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International trade in services and its role in enhancing economic capabilities
Case study of the tourism sector (Algeria -Tunisia)

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Abstract:
The study aimed to clarify the role of international trade in services for the possibility of this sector to help in reinforcing economic capabilities by achieving faster growth. The service sector has a major impact on the factors of production that play cricial roles in the performance of the economy, through the analysis of the tourism services sector in both (Algeria, Tunisia).
***Key Words**: International Trade In Services, Economic development, Tourism, Algeria, Tunisia*
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1. *Introduction*

International trade in services represents an increasingly important role in many countries, as the service sector is considered the heart of the contemporary economy, just as industry was the heart of the industrial economy and agriculture was the heart of the traditional economy, the contemporary economy has confirmed the need to develop this sensitive sector because of its positive impact on the development of economic capabilities.

Considering that the services sector is the largest contributor to the GDP after the oil sector in the economies of the Arab countries, as the percentage of the contribution of the receipts from the travel item in the total service receipts as a group was about 30.2%, as for the payments for service imports, the share of the travel item was from the total payments from Service imports are about 22% .

The contribution of trade in services for Algeria and Tunisia was estimated at 7.2% and 10.4%, respectively, of the GDP, and with the increasing awareness of the importance of this sector, the trend to liberalize and modernize it increased, as both countries attach importance to it through the facilities provided, and we will try to study this aspect in general and what It achieves in the field of tourism, especially since the travel and tourism sector is considered one of the most vital and dynamic sectors in the global economy, as it represents about 30% of global services exports and contributes about 10.4% of the global GDP, according to the data of the World Tourism Organization, and it also provides job opportunities estimated at 300 million jobs worldwid.

From the foregoing, the problem of the study can be formulated as follows: What is the role of international trade in services in enhancing economic capabilities of both countries?

In order to answer the research problem, we divided the study into the following axes:

First: International trade in services

Second: the reality of tourism in Algeria-Tunisia

1.1 The importance of studying: With the growing interest in international trade services and considering it one of the topics that most countries attach great importance to, we will try to take note of this sector and highlight its role in the economy.

1.2 Objectives of the study: Show and know the importance of international trade in services in enhancing economic capabilities. - Identifying the contributions of the tourism services sector to the development of the Algerian and Tunisian economy.

1.3 Study Approach: In this study, we used the descriptive and analytical method as one of the methods of the scientific method that describes the phenomenon to be studied by collecting information and data on the subject of the research, from various books and dissertations, articles and interventions for scientific forums, and periodic and annual reports issued by local and international institutions and organizations, as there is, in fact, an accurate description It expresses the phenomenon qualitatively and quantitatively through a numerical description, then analyzes it based on the collected data and tries to reach generalizable results related to the objectives and problematic of the study and its hypotheses.

2. *International trade in services*

International trade in services grew faster than trade in goods, trade in services[†]amounted to 08 % in 2024 (% of GDP) (worldbank), it appears to be holding up better, and is expected to grow by 4.6% during 2025, "as demand for ICT services continues to grow and the travel and tourism sectors continue to recover," according to UNCTAD. (Asharq Business, 2023), also according to the global trade model of the World Trade Organization, it can to increase the share in world trade in the services sector by 50% by 2040. (world trade, 2019, p. 07.08)

2.*1 The concept of liberalization of services trade:*

The meaning of liberalization for services is the liberation from the internal restrictions and regulations that regulate direct service or its provision, that is, the issue at hand is not the removal of the customs tariff that obstructs services when crossing borders, as is the case with goods where there are no customs tariffs, and there are no crossing points in the case of Services, but the issue raised here is the internal system in different countries, and this means that the multilateral negotiations in services have extended their mandate to internal restrictions and regulations after they were limited to restrictions that apply to crossing points. (Wassaf, 2014, p. 37)

2.1.1 Trade in services:

Trade in services records the value of services exchanged between residents and non-residents of an economy, including services provided through foreign affiliates established abroad. This indicator is measured in million USD and percentage of GDP for exports, imports and net trade. Services include transport (both freight and passengers), travel, communications services (postal, telephone, satellite, etc.), construction services, insurance and financial services, computer and information services, royalties and license fees, other business services (merchanting, operational leasing, technical and professional services, etc.), cultural and recreational services, and government services not included in the list above. Trade in services drives the exchange of ideas, know-how and technology, although it is often restricted by barriers such as domestic regulations. All OECD countries compile their data according to the 2008 System of National Accounts (SNA). (OECD, 2023)

2.1.2 in services is defined to cover four modes of supply:

- Cross-border supply (mode 1): the service consumer is in his country of residence, while the service supplier is outside the country of the consumer; examples are transportation services or internet-based trade.
- Consumption abroad (mode 2): the service consumer moves outside his home territory and consumes services in another country; examples are tourism or education overseas.
- Commercial presence (mode 3): the service supplier establishes, through foreign direct investment, an enterprise in the territory of the consumer and supplies the service to the consumer; examples are services rendered by foreign-owned banks.
- Temporary movement of natural persons (mode 4): an individual who is either self-employed or working on behalf of his employer moves to the territory of the consumer to

[*]Trade in services is the sum of service exports and imports divided by the value of GDP, all in current U.S. dollars.

provide the service; examples include services provided by an on-site engineer. (Lehmann, Tamirisa, & Wieczorek, 2003, p. 05..06)

2.2 ***Areas of services trade liberalization****:*

International trade in the field of tourism is a form of international business dealing with the international exchange of tourism services. The main form of realization of these is the export-import operations, based on the international services contract. Broadly speaking, however, international trade operations include combined operations, complex exports, various forms of strategic alliances and international cooperation, as well as other international operations and actions involved in concluding and conducting international commercial contracts [6, p. 12].Tourism enterprises are constantly aiming to expand their business at international level in order to increase their sales market and to obtain additional revenue from international transactions with tourism products and services. However, in order to avoid the risks of enlargement, it is necessary to carry out some acti-vities in the field of tourism business negotiations, which would exclude possible material and financial loss. It is important to emphasize that the pre-requisites for the development of the international expansion strategy must be created in terms of external diagnosis, which provides for the identification of circumstances through the risk assessment as well as internal diagnosis, which provides for the analysis of the economic and financial capacity of the tourism enterprise. (PLATON & JURAVELI, 2019, p. 09.10)

The United Nations in 1994 defined tourism as "the activities of persons travelling to and staying in places outside their usual environment for not more than one consecutive year for leisure, business and other purposes not related to the exercise of an activity remunerated within the place visited". Although there is now growing recognition of the role of tourism as a productive activity and of its potential to generate significant direct and indirect economic benefits, the sector has suffered in many countries from a lack of political and popular support. This is because tourism's economic importance has often been underestimated. (Grosso, Lesher, & Pinali, 2007, p. 06.07)

Services sectors play an increasingly important role in enhancing economic growth, as well as in making economic growth inclusive, including:

2.2.1. Liberalization of tourism services**:** liberalization of trade in tourism services means the following:

- Tour operators, hotels and travel and tourism companies in various countries can extend their operations to other countries.
- Facilitating the process of exploiting the commercial name in hotels, management contracts, technical assistance agreements, licenses and patents.
- If the national treatment is fully granted, foreign companies will be able to sell their services according to the same treatment and conditions granted to suppliers and national companies. This treatment will legally enable foreign companies to obtain the incentives and benefits offered by the government.
- Companies will be able to transfer their employees to the foreign country and arrange their situation without restrictions, and these companies can carry out their international transfers and payments without restrictions. (Wassaf, 2014, p. 40.41)

2.3. *Objectives of the Liberalization of Services Trade Agreement*

The GATS, as stated in its preamble, aims at promoting economic growth for all trading partners and the development of developing countries. The agreement is seen to have adopted an "enabling" approach to the treatment of the interests and concerns of developing countries to more effectively address development related issues.

In pursuance of the objectives of this Agreement, Members shall enter into successive rounds of negotiations, beginning not later than five years from the date of entry into force of the WTO Agreement and periodically thereafter, with a view to achieving a progressively higher level of liberalization, such negotiations shall be directed to the reduction or elimination of the adverse effects on trade in services of measures as a means of providing effective market access, this process shall take place with a view to promoting the interests of all participants on a mutually advantageous basis and to securing an overall balance of rights and obligations. (WTO)

- "The increasing participation of developing country Members in world trade shall be facilitated through negotiated specific commitments, by different Members pursuant to Parts III and IV of this Agreement, relating to: (a) the strengthening of their domestic services capacity and its efficiency and competitiveness, inter alia, through access to technology on a commercial basis; (b) the improvement of their access to distribution channels and information networks; and (c) the liberalization of market access in sectors and modes of supply of export interest to them."
- "The process of liberalization shall take place with due respect for national policy objectives and the level of development of individual Members, both overall and in individual sectors. There shall be appropriate flexibility for individual developing country Members for opening fewer sectors, liberalizing fewer types of transactions, progressively extending market access in line with their development situation and, when making access to their markets available to foreign service suppliers, attaching to such access conditions aimed at achieving the objectives referred to in Article IV…" (UNCTAD, 2020, p. 11.12)

2.4. The economic role of tourism:

Tourism is an activity that brings income to the country without the need to ship it and deliver it to the consumer. Even the visitor comes to the site of production and buys a variety of goods and services in the host country And so this actually generates patterns of benefits and costs that are completely different from traditional exports shipped abroad to reach the consumer, highlighting the economic role of tourism through the economic effects it has on the variables of the national economy, the most important of which we find:

- Employment (job creation)
- Investing in Infrastructure
- Flow of foreign capital
- Improved balance of payments
- Transfer of modern and sophisticated technologies
- Increased national income
- Contributing to the achievement and development of economic balance between regions.

(Belkadi & Mesilti, 2021, p. 124)

2.4.1. Studies of international and Arab organizations explain the economic role of tourism:

- The latest research conducted by the World Travel and Tourism Council (WTTC) revealed that the global travel and tourism sector lost nearly $ 4.9 trillion in 2020 (a decrease of -50.4%), due to the repercussions of the Corona virus pandemic, and the contribution of tourism and travel to the global economy has increased. GDP by 1 trillion US dollars, an increase of 21.7% by 2021 The annual research of the Council indicated that in 2019, the travel and tourism sector contributed 10.3% to the global GDP, and its share decreased to 5.3% in 2020 due to the continuous restrictions on movement that the world witnessed to confront the repercussions of the Corona virus, and the year 2021 witnessed an increase The share to 6.1%. He added that in 2020, 62 million jobs were lost, which represents a decrease of 18.6%, leaving only 271 million employees across the sector globally, compared to 333 million in 2019, pointing out that about 18.2 million have been restored. jobs in 2021, representing an increase of 6.7% year on year.

It explained that the spending of visitors to tourist destinations around the world decreased by 47.4% in 2020, while spending increased by 31.4% in 2021, for domestic visitors, and for international visitors, their spending decreased by 69.7% in 2020, while the spending of international visitors increased. by 3.8% in 2021.

- The study issued by the Arab Monetary Fund entitled “The Impact of the Tourism Sector on Economic Growth in the Arab Countries” confirms the positive impact of both tourism revenues and tourism spending on economic growth rates in Arab countries, as each increase contributes by one percent to tourism revenues. In raising the economic growth rate of the Arab countries by about 0.36 % points, while a similar increase in the levels of tourism spending in the Arab countries leads to an increase in the growth rate by about 0.28 % points.

Thus, it becomes one of the most important sectors that contribute to achieving economic growth, increasing levels of employment, reducing poverty, reducing disparity in income distribution, increasing levels of demand for goods and services, and strengthening official reserves and foreign exchange earnings.

3. *The reality of tourism in Algeria-Tunisia*

Both Algeria and Tunisia seek to develop their tourism sectors and strengthen their position in the global tourism market because of their natural tourism potentials, due to the importance of the tourism sector and its role in increasing the country's resources, represented in the provision of infrastructure to respond to the tourist demand.

3. 1. Measures to support tourism in Algeria:

The new concept of Algerian tourism is based on the country's natural and built assets and on current trends in world tourism:

- Internal tourism.
- Saharan Tourism "Desert" (among the "must" of the planet).
- Seaside Tourism (on the Mediterranean coastal segment).
- City tourism (with varied and complementary sub-sectors: peri-urban leisure and fun-shopping, business tourism, discovery of the heart of cities, etc.).

- Thermal and Well-being Tourism.
- Cultural and Event Tourism.
- Tourism of Niches, constitutive of modern tourism (diving, hunting, climbing, raid, marathon…). (AAPI, 2023)

Algeria's image has great priority, and for this reason a major role must be given to the Algeria destination plan, from In order to make Algeria a first-class tourist destination, capable of attracting foreign tourists, and able As well as the competition of international tourist destinations, and the plan of Algeria's destination is centered around three components, by focusing the marketing strategy on studying the supply from various aspects, from the reception structures and accommodation capacity and the quality of services provided, and the extent to which this supply is adapted to demand, in order to contain tourists, whether local Or foreigners, in addition to that, the priority target markets must be identified, and these markets must be classified according to the degree of their importance into close and important markets such as the tourist markets of the Arab countries, and medium and of great importance such as the European tourist markets, and this is done by knowing the marketing trends and objectives for each of the markets, and then it is necessary to determine the trading strategies.
The Algeria destination plan strategy seeks to implement a business field plan based on Gradual identification of the objectives of the communication and promotion plan, and the preparation and preparation of communication and promotion tools and means of implementation, to build a new image and expand the fame of Algeria's destination, and therefore it can be said that it is necessary to re-consider the tourism competitiveness of Algeria thanks to the tourism marketing strategy, The Algeria Destination Plan seeks to achieve a set of goals, most notably the following:

- Developing the contribution potential of tourism to the national economy.
- Making Algeria a beacon destination in the Maghreb and the Mediterranean region, in order to make Algeria a distinct and unique destination. (Aouinan & Bachi, 2012, p. 236)

3. 2. Tourism success factors in Tunisia:

The Tunisian tourism sector was able to enter the twenty-first century on the path of excellence, due to the presence of several factors that made it occupy a prominent and distinguished position. Among these factors:

- The presence of a modern infrastructure and a rich product capable of competition. Tunisia's proximity to the largest global tourist gathering, the European Union.
- Economic and social stability and a safe climate. Flexibility and efficiency of tourism and hotel vocational training. - The efforts of the Ministry of Tourism, which oversees supervision and guidance. - The great role of the National Tourism Office.
- The presence of quality hotel and tourism services. The flourishing of traditional industry. Tunisian citizens have a broad tourism culture in promoting their country's tourism.
- Professionals gather within the scope of representative and active professional associations.

- Consultation, cooperation and tight coordination between the Tourism Supervision Department and professionals. (Aggoun, Bouhadid, & Korichi, 2019, p. 169)

We will present and compare the most important results achieved in the field of tourism in the two countries in terms of:

3.2.1 Number of arrivals:

Table 1: Tourist flows to Algeria, Tunisia during the period 2015-2024

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Algeria	1710000	2039000	2451000	2657000	2371000	591000	66995	757380	2195519	2454706
Tunisia	5359309	5724021	7051813	8299040	9429049	2012371	2475000	6441000	9300000	10200000

Source: - Ministry of Tourism, Handicrafts and Family Work
- Rapport annuel LE TOURISME TUNISIEN EN CHIFFRES 2018-2019-2020 2021, Office National du Tourisme Tunisien.

It is clear from the data of table that Algeria is still far from what was achieved by Tunisia in terms of the number of tourist flows. In 2015, Tunisia achieved 5359309 million tourists, while this number reached 1710000 Tourist in Algeria. In 2020, this number rose to 2012371 million tourists in Tunisia, when Algeria achieved only 591000 million tourists during this year. In 2021, we observed a significant decline compared to previous years due to the ongoing repercussions of the COVID-19 pandemic and strict border measures. Meanwhile, Tunisia managed a relative initial recovery in the number of arrivals compared to 2020, reaching 2,475,000 tourists. Algeria also witnessed a notable recovery during the period 2022-2024, thanks to policies aimed at revitalizing and reforming the sector, as well as the appeal of desert and nature tourism. During the same period, Tunisia returned to levels higher than pre-pandemic levels as a result of the easing of restrictions, increased international demand, and improved tourism promotion.

3.2.2. International tourism revenues:

International tourism receipts are expenditures by international inbound visitors, including payments to national carriers for international transport. These receipts include any other prepayment made for goods or services received in the destination country. They also may include receipts from same-day visitors, except when these are important enough to justify separate classification. For some countries they do not include receipts for passenger transport items. Data are in current U.S. dollars.

Table 2: International tourism revenues (current US $) Algeria, Tunisia during the period 2015-2024

Year	2015	2016	2017	2018	2019	2020	2021*	2022*	2023*	2024*
Algeria (million U.S.dollars)	347	246	171	196.5	140	50	30	79	-	-
Tunisia (billion U.S.dollars)	1.87	1.71	1.78	2.32	2.68	1.01	1.03	1.6	2.2	2.3

Source: Prepared by researchers based on (worldbank)
*** Estimated values**

In total, Algeria's tourism revenues are fluctuating and weak, compared with Tunisia's, despite Algeria's tourism potential, owing to the small number of tourists arriving, especially the weak tourism expenditure of Algerian arrivals, because human flows in Algeria depend primarily on Algerians living abroad.

3.2.3 Travel services (% of service imports, BoP):

Travel covers goods and services acquired from an economy by travelers for their own use during visits of less than one year in that economy for either business or personal purposes. Travel includes local transport (i.e., transport within the economy being visited and provided by a resident of that economy), but excludes international transport (which is included in passenger transport. Travel also excludes goods for resale, which are included in general merchandise.

Table 3: Percentage of tourism services from balance-of-payments imports 2015-2024

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Algeria %	6	4	5	4	6	3	3	-	10.90	8.37
Tunisia %	23	25	26	27	26	17	16	15	-	-

Source: Prepared by researchers based on (worldbank)

From the previous table, we find that the proportion of tourism services in the balance of payments' imports fluctuates, in 2015, the percentage achieved in Algeria and Tunisia was 6%, 23% respectively, and in 2021 it was 3%, 16%, this is due to the global health crisis and its results.

3.2.4. Evolution of the balance of payments (Travel Item):

Comparing tourism expenditure, we find that the amount of foreign currency spent by citizens abroad is higher than the volume of foreign currency generated by non-resident tourist inflows. It is important to specify that tourism revenues through the travel item do not include all tourism revenues, since most of the exchange takes place in the currency market parallel, especially by Algerians living abroad.

Table 4: Services trade (million U.S.dollars) Algeria, Tunisia during the period 2015-2020

		2015	2016	2017	2018	2019	2020
Algeria	**Revenue**	313.76	208.96	141.11	169.12	119.16	39.75
	Expenditures	683.09	476.84	580.63	493.07	591.00	242.48
	Net tourism balance	-369.33	-267.88	-439.52	-323.95	-471.84	-202.73
Tunisia	**Revenue**	1.380.37	1.236.64	1.304.73	1.741.20	2.117.21	839.85
	Expenditures	695.31	749.10	795.33	864.29	798.27	368.82
	Net tourism balance	685.06	487.54	509.4	876.91	1318.94	471.03

Source: Prepared by researchers based on Arab Monetary Fund Statistics

Through the statistics shown in the table above, notice the fluctuation in the volume of tourism revenues in general, we also note that the tourism balance in Tunisia recorded a positive balance during 2015-2020, the best performance was recorded in 2019 with an amount of 1318.94 million US dollars, and in 2020 it recorded a decline due to the global crisis Covid and international closures, which affected the decline in tourism revenues.

As for the balance of the tourism balance in Algeria, it recorded a successive deficit during the same period, and this shows that tourism expenditures spent by Algerian residents on international tourism exceed international tourism revenues. This is due to the decrease in foreign tourists.

3.2.5. The development of the share of the tourism sector in GDP (hotels, cafes, restaurants)

The travel and tourism sector is highly competitive, which reinforced the relative importance of this sector in the economies of Algeria and Tunisia, as its contribution to the GDP was witnessed in 2023-2024.

Table 5: The contribution of the tourism sector to the gross domestic product (in billions of US dollars)

		2023	2024
Algeria	**%**	1.4	1.5
Tunisia	**%**	4.9	10

Source: Prepared by researchers based on
- Algeria: National Statistics Office
- Tunisia: Tunisian National Institute of Statistics

Through the previous data, we find that the contribution of the tourism sector to the GDP outside the hydrocarbon sector is in continuous and increasing development. In 2023, it achieved 1.4 %, to reach 1.5 % in 2023, This increase reflects the continued relative recovery of the sector following the decline of the pandemic.

However, these achieved results remain far from the results achieved in Tunisia, where they reached (4.9 %, 10 %) respectively, in the years 2023-2024.

This shows the economic importance of the tourism sector in Tunisia, as for the percentages recorded in Algeria, it is due to the dominance of the hydrocarbon sector over the GDP, and the absence of actual changes in the tourism sector despite the strategies and programs prepared for implementation.

3.2.6. Employment in the tourism sector (hotels, cafes, restaurants)

The tourism sector is considered one of the most important sectors that attract many workers, as it contributes to the creation of direct and indirect job opportunities.

Table 6: Contribution of tourism sector labor to total employment (in thousands)

		2023	2024
Algeria	**value**	654.775	657.100
	%	5.7	6
Tunisia	**value**	402.000	418.000
	%	11.5	11

Source: Prepared by researchers based on World Travel & Tourism Council

Therefore, the tourism sector is not only an engine of economic growth. Rather, it is an effective tool for creating job opportunities and reducing poverty among the segments of society. Tourism activities, hotels, tourist shops and tour guides. And indirect national employment in other sectors that support the activities of this sector, such as agriculture, industry, and construction.

As the number of workers in the sector in Tunisia reached 402 thousand in 2023 and decreased to 418 thousand workers in 2024.

According to the table data shown above, the total employment contribution in the tourism sector in Algeria reached 654 employees in 2023,and 694 thousand workers in 2024.

3.2.7. Competitiveness of the travel and tourism sector in Algeria and Tunisia:

The elements on which the tourism sector relies vary with the varying degrees of economic and civilizational progress in each country, and the strength of the sector or the efficiency of the tourism industry in any country depends on the extent of its tourism sector's ability to influence the economy and its ability to compete internationally and regionally.

The competitiveness index is considered one of the tools that enable the evaluation of the relative performance of countries compared to other countries in order to identify their strengths and weaknesses in the field of comparison, as the index measures all the factors and policies motivating the development of this sector in the countries of the world. The index classifies the countries of the world by assessing the availability of a supportive tourism environment, systems, procedures, infrastructure, natural and human resources, and others, including 140 economies, by evaluating 14 axes from which 90 indicators branch out, divided into 4 sub-indicators, of which 70 percent of statistical data is obtained, 100 other indicators from the results of a survey of CEOs issued by the World Economic Forum. (AMF, 2021, p. 248)

In this context, it achieved results in the field of tourism and travel monitored by the World Tourism Competitiveness Report 2019, as Algeria ranked 116th in the world, and Tunisia ranked 85th in the world.

Table 6: Competitiveness index in Algeria - Tunisia 2019

country	Overall Rank		sub-indicators							
			Enabling Environment		T&T Policy and Enabling conditions		Infrastructure		Natural and Cultural resources	
	standings	Degree	standings	Degree	standings	Degree	standings	Degree	standings	Degree
Algeria	116	3.1	80	4.6	134	3.6	115	2.3	90	2.1
Tunisia	85	3.6	78	4.7	57	4.5	84	3.1	100	2

Source: World Economic Forum Travel and Tourism Competitiveness Report.

The report on the competitiveness of the travel and tourism sector for the year 2019 issued by the World Economic Forum, as highlighted by the table above, showed the competitive position of this sector in Algeria with the rest of the world, including Tunisia, as it came in very low ranks, by occupying 116th place out of 140 countries included in the classification with a degree with an overall rank of 3.1, while Tunisia ranked 85th with an overall rank of 3.6 As Tunisia was advanced in a different rank than Algeria, this rank reflects the deteriorating reality experienced by the tourism and travel sector in Algeria and enhances the challenges facing it in order to advance the industry of this sector and support its role in the process of economic growth and prosperity.

In view of the sub-indicators that make up the overall index of the competitiveness of the tourism sector, we note that Algeria came in late ranks, as it ranked 80th in the index of enabling environmental preservation, while Tunisia ranked 78th out of 140 countries.

Algeria also recorded a significant delay in the areas supporting this partial indicator, as it ranked 134th in the tourism and travel policy index and the enabling conditions, while Tunisia occupied advanced ranks than Algeria, so it ranked 57th and 115th in the infrastructure index and 90th in the natural and cultural resources index for Algeria. Tunisia ranks 84th and 100th, respectively.

4. *CONCLUSION*

International trade in services is considered one of the new opportunities for developing the economic capabilities of the country, as it carries with it many advantages and capabilities that will enable it to raise the efficiency of the economy, but it still contributes little despite the multiplicity of efforts made through reforms and measures taken for this sector, and the tourism services sector in Algeria has a limited contribution in economic gains, compared to Tunisia.

Both countries can harness trade in services for both economic growth and sustainable development, however both countries need to ensure that the multiple characteristics of services sectors (and the potential for contributing positively to externalities that may result are taken into account) and that adequate regulations, institutions and policies are in place to achieve the desired outcomes.

***4.1. Study Results*:** Through our treatment of the problem of the study, we reached the following results:

- The services sector is of importance to the growth of the economy through its contribution to increasing the gross domestic product and employment.
- Working to liberalize trade in services helps in the flow and transfer of funds through international and domestic tourism flows.

***4.2.Recommendations*:**

- The need for attention to tourism as a stand-alone industry and economic imperative It is not just a fleeting luxury.
- The need to move towards promoting domestic tourism as a strategic priority In tourism planning.
- Improved level of services provided and diversification of tourism products incompatible with Algerian tastes and culture.
- Increase in hotel capacity and increase in the number of tourist accommodation institutions, through Expedite the completion of discontinued and yet to be launched tourism projects and resolve Outstanding tourist property problems.
- Restructuring of Air Lines and Opening Up Space for International pilots Investing in Algeria.
- Utilization of low-cost pilots, especially in internal lines It is in place in many countries of the world and this is to encourage domestic tourism and desert tourism in particular.
- Encourage governments to work to improve the quality of the tourism product while strictly adhering to environmental standards and green tourism to ensure sustainability.

- Diversify the tourism product by targeting new tourism patterns, and diversify foreign markets to attract visitors from emerging economies that are heading for more openness.
- Intensify promotional activities for Algerian tourism, as well as intensify the promotion of archaeological holdings to support cultural tourism through conferences, promotional missions and participation in international exhibitions.

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