

Towards the pooling of export functions:

A structural response to the limitations of Algerian SMEs in African

Vers une mutualisation des fonctions export :

Une réponse structurelle aux contraintes des PME Algériennes en Afrique

Karim KATEB^{1*}, Oussama HABIB ZAHMANI²

¹UFC Oran (Algeria), Laboratory LBMED , Algeria, katebkarim@ufc.dz

²University Of Oran 2(Algeria), oussama.hzahmani@gmail.com,

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Abstract:

This article proposes a model of exporter groupings tailored to Algerian SMEs, which face multiple structural constraints in accessing international markets. Based on a comparative analysis of international models (Italy, Turkey, Japan, Tunisia), the study recommends the pooling of key export functions such as marketing, logistics, and certification with in sector specific, autonomous structures governed collectively.

Keywords: Algerian SMEs, Export, Business consortium, Shared functions, AfCFTA.

Jel Classification Codes: M16,M48,N17 ,O55.

Résumé:

Cet article propose un modèle de groupement d'exportateurs adapté aux PME algériennes, confrontées à de multiples contraintes structurelles à l'international. En s'appuyant sur une analyse comparative de modèles internationaux (Italie, Turquie, Japon, Tunisie), l'étude recommande la mutualisation de fonctions clés comme le marketing, la logistique ou la certification, au sein de structures sectorielles autonomes et gouvernées collectivement.

Mots clés: PME algériennes, Exportation, Groupement d'entreprises, Mutualisation.

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*Corresponding author

1. INTRODUCTION

The Algerian economy is characterised by a heavy dependence on hydrocarbon exports, with Algerian exports in the last five years depending on hydrocarbons for between 95% and 91% (HABIB ZAHMANI, 2025). Countries with poorly diversified economies, such as Algeria, find themselves in urgent need of developing exports outside of natural (UNCTAD, 2023). According to the report by the Algerian National Economic, Social and Environmental Council, Algeria's foreign trade is in good shape thanks to a trade balance that continues to show a surplus due to the growing prosperity of the gas market, given these factors but also the specific characteristics of this energy product, which give it a special place in the energy transition process (CNESE, 2023).

Small and medium-sized enterprises (SMEs) are seen as strategic to Algeria's economy, but their contribution to international trade remains very limited in terms of exports. A possible explanation for this paradox lies in the internal and external barriers that hinder the ability of Algerian SMEs to access international markets. Indeed, SMEs find it difficult to access commercial information related to exports, appropriate financing and international business networks. These elements remain essential for developing a sustainable export activity (World Bank Group, 2023). The weak export culture, lack of formalised strategy and lack of expertise in key functions such as export marketing or international marketing, competitive intelligence or standards management exacerbate this structural deficit (KADI & CHERIET, 2023). On the other hand, large companies have the human and financial resources to have in-house export functions, which gives them a clear competitive advantage internationally (HABIB ZAHMANI, 2025) ; (OCDE, 2022). Dans ce contexte, dans un environnement économique où le tissu productif est massivement composé d'entreprises peu tournée vers l'exportation, l'accompagnement ciblé des PME devient une priorité pour améliorer leur compétitivité dans les marchés internationaux (CNESE, 2023); (UNCTAD, 2023). Selon une étude effectuée par nos soins, une forte corrélation entre la taille de

l'entreprise et sa performance a l'export ; les grandes entreprises disposent généralement de ressources financières et humaine leurs permettant d'avoir des fonctions comme la recherche & développement, le marketing international, veille stratégique et intelligence économique (HABIB ZAHMANI, 2025) (OCDE, 2022).

In this context, in an economic environment where the productive fabric is largely composed of companies with little focus on exports, targeted support for SMEs becomes a priority in order to improve their competitiveness in international markets (CNESE, 2023); (UNCTAD, 2023). According to a study we conducted, there is a strong correlation between the size of a company and its export performance; large companies generally have the financial and human resources to carry out functions such as research and development, international marketing, strategic planning and economic intelligence (HABIB ZAHMANI, 2025) (OCDE, 2022).

In recent years, policymakers in Algeria have expressed a strong desire to diversify exports and reduce dependence on hydrocarbons. Indeed, Algeria is now banking on the potential of its national productive fabric (CNESE, 2023).

Africa now represents an opportunity for Algerian SMEs through the African Continental Free Trade Area (AfCFTA). The African market is very attractive to Algerian SMEs due to its proximity and size. Groups of exporting SMEs could be an alternative way to gain a strong foothold in this market. Pooling is seen as a promising avenue for economies of scale, information sharing and collective innovation. This form of grouping is applicable to export functions in a context where small and medium-sized enterprises alone do not have the necessary means to access these markets. Several models of exporter groupings have proven their effectiveness in emerging countries for small and medium-sized enterprises.

These facts raise a question:

How can SME clusters be a viable structural solution to boost the export performance of Algerian companies in a context of economic diversification and regional integration, particularly in Africa?

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In order to answer this question, we have adopted a qualitative and comparative methodological approach. It is based on a review of the existing literature, an analysis of international exporter group models and a contextual adaptation to the Algerian case. This approach aims to formulate a realistic proposal based on transferable lessons and a critical analysis of the field. The article is organised into several complementary sections. It begins by outlining the structural constraints that hinder the internationalisation of Algerian SMEs before addressing the issue of the pooling of export functions as a strategic lever. The third section compares the most significant foreign experiences before proposing an organisational model adapted to the Algerian context. Finally, the last section addresses the conditions for success, potential limitations and prospects for regional integration within the framework of the AfCFTA

2. Methodology

This study is based on a qualitative, exploratory and comparative approach, aiming to propose a model for exporters' groups adapted to Algeria's specific economic and institutional characteristics.

2.1 Documentary and analytical methodology

An in-depth literature review was conducted to identify:

- the determinants of SME export performance,
- the specific obstacles to exporting in the Algerian context,
- international models of business clusters (Italy, Turkey, Japan, Tunisia, etc.).

The sources used include scientific publications (Porter, 1998; Zahmani, 2025), institutional reports (OECD, ITC, UNIDO), and case studies available via academic and institutional databases.

2.2 Second Subtitle:

The article uses a comparative analysis of existing models, identifying:

- their operating principles (governance, target sectors, financing methods),
- their strengths (effectiveness, sustainability, territorial anchoring),
- their limitations (dependence on the state, lack of coordination, institutional fragility).

This approach makes it possible to identify the factors for success that can be transferred to the Algerian context.

2.3 Contextual adaptation

Based on these lessons, a proposed organisational model is formulated for Algeria. It is based on:

- a legal and operational architecture for the group,
- a participatory governance structure,
- shared export functions identified as priorities (marketing, logistics, certification, etc.),
- and clear coordination with public actors.

2.4 Limitations of the research

The approach remains conceptual and forward-looking. A complementary empirical study (field survey, interviews with SME managers, institutions, etc.) would make it possible to test and refine the feasibility of the proposed model at a later stage.

3. Structural constraints on Algerian SMEs' exports

Exports are a very important driver of growth for emerging economies, but for Algerian small and medium-sized enterprises, exporting remains a major challenge. This category of enterprise faces significant constraints. Small and medium-sized enterprises have limited resources to increase their export performance, which hinders their access to international markets, particularly in Africa. The first limitation is the weak organisational capacity of SMEs. Most SMEs do not have the qualified human resources or internal structures to support regular and structured export activity (KADI & CHERIET, 2023) ; (OCDE, 2022).

Furthermore, SMEs do not have specialised functions for foreign markets, such as international marketing, certification standards management or strategic monitoring of international markets. These functions are vital for successfully placing a product abroad and maintaining its long-term marketing, but they are often non-existent or underdeveloped in Algerian SMEs due to a lack of resources and skills (HABIB ZAHMANI, 2025). En ce qui concerne le marché africain qui représente une opportunité pour

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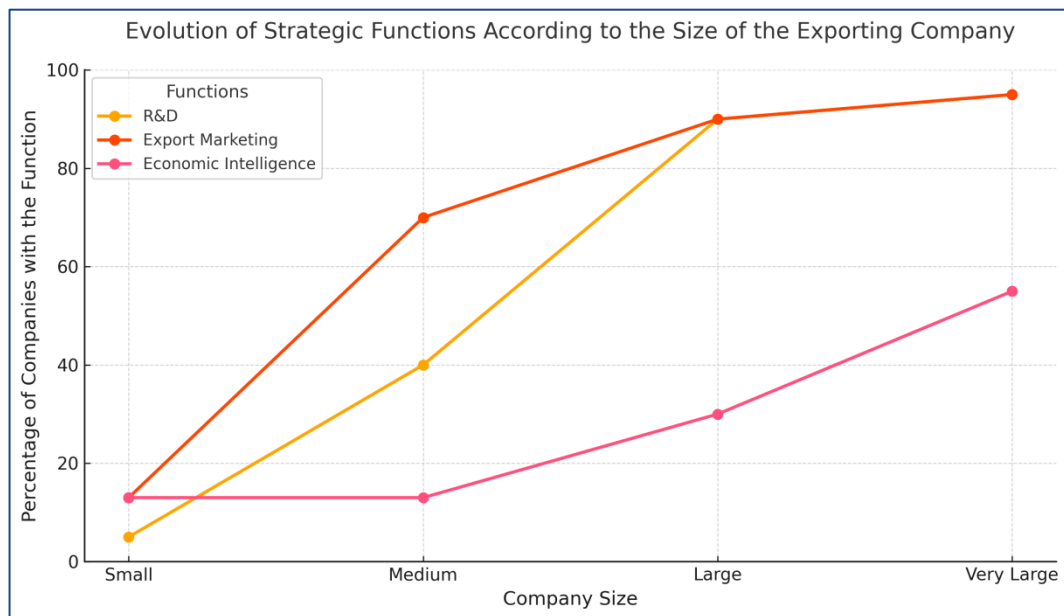
les entreprises Algériennes et spécialement aux petites et moyennes entreprises, la difficulté d'accès à ce marché constitue un frein supplémentaire. En effet, l'insuffisance d'infrastructure de transport constitue une barrière logistique qui rends les coûts de transport élevés, ainsi qu'aux contraintes réglementaires (formalités douanières souvent complexes, hétérogénéité des normes des pays Africains... ect), qui compliquent l'exportation vers les pays du continent et les rendent difficilement soutenables pour une PME isolée (World Bank Group, 2023); (UNCTAD, 2023). Le cumul de ces contraintes justifie la nécessité d'exploration de solutions organisationnelles innovantes, tels que le groupement des PME dans l'objectif d'exportation.

4. The role of company size in export performance

A company's export performance is linked to strategic export functions such as international marketing, often referred to as export marketing, which plays an important role in promoting the company's product internationally. Research and development is also a vital function for the company, enabling it to place a product on an international market that meets the exact needs of that market and to give the company's product a competitive advantage over products already existing on that market. Economic intelligence is a strategic function in exporting, as strategic monitoring of international markets provides crucial information from which business opportunities arise. The synchronisation of these three functions enables the exporting company to better position itself in the target market. Indeed, thanks to the information provided by business intelligence, the research and development function can develop a product that meets the expectations of customers in the target market. This same information enables the export marketing function to better position the product in this foreign market.

The figure below shows the evolution of strategic export functions according to company size:

Fig N° 1: Evolution of Strategic Functions According to the Size of the Exporting Company



Source: Developer by us.

The size of a company is an important determinant of its export performance. Indeed, the figure above shows a strong correlation between the size of a company and its export performance. The causal link between these two factors lies in the fact that large and very large companies have the financial and human resources, as well as the governance structure, to carry out functions such as export-focused marketing, economic and commercial intelligence in foreign markets, and research and development to develop products specific to each target market.

As a result, small and medium-sized enterprises (SMEs) are structurally disadvantaged, as they do not have the necessary resources to increase their export performance. This export performance enables companies to maintain regular and growing exports. Hence the need to seek structural alternatives for these companies to improve their export performance.

5. Pooling export functions: a strategic lever

Given the structural limitations that prevent small and medium-sized enterprises from developing regular and sustainable export activity, pooling export functions represents a strategic and credible alternative. This alternative consists of bringing together several SMEs in the same production sector around common objectives, with the aim of sharing key resources for accessing international markets, such as market intelligence, commercial prospecting, standards and certification management, research and development, and international logistics (Habib Zahmani, 2023), (ITC, 2021).

In this context, the alternative of export groupings makes it possible to overcome the individual weaknesses of companies by creating a collective structure capable of managing functions that, taken in isolation, would be inaccessible to SMEs due to their high operating costs and technical complexity (Porter, 1998). In the Algerian context, this approach is all the more relevant, where the productive fabric consists mainly of small, poorly structured companies with little focus on international markets (OCDE, 2022).

There are numerous international experiences in this area. Italy provides a very relevant example, where export consortia have enabled entire industrial districts to successfully position themselves in foreign markets through collective management of export operations. Other initiatives have been observed in Tunisia and other African countries, leading to interesting results in the agri-food and textile sectors (ITC, 2021). Adapting this model to the Algerian context could offer SMEs an effective route to international markets, particularly the African market within the framework of the AfCFTA.

6. Case studies and international benchmarks

Exporter groups are an effective alternative implemented by many countries, often with the aim of supporting SMEs and strengthening their presence in international markets. The table below shows examples of exporting business groups, particularly SMEs, that have successfully exported on a large scale and accessed several international markets.

Table N°1: modèles de groupements d'exportateurs dans le monde

Country	Name of Grouping	Sector / Specialty	Export Turnover	Governance	Strengths	Weaknesses	Source
Japan	Sōgō Shōsha	Diversified: energy, metals, agri-food	USD 8.4 billion (Mitsubishi, 2023)	Centralized management by large companies	Strong logistical and financial capacity	Little cooperation between SMEs	(Wikipedia, 2025)
Italy	Consorti all'esportazione	Agri-food, handicrafts, textiles, mechanics	Data not published	Committee of member companies	Pooling of local resources	Dependence on subsidies	(ITC – International Trade Centre, 2021)
Turkey	Turkish Exporters Assembly (TIM)	Multi-sector: textiles, agri-food, electronics	USD 269 billion (2022)	Sectoral assemblies coordinated by TIM	Strong sectoral coordination	Administrative burden	TIM (2023); Ministry of Trade Turkey (2022)
Tunisia	Export Clusters	Agri-food, textiles, electronic components	USD 1.3 billion (olive oil, 2023)	Cluster led by public/private facilitator	Structured SME support	Dependence on external funding	(Reuters, 2023, March 12)
United States	Food Export Association of the Midwest USA	Agri-food products	Not specified	Regional association supported by USDA	Market access through federal support	Limited impact data	(Wikipedia, 2024)
Honduras	Consortio Agrocomercial de Honduras	Horticultural products (35 products)	Not specified	Cooperative with public support	Structuring of local value chains	Limited financial resources	(Alliance Bioversity & CIAT, 2023)
Spain	Export Consortia (Cantabria, Extremadura)	Metallurgy, agri-food, marine energy	Not specified	Public/private regional coordination	Regional cohesion and collective exports	Low visibility at the national level	(Interreg Europe, 2018)
Poland	Sectoral Clusters (Toruń)	Multi-sector (10 clusters, 80 SMEs)	Not specified	Regional multi-stakeholder structuring	Regional adaptation and specialization	Limited human resources and tools	(Interreg Europe, 2018)
Tunisia (GIZ)	Women's Consortia supported by GIZ	ICT, handicrafts, services, agri-food	Not specified	Institutional support (GIZ) + local facilitation	Empowerment of women entrepreneurs	Sustainability dependent on external aid	(International Growth Centre – IGC, 2023)

Source: Developer by us.

Key points to remember

- **Pooling of resources:** These consortia enable companies, particularly SMEs, to share essential functions such as R&D, international marketing, economic intelligence and logistics, thereby reducing the costs and risks associated with exporting.
- **Institutional support:** The success of these consortia is often linked to strong support from public institutions, which provide funding, training, and easier access to foreign markets.
- **Diversity of models:** Structures vary from country to country, ranging from sectoral clusters to consortia led by large companies, regional associations, and producer cooperatives.
- **Economic impact:** These groups have contributed to increased exports, job creation, and improved competitiveness for member companies in international markets.

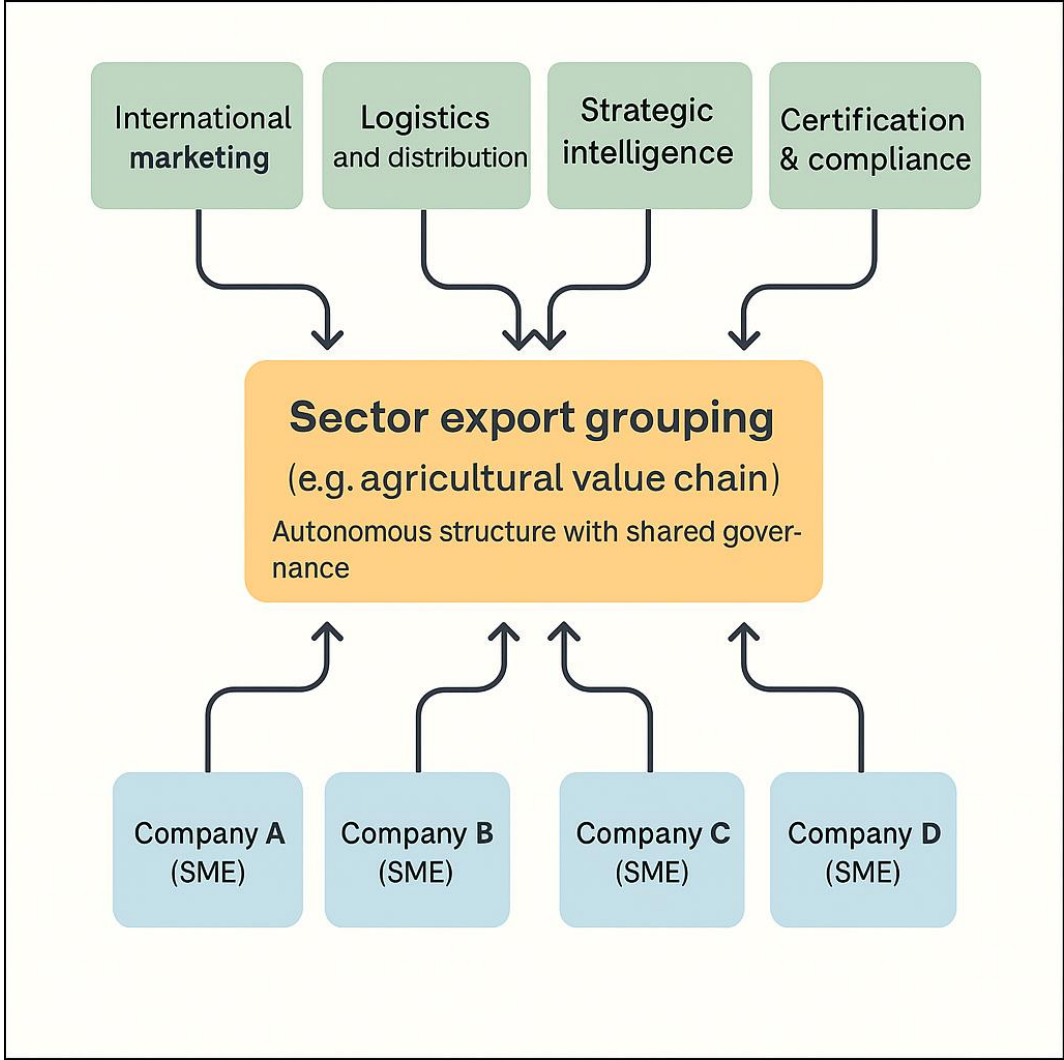
7.First Proposal for a cluster model for Algeria

E In order to address the constraints that limit Algerian SMEs' ability to export, particularly their small size, which leads to a lack of specialised export functions and restricted access to market intelligence, it is essential to design a structured, collective model for SMEs. International experiences analysed have shown that the pooling of export functions is a credible alternative for overcoming these (ITC (International Trade Centre), 2021); (Porter, 1998). In this context, we propose a model specifically adapted to the Algerian context, with its architecture, governance, the desired role of the state for its success, and the risks and limitations to be anticipated.

7.1 Architecture and governance of the proposed grouping

The figure below shows a model for grouping exporters based on the creation of sectoral SME groupings, bringing together companies operating in the same sector (e.g. agri-food) and sharing the same objective of accessing international markets.

Fig N° 2: Model of an SME export consortium.



Source: Model proposed by our study.

Each group is constituted as an autonomous non-profit legal entity with internal operations based on principles of transparency, shared performance and collegiality.

The governance of this consortium would be based on a steering committee composed of elected representatives of member companies, a general coordinator elected or recruited on the basis of professional profile (with proven experience in international trade), and an external advisory board comprising public actors and sector experts. This mode of governance would ensure the internal legitimacy of the leaders, strategic consistency and openness to the institutional environment.

The shared functions would be as follows:

- **International marketing:** development of collective brands, multilingual promotional materials, group participation in trade shows, digital campaigns.
- **Logistics & distribution:** consolidation of goods, negotiation of transport rates, joint management of customs formalities.
- **Strategic monitoring and economic intelligence:** analysis of consumer trends, identification of growth markets, competitive monitoring.
- **Certification and standardisation:** assistance with regulatory compliance (health, quality and labelling standards), shared audits.

This model is inspired by best practices observed in Italian export consortia, Tunisian clusters and Turkish exporters' unions, which have demonstrated their ability to improve the visibility and competitiveness of SMEs in foreign markets (ITC, 2021); (TIM, 2023); (UNIDO. (2019). , 2020).

7.2 The catalytic role of the State

To ensure the success of the scheme, the Algerian State must not seek to control the groups, but rather to create conditions conducive to their emergence and autonomy. This implies:

- The establishment of a specific legal framework, modelled on economic interest groups (EIGs) or export cooperatives.
- The deployment of a targeted incentive mechanism: start-up subsidies, temporary tax exemptions, co-financing of trade

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missions, preferential access to SAFEX and ALGEX programmes.

- Ongoing technical support through existing public mechanisms (ALGEX, wilaya export support agencies, consular chambers).
- Mobilisation of Algerian embassies and trade representations as relays for commercial networking abroad, particularly in Africa within the framework of the AfCFTA (HABIB ZAHANI, 2022).

7.3 Conditions for success

The success of these groups depends on several conditions:

- The development of a culture of inter-company cooperation, which is still not well established in the Algerian economic fabric (OCDE, 2022).
- Transparent internal governance, based on clear rules and shared performance indicators.
- Rigorous selection of member companies, based on their genuine commitment to an internationalisation strategy.
- The professionalisation of export functions, carried out by competent specialists remunerated by the group.

4. Risks and limitations to anticipate

Like any collective model, this one is not without risks. Imbalances between member companies (in terms of resources, experience or commitment) can lead to conflicts. Lack of trust or commercial rivalry can hinder cooperation. Furthermore, without stable and decentralised public support, these groups risk remaining fragile or symbolic. Finally, the absence of a clear strategic vision at the national level could limit their impact.

Ultimately, this model of exporter groupings is not a universal solution, but it represents a realistic and contextualised response to the challenges of

internationalising Algerian SMEs. If supported by a coherent public policy, structured around effective governance, and integrated into a regional dynamic such as that offered by the AfCFTA, it can become a powerful lever for diversification and competitiveness.

4. CONCLUSION

The integration of Algerian SMEs into international trade is no longer an option, but a strategic necessity given the vulnerability of an economy that is overly dependent on hydrocarbons. Throughout this article, we have highlighted the structural barriers that prevent these companies from gaining sustainable access to foreign markets: lack of specialised export functions, lack of inter-company coordination, and weak targeted support mechanisms.

The proposed approach – that of sectoral export groups – is based both on a comparative analysis of successful international models and on a reflection applied to the Algerian context. On a theoretical level, it is part of a logic of economic cooperation and resource pooling. In practical terms, it offers a concrete alternative for strengthening the competitiveness of SMEs, structuring exportable supply, and making public policies more effective.

Finally, this reflection cannot be detached from current regional dynamics. The entry into force of the African Continental Free Trade Area (AfCFTA) opens up unprecedented opportunities for Algerian companies. Provided they are prepared, organised and supported in a collective approach, they can not only access these opportunities, but also play an active role in them. The export group can then become not just a simple economic tool, but a vehicle for regional positioning and strategic integration.

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