



Sme In Algeria And business environment challenges

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Abstract ;

Algeria, as a developing country, tried to focus to the private sector, particularly the SME due to their major role in economic development and their ability to provide jobs. Thus, the study to which we address in this paper concerns the obstacles of SME creation in Algeria. So, this study is based on important statistics which are obtained by diagnosis the status of SME creation in this country. Due the multiplicity and complexity problems of SME, we have focusing only on the most important problems and our obtained results can effectively help to solving the SME creation problems.

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1. Introduction

SME is considered as the primary engine of development in all countries of the world. It contributes in Italy, for example, to 99.9% of the size of the active enterprises, and occupies 80% of the total employment in the manufacturing and services sectors. In the United States, however, there are more than 14,500,000 SME employing half of the labor there, which shows the significance of these enterprises in the economies of the countries. In Algeria, after opening up to free market economy in the early nineties and despite creating a lot of assistance bodies, the emergence of private SME did not rise to the level required. Therefore, Algeria was unable to create a new situation based on private contractors, and far from public work and trusts, mainly of oil revenues. What helped to aggravate the situation is the increasing price of oil (more than \$ 100 a barrel), pushing the Algerian governments to drag their heels for a solution to the problems and obstacles to the creation of SME, thus developing the Algerian economy in right way. And with the oil shock that led to oversupply and tumbling oil prices to nearly \$ 36; less than the reference price specified in the Finance Act 2016 for \$ 40 a barrel, The government can not only refer to the right direction, which is developing and diversifying the economy, relying on the private sector; but also encouraging private initiatives and overcoming the obstacles to the creation of SME in Algeria. To reach this objective, we will try through a study at the macro level to highlight the most important obstacles to creating SME in Algeria. Our diagnosis of the issue was conducted in a scientific manner, using a number of figures and relevant statistics. So, our research revolves around the problem of the major question: What are the obstacles to the creation of SME in Algeria? In order to discuss this question, we proceed from the basic a hypothesis: that the development of SME in Algeria is encouraging and needs to be diagnosed. The importance of this study is to attempt to estimate and provide glitches, which hinder the creation of SME in Algeria. So our work is to highlight these obstacles in order to be corrected if we want to develop these enterprises. Doing so, we will be correcting the various structural imbalances in the Algerian economy, which relies on Petroleum rents from one large enterprise, rather than the SME development. We hope through this research to identify the most important obstacles facing the SME sector in Algeria, and investigate whether there were serious obstacles making the creation of small or medium enterprise in Algeria a challenging task.

We adopt in this study the descriptive approach, which allows us the briefing of our subject, using the method of description and analysis, and we will use some recent data along with the most important Statistics in the field. We will also return to a number of academic researches that would support our analysis and our approach. Throughout this academic research, we have tried to be diverse, both in terms of content (articles, reports, and official websites) and in terms of language (English, French, and Arabic).

The remainder of this paper is structured as follows. Section 2 summarizes the theoretical and empirical evidence on SMEs' contribution to the economic growth in the global economy. Section 3 discusses the situation of creating small and medium enterprises in Algeria. Section 4 analyzes the various obstacles to the creation of SME in Algeria. Section 5 provides some final conclusions and directions for future work.

2. Background SME sector :

2.1 Definition of an SME

SME constitute the very foundation upon which the large businesses were built; however, small and medium have been identified differently by various individuals and organizations in the sense that an enterprise that is considered small and medium in one place is seen differently in another. Even within one country, the definition changes over time. Some common indicators employed in the various definitions include total assets, size of labour employed, values of annual turnover and capital investment (Taiwo et al, 2012). Some international organizations have provided definitions of SME, but it is always different (Gibson et al. 2008), as represented in **Table N° 01**. It can also clarify the definition of SME in some countries, which also describes a clear difference in the definition.

2.2 SMEs in the global economy

SMEs, by number, dominate the world business stage. In 132 countries, there have been 125 million SMEs. Among these, 89 million are located in developing countries (ROBU, 2013). According to the Organization of Economic Cooperation and Development (OECD, 2004) SMEs contribute to over 55% of GDP and over 65% of total employment in high-income countries. In low-income countries, SMEs account for over 60% of GDP and over 70% of total employment while they contribute to over 95% of total employment and about 70% of GDP in middle-income countries. On the other hand, According to EU, SMEs are socially and economically important since they represent 99 % of all enterprises in the EU. They provide around 90 million jobs and contribute to entrepreneurship and innovation (Katua,2014). In Japan or China, for example, 60% of GDP comes from SMEs, in the USA that percentage goes up to 65%, and in the UE, SMEs generate 52% of GDP (ROBU, 2013).

3. Status of the creation of SME in Algeria:

Before discussing the reality of creation SMEs in Algeria, and the necessities of the research, we will initially classify micro, small and medium-sized enterprises, according to the Algerian legislature.

3.1 Definition of SME in Algeria

Algeria has adopted the definition of SME from the EU standards, which puts forward the definition of SME in Algeria, According to Law No 12- 17 (2017) as follows: Each enterprise producing goods and / or services, whatever the legal nature, and employs 1 to 250 persons shall not exceed the annual turnover 0 4billion dinars, or total annual proceeds not to exceed 01billion dinars, are also available on independence, so that capital is not owned by 25% or more by the enterprise or other enterprises group does not meet the definition of institutions small and medium-sized. The following figure can explain most of this definition. **Figure 01**. It should be noted that Algerian SME are characterized by a set of features, as mentioned by Bouazza (2015):

- are dominated by private enterprises; The Algerian SME sector is dominated by private enterprises. In 2012, 99.92% of all SMEs were private.
- are dominated by micro-enterprise types; The Algerian SME are dominated by micro-sized enterprises. In 2012, 97.84% of all SMEs were micro enterprises that employed nine or fewer individuals.
- are concentrated in north Algeria; In Algeria, a disparity exists in the spatial distribution of SMEs.
- Algerian SMEs are concentrated in the service and construction sectors; Algerian SMEs have a strong presence in the service sector and account for nearly half of all SMEs, followed by the building/ construction sector.

3.2 Creation of SME in Algeria

Algeria has given great significance to the sector of SME, especially during the last two decades, what was a logical result of the transition from a planned economy to a market economy. The latter transition allowed the emergence as well as the significant increase of private enterprises. According to the statistics submitted by the Ministry of Industrial Development and Investment Promotion in 2013, Algerian SME managed to create more than 139 thousand jobs between the years 2012 and 2013. The increase was concentrated in the private sector by a total growth of 7.83%. Also, SME contributed to 84.77% of the (GDP) in 2011, excluding hydrocarbon sector, which is equivalent to 5137.46 billion Algerian dinars, and to 88.27% of the value-added, excluding hydrocarbon sector. (Hydrocarbon sector represents 45% of Algeria's GDP). On the other hand, the number of Algerian SME achieved satisfactory growth in recent years. During the first six months of the year 2013, the number of enterprises has reached 747.934 after being merely 687.386 enterprises in 2012 in the same season. With a growth rate of 8.8%, 177.010 SMEs have been

created during the period from 01/01/2010 until 30/06/2013, 34.811 enterprises were created during the first six months of 2013. If we calculate the rate of Creating SME in Algeria, we will find an average of 08 enterprises per hour. On the national territory, this percentage of Creation is very weak, not to mention the size of the enterprises that were cancelled (2661 enterprise during the first six months of 2013). This means that 13% of the enterprises that had been created disappeared, which is a high rate of failure. Also, comparing the size of the enterprises to the population does not inspire comfortable status. Considering some statistics of Ministry of Industrial Development and Investment Promotion (2013), the number of SME amounted to 22 enterprises per 1,000 inhabitants, and if we exclude the Liberal professions and artisanal activities, this rate does not exceed 13 enterprises per 1,000 inhabitants. The following table shows the movement of Creating SME in Algeria. **Table N° 02**

4. Obstacles to the creation of SME in Algeria:

The problems of SME in Algeria range from financing to management to problems related to the external surroundings ... and others. All these are factors will limit the development of SME in Algeria, if not addressed in order to reduce and minimize the potential risks because the very important role of SME in the Algerian economy is yet to be played in the future. These obstacles are to be displayed later in the article.

4.1 Bad business climate in Algeria

Starting or developing any commercial activity depends on a set of procedures wherein administrative procedures are considered among the most important ones. Governments are trying to worldwide research on the most effective and easiest ways to ensure the application of administrative regulations, According to the system compatible with the nature of economic activity, which is characterized by speed and change. Therefore, we are always seeking to accelerate various administrative procedures in order to ensure that a good starting or better development projects. As a matter of fact, this process becomes more urgent especially those related to the character of small or medium projects. Many countries have succeeded in easing the administrative burden (Reduce procedures). As for Algeria, these procedures are still an obstacle to the creation of SME.

▪ Problem of procedures

According to the Doing Business Report of the World Bank (2016), the creation of any commercial activity in Algeria requires 12 procedures to start work, and if compared with France, for example, we find that the creation of a project requires only 05 procedures, which is about one third of the required procedures in Algeria. If we consider that France is a developed country, it cannot be

compared to Algeria. However, if we consider Tunisia and Morocco, that have many common denominators with Algeria, we find that the creation a commercial project in Tunisia requires 10 procedures and 04 procedures in Morocco compared to 12 procedures in Algeria. The latter instance makes the creation of any commercial project in Algeria stops at these twelve stations before starting the activity. It is thus not encouraging for the creation and development of SME.

- ***Time***

Completing the administrative procedures for creating a commercial activity in Algeria requires 20 days (nearly three full weeks), while the administrative procedures in France requires just four days. However, 11 days are sufficient for the completion of various procedures in Tunisia, which is roughly the same period in Morocco by one day in favor of Morocco (World Bank report 2016). These rates are very far from the 20 days required by the Algerian bureaucracy to create a small or medium enterprise.

- ***Cost***

Based on the statistics of the World Bank (2016), the cost of administrative procedures estimated up to 10.9% of the GDP per capita in Algeria, noting that GDP per capita In Algeria is \$ 5.340, while the cost of the accompanying administrative procedures for the creation of any commercial project in France did not exceed 0.8% of the GDP per capita. Even in Tunisia, the cost of these administrative procedures did not exceed 3.9% GDP per capita, although the GDP per capita of Tunisia does not exceed in turn \$ 4.459. In Morocco, the cost of administrative procedures is relatively high, which amounted to almost 09% of the GDP per capita, knowing that GDP per capita in Morocco is already low, not exceeding \$ 3.020. However, the cost of administrative procedures in Algeria remains the highest among these countries. **Table N° 03**

- ***Paid-in minimum capital***

The Paid-in minimum capital recorded in Algeria represents more than 23 % of GDP per capita; while Morocco abandoned this requirement, both France and Tunisia, have no minimum capital requirement of the bank to deposit. The following table presents better clarification: The existence of a business climate characterized by these properties makes the creation and development of SME and private business in Algeria very difficult, inducing a major obstacle to development.

4.2 Bank financing problem

According to the Bank of Algeria's report (2015), the loans granted to SME in 2014, addressed mainly to the private sector, were estimated at 3.1217 trillion dinars - equivalent to 48% of the total volume of loans granted during the year 2014. And yet, this did not change much in the problem

of financing SME in Algeria. There are still public institutions that receive the largest share of financing and credit by banks, although the volume of the SME is the one which dominates the investment in Algeria. **Table N° 04.** The Algerian banks' shortfall in the financing of SME is due to the following reasons:

- ***The large number of procedures***

Given the form of the Algerian banking system, which is dominated by public banks, the decision on lending is regarded very slow and is characterized by administrative bureaucracy. This is due to the nature of public service on the one hand, and to the centrality of the decision on the other hand. Some decisions related to finance display a regional administration of the bank, while other decisions are presented to the opinion of the central administration, often stationed in Algiers. Thereby, deadlines to provide loans to SME are extended wishing to finance its activities, (5 to 6 months to get the loan), as a recent study reports (Nasser, 2015).

- ***Weakness of banking coverage***

Banks in Algeria continues to suffer from low coverage. According to some statistics (Sadek, 2013), we find one office for every 25,000 habitats in Algeria, which is a bad rate, and makes the possibility to connect with banks and their branches very limited. If we compare this rate with the Tunisian banks, for example, we find 9.530 per office, and compared with the Moroccan banks, it is estimated at 12.540 habitats per office.

- ***High rate of rejection of lending***

In light of Statistics presented in the article from Sadek (2013), there are 47% of the loan applications being rejected by Algerian banks, for various reasons. Since only 53% of the requests are accepted, SMEs will be discouraged to resort to bank financing. And if we make a simple comparison with Tunisia and Morocco, We find that the rate of lending acceptance is respectively 96% and 68%. **Figure 02**

4.3 Difficulties related to the industrial real estate

New entrepreneurs are suffering from problems related to localizing their enterprises and getting hold property or lease, which is essential in order to get the rest of complementary licenses. Even rules and regulations, addressed to facilitating the delivery of land to investors, have failed to find a solution for the problem of industrial real estate. On the contrary, these regulations have contributed to transforming important tracts of industrial real estate in favor of urban and commercial activities. Despite the fact that Algeria owns 72 industrial zones and more than 450 active zones with an area of more than 17,000 hectares according to the information available on

the official website of the National Intermediation and Land Regulation National Agency, but these areas are completely unexploited and neglected in large. This is mainly due to several reasons. The most important one is: the owners' possession of temporary contracts or simple administrative contracts, which makes the possibility of exploiting these contracts unclear for them. On the other hand, the speculative profits in this type of industrial zones, possessed by their owners, make the situation worse. In fact, these owners were in previous years trying to multiplex profits from the resale by means of the symbolic dinar*. Besides, and according to the Intermediation and Land Regulation National Agency report (2015), the agency has processed 6.283 files for Industrial property; only 3.331 were accepted, which is equivalent to 53% of the processed files while the rest were rejected or delayed for different reasons. Indeed, the pressure on industrial property in Algeria remains strong, since the rate of file refusal reached 47%. This pressure is, in fact, experienced by the industrial property market in Algeria through the high real estate prices, with the national average price amounted to 7.259 dinars per square meter in 2014 (Intermediation and Land Regulation National Agency, 2014). **Table N° 05**. In view of this great pressure on industrial property in Algeria, it has been engaged in the modernization of many industrial zones, as well as in the creation of industrial parks. This includes a new program for industrial parks, with 49 parks distributed among 39 provinces across the different regions of the country. This program, according to the Intermediation and Land Regulation National Agency, allocated an area of 11.622 hectares; however, the act of launching these parks to serve SME in terms of providing industrial real estate, is still not clear. **Table N° 06**. Many investors continue to face real difficulties to obtain industrial property due to the limited supply. Also, it concluded, within the study conducted by (Sadane, 2007), that the preeminent obstacles to creating SME in the industrial property field are the following:

- The length of the submission of the property addressed to investment;
- The unjustified refusal to the requests;
- Difficulties because the waiver price;
- Difficulties related to compensating the original owners of the property;
- The problem of title deeds that still exists in many regions in Algeria.

* Pittance pays for real estate in the framework of promoting investment and do not represent the true value of the property.

4.4 Other obstacles

There are also other problems and difficulties hampering SMEs, and they reduce their activity significantly. We present them as follows:

- ***Fiscal difficulties***

One of the most important factors that encourages the development and growth of SME is the tax system. A number of researches conducted in different countries, like that of Semikolenova (1999) or the one of Eragbhe and Modugu (2014), have shown that countries which have a high rate of tax burden are suffering from enterprises' retreating contribution to GDP. In Algeria, SMEs suffer from many Fiscal obstacles. It is, thus, reflected that Algeria is classified in the field of corporate taxation, according to the World Bank report (2016), which ranked 169 of 189 countries. **Figure 03.** According to these figures, Algeria is far from the global average, which achieved only 45.03 points from a hundred*, and hence, among the last ranked countries since it receives the highest fiscal pressure on its institutions. Taking into account that Algeria is among the developing countries, it is supposed to be less pressured compared to developed countries. According to the World Bank report – previously mentioned- the Algerian SMEs spend 72% of its profits on various fees and taxes. These latter are divided into many types, which explains why the total number of tax payments per year was 27 payments. This indicator reflects a rise in the total number of taxes and paid contributions as well an active repetition of payment for enterprises in Algeria. The creation of small or medium enterprises in Algeria makes one pay 6.6% of commercial profits to taxes on corporate profits in addition to 30.6% of commercial profits, taxes and mandatory contributions on employment, and 35.5% of commercial profits to other taxes, not included in the category of profits or employment.

- ***Stock market is ineffective***

Despite the easy procedures, which benefited SME, accessing the Algiers Stock Exchange, compared to large-size enterprises, remains far-reached as these procedures did not encourage them to engage in Algiers Stock Exchange. The publications of Society of Stock Exchange Management (SGBV) Suggests that so as any small or medium enterprise enters the Algiers Stock Exchange, it should consider the following:

- Have the status of joint stock company (JSC) and designate, for a period of five (05) years, an attendant called " Stock exchange promoter";

* Scale ranges from 0 to 100, where zero is a worst performance scale, and 100 top performance level.

- Open its capital to a minimum of 10% no later than the day of the introduction;
- Publicly distribute its shares to a minimum of fifty (50) shareholders or three (03) corporate shareholders no later than the date of introduction in the stock exchange market;

Publish the certified statements of the last two financial years unless “Securities and Investments Organization and Monitoring Commission” grants an exemption. Without prejudice to the provisions of the Commercial Code relating to corporations making public offering, conditions and minimum capital profits are not required for the company applying for admission to the SME market. **Table N° 07**

Despite these incentives, no small or medium enterprise has been admitted of in the Algeria Stock Exchange, Which constitutes an important obstacle for the activity of SME in Algeria. Because the stock exchange is an important source of funding .If we take a simple look at the Stock Exchange for SME in France ("Alternext" for example), we find, and according to statistics in the report Giami (2015), that it was composed in 2014 of 178 SME invested in the stock market with 4.832 billion Euros, of which 3.074 billion Euros were Property rights, and 1.758 billion Euros were bond loans.

- ***Stock Exchange of subcontracting inactive***

Subcontracting relates to all areas of manufacturing; In particular, to the mechanical industry, plastics, rubber, wood, paper, as well as maintenance, training, engineering, etc., It is an important means to ensure the industrial integration. But it seems that the status of subcontracting in Algeria is still not encouraging, despite the creation of “stock exchange of Subcontracting and Partnership " in 1993, which is a non-profit association created by Public institutions and private enterprises to benefit from government support, and the support of the United Nations Industrial Development Organization " UNIDO". Its duties consist in linking SME to one another and linking them to the large enterprises. It aims also at collecting statistics about the real capacity of the Algerian subcontractors.

Statistics indicate that the most important contracting enterprises, at the national level, operate in the field of mechanics and metals by 67.66% and 20.83% of the enterprises are dedicated for the sector of Chemistry and Pharmacy. 4.14% are related to iron and the mining sector while 4.17% of them combine the activities of the skin, plastic, cloth. The rest, however, (3.17%) are specialized in different other activities (Allali and Fatima, 2012), the following figure shows these facts: **Figure**

04

▪ ***Not to share scientific research centers***

It is noticeable, that there is a lack of harmony between what is going on in the university and research institutions of the Algerian on one hand, and the economic reality on the other. This is a problematic issue that needs to be discussed. In fact, many serious researches in economy have been proven useless in solving the problems facing the growth of the national economy and the development of institutions. In light of a statement delivered by the Minister of Higher Education and Scientific Research to Algerian News Agency (2014); Algeria has more than 28.300 Researcher Professor, and 2.315 permanent researchers contributing to the implementation of national programs for researches in various sciences (agriculture, aquaculture, renewable energy, health, etc.). This means that the cover ratio is equal to 780 researchers per one million inhabitants in Algeria. In spite of the fact that the National Agency for the Valuation of Research Results and Technological Development in Algeria has created an executive decree (1998) to help innovative entrepreneurs and to accompany them in the output of their projects from the laboratory to the market, the results, according to the Ministry of Higher Education and Scientific Research (2015), are still very bad. In fact, among 2.100 projects that had been completed under the National Programme for Research "PNR", only 400 projects were valued.

▪ ***Lack of interest in business incubators***

The application of the incubators' system in Algeria is still indecent and impractical, despite the existence of a legal framework (executive decree, 2003: 13) and despite the ability of this system to help SME, especially in the start-up phase, where SME face a lot of difficulties. Consequently, those incubators may provide the needed support and assistance. There are two types of business incubators in Algeria: Nurseries enterprises and facilitation centers.

- ***Nurseries enterprises***

These are public enterprises of industrial and commercial nature, Interested in entrepreneurs who wish to create enterprises. Working on the reception and care and accompaniment, new enterprises were created for a certain period. According to the latest statistics available (June 2013), Nurseries enterprises have not been able to accompany the 04 Nurseries' 46 projects that were supposed to create 308 jobs. The table below shows that. **Table N° 08**

- ***Facilitation centers***

Executive Decree (2003: 18) makes clear that is the facilitation enterprises centers are public institutions of an administrative nature and have a legal status and financial autonomy. These were initially addressed to accompany the SME, by placing the box adapts to the needs of the creators

of enterprises and entrepreneurs and reducing the duration to create enterprises. Considering the outcome of planting those facilitation centers to better the creation of SME, we find that 291 enterprises were created after an accompaniment of more than 1,130 projects. These centers received more than 2.060 visitors as well as owners of project ideas. These results remain minimal, given the attention that these centers and charges receive. These results can be better illustrated in the following table. **Table N° 09**

5. Conclusion :

In this study, we tried to make an accurate diagnosis of the obstacles to the creation of SME. In Algeria, we have discovered that they are many varied SMEs. Despite the large number and the diversity of these obstacles, overcoming them is possible, especially if the will exists. We deliberately focus on the Statistics, so as to facilitate understanding the problems. What we have reached in this study is that there exist a lot of agencies and institutions that need correction, either, in terms of techniques, such as the administrations charge of the registration of enterprises, Or in terms of increased efficiency, such as banking and support institutions. Doing so, we can reach a better situation, both in terms of increasing SMEs number, and in terms of increasing their contribution to the Algerian economy. Based on the above, we can do the following, if we want to improve the situation of SME in Algeria, and address the obstacles to creating them:

- The need to correct the banking system so as to conform with the new needs of SME in Algeria, especially in light of opening up to the market economy;
- A review of the fiscal system in order to ease the tax burden and the fight against the gray market;
- involving research laboratories and universities in the search for methods of treating obstacles to the creation of SMEs and following scientific methods along with successful experiences in order to create viable enterprises;
- Creating business incubators in universities;
- Training entrepreneurs on how to deal with problems related to SME.

▪ Limitation and Future Research

In this study we focused on the obstacles to SMEs, following the statistics of significance, and it was a study on the macro level. In the future, it could be a study about obstacles to SME in one of the provinces of Algeria. It can also be an in-depth study that focuses on one problem of SME, such as the problem of funding or industrial property.

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7. Appendices

Table N 01: SME Definitions Used by Multilateral Institutions

Institution	Maximum # of Employees	Max. Revenues or Turnover (\$)	Maximum Assets (\$)
World Bank	300	15,000,000	15,000,000
MIF – IADB	100	3,000,000	(none)
African Development Bank	50	(none)	(none)
Asian Development Bank	No official definition. Uses only definitions of individual national governments		
UNDP	200	(none)	(none)

Figure 01: Classification of Micro, small and medium enterprises in Algeria



Source: Based on Law No. 12-17, dated January 10, 2017 includes a guideline law to upgrade SME.

Table N 02: Movement of Creation small and medium private enterprises

Company typ	The movement of SME - the first six months 2013				first six months 2013
	Creation	Re-create	cross off	Development	
moral person	20308	3962	2423	21847	441964
natural person	6411	/	183	6228	136622
Activity artisan	8092	/	55	8037	168801
Total	34811	3962	2661	36112	747387

Source: Ministry of Industrial Development and Investment Promotion, 2013

Table N 03: Comparison of the cost of administrative procedures to create a commercial activity

	GDP per capita	The cost of administrative procedures (in dollars)	Cost ratio to GDP per capita (percent)
Algeria	5340	582.06	10.9
France	43080	3446.4	0.8
Tunisia	4459	173.90	3.9
Morocco	3020	274.82	09.1

Table N 04: The size of the loans granted to the economy, according to sector

	2010	2011	2012	2013	2014
Public sector	1460.6	1741.6	2040.2	2434.0	3382.3
private sector	1806.7	1984.2	2247.0	2721.9	31.21.7
Local Administration	0.8	0.7	0.4	0.4	0.6
Total (One billion dinars)	3268.1	3726.5	4287.6	5156.3	6504.6
	Percentage				
Public sector	44.7	46.7	47.6	47.2	52.0
private sector	55.3	53.2	52.4	52.8	48.0
Local Administration	0.0	0.0	0.0	0.0	0.0
Total	100	100	100	100	100

Source: Bank of Algeria, 2015

Figure 02: Comparison of the banking system from Algeria, Tunisia and Morocco in terms of coverage and the acceptance rate of lending

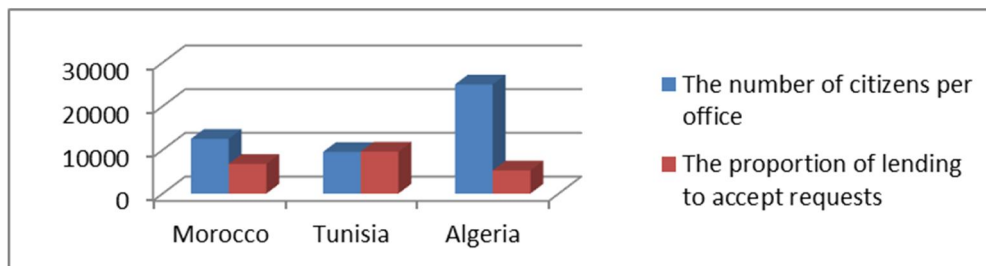


Table N 05: Number of requests for industrial property

	Accepted file	Deferred files	Rejected files	Total
Processed files	3331	1168	1784	6283
percentage %	% 53	% 19	% 28	% 100

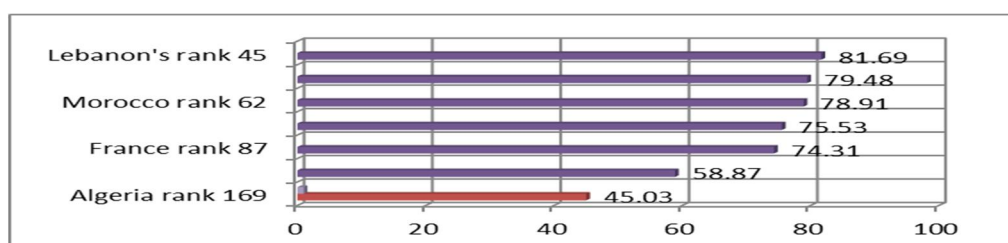
Source: Intermediation and Land Regulation National Agency, 2015

Table N 06: Distribution of industrial parks according to regions in Algeria

Region	Number of barns	Area / ha
North	30	7132
High plateaus	12	3024
South	7	1466
Total	49	11622

Source: <http://www.aniref.dz/documents/Programme-damenagement-des-parcs-industriels.pdf>

Figure 03: Comparison between Algeria and a number of countries in the field of corporate taxation



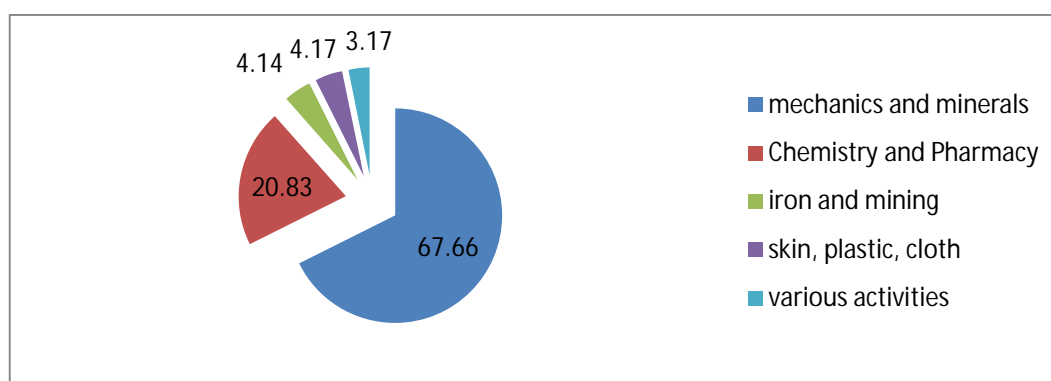
Source: World Bank Group, 2016 Adapted.

Table N 07: The Table compares the conditions of admission, in Algiers Stock Exchange

the conditions	Stock market	
	Main market	SME market
Legal form	joint stock company.	joint stock company.
Minimum paid-up capital	500,000,000 DA.	There is no specific amount.
Result of the last fiscal year	It must be achieved profits.	not a condition.
Minimal capital open to the public	%20	%10
Publish the certified statements	Publish the certified statements approved the past three fiscal years, to be profitable.	Publish the certified statements of the last two financial years, unless “Securities and Investments Organization and Monitoring Commission” grants an exemption.
Internal Auditor	A prerequisite.	A prerequisite + Stock exchange promoter.
Number of shareholders	150 shareholder.	50 shareholders, or 03 corporate shareholders.

Source : <http://www.sgbv.dz/commons/fr/document/document1104026470.pdf>

Figure 04: Classification of subcontracting enterprises in Algeria by activity



Source: Allali and Eirab, 2012.

Table N 08: Activity nurseries enterprises in Algeria

Nurseries enterprises	Number of incubated projects		Jobs supposed to be developed 2013
	First six months 2012	First six months 2013	
Annaba	8	9	28
Oran	8	15	32
Ghardaia	4	12	11
Bordj Bou Arreridj	7	10	237
Nurseries enterprises	27	46	308

Source: Ministry of Industrial Development and Investment Promotion, 2013

Table N 09: Activity facilitation centers in Algeria - the first six months 2013

Facilitation centers	Projects received	Accompany projects	The plan of work	Created enterprises	Jobs supposed to be developed
Tipaza	368	90	61	17	57
Oran	325	325	13	204	964
Adrar	36	22	12	10	27
Bordj Bou Arreridj	232	191	21	21	380
Alesi	98	64	3	/	25
Jijel	277	239	2	2	31
Tamanrasset	37	17	/	2	7
Naama	175	114	5	2	121
Tindouf	163	39	15	12	33
Djelfa	313	10	/	/	/
Sidi Bel Abbes	21	21	21	21	74
blida	18	/	/	/	/
Total	2063	1132	153	291	1719

Source: Ministry of Industrial Development and Investment Promotion, 2013