28.11% of all newly generated employment positions.

In contrast, the Southern region recorded the lowest performance, with only 821 projects out of 4,193 nationwide, accounting for 19.58%. The total investment value in this region reached 178,713 million DZD, generating just 13,029 jobs, which represents 12.41% of the total employment created during the same period.

This weak performance in the South can be attributed to several factors, most notably the lack of essential infrastructure and support services necessary to attract and sustain investment. These limitations hinder the region's appeal to investors compared to other parts of the country. Accordingly, these findings highlight the urgent need for intensified efforts by public authorities to create a more conducive investment environment in the South. This includes the development of basic infrastructure and services such as transportation, telecommunications, and administrative support, all of which are crucial for enhancing the attractiveness of the region and ensuring balanced and inclusive national development.

5.4 Distribution of Declared Investment Projects by Origin during the Period from 2022 to 2023 :

Table (05) Distribution of Declared Investment Projects by Origin during the Period from 2022 to 2023

Origin	Number of Projects	%	Investment Value (Million DZD)	%	Projected Jobs	%
Domestic	4,109	98.00	1,221,828	58.97	94,979	90.48
Foreign	84	2.00	850,076	41.03	9,988	9.52
Total	4,193	100	2,071,904	100	104,967	100

Source: Algerian Investment Promotion Agency (AIPA), www.AAPI.dz

During the reference period, a total of **4,193 investment projects** were registered with the Algerian Investment Promotion Agency, among which **98% (4,109 projects)** originated from **domestic investors**, while only **2% (84 projects)** were initiated by **foreign investors**.

Although the number of foreign investment projects is relatively small, they represent a **significant share of total investment value**, amounting to **850.08 billion DZD (41.03%)**, compared to **1,221.83 billion DZD (58.97%)** for domestic projects. This disparity indicates that foreign investments are generally **capital-intensive**, despite being fewer in number.

In terms of employment generation, **domestic investments are projected to create 94,979 jobs (90.48%)**, whereas **foreign investments account for 9,988 jobs (9.52%)**. This further reflects the relatively larger scale and labor absorption capacity of domestic investments.

The data underscores a **pronounced gap** between the volume of domestic and foreign investments, both in terms of the number of projects and employment generation. This trend may be attributed to regulatory or institutional factors that continue to **hamper the inflow of foreign capital**, such as **delays in the issuance of implementing regulations**, and constraints related to the **convertibility and repatriation of profits**—a challenge frequently cited by foreign investors. Addressing these bottlenecks remains essential to enhancing Algeria's attractiveness as an investment destination.

5.Conclusion

his study aims to highlight the role of legal frameworks in attracting both domestic and foreign investment. It does so by examining a series of laws enacted by Algeria over a significant period, which have introduced various incentives, advantages, and economic, financial, social, and political objectives. Furthermore, the study identifies the authorities responsible for overseeing and promoting investment in Algeria. Based on the analysis, the following recommendations are proposed:

- The necessity of integrating both domestic and foreign investment in financing and supporting economic activities. This requires:
 - Enhancing investment oversight and increasing administrative involvement by bringing administration closer to investors through simplifying procedures and facilitating transactions.
 - Simplifying the tax law and introducing greater flexibility to attract investors, particularly foreign investors.
- Domestic investors should be granted the same benefits and advantages as those provided to foreign investors.
- There is a pressing need to clarify the legal structure or legal personality applicable to emerging industries.
- Competition between the public and private sectors, as well as between domestic and foreign investments, should be encouraged and activated.
- A conducive investment climate must be established to attract both domestic and foreign investors equally.
- Sufficient economic resources should be made available in both quantity and quality, and at minimal cost, to reduce production costs and enhance the effectiveness of investment.
- Algeria should benefit from the experiences of leading countries in the field of investment promotion.

Accordingly, Law No. 22-18 is considered a qualitative advancement compared to previous legislation because:

- provides a clearer and more secure legal framework for investors, both domestic and foreign, in terms of rights and obligations.
- ensures more flexible and well-structured incentive schemes that support the development of large-scale projects and encourage investment in less developed regions.
- addresses several shortcomings of previous legislation, such as the lack of legal stability and insufficient protection against frequent legislative changes.

As a result, the law has contributed to improving the investment climate in Algeria, simplifying legal and administrative procedures, and increasing both the volume and diversification of investment activities.

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