

Developing non-hydrocarbon exports in light of foreign trade and investment laws in Algeria.

تطوير الصادرات خارج المحروقات من منظور قوانين التجارة الخارجية والاستثمار في الجزائر

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Abstract:

Algeria is one of the countries that have been focusing more on hydrocarbon exports, as it has large hydrocarbon reserves of oil and gas. Since these hydrocarbons are subject to market fluctuations, Algeria has been plunged into major economic crises that have negatively affected national development, mainly because its foreign exchange earnings came from these hydrocarbons. This resulted in considering the search for other sources of hard currency in Algeria, most notably the development of non-hydrocarbon exports according to a specific program and system that is enshrined in legal texts, most notably foreign trade laws as a basis, and investment laws as a complement.

Therefore, the search for the development of non-hydrocarbon exports requires scrutiny of the various legal provisions regulating them from the point of view of knowing the nature of the interest that these non-hydrocarbon exports have received and their effectiveness in the development of the Algerian economy.

Keywords: Non-hydrocarbon exports, foreign trade laws, investment laws, national economy.

ملخص:

تعد الجزائر من الدول التي اولت اهتماما كبيرا بتطوير الصادرات منذ استقلالها حيث تم التركيز بشكل اساسي على تصدير المحروقات نظرا لامتلاكها مخزونا ضخما من النفط والغاز ولكن نظرا لان هذه المحروقات تخضع لتقلبات الاسواق العالمية فقد تسببت هذه العوامل في حدوث ازمات اقتصادية كبرى كان لها تأثير سلبي على التنمية الوطنية خاصة ان هذه المحروقات كانت تشكل المصدر الاساسي للعملة الصعبة وهذا الوضع استدعى ضرورة اعادة التفكير في الاستراتيجيات المتبعة للبحث عن مصادر بديلة للعملة الصعبة واحد ابرز هذه المصادر كان العمل على تطوير الصادرات غير المحروقات وذلك من خلال برنامج محدد ونظام قانوني متكامل تم تكريسه في نصوص قانونية مثل قوانين التجارة الخارجية كأساس وقوانين الاستثمار كتكميل له

لذلك يتطلب السعي لتطوير الصادرات غير المحروقات دراسة دقيقة للأحكام القانونية التي تنظم هذه الصادرات وذلك من خلال معرفة مدى الاهتمام الذي حظيت به ومدى فعاليتها في تعزيز الاقتصاد الجزائري.

الكلمات المفتاحية:

الصادرات خارج المحروقات، قوانين التجارة الخارجية، قوانين الاستثمار، الاقتصاد الوطني.

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Introduction

Exports in general are the engine for any country's economic growth, keeping in mind their significant role in creating foreign exchange earnings and in converting a nation's economy to production-oriented from consumption-oriented. According to general economic principles, most notably Adam Smith's theory in *The Wealth of Nations*, exports represent a nation's wealth, while imports dependency is an indicator of economic vulnerability.

Recognizing this crucial importance of exports, several countries—particularly industrialized nations—have focused on increasing and enhancing their export sectors by using advanced programs in this regard. The United States, Germany, France, and the United Kingdom are some of the European nations that have all heavily invested in developing their export capacity.

Algeria is one of the nations that have embarked on export development after independence. Its main concern, however, has been the growth and enhancement of hydrocarbon exports, as opposed to diversification into other areas. This is because Algeria has immense natural resources, especially oil and gas, and is thus among the world's top producers. Hydrocarbons gradually became the nation's main source of foreign exchange, much more than other export industries. This over-reliance on hydrocarbons, nevertheless, led to grave economic crises, particularly in 1986 and 2015, as international energy markets tend to be volatile, at times experiencing price increases and then sharp declines.

In pursuit of a financially viable alternative alongside hydrocarbons, the Algerian state since the early 1990s adopted a new export strategy. The new policy involved segmenting the exports into two categories: non-hydrocarbon exports and hydrocarbon exports. The intention was to stimulate, increase, and develop the growth of non-hydrocarbon exports through a technical program legitimized by a series of legislative documents. The provisions contained within these documents varied in their substance and purpose. Notably, it has been sought over the past decades, particularly from around the early 2000s, with increased regulations being directed at non-hydrocarbon exports. The focus has shifted from traditional foreign trade laws to include related legislative structures, notably investment laws.

This is significant and raises the following questions: what are the recent developments in the area of law in relation to promotion of non-hydrocarbon exports in the general context of foreign trade and investment laws, and to what level can these act as a replacement for hydrocarbons for the Algerian economy?

Section I: Recent Developments in the Promotion of Non-Hydrocarbon Exports within Foreign Trade and Investment Laws

A chronologic examination of the various legislative and regulatory texts in relation to the promotion and development of non-hydrocarbon exports—particularly since the advent of the 1990s to date—clearly attests to the exceptional evolution of Algeria's export policy. Over time, the Algerian government has accorded increasing priority to non-hydrocarbon exports in an attempt to establish viable economic alternatives that could guarantee the national economy's sustainable development.

A careful and close reading of foreign trade and investment laws shows this development. Foreign trade laws, for instance, have played a key role in supporting and expanding non-hydrocarbon exports (**A: subtitle**). Investment laws, on the other hand, for the first time in Algerian law, have explicitly addressed the development of non-hydrocarbon exports (**B :subtitle**).

A) subtitle: The Expansion and Strengthening of Non-Hydrocarbon Export Provisions in Foreign Trade Laws

A review of the law that directs Algeria's foreign trade—specifically the successive regulations of imports and exports—is committed to promoting and enhancing non-hydrocarbon exports. The laws' provisions are transparent and committed to assisting and enhancing exports outside of the oil and gas sectors, including essential mechanisms that serve as indicators of the state's growing interest in diversifying economic revenues. This trend is evident in two general dimensions:

- 1. Provisions within the Import and Export Law and the Customs Code**
- 2. Provisions in Other Relevant Legal Texts**

1. Strengthening Non-Hydrocarbon Export Regulations in the Import and Export Law and the Customs Code

A review of Law No. 03-04 ¹on Import and Export (amended and supplemented) and the Customs Code of 1979² (also amended and supplemented) easily shows the provisions essential to driving the growth of non-hydrocarbon exports.

first : Import and Export Law

Law No. 03-04, passed in 2003, enacted a package of basic legal provisions with the objective of increasing the volume of non-hydrocarbon exports in Algerian foreign trade policy. The law was included in a comprehensive economic reform

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program for liberalizing foreign trade, with a perspective towards increased openness to world markets. Specifically, Article 2, Paragraph 1 of Ordinance No. 03-04, as amended, enshrines formally the principles of free import and export.

Among the most significant provisions of this legislation is the establishment of a special chapter called Export Promotion—which constitutes Chapter Three of the law. The chapter explains the primary institutional frameworks that are tasked with export promotion, enumerating their responsibilities and tools at their disposal to boost and promote non-hydrocarbon exports.

To effect these legal provisions, additional executive decrees were issued to specify the powers of export promotion agencies with regard thereto. The most salient among these are:

- **Executive Decree No. 04-174:** Establishing the National Agency for Foreign Trade Promotion (*ALGEX*), tasked with supporting Algerian exporters in accessing international markets.
- **Executive Decree No. 04-173:** Defining the role of the National Advisory Council for Export Promotion, which was granted significant regulatory and consultative functions in shaping export policies.

Moreover, in subsequent years, another key institution was created to oversee and facilitate foreign trade operations:

- **Executive Decree No. 09-429³:** Establishing the Foreign Trade Monitoring Committee, which was assigned crucial responsibilities, particularly in providing exporters with valuable information about international markets.

Second: Customs Code

The Customs Code has a complementary role in foreign trade regulation, namely in import and export operations. Amendments to the Customs Code—most notably those effected by Law No. 17-04 ⁴ of 2017—had several important provisions aimed at promoting and supporting non-hydrocarbon exports. These are:

1. **Publication of Foreign Trade Statistics** – Regularly updated trade data is made accessible to exporters, enabling them to make informed decisions based on market trends.
2. **Simplification of Customs Procedures** – Measures were introduced to facilitate customs clearance for exported goods, reducing bureaucratic hurdles and minimizing delays.

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3. **Creation of a Single-Window System for Export Procedures** – Article 91 bis of the amended Customs Code institutionalized a one-stop platform to process export-related customs formalities more efficiently. This system was further reinforced by **Executive Decree No. 21-146**, which established an electronic platform for exchanging trade-related information and documents among relevant authorities.
4. **Implementation of Specialized Customs Systems for Exports** – Recognizing the strategic role of customs in promoting exports, specific mechanisms were established to facilitate trade. These include:
 - **Temporary Export System:** Allows the temporary export of goods intended for re-importation after a specific period.
 - **Final Export System:** Enables the direct export of goods for final consumption in foreign markets⁵.

2: Expansion of Non-Hydrocarbon Export Provisions in Other Legal Texts

Other than the Import and Export Law and Customs Code, several other legal texts have incorporated provisions to facilitate non-hydrocarbon exports. The most significant of these include Finance Laws and Export Guarantee Regulations.

- Finance Laws

The Finance Laws have also been at the forefront of coming up with avenues for support mechanisms for non-hydrocarbon exports. A remarkable initial example includes Article 195 of the 1996 Finance Law ⁶, whose effect was creating the Special Fund for Export Promotion. The key role of this fund is providing financial assistance for exporters seeking entry into foreign markets. The aid provided involves:

- Market studies research of opportunities in foreign trade.
- Shipping and logistics costs associated with exporting goods abroad.

Further clarification on how such monies will be spent was presented in Executive Decree No. 24-162⁷ and Ministerial Joint Order of August 20, 2024, the specifics of which will be explained further below ⁸

Subsequent Finance Laws since 2004 have also issued a number of incentives and advantages to exporters. The most recent, the 2025 Finance Law, has the following significant provisions:

- **Economic Operator Status Granting:** All individuals or businesses engaged in foreign trade are granted economic operator status by the authorities, which

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allows them to benefit from customs and regulatory benefits, as per Article 150 of the 2025 Finance Law.

Exemption from Banking Domiciliation Requirements: Certain categories of exports, such as household appliance spare parts, are now exempt from mandatory banking domiciliation, as per Article 206 of the law. This measure is intended to reduce financial constraints on exporters and facilitate the expansion.

- The Export Guarantee Law

The Export Guarantee Law is one of the basic legislative tools that aid in the promotion and development of non-hydrocarbon exports, though it is not directly stated as its objective. However, a closer look at its purpose and intention reveals its significance in export growth. The success of any export business, particularly in overseas markets, entails addressing complex technical and financial matters. All economic actors involved in foreign trade, like the exporters, need to contend with many risks associated with foreign transactions.

One of the fundamental presumptions of this law is that international market access has to be secure and reliable. Economically, it is generally accepted that in the market there is no "zero risk" and every commercial activity involves some degree of uncertainty. Therefore, export operations must be supported by mechanisms that guarantee security and risk minimization.

Underlying this scheme is Export Credit Insurance, as per Ordinance No. 96-06 that made key provisions⁹, including:

- **Risk Coverage for Economic Operators:** The law emphasizes the need to cover exporters from financial risks related to non-hydrocarbon exports. Such risks may arise in foreign markets due to fluctuations in economic conditions, exchange rates, or payment defaults. The law separates commercial risks (e.g., buyer non-payment) from non-commercial risks (e.g., political events or regulatory measures in importing nations). The Algerian government has a significant role to mitigate such risks, granting guarantees that allow exporters to manage financial expenses effectively¹⁰.

- **Creation of a Specialized Insurance Institution:** Another significant provision of the Export Guarantee Law is the creation of an exclusive insurance institution for Algerian non-hydrocarbon exports. This institution is referred to as the Algerian Export Credit and Guarantee Company, which will be in charge of insuring commercial and non-commercial risks for the exporters. Its function and its exact mechanisms are to be discussed in more detail later.

B) subtitle: Expansion of Non-Hydrocarbon Export Provisions in Investment Laws

One of the most significant legal developments in Algeria's export regime is the explicit reference to non-hydrocarbon exports in the Investment Law. For the first time in Algerian legislation, the promotion of non-hydrocarbon exports is addressed directly in Law No. 22-18 ¹¹, amended and completed.

Whereas previously, discussion of non-hydrocarbon exports has been mainly confined to import and export legislation, recent reforms have witnessed the legal discussion broaden out to include investment legislation, which is testimony to a broader national strategy of accelerating economic diversification.

This part discusses two important points about Law No. 22-18:

1- Explicit Legal Provisions on Non-Hydrocarbon Exports

2- Practical Measures and Incentives Introduced by the Law

1- Explicit Legal Provisions on Non-Hydrocarbon Exports in Investment Law No. 22-18

The current Investment Law No. 22-18 particularly mentions non-hydrocarbon exports as a major pillar of Algeria's investment policy; this is highlighted in Article 24 with the use of the term "structured investments" and focusing on investment based on export and incentives granted to companies engaged in export activities ¹².

According to this model, structured products are those that:

- **Generate wealth and create employment opportunities:** These investments must demonstrate significant economic potential and the capacity to contribute to sustainable development.
- **Foster regional economic growth:** Structured investments should not only benefit individual enterprises but also contribute to the overall development of different economic regions in Algeria.

One of the primary objectives of this legal framework is to **facilitate access to international markets** through an **import substitution strategy**. This approach seeks to:

1. **Reduce excessive reliance on imports**, which has historically strained Algeria's economy.
2. **Encourage local industries to develop export capabilities**, ensuring that more Algerian products reach international markets.

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3. **Support the diversification of export revenues** by prioritizing non-hydrocarbon exports as a key driver of economic growth¹³.

This vision is explicitly reflected in **Article 15 of Executive Decree No. 22-302**¹⁴, which outlines Algeria's commitment to:

- **Import substitution and export diversification**, reinforcing the country's strategy to shift from being a consumer-oriented economy to a production-based economy.
- **Reducing dependence on imported goods**, a long-standing challenge that has limited economic autonomy.
- **Strengthening Algeria's global trade presence**, ensuring that more Algerian industries can compete internationally.

To achieve these objectives, the law also mandates that **exporting investors integrate into global and regional value chains**. As outlined in **Article 15 of Executive Decree No. 22-302**, businesses must align their export strategies with **international trade standards**, ensuring compliance with:

- **Legal frameworks for commercial contracts**
- **International tax and customs regulations**
- **Financial security and trade guarantees**

Moreover, exporters are encouraged to **collaborate with various regulatory and trade support institutions** to optimize their export processes and minimize risks.

This type of investment is considered from an international perspective strategic investments, this explains its regulation in various international agreements, including the World Trade Organization Agreement on Trade-Related Investments, i.e. the Trims Agreement, according to the rules and principles that have been set in this framework¹⁵.

Since Algeria is moving to join the World Trade Organization through its negotiations that it has been engaged in since 1987¹⁶, this explains this trend, which in fact is logical and inevitable if it is well utilized.

2- **Incentives and Practical Measures in the Investment Law**

In addition to explicitly recognizing non-hydrocarbon exports, **Law No. 22-18** introduces **a range of exemptions and financial incentives** aimed at supporting export-oriented businesses. These include:

first: Exemption from Banking Domiciliation Requirements

Banking domiciliation is generally considered a simple and mandatory procedure for carrying out commercial transactions associated with exports and imports. Under existing financial regulations (Regulation No. 07-01, as amended¹⁷), foreign trade companies must facilitate transactions through approved banks in order to stay in line with the regulations.

But Article 7 of Law No. 22-18 provides some relief from this requirement to exporters in specific instances of:

- **In-kind contributions related to the transfer of activities from abroad.**
- **New goods included in capital contributions from external sources.**

This exemption is a significant procedural relief, relieving administrative constraint that otherwise could hamper the operation of export business. However, from a regulatory perspective, this measure raises concerns regarding financial monitoring. Since export receipts are generally received in foreign exchange, exemptions from domiciliation by banks can reduce transparency of financial flows. This raises questions regarding other measures that need to be instituted to ensure ease of doing export business and proper monitoring of foreign exchange flows.

Second : Exemption from Certain Export-Related Administrative Procedures

Still another key measure adopted by the 2022 Investment Law is exemption from some administrative procedures of foreign trade. Although the law does not clarify the specific nature of such exemptions, careful reading of extant regulations reveals that the following possibly exempted procedures are likely:

- **Certain customs-related formalities**
- **Authorization requirements stipulated under the Import and Export Law (Law No. 03-04, as amended in 2015)**

Under Article 6 of Law No. 03-04, export authorization is generally an obligatory process. This is with a view to managing the quantity of goods entering and exiting Algeria's trade system. For foreign market-penetrating investors, however, such authorization requirements can be bureaucratic and restrictive ¹⁸.

By removing such restriction, the 2022 Investment Law effectively eradicates redundant bureaucratic burdens, and space is thus created for freer and competitive export conditions.

There: Exemption from Certain Customs Duties

A final provision aimed at promoting non-hydrocarbon exports is the exemption from specific customs duties, particularly in cases where:

- **Goods are imported into Algeria as part of an investment project intended for export.**
- **Products originate from countries with which Algeria has signed trade agreements (such as the European Union).**

This measure aligns with broader international trade strategies aimed at reducing export costs and enhancing global competitiveness.

Section II: Provisions for the Development of Non-Hydrocarbon Exports in Foreign Trade and Investment Laws

Based on the above examination of the Algerian legislator's focus on developing non-hydrocarbon exports through foreign trade and investment legislation, it is evident that these legal documents encompass essential substantive and procedural provisions specifying mechanisms and methods for export promotion and development. These provisions may be analysed from different aspects, particularly in relation to:

- **Enhancing the institutions responsible for export promotion and expanding their core competencies. (A) subtitle**
- **Establishing a range of mechanisms and incentives designed primarily to benefit exporters. (B) subtitle:**

A) subtitle: Strengthening the Institutions Responsible for Non-Hydrocarbon Export Development

A close look at the legislative and regulatory papers above reveals the fundamental legal provisions brought in to support the non-hydrocarbon export sector. These provisions revolve around:

1. **The creation of institutions dedicated to export development .**
2. **Granting these institutions essential competencies to fulfill their mandate effectively .**

1. Establishing Institutions Dedicated to Export Development

To further **enhance and promote non-hydrocarbon exports**, Algeria has supplemented its existing trade promotion institutions by creating additional regulatory bodies, namely:

- **The Foreign Trade Monitoring Committee** (*First*).
- **The National Agency for Investment Development** (*Second*).

First: **The Foreign Trade Monitoring Committee**

When **Law No. 03-04** was enacted, it provided for the establishment of two key institutions for foreign trade promotion:

- **The National Advisory Council for Exports.**
- **The National Agency for Foreign Trade Promotion (ALGEX).**

But six years later, after the death of this law, another institution was created in 2009 to support foreign trade promotion: the Foreign Trade Monitoring Committee.

A review of Executive Decree No. 09-429 under which this committee was established reveals that the legal status of this committee is not defined. The decree only specifies that it is a Ministry of Trade committee, its organization and most critical mandates outlined. Included among its chief mandates is promoting non-hydrocarbon exports.

One notable aspect about this committee is that, although it does not have a defined legal status assigned to it, it has a structure and operations very much like ALGEX. The only significant difference is that ALGEX has been legislatively founded as a public administrative agency, but the Foreign Trade Monitoring Committee was founded via a regulatory decree rather than an official legislative act.

This raises doubts regarding institutional replication in Algeria's foreign trade promotion system. To have two institutions with nearly identical mandate could lead to::

- **Overlapping competencies**, creating potential conflicts between the committee and ALGEX.
- **Inefficiencies in achieving export promotion goals**, as responsibilities may be duplicated across institutions.

A more effective approach might have been to **merge** these functions into a single institution dedicated to export promotion. This would help streamline operations, reduce bureaucratic inefficiencies, and enhance coordination within the export sector.

Second: The National Agency for Investment Development

The National Agency for Investment Development, also known officially by virtue of Law No. 22-18 as the Algerian Investment Promotion Agency, was

originally and primarily tasked with designing and promoting investments in Algeria. However, it is easy to observe a substantial enlargement of its mandate because it has been entrusted with an implicit mandate to promote non-hydrocarbon exports.

This expansion is because the Investment Law No. 22-18 encompasses structured investments, which are export-based projects. Therefore, the agency now has the mandate of enhancing investments that will promote Algeria's non-hydrocarbon export market.

This broadened mandate can be seen through the agency's work under the law, which includes:

- **Providing support and incentives to investors**, including those seeking to enter foreign markets.
- **Facilitating export-oriented investments** by offering assistance in market entry and regulatory compliance.
- **Ensuring institutional backing for export development**, thereby integrating non-hydrocarbon exports into Algeria's broader investment strategy.

By assigning this additional responsibility to the agency, the Algerian legislator has introduced a new institutional tool for the advantage of non-hydrocarbon exporters. This is welcome news, as it provides institutional support for investors who want to export to foreign markets.

Legally, the agency is a public administrative body, in the sense of Executive Decree No. 22-298¹⁹, wherein its competencies are governed.

2. Expanding the Core Competencies of Export Promotion Institutions

In addition to creating new institutions for export development, the Algerian legislator has **granted them key competencies**, which can be summarized as follows:

1-1. Competencies of the Foreign Trade Monitoring Committee

A detailed examination of the **2009 decree** establishing the committee reveals several core functions, including:

- **Promoting non-hydrocarbon exports:** Although the decree does not explicitly define the scope of "promotion," this mandate generally includes providing technical and logistical support to exporters.

- **Managing trade-related information systems:** While the decree does not specify the exact nature of this role, it is evident that an effective information system is crucial for international trade. Exporters rely on **trade intelligence and market data** to navigate global markets successfully⁽²⁰⁾.

1-2. Competencies of the National Agency for Investment Promotion

As outlined in Law No. 22-18 and Executive Decree No. 22-298, the Investment Promotion Agency is not particularly assigned the function of an export promotion agency. It is, however, responsible for developing all types of investments, including those committed to international market expansion.

Thus, its role as an exporter promoter is undertaken by the same media used in the case of other investments, i.e.:

- **Providing advisory and logistical support to exporters.**
- **Facilitating access to investment incentives for export-oriented businesses.**
- **Simplifying administrative procedures for investors engaged in international trade.**

By applying investment promotion mechanisms to export-oriented schemes, the agency provides significant institutional support to exporters. This aligns with Algeria's general policy of using investment frameworks to promote non-hydrocarbon export growth.

B) **subtitl: Mechanisms and Incentives for Exporters**

One of the key outcomes of incorporating **export provisions** into **foreign trade and investment laws** is the introduction of **specific mechanisms and incentives** designed to **support exporters**. These measures can be categorized into:

1. **Exporter Support and Trade Insurance Mechanisms.**
2. **Simplified Export Procedures .**
3. **Additional Financial and Regulatory Incentives (*Section Three*).**

1- Exporter Support and Trade Insurance

A close analysis of the **legal texts** discussed above reveals several key mechanisms aimed at ensuring **exporters can enter global markets with confidence and security**. These mechanisms include:

- Exporter Support

Successful international trade requires **institutional support**, ensuring that exporters operate in a **conducive and efficient business environment**. This is reflected in:

- **Article 31(3) of Law No. 22-18**, which states:
Structured investments benefit from state support, either partially or fully, for the development of necessary infrastructure and facilities.
- **The 2009 regulatory framework for trade promotion institutions**, which assigns key roles to:
 - **The National Advisory Council for Exports** – tasked with **proposing legislative and regulatory measures** to expand non-hydrocarbon exports.
 - **ALGEX (National Agency for Foreign Trade Promotion)** – responsible for:
 - Managing export logistics and monitoring export transactions.
 - Organizing **trade fairs and international business events** to facilitate market access²¹.
 - Providing technical assistance for **product quality enhancement** and compliance with **export standards**²².

- Trade Insurance for Exporters

Exporters often face **unforeseen risks** in international markets, necessitating **robust insurance mechanisms**. The **Algerian Export Credit and Guarantee Company** plays a pivotal role in **covering both commercial and non-commercial risks**, ensuring that:

- Exporters receive **compensation for unpaid transactions**.
- Financial institutions remain **willing to provide trade financing**, reducing liquidity constraints.
- Exporters can avoid **costly legal disputes** over unpaid international contracts.

Here we corroborate that insurance function is evidenced by the state acting as the guarantor of a number of non-commercial risks that an exporter may face in foreign market entry. This is reinforced in the allocation of a budget to specialized insurance firms, which to a great extent is dedicated to coverage of these risks, and the Public Treasury ensuring it²³.

This mechanism has encouraged exporters to rely heavily on this well-proven insurance mechanism, i.e., export credit insurance, by purchasing insurance policies available for that purpose.

In addition, the insurance function is in the specialized insurance company compensating the exporter when payment of the contracted price is in default by the buyer. This allows exporters to keep their reserve funds intact, maintain continuity, and be market competitive since they do not face humiliating financial surprises upon default.

Furthermore, this compensation system enables export companies to budget in the long run. Meanwhile, the protection posed by the presence of insurance mechanisms enables banks and financial institutions to grant funds to exporters without any reserve since they know that their financial risk is covered by insurance. This, therefore, removes one of the largest barriers to foreign trade, which is access to finance.

Besides, the presence of specialized insurance firms that remain in business guarantees that the exporter is able to benefit from significant advantages, including debt recovery from buyers who fail to pay within the planned periods. This is particularly relevant for uninsured debt.

The importance of this factor is unfolded in the sense that exporters are able to avoid time-consuming, costly, and labor-intensive legal procedures like lengthy, costly, and time-consuming litigation. Instead, they make use of the expertise and immense experience of insurance companies, particularly through their international legal networks and related law firms, which assist in addressing such matters²⁴.

2- Simplifying Export Procedures

Among other mechanisms put in place to construct non-hydrocarbon exports are streamlined procedures, which is careful to ensure that exporters will not be forced to face complex or lengthy procedures when accessing international markets.

These efforts at simplification can be demonstrated through the following steps:

First: Implementing Digitalization to Facilitate Export Processes

To make various economic activities possible, Algeria has set out to adopt digitalization. This digital transformation system is part of the new state vision in its approach to public services, in line with technological and scientific advancements. The goal is to leave traditional bureaucratic processes, which are typically complicated and time-consuming, and promote instead remote interactions and electronic systems, particularly through internet-based communication as a fundamental mechanism.

In the export industry, this project aims to bring export development institutions to the exporters. This e-transformation has been achieved through several significant steps:

- **Launching an Online Platform for Exporters (April 2024)** ²⁵.
 - o Introduced by the **Ministry of Trade and Export Promotion**.
 - o Managed by the **National Fund for Non-Hydrocarbon Export Promotion**.
 - o Its primary purpose is to **facilitate the payment of compensation** related to export incentives provided by the fund.
 - o The platform also allows exporters to **track their applications remotely**, eliminating the need for **in-person visits** to regulatory offices.
- **Launching Another Digital Platform for Algerian Exporters (October 2021)** ²⁶
 - o Developed by the **Algerian Agency for Foreign Trade Promotion (ALGEX)**.
 - o Functions as an **electronic directory** for Algerian exporters.
 - o Aims to **promote non-hydrocarbon exports** by allowing **exporters to showcase their goods and services to international markets**.
- **Adopting Digitalization under Investment Law No. 22-18**

This was achieved through the introduction of an electronic platform for investors operated by the National Agency for the Development of Investments. The purpose of this platform is to bring the investors nearer to all the administrative bodies responsible for supporting and assisting them in facilitating the success of their investment projects, including export investments.

Scnd: Adopting Additional Measures for the Benefit of Exporters

This includes **simplified customs procedures**, such as:

- **The introduction of the Green Lane System at Algerian Customs**, aimed at facilitating **export operations**.
- **The adoption of additional simplified customs procedures**.

Regarding the Green Lane System:

This system is designed to facilitate non-hydrocarbon exports by exempting the exporters from immediate customs inspection and ensuring that export procedures are finalized within a day. This applies particularly to certain products, such as agricultural products²⁷..

This measure is in accordance with the Customs Administration's commitment to supporting the national policy of promoting domestic products and guiding them towards export markets.

Regarding Other Customs Procedures:

Measures have been introduced to simplify the inspection and verification of exported goods, including:

- **Assigning dedicated inspection teams** for export goods.
- **Granting exemption from inspections** for certain goods **if the economic operator holds an authorized economic operator (AEO) status**²⁸.

To this regard, Article 150 of the 2025 Finance Law suggested amending Article 89 bis 1 of the Customs Code in order to allow the authorized economic operators to benefit from customs control and clearance simplifications, under existing customs legislation and their regulatory rules.

2. Granting Major Incentives

In addition to the mechanisms mentioned above, exporters have been granted significant advantages and incentives, which can be summarized as follows:

First: Financial Incentives

These financial advantages are explicitly outlined in legal texts, as follows:

- **Legal Provisions Governing the National Fund for Non-Hydrocarbon Export Promotion**

This fund has been assigned a **key role** in providing **financial support to exporters**. This is evident in **Article 123 of the 2024 Finance Law**²⁹, which stipulates:

- **Allocating significant financial resources** to assist exporters in participating in **various trade fairs and exhibitions held abroad**.
- **Providing funds for exporters to develop their products and services for export**, with a **special focus on small and medium-sized enterprises (SMEs)** by offering them **financial assistance for export-related activities**.

The details of this article were further elaborated in a **joint ministerial decree**³⁰, which specifies:

- **The revenues and expenditures** of the National Fund for Non-Hydrocarbon Export Promotion.
- **The budget allocation percentages** for different expenses supporting exporters in expanding into international markets.

Accordingly, the fund covers:

- **10% of expenses** related to **market research studies** for identifying **promising international markets** for Algerian products.
- **Costs associated with informing exporters about export opportunities.**
- **Expenses related to improving the quality of export-oriented products and services.**
- **50% of expenses for participating in international economic events on an individual basis.**
- **80% of participation costs for events included in Algeria's official annual international trade program.**
- **Other costs related to exporter training and support in preparing bids for international contracts.**

Additionally, **Article 219 of the 2025 Finance Law** stipulates that the fund is responsible for covering:

- **Organizational and participation costs for national trade promotion events** focused on **showcasing Algeria's exportable products.**
- **Direct financial support for economic operators or indirect support through institutions responsible for organizing such events.**

These articles in the 2024 and 2025 Finance Laws, as well as other connected legal documents, highlight that the state is the main guarantor of non-hydrocarbon exports. The government regards this sector as a priority, with the goal of creating new sources of wealth for the Algerian economy.

- Provisions in the 2022 Investment Law

The **Investment Law of 2022** introduced **several financial incentives**, including:

- **Tax exemptions for investors**, including those engaged in **export activities.**
- **Exemption from taxes imposed on the establishment of companies and capital increases.**
- **Exemption from corporate income tax and professional activity tax**, as explicitly stated in **the legal provisions mentioned above**³¹.

These exceptions are consistent with an age-old economic practice that the state uses tax incentives as a tool of policy to achieve economic and social development objectives, including investment growth and export promotion.

Taxation is a fundamental requirement in state budgeting, in general. However, there are exceptional instances in which tax relief is given to some individuals or businesses on grounds of social or economic circumstances.

These exempted groups include investors, since tax incentives are used as a tool for investment promotion, eventually leading to economic development and national progress³².

Also, granting those tax exemptions is highly rewarding to investors financially, as it reduces their financial burden. This enables them to:

- **Allocate additional funds for their investment projects.**
- **Cover operational costs** such as acquiring technical equipment, raw materials, or necessary services³³.
 - **Special Interest Rate Reductions for Structured Investments (2025 Finance Law, Article 229)**

This provision grants **special conditions for reducing interest rates** on loans granted to **structured investments**, including **export-oriented projects**, provided that:

- **The investment is carried out by an Algerian company.**
- **At least 49% of the company's capital is held by national investors** in cases of joint ventures.

Third: Additional Incentives

Beyond financial benefits, **non-hydrocarbon exporters** also receive **other key advantages**, including:

- **Exemptions from banking domiciliation requirements for certain companies.**

This includes granting **specific privileges to newly established businesses**, aiming to **encourage them to expand into international markets**.

In particular, startups have been given special attention by the government, which has adopted a set of facilitations and incentives to help them integrate into global trade networks.

In this context, the law explicitly states that this category of businesses is exempt from banking domiciliation requirements.

This exemption is clearly outlined in **Article 57 of Regulation No. 07-01, as amended by Regulation No. 21-01**³⁴, which grants exemptions for:

- **Exports of digital services via the Internet.**
- **Exports of services provided by startups.**

Conclusion

What can be said about the non-hydrocarbon export sector is the extent of attention it has received from the Algerian state, as evidenced by the particular legal framework granted for its regulation and development. This is only to be expected and natural, since the Algerian economy requires sincere sources of wealth creation in a hurry in the form of a departure from the conventional resource dependence, particularly hydrocarbons, which experience has proved to be a finite and extremely volatile resource that is at the mercy of world market fluctuations.

The Algerian regulation and legislative climates' dedication to non-hydrocarbon exports has been an unwavering, non-compromisable priority. This is particularly crucial in the context of an Algerian economy, plagued by decades of external dependence, which is based on a consumeristic as opposed to a productive economy. Such a historical economic misbalance has, in the long run, immensely contributed to the socio-economic development trajectory of Algeria.

Consequently, the diversification and growth of non-hydrocarbon exports were an imperative for Algeria's medium- and long-term economic strategy, protecting national interests in both the long and medium terms. This called for the adoption of all legal and institutional structures needed, something that has been closely examined in depth in this study, which focused on examining the principal legal instruments governing non-hydrocarbon exports through the mechanism of foreign trade and investment laws.

One of the significant observations regarding these pieces of legislation is that they can be highly effective—provided that they are implemented effectively. But for these laws to actually function as intended, it is imperative to move away from outdated and ineffective administrative practices, which, in the majority of cases, have not been able to produce practical results.

In this context, the following key recommendations can be proposed:

1. Eliminating bureaucratic inefficiencies in the management of export files, particularly by avoiding outdated administrative practices that have previously hindered efficiency. This includes enhancing flexibility and transparency within institutions such as Customs and banking entities, which play a crucial role in export processes.
2. Ensuring the full implementation of the legal provisions discussed above, particularly regarding the availability of financial liquidity for exporters. Export activities require sufficient financial resources at every stage—from

initial market entry to final product delivery. No export operation can succeed without adequate financial backing.

3. Strengthening coordination and collaboration among relevant institutions, whether under the Investment Law or Foreign Trade Laws, to ensure effective policy implementation. This is essential for advancing the government's strategy for expanding and enhancing non-hydrocarbon exports.
4. Increasing the number of conferences and workshops dedicated to exporters, with the goal of educating them about legal updates and newly introduced regulatory provisions. This should be achieved by involving all key stakeholders, including industry experts, specialists, and researchers, to ensure that exporters are well-informed and equipped with the necessary knowledge.

Footnotes list

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- ¹ - Ordinance No. 03-04 of July 19, 20023, laying down the General Rules for the Import and Export of Goods, JR No. 43 of July 20, 2003, amended and supplemented.
 - ² - Law No. 79-07 of July 21, 1979, amending and supplementing the Customs Code, JR No. 30 of July 24, 1979.
 - ³ - JR n° 77 issued on 30 December 2009.
 - ⁴ - JR n° 27 issued on 30 April 2017.
 - ⁵ - For more details on export customs regulations, see: Messaoudi Abdelaali, Lahcen Abs El Kader, The Impact of Customs Policy on the Promotion of Non-Hydrocarbon Exports in Algeria, Journal of Economics and Business Administration, Vol. 7, No. 2, June 2023, p. 8.
 - ⁶ - JR No. 82 issued on December 31, 1995.
 - ⁷ - JR No. 34 issued on May 16, 2024
 - ⁸ - JR n° 63 issued on September 15, 2024.
 - ⁹ - JR No. 03 issued on January 14, 1996.
 - ¹⁰ - See Irzil El Kahina, The Role of the Export Loan Insurance Mechanism in Foreign Trade, PhD thesis in law, specializing in law, Faculty of Law, Mouloud Mammeri Tizi Ouzou University, 2009.
 - ¹¹ - Law No. 22-18 of July 24, 2022, relating to investment, JR No. 50 of July 28, 2022. Modified and supplemented.
 - ¹² - Irzil El kahina, A look at the new investment law for the year 2022, Critical Journal of Law and Political Science, Volume 17 Issue 2, December 2022, p. 61.
 - ¹³ - For more details on the status of export outside hydrocarbons and the position of Algerian legislation on it, see: Irzil El Kahina, The Role of the Loan Insurance Mechanism at Export in Foreign Trade, previous reference
 - ¹⁴ - Executive Decree No. 22-302 of September 8, 2022, laying down the criteria for the qualification of structured investments and the modalities for benefiting from exploitation benefits and evaluation networks, JR n° 60 of September 18, 2022.
 - ¹⁵ - See the WTO website : www.omc.org
 - ¹⁶ - Irzil El Kahina, WTO Agreements on Goods and Services and the Algerian Legal System, Critical Journal of Law and Political Science, vol. 4, No. 2, p. 191.
 - ¹⁷ - Regulation No. 07-01 of February 3, 2007, relating to the rules applicable to current transactions abroad and accounts in hard currencies, JR No. 31 of May 13, 2007. Modified and supplemented.
 - ¹⁸ - Irzil El kahina , A look at the new investment law of 2022, previous reference, p. 69.
 - ¹⁹ - Executive Decree No. 22-298 of September 8, 2022, defining the organization and functioning of the Algerian Agency for the Promotion of Investment, JR n° 60 of September 18, 2022.
 - ²⁰ - GUENDOUI Brahim, L'information commerciale, Facteur de promotion du commerce extérieur, [www . dst . cerist.dz](http://www.dst.cerist.dz), p 2.
 - ²¹ - MARTINI Hubert, L'assurance crédit dans le monde, Mécanisme et perspectives, Revue banque édition, Paris, 2004, p. 19.

²²-PAAVEAU Jacques, DUPHIL François, *Pratique du commerce international*, les éditions Faucher; Paris, 2003, p.209.

²³- Articles 13, 14 and 15 of the Executive Decree of July 2, 1996, laying down the conditions for the management of risks covered by loan insurance upon export, JR No. 41 of July 3, 1996.

²⁴- Irzil El kahina, The role of the mechanism of securing the loan upon export in foreign trade, previous reference.

²⁵-Ikram Abed, Zitouni announces the launch of the Fund's digital platform "FSPE", *Albilad* newspaper issued on April 29, 2004, accessed: January 28, 2024. For more details see the website of the Ministry of Commerce and Export Promotion.

²⁶ALGERIA EXPORTERS DIGITAL PLATFORM, WEBSITE OF THE ALGERIAN AGENCY FOR THE PROMOTION OF FOREIGN TRADE, www.algex.dz

²⁷A. Fatih, Customs Directorate presents the facilities directed to exporters *Al-Shorouk* newspaper issued on November 15, 2023, accessed: January 28, 2024. For more details see the website of the Ministry of Commerce and Export Promotion.

²⁸JR n° 84 issued on December 26, 2024.

²⁹JR Issue 86 issued on December 31, 2024.

³⁰Joint Ministerial Decision of August 20, 2024 establishing the list of revenues and expenditures of the Special Allocation Account No. 153-302 entitled "Special Fund for the Promotion of Non-Hydrocarbon Exports", JR No. 63 of September 15, 2024.

³¹- kasim Mohammed Abdullah Al-Baaj, Najm Abd Alaiwi Al-Karawi, The Role of Tax Exemptions in Encouraging Foreign Investments: A Study in the Diwaniyah Investment Commission, *Journal of the Baghdad College of Economic Sciences*, No. 40 of 2014, p. 309.

³²Irzil El kahina, A look at the new investment law of 2022, previous reference, p. 69.

³³- kasim Mohammed Abdullah Al-Baaj, Najm Abd Alaiwi Al-Karawi, previous reference.

³⁴JR No. 830 issued on April 22, 2021.