

The contribution of Spanish in the economic sector in Algeria

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Abstract :

This article focuses on the contribution of the Spanish in the economic sector in Algeria. This theme has many interesting aspects because it raises several issues related to the business world to evaluate the results achieved. In this sense, it is interesting to present the practice that Spanish has tended in the country and the contributions of experts in the sectors in question, taking into account that the economic importance of a language may also vary according to the specific context of the market.

Keywords: investment, companies, Algeria, Spain, cooperation.

Jel Classification Codes : Z10, Z19

Introduction:

For several centuries, the peoples of the two shores of the Mediterranean have coexisted in a combination of war and peace, carrying a long tradition of coexistence and disagreement for various shared interests in the area. In this context and throughout this history, there were endless discussions and debates among the intellectuals of that basin. The Mediterranean has gradually acquired importance as a result of its cultural trend.

At present, Algeria and Spain, as Mediterranean countries, go through excellent relations of cooperation and co-development. Algeria considers Spain as a strategic partner and is committed to developing the maximum potential of relations in different areas such as politics and economics. They are relations founded on the friendship and solidarity animated by the common will to inaugurate a qualitative stage in the bilateral agenda. The framework of consultations and consultation places relations between Algeria and Spain to the level corresponding to them with the close ties that they have been weaving in these last years in different and varied planes.

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In this sense, Spanish in Algeria has a real economic impact that cannot be ignored. Language and culture, about trade, facilitate reciprocal investment between the two countries. To this end, the concept of language as a market refers to language teaching and business activities associated with it, such as language services, the teaching of Spanish for Algerians and language technologies regarding the development of economic tools and resources related to the Spanish language. This article focuses on the contribution of Spanish in the sector economic situation in Algeria. This issue has many interesting aspects because it raises some issues related to the business world to assess the results achieved. In this regard, we will try to answer those questions of research:

What assessment /balance we can make on the contribution of Spanish as a resource

economic in Algeria?

What has been done? What could be done?

1. Spanish as an economic resource in Algeria:

Language facilitates multiple facets of economic activity. Language and economy are interrelated and mutually reinforcing. It is interesting to present the practice in Algeria and the contributions of experts in the field of sectors concerned, bearing in mind that the economic importance of a language may vary according to the specific context of the market. The presence of the Algerian market is a palpable reality that offers an opportunity to grow in business. Hence comes the interest of many Algerian people in business who learn Spanish as an essential determinant of bilateral trade.

In the Algerian commercial environment, the Spanish are becoming a channel of increasing communication. Many Algerians in business choose to study Spanish to manage their meetings, business trips to Spain and learn Spanish or its Spanish partners established in Algeria. Therefore, it is an important opportunity for the company interested in addressing the Algerian market or strengthening the relationships they maintain, either through investment or cooperation corporate.

However, the teaching of Business Spanish does not imply the application of a methodology other than that of teaching general Spanish, although it is true that the methods used have special characteristics related to the business world². Anyway, the teaching of Spanish as a foreign language in Algeria has been booming in recent years. Indeed, this relevance becomes even more evident in the Algerian trading environment since Spanish has become an instrumented vehicle for interaction and communication between Spanish-Algerian companies and circles business and administration. At the University of Tlemcen, where we teach Spanish, we have introduced the Spanish subject as a Specialty Language. One of the main objectives to design and prepare this subject is to include topics of relevance within the world of business.

² AGUIRRE BELTRÁN, Blanca. (2004). « Perspectivas de la enseñanza y aprendizaje del español de los negocios », in *hispanico: revista hispánica*, n°26, p. 35

The value of Spanish is expressed not only in global and macroeconomic terms but in specific activities that use this language as basicraw material. Of course, almost none of the activities that make up any economic classification escapes the use of language, benefiting from one or more of the positive dimensions already mentioned. In any case, the teaching of Spanish as a foreign language has been booming over the last few years due to its importance. It is receivedas a powerful engine of communication throughout the world and in all areas of society.

Algeria calls for a greater presence of Spanish investors regarding economic cooperation. This language requirement in large companies is to facilitate and the Algerian market andreduce the links between the Spanish companies and Algerian small and medium-sized enterprises. This exchange and cooperation between enterprises areessential to promote synergies between the two countries.

As regards cooperation between Algerian and Spanish companies in the field of research and technology generation, there has been increasing importancein collaboration, not only for reasons of comparative advantages of each country but also because research can become stagnant and, therefore as a consequence, the resulting technology, many of the companies sign collaboration agreements with Spanish companies since these collaboration agreements allow them to distribute risks and to speed up the innovative effort. Agreements between companies limited research and development capacities and appreciable synergies.

2. The investment strategy of Spanish companies in Algeria:

Algeria considers Spain as a strategic partner and is committed to deepening the interdependence in vital sectors of the economy, with the desire that these links support the increasingly close and diversified relationship between countries. Algeria is a geographical area of growing importance for the companies, from an export point of view and as a destination for direct investment. In this context, Algeria's economic policy towards Spain is a priority and wants to be global and ambitious because Algeria is an important complementary market for Spain.

It is, therefore, an important opportunity for companies interested in tackling the Algerian market or consolidating the relations they maintain, either through investment or business cooperation. Now relations between Algeria and Spain create an Algerian-Spanish axis to facilitate trade, already that the closed economy has cost a lot of money. We need to develop economic relations because Algeria is a very important market to achieve this. The results are generally positive and lasting. Therefore, there is no modernization without the most active presence of foreign investors in all sectors.

From the point of view of the valuation of Spanish companies, it can be said that Algeria is a priority country in the Spanish economic-commercial strategy. About the origin of foreign companies established in Algeria, it should be noted that Spanish companies have always had many interests in Algeria. Spain remains a leading trading partner in trade with Algeria. Spain shows a more offensive attitude in the Algerian market, as evidenced by signing important contracts between the two countries.

From this perspective, Spanish companies have demonstrated seriousness and professionalism. That is why the presence of Spanish entrepreneurs in the Algerian market would obtain excellent results, provided you paid a little more attention.

However, the Algerian market was opened up to private companies in 1995 because public companies previously monopolized foreign trade³. In a way, opening the market to private companies has led to the discovery of other sources of supply and a varied choice of products with a better comparison. Therefore, the Algerian market is experiencing the best moment in its history to develop inside and outside its borders. Outside the hydrocarbon sector, the Algerian trade policy strengthens product protection and promotes investment to diversify the productive and export structure⁴

In fact, in most sectors, the Spanish experience is seen in Algeria as an example to follow, at a time when the country has the will and the means to undertake reforms that will allow it to develop rapidly, and that they reach almost all the productive sectors, which can give a certain advantage to Spanish companies. Algeria is Spain's leading energy supplier. Sonatrach, specializing in the exploitation, production, shipping, and transformation of hydrocarbons and derivatives, consolidates in the international market. The leader in Africa, Sonatrach, has enhanced its relations with Spain.⁵

In this context, both governments signed a collaboration agreement whereby both countries promote energy relations in the gas and electricity sectors. However, relations between the two countries are at their best because gas is one of the priority fuels for Spain, which has caused many Spanish oil companies to bid to operate in Algeria. This agreement recognizes the importance of promoting more intensive energy relations.

From 2000 to 2018, Algerian and Spanish entrepreneurs have strengthened their cooperation have developed fruitful projects whose most obvious results are

³ AYADI, Nassima (2003). «Les entreprises algériennes au cœur des réformes économiques », in *Agroligne*, n° 28, avril- mai, p. 10.

⁴ BENACHENHOU, Abdellatif. (2006). *Les Nouveaux Investisseurs*. Ed. Alpha Design, Alger. p.83.

⁵ KHELIL, Chakib. (2004). « Partenariat : Investissements Direct Étrangers », in *Energie et Mines*, n° 2, avril, pp. 62-73.

translated into the incredible moment that economic relations are going through. Indeed, when entering the Algerian market, Spanish companies often associate for long periods with local companies to develop projects that require large investments; this is called Partenariat, which is the typical model of the hydrocarbon sector. Spanish-Algerian interests mainly focus on the energy field. Both governments signed a partnership agreement to promote energy relations in the gas and electricity sectors.⁶

Equally interesting are the existing projects for participation in Spanish-Algerian mixed capital companies. The involvement of small and medium-sized Spanish companies in various sectors of soap production, bottling, plastic processing, coatings and insulation, marble production, pharmaceuticals, fish preserves, flour manufacturing, mineral water.

3. Legal Framework on Investment Matters:

Concerning investor guarantees, Algeria is a member of the Multilateral Investment Guarantee Agency of the International Dispute Settlement Centre Relating to investments. In Algeria, there is freedom of investment for both residents and non-residents (except for activities reserved to the State) and equal treatment of foreign investors over domestic investors⁷.

When foreign investment is made in foreign currency, Algerian law guarantees the investor the sharing of the capital when it results from the transfer or liquidation of the investment, even if the capital resulting from the transaction is greater than the investment. Initially, the foreign investor in Algeria also obtained tax benefits, interest subsidies and reductions in import tariffs.

The investor is interested in obtaining certain advantages. He must submit the supporting documents for his application and the investment declaration. Indeed, foreign capital can invest in all economic sectors, except so-called "strategic sectors", which remain reserved for the State. The text of the law does not determine the list of such limited sectors. Thus, Algeria grants treatment foreign investment and has a legal framework on investment extremely liberal. Tax and customs advantages are awarded to new projects investment. Natural and legal persons are all treated equally:

6BOUTARRFA, Nouredine. (2007). « Cable sous marin entre L'Algérie-Espagne », in *Noor*, n°6, Algérie, mars, p.14.

7Ordinance 01-03 on the development of the investment code simplifies procedures management, organises the registration system and strengthens the guarantees associated with the transfer of capital. In particular, investment is allowed in ways other than the new (rehabilitation, restructuring, extension of capacity, contribution of capital).

a) Non-discrimination: Foreign natural and legal persons are treated in the same way as Algerian natural and legal persons about rights and relations with investors.⁸

b) Security/Inviolability of the law: Unless expressly requested by the investor, future revisions or repeals of the investment law do not apply to projects carried out under the legislation in force at the time of the investment.

c) Regulation of discrimination: Any discrimination by the Algerian State against a foreign investor based on his status as an investor, or any measure taken by the Under the terms of the multilateral agreements concluded by the Algerian State concerning conciliation and arbitration or specific agreement.

Agreed guarantees on privatization: On the one hand, equal treatment is guaranteed, as they benefit from the same status as local investors in privatization. No limit to their participation is reflected in the legislation. They also benefit from guarantees under the Investment Code in the context of privatization operations⁹

These are the following:

- Free transfer of capital and its products
- Recourse to international arbitration in the event of litigation.

As a result, Algeria had ranked third among African countries in 2002 and first in the Maghreb region in terms of FDI inflows. It continued to focus on very important areas. Of course, it has had a significant impact on the national economy regarding job creation, market access and technology transfer.

4. International action of the Algerian Chamber of Commerce and Industry:

However, the Algerian Chamber of Commerce and Industry CACI played a leading role in promoting economic and commercial exchanges and assisting foreign companies in Algeria and Algerians abroad. The cooperation agreements agreed with a counterpart or similar bodies outline the framework of cooperation between CACI, and its foreign partners provide for the exchange of delegations of people in business, of information of an economic nature, and on business opportunities in Algeria. These arrangements may have more developed forms, such as bilateral business council institutions or joint chambers of commerce. Today, CACI is linked through cooperation with more than 30 countries.

⁸ Le J.O.A, n°47, *Ministère de la Participation et de la Promotion des Investissements*, 22 août 2001, pp. 3-11.

⁹ Ibidem

In Algeria, CACI is responsible for initiating business relations for foreigners and Algerian people in business and abroad. Thus, the CACI has received more than 30 foreign business delegations, including the Spaniards. CACI may also provide individual support and assistance to foreign firms; information on economic, commercial, tax, customs and other regulations; and domestic economic operators (list of producers, importers, distributors, exporters...). In this context, CACI has developed soon privileged relations with many Spanish institutions; similar agreements have also been concluded with the CCIE.

An information system for Algerian exporters had been set up in cooperation with the Spanish Centre for Foreign Trade. Other projects are in preparation: the Institute of Export Sales Forces in mixed management with the Spanish Chamber of Commerce and Industry, a mediation and arbitration centre for disputes between companies, the launch of a business college and centre support for businesses. Thus, the CACI is a member of the Asacame (association of the Chambers of Commerce, Mediterranean Industry of the General Union of Arab Chambers of Commerce, Industry and Agriculture of the Islamic Chamber of Trade and Industry, of the Chamber of Commerce of the group of 77. In addition, the CACI ensures the General Secretariat and houses the headquarters of the National Committee of the International Chamber of Commerce.

In the last 6 years since 2016, ICEX has organized the Spanish presence at the Algiers International Fair, with great success, through a multi-sectoral pavilion. The priority sectors of attention are construction materials, materials for fluids, machine tools, agricultural machinery and machinery for the packaging industry. In this regard, the participating Spanish companies are highly satisfied with the fruits of their participation in this event.

Conclusion:

The following conclusions about the investment strategy in Algeria can be drawn from the analysis made in the preceding paragraphs. In general terms, Spanish-Algerian economic relations go far beyond those purely related to energy exchange. Algeria and Spain have taught the world a lesson. Thus, the world needs nations to cooperate and collaborate with new and creative political, diplomatic and economic initiatives.

Both Algeria and Spain have a clear knowledge of the future. The economic and social impact of the two countries depends on the success of several firms and the effects they could have on society as a whole. All these companies work for dynamic markets, meeting the fundamental needs of a young and demanding population whose quality of life depends on the capabilities of these companies, which know what this means. Both countries are interested in increasing their organization and management level, which some companies have bravely faced, while others are preparing to do so.

They are all motivated to find partners who can contribute to technology, management and markets, and capital. They know that they are courted by sellers of industrial equipment and industrial partners. Their leaders understand their responsibility to their ultimate master. In short, the authorities are aware that the modernization of the economy and society will depend on the progress made by such enterprises.

It is increasingly difficult to talk about aid between two countries in today's world; it is much better to speak of cooperation and exchange of interests. Therefore, Spanish Algerian interests are mainly focused on the energy field. Spanish Algerian interests are mainly focused on the energy field because Algeria is the first energy supplier in Spain. Algeria plays a leading role in the energy sector. Therefore, Algeria and Spain's main objective is to boost Spanish investment and business cooperation in all sectors, with a particular interest in energy, fisheries, water treatment, and shipping. Since then, it has been established that a greater number has made investments in Algeria of joint ventures and

Link more of the sectors mentioned above.

In general terms, the balance of the contribution of Spanish in the sector. It also aims to contribute joint interest to Algeria and Spain. The European Union's economic and social cohesion is a positive factor. Since then, it has been established that investments in Algeria have been made by a larger number of joint ventures and are linked to a larger number of the sectors mentioned. This could facilitate linkages between companies and small businesses in Algeria of a dynamic nature. In addition, European small and medium-sized enterprises could play an important role in providing expertise and direct investment.

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Agence Nationale du Développement de l'Investissement

<http://www.andi.dz/>

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