

Introduction

Algeria is a country located in Northern Africa bordering the Mediterranean Sea. It is considered the gateway between Africa and Europe. Neighboring countries include Libya, Mali, Mauritania, Morocco, Niger, Tunisia, and Western Sahara. Algeria is mostly desert with a few mountains and a narrow coastal plain. The government system is a republic; the chief of state and head of

government is the president. Algeria has a mixed economic system which includes a variety of private freedom, combined with centralized economic planning, and government regulation. Algeria is a member of the League of Arab States (Arab League).



Location: Northern Africa

Capital City: Algiers (+1 GMT)

Chief of State: President Abdelmadjid Tebboune

Head of Govt.: Prime Minister Nadir Larbaoui

Currency: Algerian dinar (DZD)

Major Languages: <p>Arabic (official), French (lingua franca), Berber or Tamazight (official); dialects include Kabyle Berber (Taqbaylit), Shawiya Berber (Tacawit), Mزاب Berber, Tuareg Berber (Tamahaq)</p>

Primary Religions: <p>Muslim (official; predominantly Sunni) 99%, other (includes Christian and Jewish) <1% (2012 est.)</p>

Calling Code: 213

Voltage: 230

Key Websites

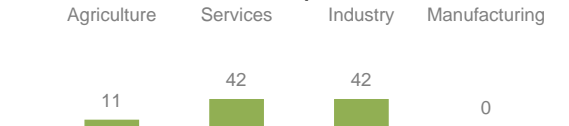
Main Government Page: el-mouradia.dz

Investment Promotion Agency: andi.dz

Key Economic Facts

Income Level (by per capita GNI):	Upper Middle Income
Level of Development:	Developing
GDP, PPP (current international \$):	\$593.15 billion (2022)
GDP growth (annual %):	3.10% (2022)
GDP per capita, PPP (current international \$):	\$13,209.60 (2022)
External debt stocks, total (DOD, current US\$):	\$7,378,781,411.70 (2021)
Manufacturing, value added (% of GDP):	26.55% (2021)
Current account balance (BoP, current US\$):	\$18.28 billion (2022)
Inflation, consumer prices (annual %):	9.27% (2022)
Labor force, total:	12,638,622 (2022)
Unemployment, total (% of total labor force) (modeled ILO estimate):	11.55% (2022)
Imports of goods and services (current US\$):	\$43.06 billion (2022)
Exports of goods and services (current US\$):	\$60.79 billion (2022)

GDP Composition %



**Although Manufacturing is included in the Industry figures, it is also separately reported because it plays a critical role in economy.*

Rankings

Index	Rank
Corruption Perceptions Index	116 / 178
EY Globalization Index	59 / 60
Global Competitiveness Index	88 / 141
Global Enabling Trade Index	121 / 136
Index of Economic Freedom	168 / 176
International Logistics Performance Index (LPI)	117 / 160
Inward FDI Potential Index	68 / 139
KOF Index of Globalization	107 / 185
Networked Readiness Index (NRI)	117 / 139
Open Budget Index	108 / 114

Risk Assessment (Provided by Coface)

Country rating: C - A very uncertain political and economic outlook and a business environment with many troublesome weaknesses can have a significant impact on corporate payment behavior. Corporate default probability is high.

Business Climate rating: C - The business environment is difficult. Corporate financial information is often unavailable and when available often unreliable. Debt collection is unpredictable. The institutional framework has many troublesome weaknesses. Intercompany transactions run major risks in the difficult environments rated C.

Strengths

- Large oil and gas reserves; significant potential for shale gas development
- Potential in agriculture, renewable energy and tourism
- Favorable geographical position, close to the European market
- Low external debt (1.6% of GDP by end 2022)

Weaknesses

- High dependence on hydrocarbon revenues (90% of exports and 60% of budget revenues)
- Years of under-investment in oil and gas, which is weighing on the country's capacity to increase production in the short term
- High youth unemployment (29% by 2022), low opportunities for graduates
- Excessive weight of an inefficient public sector
- Public deficit financed by drawing on reserves and monetisation by the central bank
- Poor infrastructure
- Bureaucratic red tape, corruption, financial sector weaknesses and uncertain business environment
- Disruptive parallel Algerian dinar market

U.S. Embassy

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