

Algeria's Efforts to Achieve Economic Takeoff at the Beginning of the Third Millennium: An Analytical Study

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Abstract:

This study examines the development of the Algerian economy at the turn of the third millennium, analyzing both its potential for growth and the stages involved in this process. It also explores the challenges and prospects related to achieving economic takeoff. All economic recovery and growth programs implemented in Algeria between 2001 and the first half of 2024 are critically evaluated. The findings indicate that Algeria possesses significant potential to achieve economic takeoff, leveraging various factors. These include capitalizing on hydrocarbon resources to foster value-added investments, focusing on renewable energy, creating an attractive investment climate through legal reforms, promoting self-entrepreneurship, establishing business incubators to support entrepreneurs, and diversifying projects beyond the hydrocarbon sector. Moreover, the study underscores the importance of continued support for the services sector and the integration of scientific advancements in agriculture and the food industry.

Key Words: *Economic Growth; Economic Recovery Programs; Economic Takeoff; Algerian Economy.*

JEL Classification: *O11 ‘O55.*

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1. Introduction:

The Algerian economy has experienced significant fluctuations toward the end of the twentieth century. However, with the advent of the third millennium, the strengthening of internal security and political stability, coupled with the gradual recovery of global oil prices, the need to explore new strategies to enhance the national economy became increasingly apparent.

In this context, resilient and effective solutions were sought to achieve sustainable progress and ensure a successful economic takeoff. This ambition was realized through a series of economic reforms and programs that prioritized public spending and opened up investment opportunities across various sectors between 2001 and the first half of 2024.

Despite encountering multiple challenges, including the effects of global financial crises such as the 2007 subprime mortgage crisis, the 2014 oil price downturn, internal difficulties, the 2019 COVID-19 pandemic, and the 2022 Russia-Ukraine conflict, the national economy, heavily reliant on oil revenues and thus vulnerable to global economic fluctuations, was compelled to adopt programs that balanced internal needs with global economic conditions. Algeria's strategies sought to align these efforts with national objectives, aiming to secure a genuine economic takeoff.

The central research question of this study is:

- What are the primary efforts of Algeria to achieve economic takeoff at the start of the third millennium?

1.1 Study Significance:

This study is significant as it outlines the pivotal milestones marking Algeria's economic development from 2001 to mid-2024. It elucidates the key programs and phases implemented during this period, aimed at revitalizing the national economy. Through a detailed analysis of these efforts, the study provides valuable insights into how this phase can serve as a foundation for addressing future challenges, bridging existing gaps, and advancing Algeria's long-term economic goals. Special emphasis is placed on the objectives set out in the Vision 2030 program, which aims to achieve sustainable economic takeoff.

1.2 Study Objectives:

The objectives of this study are as follows:

- _ To clarify the theoretical concepts underlying economic takeoff;
- _ To highlight the essential conditions necessary for establishing a successful economic takeoff;
- _ To analyze the key stages in Algeria's economic trajectory, particularly focusing on large-scale investment programs designed to foster economic takeoff from 2001 to 2019;
- _ To provide an in-depth assessment of the Algerian economy during the 2020–2021 period, especially in the context of the global COVID-19 pandemic;
- _ To offer a comprehensive analytical review of Algeria's economic potential in its continued efforts towards economic takeoff from 2022 to the first half of 2024.

1.3 Methodology:

This study adopts a descriptive approach for the theoretical framework concerning the concept of economic takeoff and the essential conditions required for its realization. The analytical method is employed to examine the various phases of the economic programs implemented and to assess the status of the Algerian economy during the study period.

2. The Concept of Economic Takeoff:

The term "economic takeoff" is commonly used within the fields of growth and economic development. Rooted in economic theory, it refers to the concept introduced by economist Walt Rostow in his stages of economic growth model, which identifies five stages of development. The first of these stages is termed the economic takeoff, a phase where the obstacles to progress are overcome, and per capita output begins to rise.

This is accompanied by significant shifts in production techniques, often driven by a determined group within society known for its commitment, innovation, and drive for progress. Rostow emphasized that development is a necessary and phased process, with some countries beginning their growth trajectory earlier than others (Khachib, 2014, p. 1).

Cultural values also play a significant role at the macroeconomic level, particularly in economic development. Successful takeoff experiences have demonstrated that the dissemination of values conducive to progress is crucial for sustaining long-term growth. This idea resonates with William Ouchi's Theory Z, which links Japan's economic success to the unity and work ethic embedded in its society. It illustrates how cultural values and collective dedication can accelerate economic takeoff (Ben Saniya, 2015, p. 793).

Economic takeoff is characterized by rapid, sustained growth in selected sectors, achieved through the application of modern industrial techniques. Unlike industrial booms, which tend to be short-lived and unsustainable, economic takeoff involves creating self-sustaining processes that ensure long-term growth. Furthermore, it necessitates the expansion beyond a few sectors to include entrepreneurs and technicians and the institutionalization of capital sources, enabling national economies to mature and adapt to emerging challenges (Bouharb, 2021, p. 423).

Moreover, an essential component of economic takeoff is the society's ability to maintain consistent levels of net investment annually, thereby creating a solid foundation for cumulative economic growth. In addition to economic factors, the takeoff process typically fosters advancements in the social, political, and cultural spheres, which contribute to a supportive environment for overall economic development. As such, it is imperative to encourage new ideas and cultural shifts within traditional societies to ensure the success of economic takeoff (ROSTOW, 1959, p. 07).

3. Prerequisites for Achieving Economic Takeoff: (Bouharb, 2021, p. 425)

It is crucial to acknowledge that the foundational philosophy for achieving economic takeoff emerged from Western Europe. With the gradual and successive development of modern science,

continuous innovations, the discovery of new lands, and the acquisition of others, these advancements contributed to the creation of new and refined technologies in strategic locations.

The expansion of the European market, both internally and externally, through colonization and the establishment of various colonies, further fueled increased domestic and external demand. This, in turn, led to higher production, specialization, and greater regional and international interdependence, creating a growing need for financing and expansion. The increased market incentives for generating new job opportunities further supported the entire economic process by facilitating trade expansion, thereby contributing to the necessary leaps in the European economy.

Among the most critical conditions for achieving economic take-off are:

- _ The accumulation of public social capital, particularly in transportation and infrastructure, to establish a national market, optimize the use of available resources, and enable effective management of these resources by the authorities.
- _ A technological revolution in the agricultural sector, where enhanced productivity became a fundamental condition for avoiding stagnation in the modernization process and ensuring a balanced geographical distribution of the population.
- _ The expansion of imports, supported by effective marketing policies for available natural resources and capital imports. Increased access to foreign currency was essential for enabling less-developed regions to expand the supply of industrial equipment and raw materials that could be locally produced.

Therefore, Algeria's economy must make optimal use of its available potential by ensuring the alignment of these three conditions for sectoral development. This would facilitate the interaction of small economic zones within emerging markets, expanding their industrial, production, and service activities.

It is essential to sustain these activity levels through the regular recovery of profits, which should be strategically reinvested and employed. However, these technological advancements necessitate substantial changes in the non-economic aspects of traditional society.

Despite the progress made, the mismatch between higher education outputs and market demands has highlighted persistent gaps that continue to hinder economic takeoff. Consequently, investment in education and training at all levels must be developed and strengthened (Khachmoun & Guerid, 2017, p. 197). Furthermore, it is critical to refine and adapt the methodologies and scientific mechanisms of business incubators to suit Algeria's business environment, ensuring a seamless transition into a productive entrepreneurial ecosystem that adds value to society.

Business incubators are recognized as a strategic tool for attracting knowledgeable students with viable project ideas. Once these projects progress beyond the incubation phase, they can contribute to creating entrepreneurial students who play a pivotal role in the economy (Domi & Bouchaar, 2022, p. 19).

4. Algeria's Economic Path and the Implementation of Major Investment Programs Towards Achieving Economic Takeoff:

To achieve the desired economic takeoff and diversify the Algerian economy, the country began implementing various investment programs in the early 2000s. With political and social stability established and oil prices on the rise, Algeria sought to introduce investment programs in a phased and systematic manner, including the Economic Recovery Program, the Economic Growth and Financing Support Program, the Economic Growth and Development Consolidation Program, and the Five-Year Program. These phases were marked by the following characteristics:

4.1 Economic Recovery Program (2001–2004):

During this phase, Algeria focused on the following objectives: (Toumi, 2011, pp. 216-217)

- Addressing the poverty and deprivation affecting a significant portion of the population due to the previous period of instability, while ensuring the sustainability of economic and social development.
- Creating job opportunities in the public works, construction, and housing sectors.
- Implementing a comprehensive local development strategy through:
 - Major water projects.
 - Developing a roadmap and information infrastructure as the first step towards establishing a strategic framework for research, development, and digital technology.
 - Expanding industrial zones in major cities.
 - Supporting initiatives that encourage the rural population to return to rural areas, stimulating agriculture and farming, which had suffered from significant migration.
 - Providing natural gas to a quarter of the cities and initiating urban rehabilitation programs.
 - Establishing networks and organizations to protect vulnerable social groups.

This period led to the following achievements: (Kamal El-Din, Hegres, & Ben El-Barr, 2024, p. 40)

- 40% of the allocated funds were directed towards public works, covering various aspects such as infrastructure development in urban and rural areas, revitalization of rural and pastoral regions, and addressing sectoral gaps and delays.
- Over 35% of the total funds were allocated to local and human development, which played a critical role in improving social conditions and converting economic development into tangible outcomes.
- More than 10% of the total funds were directed toward supporting the agricultural sector, including crop production, livestock farming, and fisheries, with the aim of boosting agricultural output, promoting exports, and generating jobs in rural areas. During this phase, the Southern Development Fund was established, covering 13 provinces with a financial allocation of 250 billion DZD.
- Over 8% of the total funds were allocated to supporting reforms alongside the economic recovery program, aimed at enhancing the competitiveness of both public and private enterprises.
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4.2 The Five-Year Program for Supporting Economic Growth (2005-2009):

Building on the foundations laid by the previous program and seeking to extend its impact, Algeria allocated a substantial amount, equivalent to eight times the previous budget, totalling 4202.7 billion DZD, approximately 60 billion USD. This funding was sourced locally, thanks to improved foreign exchange reserves resulting from the sustained rise in oil prices. The primary objectives of this program were as follows: (Boucha, 2013, pp. 13-14)

- Completing the investment incentives framework through the issuance of regulatory texts to provide a clear vision and proper understanding of investment laws.
- Adapting economic and financial tools to both local and global changes by rehabilitating the production tool, modernizing the banking system, and implementing necessary financial reforms.
- Promoting and supporting partnerships between enterprises and sectors, as well as privatization, with an emphasis on enhancing the capacity to generate wealth, add value, create new job opportunities, and improve competitiveness.
- Strengthening monitoring and oversight efforts to combat tax evasion, fraud, speculation, and unfair competition, all of which significantly affect the local market's performance.
- Modernizing and improving public services to support the human and social development plan, while also assisting the private sector in fostering national economic growth.
- Restoring and developing infrastructure to improve the standard of living.
- Boosting economic growth rates, which were regarded as the primary goal of the supplementary program.

The program focused on five key sectors, as outlined in the following table:

Table 01: Allocation of Financial Resources for the Five-Year Economic Growth Support Program in Algeria (2005-2009) **Unit: Billion DZD**

Sectors	Amount (Billion DZD)	Percentage (%)
Improving Living Conditions	1908.5	45.41
Developing Basic Infrastructure	1703.1	40.53
Supporting Economic Development	337.2	8.03
Improving Public Services	203.9	4.85
Developing Technology & Communication	50	1.18
Total	4202.7	100

Source: Toumi, 2011, p. 243.

From the table above, an analysis of the financial allocations for sectors under the Five-Year Economic Growth Support Program (2005-2009) reveals that the primary aim was to enhance Algeria's infrastructure, improve living conditions, and integrate technology and communication techniques into the economy (Yesli, 2021, p. 126). The allocations can be analyzed as follows:

- A significant portion, over 45%, was allocated to improving the living conditions of the population. More than a third of this amount was directed toward housing, urban development, and city infrastructure. An additional 10% was allocated to local development programs at the municipality level, covering water and gas connections,

sewage projects, and the construction of rural roads. Furthermore, over 150 billion DZD was dedicated to the development of southern regions, and 141 billion DZD was allocated to enhancing higher education and training facilities.

- More than 40% of the total amount was earmarked for the development and improvement of basic infrastructure, with over three-quarters of this sum directed toward transportation, communications, and public works. The remaining funds were allocated to water resources and other service sectors.
- 337.2 billion DZD (over 8%) was specifically allocated to agriculture, rural development, fisheries, and the services and tourism sectors.
- 203.9 billion DZD was dedicated to improving the efficiency and performance of public services, including ministries of justice and the interior.
- To keep pace with technological developments, 50 billion DZD was allocated to improving digital performance, technology, and communication.
- To achieve balanced regional development and contribute to genuine economic takeoff across all regions of Algeria, two supplementary programs were added to the Economic Growth Support Program. One focused on southern regions with a total of 390 billion DZD, while the other was directed at the high plateaus (Hidab Al-'Aliya) with a total allocation of 593.8 billion DZD.

4.3 The Five-Year Program for Consolidating Economic Growth (2010-2014):

Despite the impact of the global mortgage crisis in 2007, which became more pronounced in 2008, particularly affecting the U.S. economy due to widespread high-risk loans, the ensuing effects on housing, real estate, interest rates, and other sectors posed significant threats to the global financial system. In response, the Consolidation of Growth Program was introduced as a supportive economic initiative aimed at achieving economic takeoff and reinforcing the investment policies implemented across various sectors to foster sustainable economic activity. This program also sought to stabilize Algeria's economy in alignment with the growth momentum established by the previous program.

The program allocated a significant 21,214 billion DZD, primarily to complete major projects such as railways, highways, housing, and infrastructure, as well as initiate new sectoral projects. It played a key role in creating both direct and indirect job opportunities, revitalizing state-owned enterprises, and improving the transportation sector, which included the restructuring of airports. Additionally, the program supported research and development in agriculture, reinforced the expansion of the Green Dam (a forestation project), and contributed to broader environmental preservation efforts.

The funds allocated for this program were distributed as follows:

Table 02: Financial Allocations for the Pillars of the Five-Year Economic Growth Consolidation Program in Algeria (2010-2014)

Unit: Billion DZD

Pillars	Amount (Billion DZD)	Percentage (%)
Human Development	10122	49.59
Basic Infrastructure	6448	31.59
Improving Public Services	1666	8.16
Economic Development	1566	7.67
Combating Unemployment	360	1.76
Scientific Research and New Technologies	250	1.22
Total	20412	100

Source: Dief Ahmed (2015/2014), "The Impact of Fiscal Policy on Sustainable Economic Growth in Algeria (1989-2012)," PhD Thesis in Monetary and Financial Economics, Department of Economic Sciences, Faculty of Economics, Business, and Management Sciences, University of Algiers 3, Algeria, p. 260.

From Table 02, the period is marked by several key economic features. Notably, the total allocated amount was 21,214 billion DZD, while the amounts designated for the primary pillars amounted to 20,214 billion DZD. This discrepancy is attributed to the general policy statement's estimation of public expenditures, which used imprecise terms such as "around" and "approximately." As a result, the figures presented in the Five-Year Program did not exactly match the allocated values (Kamal Eddine, Hejris, & Ben Barbar, 2024, pp. 43-44). The period is generally characterized by the following:

- Approximately 50% of the total amount was allocated to human development, reflecting the government's emphasis on improving the quality of education, ensuring high-quality healthcare, reorganizing the healthcare system, and optimizing the use of water and energy resources to improve living conditions. The program specifically highlighted the social dimension of development.
- About a third of the total funds were allocated to complementary programs aimed at accelerating progress in public works and urban planning.
- 1,666 billion DZD was allocated to improving and supporting the performance of public institutions and services, including social security, labor, and internal affairs.
- 1,566 billion DZD was earmarked to continue efforts in economic development, particularly in agriculture, rural development, fisheries, and support for small and medium-sized enterprises to stimulate economic growth and enhance value-added across various sectors.
- Continued efforts to combat unemployment were pursued through the creation of direct and indirect job opportunities linked to various investments, as well as supporting the establishment of small and medium enterprises with financial and technical assistance.
- Funds were also allocated to encourage scientific and technological development, especially in research and communication technologies.
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4.4 The Five-Year Development Program (2015-2019):

This program was conceived as a continuation of the previous economic initiatives implemented over the last two decades, following the period of instability Algeria had experienced. The central aim was to turn the core idea of the program into reality, with a strong focus on achieving the critical objective of economic diversification.

This was to be accomplished through enhancing business and investment conditions, securing energy stability, and protecting the environment by adopting green economy principles. The main pillars of the program were focused on consolidating the economic and social growth momentum achieved so far, while simultaneously strengthening key sectors, particularly industrial, agricultural, and service sectors (Mechri & Bakka, 2017, p. 40). The program allocated 22,100 billion DZD for the following objectives:

- Improving living conditions with an annual growth rate target of 7%.
- Creating a favorable business environment and facilitating investment by reducing bureaucratic restrictions and procedures, particularly concerning land allocation.
- Enhancing human resource development and improving managerial efficiency through continuous training and retraining, recognizing that human capital is the primary engine of development.
- Ensuring optimal management of newly structured basic facilities while continuously pursuing economic diversification.
- Encouraging and supporting activities based on technological innovation and digitalization, with continued support for small and medium enterprises.
- Modernizing local and public administration, addressing bureaucratic inefficiencies, and promoting partnerships between public and private entities, as well as between local and international stakeholders, to bolster the national economy.
- Providing necessary financial and technical support for value-added projects and investments that directly contribute to the economy.
- Continuing efforts to support vulnerable social groups, adapting aid to their needs, and implementing policies of expenditure rationalization and performance governance.

However, the global oil crisis that struck in 2014, marked by the ongoing decline in oil prices in international markets, had a significant and direct impact on Algeria's revenue. This had a considerable effect on the support and implementation of the Five-Year Development Program, making it increasingly difficult to execute all its components. The program had to adopt stricter financial discipline, impose austerity measures, and improve the governance of public funds.

Some projects that had not yet started were either frozen or delayed, despite the significant efforts made and the utilization of the Resources Stabilization Fund. Consequently, the program was not fully realized as planned, with delays in meeting the established timelines. Furthermore, it faced additional challenges due to the global COVID-19 crisis.

On the other hand, it is important to mention the New Economic Model to Support Growth (2016) and its vision for 2030. This model focused on a short-term policy for the period 2016-2019, alongside a long-term vision aimed at economic diversification and transformation by 2030 (Habib & Zakrir, 2018, p. 120).

This new approach was a set of corrective reforms and decisions designed to achieve real economic diversification in Algeria, seeking to reduce dependence on oil revenues. It aimed to restructure and transform the Algerian economy while implementing a new budgeting policy (Yesli, 2021, p. 127). The program sought to achieve the following objectives (Minister of Finance, 2016, p. 2):

- Increasing revenues from regular taxation to cover a significant portion of public expenditure.
- Gradually reducing the public treasury deficit by 2019.
- Collecting and mobilizing new, additional revenues from the domestic market.

5. Detailed Insights into the Impact of the Global Health Crisis of COVID-19 on the Algerian Economy during the 2020-2021 Period:

Algeria faced numerous challenges and significant impacts on its national economy during this period, which resulted in a slowdown of economic activity. These challenges delayed the country's efforts toward achieving the desired gradual economic diversification. Despite the emergency programs implemented locally to address the crisis and attempt a staged recovery, the key consequences of the COVID-19 pandemic on Algeria's economic performance can be summarized as follows:

- Like much of the world, Algeria's economy was directly and indirectly affected by the global health crisis. The impact was particularly pronounced as Algeria has significant direct trade and economic ties with China, which was the epicenter of the crisis that quickly escalated into a global economic downturn. The disruption of production activities and the halt in industrial operations in China directly affected Algeria, particularly in the demand for petroleum products. Additionally, the decline in exports from China to Algeria negatively impacted foreign trade routes, disrupting trade flows in and out of Algeria, which in turn affected the national budget, public spending, and domestic investment. The almost complete shutdown of shipping ports, transport, and aviation, combined with strict quarantine measures implemented globally, contributed to the rapid collapse of global oil prices. The drop in oil demand, coupled with Algeria's commitment to the "OPEC+" agreement, which limited daily oil production, led to a reduction in production from 1.023 million barrels per day in 2019 to 899,000 barrels per day in 2020, reflecting a 12% decline. This contraction resulted in a decrease in Algeria's Gross Domestic Product (GDP) (Report, 2021, p. 20). Consequently, the spread of the coronavirus led to a 30% reduction in public spending, a halving of investments in the energy and hydrocarbons sector, which fell to \$7 billion, and the postponement or freezing of major economic and social projects. The sharp drop in oil prices and the depletion of foreign exchange reserves further exacerbated these challenges, while Algeria's market experienced significant economic stagnation due to the contraction in business and trade activities and a decline in commercial exchanges with the outside world as a result of the pandemic (Karama, Rahal, & Khabiza, 2020, pp. 324-325).
- In 2019, Algeria's GDP growth rate declined by 0.4% compared to 2018. This slowdown was primarily the result of the country's difficult social and political conditions during that time, which delayed the financial adjustment of the national budget and economic structures. Moreover, the hydrocarbon sector, which had traditionally contributed

significantly to GDP growth, saw a decline in investments related to exploration and extraction. Despite efforts by the authorities to address this issue in 2019 through the Hydrocarbons Law, which aimed to provide incentives such as tax and customs exemptions for companies in the sector, the situation remained challenging. Meanwhile, the GDP per capita growth rate dropped by -1.13% in 2019 (Kasahi & Derbal, 2021, pp. 900-901). Furthermore, inflation increased by approximately 2.42% in 2020 compared to the previous year, reaching 4.23% at the beginning of 2021. This rise was mainly driven by the increase in the prices of food, clothing, leather goods, and services, both locally and globally (Lahmer, 2021, p. 125). The primary causes for this inflation were the contraction in global production, shipping and transport complexities, and the widespread uncertainty of the period. Additionally, increased domestic and international demand, driven by supply disruptions, fears, and the global psychological state, contributed to the inflationary pressures.

6. Analysis of Algeria's Economic Potential in the Context of a Strong Desire to Achieve Economic Takeoff during the 2022-2024 Period:

Following the gradual recovery from the COVID-19 crisis, which significantly impacted national economic performance, an observer of Algeria's economy may note the country's ongoing efforts to chart a path toward economic takeoff. The current economic reality, both internal and external, along with the challenges and stakes involved, demands that Algeria take practical steps toward achieving a true economic launch.

This is particularly important given the various economic challenges imposed by regional and international crises, such as health crises like COVID-19, and Algeria's heavy reliance on traditional energy resources. These factors have placed Algeria's economy in a position where it must find effective methods to shift, albeit gradually and at varying paces, toward true economic diversification, a goal that has been pursued since the early 2000s.

Despite the efforts in recent years, Algeria's economic diversification has made limited progress, with only modest advancements in certain sectors compared to the available capacities and resources. However, positive indicators suggest that there are opportunities for the Algerian economy to undergo genuine transformation.

This could be driven by the government's continued efforts to reduce the overreliance on traditional energy sources for funding the national budget. In recent years, new directions have emerged, including the launch of knowledge-based economies, the rise of small and emerging businesses, and initiatives aimed at supporting and nurturing small and medium-sized enterprises (SMEs). These efforts have contributed to the development of a burgeoning startup ecosystem across various sectors.

The Algerian economy is beginning to show signs of dynamism, driven by efforts to create added value in various sectors. This marks the first steps toward achieving the long-sought goal of economic diversification. Through the creation of business and technology incubators, entrepreneurship development centers, and advisory offices for feasibility studies on new projects, particularly in sectors such as services, transport, and trade, Algeria has made significant strides in supporting project developers.

Notably, Algeria ranks second in Africa, after South Africa, in terms of the number of incubated startups, with approximately 815 startups. This is considered a positive and pioneering indicator, as reported by the economic report of Startupranking in March 2024. The ongoing economic diversification, which is currently concentrated in specific sectors, suggests the potential for expansion into other areas, such as tourism, traditional industries, and services in general.

The features of Algeria's economic takeoff during the period from 2021 to the first half of 2024 can be seen in the following:

- Algeria is genuinely striving to invest locally in the steel and iron sector by directing initial outputs toward factories to support the manufacturing sector and achieve a positive upward trend in the integration of local products, especially in vehicle manufacturing and assembly. This is accompanied by legal support for mineral exploration operations in southern Algeria.
- Algeria has started local investments in renewable and environmentally friendly energy, exploiting its natural resources in areas such as wind energy and solar panels to generate electricity for rural areas and agricultural zones in isolated regions.
- In response to global and scientific studies on potential future environmental and climate changes, Algeria has adopted a forward-looking strategy to ensure water security. This includes rehabilitating existing dams and conducting structural and technical studies to build and equip facilities for seawater desalination.
- Algeria has actively moved forward in the biochemicals industry, particularly in fuel derivatives such as gas, gasoline, and motor oils of various types. This is done to feed the domestic market and cover local demand for these essential materials, as part of a broader approach aimed at achieving energy security, thus laying the foundation for economic takeoff.
- A close look at the Algerian economy reveals near self-sufficiency in some agricultural products, especially certain vegetables and seasonal fruits. The stability of local prices after the COVID-19 crisis indicates their availability. Furthermore, exporting these agricultural products helps boost the export capacity of the national economy and strengthens foreign exchange reserves.
- Additionally, there has been a noticeable increase in the food industries, particularly in the production of canned foods, pasta, and cooking oils, among others.
- The legal and regulatory framework for various commercial and economic activities in Algeria has been adjusted to ensure the necessary regulation and protection of local products, as well as consumer safety. There is also financial support for expanding the activities of startups and small and medium-sized enterprises (SMEs) across several sectors through the establishment and regulation of a fund to support and finance these enterprises.
- Significant progress in the field of digitalization and the use of technology has directly contributed to the development, albeit modestly, of the financial and banking sectors, as well as the tourism sector in Algeria.
- The expansion and organization of activities related to fishing trade and aquaculture in the inland and southern regions are helping to achieve a high degree of self-sufficiency in this vital sector.

- Investment in local clothing, leather goods, and traditional industries has risen considerably.
- Agricultural studies at higher education institutions are focusing on finding the best scientific methods to increase the productivity of agricultural land. This includes the adoption of modern techniques to enhance land output, a crucial factor in increasing the production of wheat and other staple crops. The aim is to achieve self-sufficiency in these vital sectors, which are subject to fluctuations in global market prices, and to build strategic reserves for food security.
- The growth of the glass, plastic, wood, and cement industries over the past decade has been a vital resource toward achieving economic takeoff in Algeria.
- There has been positive development in the pharmaceutical industry, with a noticeable increase in the production of local medical supplies and medicines. This has helped reduce dependency on imports, alleviating pressure on the national budget and allowing funds to be redirected to other sectors and local investments.
- Continuous monitoring and regulation of the foreign trade sector through a system of import licenses, updated periodically to align with local product availability and pricing, have helped control prices. This also supports local industries by encouraging them to increase exports, especially to African markets. Algeria has been actively opening up new markets and distribution points, as well as fostering trade partnerships with neighboring countries in southern Algeria. This approach has a unique regional and African dimension for the Algerian economy, positioning it as a gateway to the African continent and significantly enhancing its commercial activities.

7. Conclusion:

Despite the progress made, the current situation still indicates that there is continuous and diligent effort to achieve the correct economic takeoff in Algeria, even if we consider the results to be acceptable through the various programs adopted since the beginning of the 21st century. Among the foundations that could enhance and increase Algeria's economic growth rates to realize its economic takeoff, we can highlight the following:

- Raising the ambition and challenges, increasing support, and opening up investments and major projects that generate added value, particularly in strategic sectors, to reduce the excessive reliance on the energy sector as the main funder of the public budget, without neglecting the importance of increasing infrastructure support. This should be done according to a strategy that aims to ensure the achievement of the three main goals: energy security, food security, and water and health security.
- Optimizing the current gas prices in international markets and attempting to direct those revenues toward productive sectors to avoid repeating past mistakes.
- Designing a more disciplined, comprehensive, and clear policy to implement actual funding for projects through the Algerian Startup Fund, creating and encouraging a spirit of innovation, and preparing pathways for nurturing these ideas in technological business incubators. This should include the actual implementation of such ideas in the form of investments beyond direct funding from the state treasury, alongside creating new, flexible mechanisms for the self-employment model that Algeria recently began to implement.

- Encouraging more investment in the services sector, particularly in the hotel and tourism industries, as another means of attracting foreign currency, increasing demand for the local currency, and supporting foreign exchange reserves. Additionally, modernizing and enhancing the performance and role of the banking and financial system in Algeria should be prioritized.
- Increasing the contribution of public sectors to promote economic takeoff, especially in higher education and vocational training, by utilizing the various research laboratories and training centers and linking their outputs to the needs of the economic and social environment.
- Expanding international cooperation and knowledge exchange through agreements, as well as increasing the use of technological applications and artificial intelligence in institutional work.
- Creating a business environment and investment climate in Algeria that attracts investors by designing clear legal policies in areas such as investment, hydrocarbons, tax law, and other areas. Ensuring consistency and accuracy in the organization and legislation would provide a solid foundation capable of offering the protection and support necessary for increasing the activities of economic institutions.
- Developing practical plans that align with environmental and climatic changes, with a greater focus on renewable and alternative energy as a complementary activity to traditional energy in Algeria. All of this will contribute significantly to realizing important leaps and increasing the chances of achieving economic diversification, directly affecting the increase in Gross Domestic Product (GDP) levels, and thus moving effectively toward the desired economic and social well-being in a more comprehensive and deeper manner.

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