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Constraints of Border Barter Trade in Free Economic Areas and Their Implications for Export Promotion (2020–2022): The Case of the Taleb Larbi Free Area, El Oued

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Abstract:

The study intended to explore the actual situation of barter trade in the *Taleb Larbi* Free Area in El Oued, and to evaluate how existing constraints have influenced the performance of export promotion during 2020–2022, particularly amid regional and international economic challenges. The study adopted a descriptive–analytical method, enabling the analysis of barter trade based on official data and statistics, and the examination of causes and obstacles.

The study reached several findings, most notably the absence of a clear strategic vision for export promotion through these areas, and the vulnerability of barter activity to health and economic crises, which led to a contraction of trade volumes. Several recommendations have been concluded, foremost among them the adoption of a clear national strategy to activate the role of free areas in exports subsidies, and the need to strengthen SMEs by encouraging them to make greater use of barter as a mechanism for exporting their products.

Keywords: Border Barter Trade; Taleb-Larbi Free Area; Export Promotion.

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1. Introduction.

Barter trade is one of the oldest forms of commercial exchange known to human societies, and for centuries it represented a primary means of economic interaction independent of money. In the modern era, despite the evolution of global financial systems, barter remains an important tool of trade, particularly in border areas with distinct economic and social characteristics. Here, it acts as a lever for local development, satisfies the needs of populations, and strengthens cooperation between states. Algeria has devoted considerable attention to this type of trade, especially in its southern border areas, and has issued several laws and decrees to regulate and promote border barter trade. A notable initiative is the *Taleb Larbi Free Area* in El Oued Province, which constitutes one of the main gateways for commercial exchange with neighbouring African countries.

Problematic of Study

Although border barter trade has a significant role to play in facilitating commercial exchange and expanding Algerian exports, it does so under a variety of regulatory, logistic, and financial constraints that limit its overall efficiency. This formulation of the problem therefore poses the main research question:

What are the main problems facing border barter trade within the Taleb Larbi Free Area? And what impact have they had on export promotion during the period 2020–2022?

Importance of the Study

The importance of this research emanates from its emphasis on the border barter trade as an alternative mechanism for augmenting trade exchange and enhancing Algeria's non-hydrocarbon exports. The issue is particularly relevant within the framework of national economic diversification policies and efforts to reinforce regional integration with neighboring African economies.

No less important is the research emphasis on the Taleb Larbi Free Area as a strategic trade gateway. Aside from playing a part in driving cross-border business flows, the Area also fosters the development of border Areas and assistance to Algeria's general economic opening to the African markets. This study is expected to yield relevant recommendations towards addressing bottlenecks hinging on regulation, logistics, and financing, while providing policy recommendations able to direct decision-makers and economic agents in order to improve the efficiency of this trade's method.

Objectives of the Study

This research aims to meet a sequence of significant objectives that are as follows:

- To point out the definition of free Areas and export promotion function;
- To define the nature of barter trade and its contribution to the national economy;
- To investigate the real status of barter trade in Taleb Larbi Free Area between the years 2020 and 2022;
- To diagnose the main constraints hindering its effectiveness in export promotion;
- To suggest policy measures and practical solutions to strengthen this mechanism and maximize its economic benefits.

Methodology of Study

For the purpose of solving the research problematic and validation of the assumptions raised in this study, the study employs a descriptive-analytical method. This includes collection and analysis of data and information concerning barter trade in the Taleb Larbi Free Area, analysis

of the legal and regulative mechanism ruling such trade, and study of official reports and statistics in 2020–2022. This approach can determine the main constraints on barter trades and suggest useful solutions to enhance its role to the desired extent in accordance with Algeria's strategy for export diversification and spurring border trade.

Previous Studies:

- **Study by (N. Mansour & J. Cheeh, 2024): "The Effect of Export Promotion Programs on Small and Medium Enterprises' Export Performance: A Governance Perspective." (Nur Faizah Afiqah Mansor & Jeffrey S.S. Cheah, 2024)**

This research aimed to determine the efficacy of export promotion programs—informational, experiential, and financial assistance—in enhancing the export performance of small and medium-sized enterprises. The research drew on the Resource-Based View - RBV theory and tested a sample of 116 SMEs in Malaysia by Partial Least Squares Structural Equation Modeling (PLS-SEM).

The results demonstrated that all three forms of support have a significant positive impact on enhancing export performance. Furthermore, the study concluded that government agencies can strengthen international trade and diplomatic relations as a complementary strategy to improve exporters' competitiveness in global markets.

- **Study by (H. Chachoua, 2015): "Export-Oriented Free Industrial Areas as a Tool for Revitalizing the Algerian Economy," Journal of Economic Reforms and Integration into the Global Economy. (Chachoua Hamida, 2015)**

This research addressed the importance of export-oriented free industrial Areas as both laboratories for experimenting with market economy mechanisms and as transitional tools for a more open and efficient economic system. The study positioned free Areas as dynamic industrial bases capable of attracting investment capital seeking local comparative advantages and enabling the fragmentation of production processes across global value chains. In doing so, such Areas foster international economic integration and enhance the competitiveness of developing economies.

Focusing on the Algerian case, the study highlighted the vulnerabilities of a rentier economy, where hydrocarbon exports account for approximately 92% of hard currency revenues. This situation results from structural vulnerability in domestic production and the country's growing dependence on imports. The study emphasized the strategic value of creating free industrial Areas for exports as a development policy instrument. It could be utilized to initiate industrial diversification, generate employment, entice high-value-added potential investment, and support the transition toward a more sustainable and balanced economic model in Algeria.

- **Study by (A. Aboagye & G. Bokfin, 2017): "Assessing the Impact of Export Processing Areas on Economic Growth in Ghana." (Alexander Quaicoe, Anthony Q.Q. Aboagye, & Godfred A. Bokpin, December 2017)**

This study investigates the impact of exports and investments from export processing Areas (EPZs) on Ghana's economic growth. Using a Vector Error Correction Model (VECM), the research assessed the effect of the Free Areas program on growth based on quarterly time series data covering the period 1998–2015. The findings revealed a statistically significant negative relationship between both Free Areas exports and investments and overall economic growth. Similarly, trade openness was also found to have a statistically significant negative relationship with economic growth, although its association with exports and investment was positive but

not statistically significant. The study concluded that the Free Areas program in Ghana did not achieve its intended goal of stimulating economic growth. It recommended that the Ghanaian government focus on strengthening infrastructure and providing broad-based incentives to firms operating within the Areas.

- **Study by (Lokal & Majani, 2017): "Free Areas in Algeria in Light of the Experiences of Egypt and Jordan." (Lokal Amal Shahrazad, & Majani Ghania, 2017)**

This research conceptualized free Areas as state-established Areas that, while formally under national jurisdiction, are treated in foreign trade terms as if they were outside the domestic economy. These Areas provide numerous privileges and facilities with the aim of attracting foreign investment. The study examined the experiences of Jordan and Egypt, both early adopters of this model in the Arab region. It concluded that Algeria's experience with free Areas has largely failed, primarily due to the inability to attract investors. However, Algeria should relaunch this initiative on stronger foundations, as free Areas could, if effectively structured, serve the Algerian economy in multiple ways.

2. Free Areas

2.1. Definition of Free Areas

Historical Evolution of Free Areas: The idea of free Areas existed as long ago as the Roman Empire, when they were originally designed to draw cross-border commerce. Generally placed at strategic positions near major international trade routes—specifically shipping and discharge points—their functions then were strictly limited to supplying ships with supplies and to storing merchandise temporarily before re-export.

From the 1960s onward, free area's idea has drastically changed in terms of objective, location, size, and incentives to the investor. Free Areas were transformed from single-purpose storage and re-exporting locations to multi-purpose facilities offering various services for the advancement of international trade and promotion of export. Some of the Areas came to be defined later as free industrial Areas, offering room for export-promoting production activity.

Geographically, while early free Areas were concentrated around seaports and maritime trade routes, modern Areas are often established in diverse inland locations and designed on a much larger scale, making them capable of accommodating significant investment projects. **(Chachoua Hamida, Export-Oriented Free Industrial Areas as a Tool for Revitalizing the Algerian Economy, 2015, p. 03)**

2.3. Definition of Free Areas

Free Areas are industrial and commercial estates specially designed inside a boundary that is monitored by customs with an average area of between 10 to 500 hectares and the primary purpose of serving export-oriented industries. These companies benefit from free trade status, including exemption from standard national regulations. Most of the companies, which are predominantly foreign-owned, receive differential treatment in importing intermediate products, relief from custom duties and company taxes, and access to infrastructural facilities. They are also exempted from a range of laws that are applied to local industries." (Mohamed & Mnaouar, 2020, p.176). It is also defined as: "A secure, enclosed area where goods are stored, whether that area is in a sea or airport, inland or on the coast, where goods of foreign origin are brought for re-export, supply or further processing." (Yamina, 2020, p. 450) Specific geographical Areas within a country where companies are granted greater tax and regulatory

facilities than in the rest of the country. These facilities typically include: **(Ergashov, February 2024, p. 03)**

- Tax exemptions or reductions in corporate tax.
- Customs exemptions on imports and exports.
- Simplified procedures for registering and licensing companies.
- Flexible labour laws in some cases.

Based on the above, free Areas can be defined as specific economic areas, often industrial or commercial in nature, located within a fenced geographical area and subject to special customs supervision, dedicated to the assembly and storage of goods or the pursuit of export-oriented industrial activities. These Areas are characterised by a flexible regulatory environment that grants customs and tax privileges to the enterprises operating therein, while providing the necessary infrastructure, thereby contributing to the promotion of trade and the attraction of foreign investment.

2.4. The objectives of free Areas.

By establishing free Areas within their territories, countries seek to achieve a set of economic and social objectives, the most prominent of which are:

- Establishing productive industrial projects whose primary objective is export;
- Supporting productive projects that contribute to meeting the local market's needs for consumer and productive goods.
- Increasing national income and achieving a more equitable distribution of it.
- Establishing a model industry capable of paving the way for local industries to enter foreign markets;
- Introducing new knowledge, management methods, and financial and marketing techniques that are integrated into the structure of national institutions. (Namla, 2024, p. 11)

- Financial incentives that contribute to reducing costs Industrial Areas simplify administrative procedures and save money.
- Free Area regulations are more flexible and offer financial support, encouraging companies to save, whether through long-term leases, the employment of foreign labour, or tax exemptions. **(Ouail el Imrani & Ibrahim Assabane, 2023, p. 107)**
- There are also "export processing" Areas, where goods can be imported, stored, repackaged, manufactured, and re-exported with reduced customs duties or limited intervention by customs authorities to attract export-oriented enterprises to support economic development. **(Alexander Quaicoe, Anthony Q.Q. Aboagye, & Godfred A. Bokpin, December 2017)**

Accordingly, the main objectives of establishing free Areas are: **(Ali Seifzadeh & Shahrbanu Karimi Barmi, 2015, p. 103)** reducing unemployment, generating foreign exchange earnings, exploiting interior resources, strengthening links with the local economy, industrial development, technology transfer, and access to global markets.

2.5. Types of Free Areas.

There are several types of free areas, which we will explain in the following table:

Table No (01): Types of free Areas

In terms of the nature of the activity	In terms of objective	In terms of location and area
1- Commercial free Areas; 2- Industrial free Areas; 3- Joint Areas (commercial and industrial).	1- Free trade Areas; 2- Free Areas in seaports; 3- Free Areas in airports; 4- Investment Areas (institutional Areas); 5- Scientific industrial Areas; 6- Free banking Areas; 7- Transhipment Areas; 8- Free industrial export Areas.	1- General free Areas: These include the following: a) Free Areas established within customs departments at sea ports, airports and land ports; b. Free Areas with their own ports; c) Free Areas established within the country; d. Free Areas that encompass an entire city. 2- Private free Areas: These are limited to projects for industrial storage or other operations.

Source: Ben Allal Belkacem et al., **The Role of Free Areas in Attracting Foreign Direct Investment (The Case of Algeria)**, Nour Journal of Economic Studies, University Centre of El Bayadh, Algeria, Volume 05, Issue 02, December 2019, p. 87.

3. Exports' Promotion.

Promoting exports is one of the most important pillars for achieving economic growth and diversifying sources of income, especially in countries seeking to reduce their dependence on the hydrocarbon sector. It is a means of increasing the flow of hard currency, opening new markets for national products, and enhancing the competitiveness of the national economy in regional and international markets. Algerian exports experienced remarkable growth from 2010 to 2019 (before the study period) from $970 million in 2010 to $2,092 million, approximately double. However, during the study period, they grew three to four times during the 2020-2022 study period, reaching $1.8 billion in 2020 and $2.628 billion in 2021 **(Hansali Slimane Abdelhafid & Rashash Abbasiya, 2025, p. 425)** . The table below illustrates this:

Table 2: Export statistics in Algeria from 2010 to 2019.

Year	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Exports (million dollars)	**970**	**1127**	**1153**	**1053**	**1667**	**1485**	**1391**	**1367**	**2405**	**2092**

Source: Hansali Suleiman Abdel Hafidh, Rashash Abbasiya, **The Relationship between Improving International Economic Competitiveness Indicators** and Exports, Journal of Economics and Business Management Studies, Volume 08, Issue 01, June 2025, p. 425.

The process of promoting exports requires providing a stimulating investment environment, supporting productive institutions, and improving infrastructure and logistics services to ensure that goods reach foreign markets with high quality and at competitive prices.

3.1. Definition of exports.

Exports are defined as: "The total of goods and services sold in foreign markets and added to capital income that appears in the balance of payments as exports because they represent the sale of local financial or real assets to foreign investors." **(Salem Ahmed & ALBERTINI (J.M), 1992, p. 272)** It is also defined as: "Any transfer of goods or services from a resident to

a non-resident, meaning from a real citizen to a foreigner." **(Saad Ghalib Yassin, 1999, p. 40)** Therefore, exporting is considered the easiest way for institutions to break into foreign markets, and we find that most institutions begin their expansion into global markets by acting as exporters, then shifting to other forms of serving the foreign market. **(Farid Al-Najjar, 2002, p. 15)**

3.2. The importance of exporting.

The importance of exports stems from their pivotal role in supporting the national economy and achieving sustainable development. Their importance can be enumerated in three main points : **(Ismail Shaabani, 1997, p. 57)**

- It is the primary source of foreign currency that countries rely on to finance their imports of goods and services, and it contributes directly to reducing the balance of payments deficit and improving the country's position in the global trading system.
- Export activity stimulates other economic activities through its complementary relationship with various industries.
- Exports enable enterprises to maintain a continuous presence in foreign markets and compete for larger market shares, which drives them to adopt the latest production technologies, develop their technical specifications and adopt more effective promotional methods.

3.3. The Importance of Focusing on Free Areas to Promote Exports.

Free Areas are an important strategic tool for enhancing countries' export capacity and diversifying their economic structure. The importance of these Areas lies in their pivotal role in diversifying sources of income away from excessive dependence on oil, by expanding the industrial and service production base and encouraging the transfer of modern technology to the host country. These Areas also provide valuable opportunities for training the national workforce and acquiring the skills and experience necessary to improve production quality and meet international standards.

Furthermore, the export industries established in these Areas provide a direct incentive for the development of supporting industries within the country, as they rely on local raw materials, intermediate goods and services, thereby raising the technical level of national industries and enabling them to meet global requirements and standards. As a result, national products become more competitive in foreign markets, which enhances the country's integration into the international trading system (Hassan Linda & Haddad Mohamed, Free Areas as a Mechanism for Promoting Non-Oil Exports and Integration into Global Value Chains (Presentation of the Experience of the United Arab Emirates and Identification of Prospects in Algeria, 2021, p. 178). This relies on a set of export promotion policies (EPP), the most important of which are: (Nur Faizah Afiqah Mansor & Jeffrey S.S. Cheah, THE EFFECT OF EXPORT PROMOTION PROGRAM TOWARDS SMALL-MEDIUM ENTERPRISES' EXPORT PERFORMANCE: A GOVERNANCE PERSPECTIVE , 2024, p. 638)

- **Information support**: This includes examples such as export consulting, sources of information on exports, seminars and workshops, electronic information on export markets, international market research, etc.
- **Experimental (practical) support:** This includes services that help small and medium-sized enterprises access new markets and new customers, such as trade fairs, organising promotional events, and introducing buyer representatives to import organisations.
- **Financial support**: Includes loans, subsidies, guarantees, and insurance for export activities.

A sound export strategy allows companies to adapt to market requirements and opportunities. Market differentiation is also crucial, such as creating oriented - products to meet specific local and international market needs. By specialising in product offerings, companies

can meet unique market requirements and be more visible in the market. Such a strategic position in global markets can enhance performance results and sustainable growth. **(Unggul Heriqbaldi, Miguel Angel Esquivias, WeeYeap Lau b, & Audrey Friska Cesilia,, 2025, p. 03)**

4. Practical Aspect of the study.

4.1. The Actual Status of Border Barter Trade in Algeria.

4.1.1. Barter trade in Algerian border areas in light of the joint ministerial decision.

Border trade in Algerian legislation has undergone successive developments in line with the economic, social and political changes that the country has experienced at various stages. In this regard, several regulatory texts have been issued to regulate this activity, as shown in the table below: **(Fateh, 2022, pp. 844-846)**

Table No (03): Evolution of the legal treatment of border barter trade in Algeria.

Interministerial Decree dated	Legal treatment
14 February 1988	Defines the conditions for importing and exporting goods to Niger in the provinces of Adrar, Illizi and Tamanrasset.
14 December 1994	Defines the terms for conducting border barter trade with Niger and Mali.
22 November 1997	Specifies the terms for conducting barter trade on the occasion of the Assihar-Tamanrasset anniversary from 4 to 19 December, allowing the import of goods from the Lower Sahara African countries and their sale between the states of Tamanrasset, Adrar and Illizi.
12 April 1999	Expand the spatial scope of cross-border barter trade and the marketing of imported goods in the provinces of Tindouf, Adrar, Illizi and Tamanrasset.
22 March 2001	Specifies the terms for conducting barter trade during the first session of the Amini Tassili Fair from 10 to 30 March are defined, allowing the import and sale of goods from neighbouring countries between the provinces of Tamanrasset, Adrar, Illizi and Tindouf.
2 July 2020	Specifies the list of goods to be bartered in the provinces of Adrar, Tindouf,

Source: Prepared by the researchers based on: Khalaf Fateh, **"The Development of Cross-Border Barter Trade in Light of the Provisions of the Interministerial Decree of 2 July 2020**," Academic Journal of Legal and Political Research, Vol. 06, No. 01, 2022, pp. 844-846.

4.1.2. Conditions and Terms for Practising Border Barter Trade under the Interministerial Decree dated 2 July 2020.

In 2020, Algeria adopted a legal framework regulating barter trade in border areas with neighbouring countries, specifying a list of goods and products eligible for exchange and opened border crossings linked to the African Unity Road network stretching from northern Algeria to its southernmost point in the Sahara, connecting to the road network crossing Sahel countries such as Niger and Mali. The Ministry of Trade has also worked to establish border markets with neighbouring countries, such as Niger, Mali, Libya and Mauritania, with the aim of facilitating this commercial activity. **(Sahli, 2023)**

- **Administrative Requirements:**

✓ **Participation file:** Includes a written application for participation, an inspection report for the commercial premises issued by the Directorate of Trade, a certified copy of the commercial register issued by the National Centre for Commercial Registration, a copy of

the tax identification number (NIF), a copy of the national identity card, a copy of the lease or ownership contract for the commercial premises, and proof of the availability of usable storage facilities. A certificate of non-taxation (refined or scheduled) and a copy of the truck's grey card or lease contract must also be provided. Any incomplete file will be rejected. **(Kimouch, 2025)**

- ✓ **Conditions for exercising the activity:** Any physical or legal person residing in the states concerned and registered in the commercial register as a wholesaler may engage in barter trade, provided that they have storage facilities and appropriate means of transporting goods, whether owned or leased. **(Sahli, 2023)**
- ✓ **Financial restrictions:** The value of products purchased for export may not exceed the value declared upon entry into the border Area.
- ✓ **Quantity limits:** The quantities authorised for import and export shall be determined, where necessary, by the governor concerned, depending on the local market situation.
- ✓ The terms for conducting border barter trade and the list of goods concerned are also defined on the occasion of annual economic events in the form of fairs or economic exhibitions lasting fifteen (15) days, when necessary, by decision of the Minister of Trade.

- **Regulatory Conditions :**

- ✓ **List of Algerian products intended for barter trade with Mali and Niger:** Algerian products authorised for export under border barter trade are limited to: dried dates and date products (except Deglet Nour varieties), raw and table salt, household items made of plastic, aluminium, cast iron, iron and steel, blankets, handicrafts and traditional and artistic products, ready-made clothing, soap and soap powder, olives and olive oil, honey, plastic utensils, cleaning products, cosmetics and personal hygiene products.
- ✓ **List of products from Mali and Niger:** Products authorised for import under the border barter trade scheme from these two countries include: live cattle (cows, sheep, goats, camels), henna, green tea, spices, turban cloth and tari cloth, white corn, mangoes, red beetroot, honey, livestock feed, Tuareg-style clothing, Tuareg tamnrast pottery, perfumes and skin ointments, tanfa and tasghnest fabrics, gum arabic, coarse salt and table salt. The list also includes: bazan fabrics, traditional industrial and craft products, leather and treated leather, local perfumes, uncertified traditional medicine products, peanuts, tent components, carite butter for cosmetic use, cone sugar, carpets, fish, fish meal, nuts of all kinds, African fruits, corn flour, hibiscus, clothing and fabrics for local use, pineapple and coconut, as well as teacups and teapots.

- **Health Requirements:**

- ✓ The introduction of goods imported under border barter trade into the territory of the State shall be subject to compliance with the rules and standards relating to veterinary and phytosanitary matters.
- ✓ Goods subject to barter must be free from any risk to consumer health and safety.
- ✓ The importation of goods under barter trade requires the submission of a declaration placing these goods in consumption, subject to the obligation to export the corresponding Algerian products within a maximum period of three (3) months. This period may be extended only once, for an additional period not exceeding three (3) months, which is not renewable.

4.1.3. Advantages of Border Barter Trade in Algeria.

Barter trade in Algeria with its southern neighbours has contributed to a number of advantages, most notably:

- **The creation of new jobs**: by encouraging young people to engage in legitimate trade instead of illegal activities, leading to the development of free trade Areas with southern countries and opening up prospects for entering African markets;

- **Meeting market needs without putting pressure on foreign currency**: barter allows the provision of needed imports in exchange for the export of local products with competitive advantages; (**Sahli, 2023)**
- **Utilising local resources**: using national potential in barter transactions enhances added value locally;
- **Exploiting surplus production:** this mechanism enables countries or institutions to exchange their surplus goods for necessary products, thereby promoting the optimal use of available resources;
- **Mitigating the risks of financial market volatility and monetary crises**: Barter gives countries a greater opportunity to secure their needs and strengthen their economic relations in the face of geopolitical challenges, as is the case with Algeria's adoption of this mechanism to export its agricultural and industrial products in exchange for importing raw materials from some African countries. **(Kimouch, 2025)**

4.2.Introducing the Free Area "Taleb Larbi in the Wilaya of Oued Souf".

4.2.1. The African Continental Free Trade Area.

On 21 March 2018, in the Rwandan capital Kigali, Algeria has signed a convention establishing the African Continental Free Trade Area, in addition to three complementary protocols relating to trade in goods, trade in services and dispute settlement mechanisms. Regardlly, Algeria officially began the ratification process for this convention on 28 February 2020 and, on 29 December 2020, issued the law ratifying the convention establishing this Area. **(htt3)**

With its entry into force in early 2021, Algeria became a full member of the African Continental Free Trade Area on 1 November of the same year. The African Continental Free Trade Area is the largest of its kind in the world, comprising 54 signatory countries and representing a market of more than 1.3 billion people, with a total gross domestic product estimated at $3.4 trillion. The convention aims to create a large trading Area through the gradual reduction of customs charges on more than 90% of goods traded between member states.

Algeria's accession to this Area brings to the fore the advantages and opportunities it can achieve in economic and commercial terms, especially in light of the challenges it faced with previous free trade Area conventions, such as the partnership accord with the European Union and the Greater Arab Free Trade Area, which revealed imbalances and deficits in trade balances and rules of origin for products. Through this agreement, Algeria seeks to expand its economic and commercial presence on the African continent and take advantage of the significant opportunities offered by this promising market. Cooperation projects within the framework of the African Continental Free Trade Area include a number of strategic structural projects aimed at strengthening economic and trade interdependence among member states, most notably: **(htt3)**

- **The Trans-Saharan Road Project:** The Trans-Saharan Road is one of the vital projects aimed at enhancing trade mobility between African countries. The project was launched in the 1960s and stretches for approximately 10,000 km, connecting the main axis of Algiers to the Nigerian city of Lagos over a distance of 4,100 km, in addition, there are several branches connecting Algeria with Niger, Mali, Chad and Tunisia, making it a key pillar for promoting intra-regional trade within the Free Area.
- **Fibre Optics Project**: This includes the trans-Saharan fibre optics backbone, which is being implemented within the framework of cooperation between the member states of the Contact Committee (Algeria, Chad, Mauritania, Niger, Nigeria and Mali). Algeria has completed its part of the project, covering a distance of 2,548 km, which includes the cable

linking Algiers and In Guezzam (border with Niger), as well as another section reaching Tindouf (Mauritanian border). This connection aims to link Central Africa with West Africa via Algeria and then the Mediterranean Sea, thereby strengthening the digital infrastructure and communication between the countries of the continent.

- **Nigerian-Algerian gas pipeline project:** The Nigeria-Algeria gas pipeline is one of the most prominent regional energy projects. It starts in the Warri region of Nigeria, passes through Niger and ends in Hassi R'Mel in Algeria, where it connects to the Algerian gas export network to Europe via the El Kala and Beni Saf hubs on the Mediterranean coast. The total length of the pipeline is approximately 4,128 km, of which 1,037 km are in Nigeria and 841 km are in Niger, while the longest section extends within Algerian territory over a distance of 2,310 km.

4.2.2. Presentation of the "Taleb Larbi Free Area in the Wilaya of Oued Souf".

The municipality of Taleb Larbi is one of the border municipalities of the province of El Oued, located northeast of the provincial capital. It was formerly known as Bouaroua before being renamed Taleb Larbi Larbi Qamoudi in honour of one of the martyrs of the liberation revolution. This municipality is considered a vital inerface to Algeria, combining modernity and development with the preservation of the authentic customs and traditions of its inhabitants. **(htt4)** It is one of the most important strategic projects that the province has benefited from as part of the public authorities' vision to develop the southern border regions. It contributes significantly to stimulating development, particularly in the field of tourism during its initial phase, as it is a land crossing point for travellers, and will later become a major commercial centre. This crossing covers an area of 12 hectares, and a budget of 872 million dinars has been allocated to it under the supplementary programme to support growth, for the construction of several vital facilities, including: an entry and exit procedures centre, a customs office, a police station, accommodation for drivers, a tourist information centre, a VIP lounge, inspection and detention warehouses, as well as advanced equipment such as scanners.

To improve worker performance and the quality of services provided to travellers, a base has been set up for customs officers, comprising 36 rooms with a capacity of 120 people, and another for the police, comprising 48 rooms with a capacity of 114 people, in addition to recreational facilities and grassy playgrounds.

This crossing point has features that qualify it, in addition to its role as a gateway for travellers, to be an excellent commercial platform for supporting Algerian exports, especially agricultural and manufacturing products. The decision to upgrade it to a trade centre and free trade area is expected to contribute to the national strategy aimed at strengthening decentralised economic cooperation with Tunisia and activating partnership agreements in the areas of import and export through the "Taleb Larbi" land port.

With the emergence of the province of El Oued as a leading agricultural base for the production of various crops, especially early crops, this crossing has become a pivotal base for the export of agricultural products to Tunisia and from there to other international markets, as validated by various economic actors in the region, including companies active in the packaging and marketing of dates **(El Oued: The "Taleb Larbi" Border Crossing : The Largest Land Crossing in the Maghreb countries, 2019)**. The upgrading of the crossing to become a free trade area is expected to open up new economic prospects by encouraging investment, diversifying national exports, and supporting national and regional tourism, particularly desert and cultural tourism and traditional industries, making it a pivotal element in the national strategy for the development of southern Algeria and strengthening its presence in regional and international markets. **(Sabrina, 2022)**

4.2.3. Free Area "Taleb Larbi" for Economic Activities to Promote Export Mechanisms.

- ✓ **Nature of economic activities in the free area "Taleb Larbi" :** The nature of economic activities in the free area "Taleb Larbi" includes key activities such as storage, manufacturing, distribution, transhipment, re-export, services, packaging, and transfer. **(Sarraah, 2023)** These activities benefit from a package of regulatory, legislative and logistical support mechanisms put in place by the public authorities with the aim of promoting exports and diversifying the national economy away from excessive dependence on the hydrocarbon sector.

In this regard, the Algerian government has approved the expansion of the list of goods subject to the barter system, as an alternative mechanism to cash transactions, thereby contributing to the promotion of trade with three neighbouring African countries on the southern border, in order to preserve hard currency reserves. This system allows traders in the six border states concerned to increase the volume of goods and merchandise exchanged under the barter system, in line with the geographical and economic specificities of those areas, and facilitates the supply of local populations living in areas far from the supply and production centres in the north and centre of the country. The Algerian authorities authorise any wholesaler or company registered in the border provinces to engage in barter trade, provided that they have suitable storage facilities and means of transport for the goods, and comply with regulatory, customs and tax controls, as well as phytosanitary and veterinary requirements. An official list of wholesalers authorised to engage in this activity is drawn up annually.

This commercial activity relies mainly on a land transport network, with barter traders' trucks travelling thousands of kilometres to deliver goods to border towns in Mali and Niger and import corresponding products from them. This activity has provided an important source of employment for a large number of young people in the southern provinces, as well as being a direct source of livelihood for thousands of Algerian families.

Algerian goods exported through the barter system include: dried dates, raw and table salt, plastic household items, plastic utensils, aluminium, iron and steel products, blankets, traditional and handicraft products, ready-made clothing, soap, olives and olive oil, honey, cleaning products, cosmetics and personal hygiene products. In return, goods are imported from Mali and Niger, including: livestock (cows, sheep, goats, camels), henna, green tea, spices, turban cloth, white corn, mangoes, honey, livestock feed, traditional clothing, local fabrics, perfumes and skin ointments, gum arabic, coarse salt, carpets, leather and leather products, peanuts, nuts and tropical fruits (such as pineapples and coconuts), cone sugar, fish and fishmeal, corn flour, as well as tent components and local traditional medicine products. (**Lahyani, 2023)**

- ✓ **Logistics projects supporting exports "Guemar International Airport Shippment Terminal":** The shippment terminal at the "Mujahid Abdelkader El Amoudi" International Airport in the municipality of Guemar (15 km from the city of El Oued) is one of the most important logistics projects supporting exports in the region. The terminal was commissioned in 2016 as the first air freight centre designed to support economic operators, particularly those interested in exporting agricultural and industrial products, as part of efforts to promote investment initiatives and encourage export activities to regional and international markets.

This terminal is a strategic logistics platform for launching export operations to African, European and Asian markets. It was built on an initial area of 598 square metres with an annual capacity of 3,000 tonnes, of which 150 tonnes are dedicated to refrigerated shipping. Given its growing importance in supporting investors, the terminal benefited in 2017 from an expansion

project that increased its area to 650 square metres, at a cost of 57 million dinars, bringing its annual capacity to 8,700 tonnes. This facility marks a turning point in the field of air freight transport in the province of El Oued, particularly with regard to the marketing of agricultural products for export, which is in line with the state's objectives of developing logistics structures to support exports and diversify the national economy beyond the hydrocarbon sector. **(El Oued: The "Taleb Larbi" Border Crossing : The Largest Land Crossing in the Maghreb countries, 2019)**

- ✓ **Trade in the African Continental Free Trade Area**
- ➢ **Trade Exchanges: Values and Figures:** Algeria's trade with African countries has gradually developed in recent years, although it remains limited compared to the available potential and the size of the African market. When it joined the African Continental Free Trade Area, Algeria focused on ensuring that traded goods complied with African rules of origin, with a minimum local content of 50%, in order to prevent products manufactured outside the continent from entering its domestic markets, while working to expand trade.

Despite the modest volume of Algerian trade with sub-Saharan Africa (0.8% for exports and 0.5% for imports in 2020), the period 2022-2023 saw a marked improvement, with trade exceeding $3 billion in 2022 and jumping to more than $4.5 billion in 2023. Nevertheless, Algerian trade remains mainly concentrated with North African countries, while trade with sub-Saharan Africa remains limited, despite government initiatives to open border crossings (such as the Mustapha Ben Boulaïd crossing), the creation of free trade Areas, the promotion of Saharan land transport to Mali, Niger and Mauritania, and the opening of bank branches in Mauritania and Senegal in preparation for expansion into other markets such as Côte d'Ivoire.

Statistically, the volume of Algerian trade with African countries (north and south of the Sahara) in 2020 reached approximately $3.05 billion, of which $1.99 billion were exports and $1.12 billion were imports, while in 2019 it reached approximately $3.5 billion, with the majority of trade being with countries in the north of the continent. Data indicates that Algerian exports to Africa accounted for 5.22% of its total exports in 2018 and 6.06% in 2019, while exports to sub-Saharan Africa accounted for only 0.8% in 2020. (**htt5)**

Through the African Continental Free Trade Area agreement, Algeria aims to benefit from a market of more than 1.3 billion people and a gross domestic product estimated at $3.4 trillion, through a gradual reduction of customs duties by 90% over five years for developing countries and 10 years for least developed countries, This will contribute to increasing the openness of Algerian products to the continent's markets. **(htt5)**

- ➢ **The Actual Status of Exports in the Province of El Oued**: The province of El Oued is a model for the state's policy of diversifying exports outside the hydrocarbon sector, with the creation of special export crossings, the updating of the economic activities code with activities related to exports, and the granting of numerous privileges to exporters, such as tax exemptions and facilities for processing commercial transactions.

- **Export Proceeds for 2021:** Last year, more than 1,752 tonnes of various agricultural and industrial products were exported, with a total value of $115,229.8 and €752,186.3, to seven countries, including African countries such as Mauritania, Niger and Senegal, European countries such as Spain and France, and Asian countries such as Pakistan and Malaysia. These operations were carried out by 18 exporters, including two producers: the company "Rawa'ih Al-Ward" (Scents of Roses), which exports perfumes and deodorants to Senegal, and the company "Farhat Fire Fighting Product," which exports fire extinguishing powder to Spain.

- **Export Proceeds for 2022 (up to May):** The quantity exported during 2022 up to the end of May amounted to approximately 3,359 tonnes of various agricultural and industrial products, with a total value of $6,416.57 and €464,195.4, destined for six African, European and Asian countries, including Tunisia, Mauritania, Niger, Senegal, France and Pakistan. These operations were carried out by 13 exporters, including the company "Souf for Flour," which exported packaged dates to France. Several other exporters also exported various products such as industrial salt, carrots, tomatoes, biscuits, sweets, juices, Anacyclus, mayonnaise, roll packaging and tubes. The number of active exporters in El Oued during 2021 and 2022 reached 24, including three producers, 18 of whom are registered with the local branch of the commercial register in the province of El Oued. **(Sabrina, 2022)**

4.2.4. The Strategic Importance of Border Barter in the "Taleb Larbi" Free Area: Export Obstacles and Suggested Solutions.

- **The Strategic Importance of Border Bartering in the "Taleb Larbi" Free Area.** In general, the main strategic motives behind the move to establish border free areas in Algeria can be illustrated as follows : **(Lokal Amal Shahrazad & Majani Ghania, 2017, p. 10)**

✓ **Attracting foreign direct investment:** The reluctance of foreign investors to invest in Algeria is largely attributable to administrative bureaucracy, which hinders the business environment and limits the flow of foreign capital. Free Areas, with their administrative facilities and tax and customs incentives, are an effective means of overcoming these obstacles and stimulating foreign investment.

✓ **Improving the balance of payments:** If hydrocarbon exports are excluded from Algeria's trade balance, it is clear that the country suffers from a chronic deficit due to the low volume of non-oil exports compared to the high value of imports. By promoting industrial production for export, free Areas can help reduce this deficit and achieve a better balance of payments.

✓ **Attracting technologically advanced industrial projects:** Algeria suffers from a weak industrial and technological base, lacking industries that rely on advanced production methods that guarantee quality and efficiency. This has had a negative impact on the competitiveness of Algerian products in global markets. Free areas are an ideal platform for attracting technologically advanced industrial investments that could bring about a qualitative shift in the national industrial structure.

✓ **Optimal use of natural resources:** Algeria relies heavily on exporting raw materials at low prices, which reduces potential economic returns. By establishing manufacturing projects within free areas, the added value of these resources can be increased through manufacturing processes, thereby generating greater financial returns and stimulating industrial development.

- **Obstacles Facing Barter Trade in Southern Free Areas.**

Despite the importance of barter trade as a mechanism for supporting trade with neighbouring African countries, it faces a number of challenges that limit its effectiveness. These can be classified as regulatory, logistical and legislative obstacles, the most notable of which are: **(Barter trade: Another Challenge to Boost the National Economy, 2025)**

✓ **Short validity period of movement permits:** Barter traders suffer from the short duration of transport licences to border centres, which varies from one state to another. This poses an obstacle when trucks break down or encounter obstacles that delay their arrival within the specified legal period, which calls for a review of these deadlines and greater flexibility for barter traders.

- ✓ **Determining the permitted amount of fuel:** Traders are calling for an increase in the amount of fuel allocated to their trucks, especially since the African markets in which they operate rely on a "daily market" system that varies from region to region, requiring additional trips and directly affecting the speed of product disposal and profitability.
- ✓ **Short border crossing period:** The period for trucks to cross into Niger and sub-Saharan African countries is limited to the first five days of each month, resulting in a backlog of around 700 trucks during this period, which reduces opportunities for quick sales and affects financial returns.
- ✓ **Limited range of goods:** Algerian goods currently permitted for trade are limited to two main products, namely dried dates and soapstone, which does not meet the needs of economic operators in African markets, where traders wish to expand the list of goods to include additional products such as vegetable oils, seasonal agricultural products, traditional crafts, and high-demand consumer goods.
- ✓ **Absence of banking institutions and money transfer services:** Traders face difficulties in transferring their financial returns from sales in African markets due to the absence of Algerian banking institutions or fast payment and money transfer networks in these countries, which limits the speed of capital turnover and weakens the competitiveness of traders.

- **Suggested Solutions.**

In order to activate the role of barter trade and support exports through the "Taleb Larbi" free Area, there are a number of regulatory, logistical and financial measures that can be adopted to improve the effectiveness of this trade model, the most notable of which are:

- ✓ **Activating the air transport terminal at Guemar International Airport:** It is necessary to operate the air cargo terminal at Abdelkader El Amoudi Airport in Guemar, to effectively allocate it to the export of fresh and perishable agricultural products, which will contribute to facilitating the delivery of these products to African markets in record time and with the least possible damage.
- ✓ **Creation of a one-stop shop for exporters:** The creation of a one-stop shop bringing together the various administrative services (customs, trade, taxation) would reduce bureaucratic procedures and facilitate the export of goods, particularly for the benefit of local economic operators.
- ✓ **Opening a local branch of the National Agency for the Promotion of Foreign Trade (ALGEX):** The presence of a permanent representative of the National Agency for the Promotion of Foreign Trade at the local level contributes to supporting exporters by providing advice and market information and facilitating communication with foreign markets, in addition to connecting the province to the railway network for transporting goods to ports or border crossings. **(Sabrina, 2022)**
- ✓ **Tax exemptions and customs incentives:** Adopting an incentive policy for investors that includes exemptions from taxes, fees and deductions of a fiscal, quasi-fiscal and customs nature, in order to attract investment to free areas and facilitate export operations.
- ✓ **Reducing logistics costs:** Work to improve infrastructure (roads, railways, border crossings) with concrete promises to reduce logistics costs from their current levels (30–35%) to around 15%, which will enhance the competitiveness of Algerian products in foreign markets.
- ✓ **Reform the financial system**: Allow investors to benefit from low-interest bank loans. Algerian banks should support exporters, have special branches in Sahel countries, and provide secure and fast payment and transfer tools.

- ✓ **Encouraging the opening of marketing branches abroad:** Enabling Algerian manufacturing companies to open permanent branches and offices abroad, particularly in African countries, to market local products directly and study market needs, thereby contributing to expanding commercial reach and achieving sustainability in exports. **(Sahli, 2023)**

5. Barter trade in Algeria's southern border regions is one of the most important alternatives for promoting trade and upgrading exports during the period under review. This study has clarified the actual status of barter trade in the Arab Free Area and revealed a number of legislative, regulatory, administrative and logistical obstacles that prevent the use of this trade model to support Algerian exports. This has contributed to the decline in the effectiveness of these regions in playing their desired developmental role. Based on this, a set of feasible solutions was proposed with a view to taking advantage of barter as an innovative means of penetrating regional markets and enhancing the competitiveness of Algerian products. The study also reached a number of conclusions, the most important of which are:

- The absence of a clear strategic vision for promoting exports through these regions.
- The barter activity was affected by the health and economic crises (COVID-19), which led to a decline in the volume of exchanges during the period under review.
- The conditions and procedures for conducting border barter trade set out in the interministerial decree of 2 July 2020 (administrative, regulatory and health) are among the most significant obstacles to promoting exports in the southern regions in particular, and in Algeria in general.
- The "Taleb Larbi" border crossing in the province of El Oued is of strategic importance in Algeria and the Maghreb as a whole. The "Taleb Larbi" free area for economic activities has contributed to strengthening export mechanisms in Algeria.
- Algerian trade remains mainly concentrated with North African countries, while trade with sub-Saharan Africa remains limited, with Algerian exports to Africa accounting for 5.22% of its total exports in 2018 and 6.06% in 2019, while exports to sub-Saharan Africa did not exceed 0.8% in 2020.
- Exports in 2021 focused on agricultural and industrial products, reaching more than 1,752 tonnes, and in 2022, reaching approximately 3,359 tonnes by the end of May.

6. The study concluded with several recommendations, most notably:

- Developing a clear national strategy to activate the role of free areas in supporting exports.
- Support small and medium-sized enterprises and start-ups, and encourage them to use barter mechanisms to export their products.
- Expanding the list of products and goods eligible for barter.
- Reviewing legislation on barter trade in border areas by revising the regulatory texts that aim to regulate this activity, in line with current economic, social and political changes.
- Reopening border crossings and markets linked to the African and Arab unity road network, with a view to facilitating this commercial activity.
- Review the conditions and terms for conducting border barter trade under the Interministerial Decree of 2 July 2020: administrative, regulatory and health.

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