

The Foreign Direct Investments in the industrial sector & its impact by the global pandemic covid-19 in Algeria

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Abstract:

Clearly that the past months have witnessed a lot of changes and challenges due the global pandemic (Covid-19) that has hit global economies, that's why we focus in this study on the effects and difficulties faced by FDI in the industrial sector, and how we can bear the impact by reading the statistics and analyzes that we have collected from local and international organizations, which revealed the great influence on the industrial sector due to its connection to the hydrocarbon sector.

Key Words: Foreign Direct Investment (FDI), Industrial Sector, The Globale Pandemic (covid-19).

JEL Classification : B27, E22, F21, L00, P00, Z00.

1. INTRODUCTION

FDI could play an important role in supporting economies during the economic recovery following the pandemic, Evidence from past crises has shown that foreign-owned affiliates, including small and medium enterprises, can show greater resilience during crises thanks to their linkages with, and access to the financial resources of, their parent companies, FDI could be particularly important for emerging and developing economies given that other sources of international financing, including portfolio investment, have fled these economies. Unfortunately, it appears that the impacts of the pandemic on FDI flows to these economies may be particularly severe. For example, the primary and manufacturing sectors, which account for a larger share of FDI in many of these economies than in most developed economies, have been particularly hard hit by the pandemic (OECD, 2020), And since Algeria is one of the developing countries that is convinced of its inability to confront the crisis in isolation from the rest of the world through the exchange of foreign capitals to maintain high economic growth rates, it has tried to improve its investment climate by creating all legal and regulatory conditions in order to attract FDI, so we try to analyze the size FDI flows, especially towards the industrial sector, which contributes to improving internal conditions and promotion of other productive sectors and supporting the national economy, so **Has the flow of FDI to industrial sector in Algeria suffered and affected by the global pandemic?**

To answer on this problem, we put forward the following hypotheses:

- What is foreign direct investment?
- How efficient is the investment climate in Algeria to stimulate investment in its industrial sector?
- What are the effects resulting from the global pandemic as regards foreign direct investment flows on international economies, especially Algeria?

To verify the validity of these hypotheses, we divided the study into the following axes:

- Foreign direct investment
- Incentives and guarantees of FDI in the field of industry in Algeria
- Evaluate the performance of FDI

The approach followed: the descriptive and analytical approach using the available information and data on foreign direct investment flows and the total investment projects of the industrial sector during the global pandemic to know the extent of their impact on Algeria's economy.

2. Foreign direct investment

2.1. Definitions the main terms in foreign direct investment

- According to the IMF and OECD definitions:

Direct investment reflects the aim of obtaining a lasting interest by a resident entity of one economy (direct investor) in an enterprise that is resident in another economy (the direct investment enterprise). The “lasting interest” implies the existence of a long-term relationship between the direct investor and the direct investment enterprise and a significant degree of influence on the management of the latter, Direct investment involves both the initial transaction establishing the relationship between the investor and the enterprise and all subsequent capital transactions between them and among affiliated enterprises, both incorporated and unincorporated, the fifth Edition of the IMF’s Balance of Payment Manual defines the owner of 10% or more of a company’s capital as a direct investor. (Duce, 2003)

Foreign direct investment (FDI) is defined as an investment involving a long-term relationship and reflecting a lasting interest and control by a resident entity in one economy (foreign direct investor or parent enterprise) in an enterprise resident in an economy other than that of the foreign direct investor, FDI enterprise or affiliate enterprise or foreign affiliate, FDI implies that the investor exerts a significant degree of influence on the management of the enterprise resident in the other economy, Such investment involves both the initial transaction between the two entities and all subsequent transactions between them and among foreign affiliates, both incorporated and unincorporated, FDI may be undertaken by individuals as well as business entities, Flows of FDI comprise capital provided (either directly or through other related enterprises) by a foreign direct investor to an enterprise, or capital received from an investing enterprise by a foreign direct investor. (UNCTAD, 2007)

Foreign direct investment enterprise is “defined as an incorporated or unincorporated enterprise in which a foreign investor owns 10 per cent or more of the ordinary shares or voting power of an incorporated enterprise or the equivalent of an unincorporated enterprise. The numerical guideline of ownership of 10 per cent of ordinary shares or voting stock determines the existence of a direct investment relationship. An effective voice in the management, as evidenced by an ownership of at least 10 per cent, implies that the direct investor is able to influence or participate in the management of an enterprise, it does not require absolute control by the foreign investor”. (Ridgeway & Canada, Novembe 2004)

The importance of foreign direct investment in economic and industrial development:

Foreign direct investment has great capabilities in promoting global economic integration as it is considered a fundamental pillar of the competitive capabilities of institutions and the economic development of host countries, especially developing countries. Foreign direct investment allows host countries to open up to the global economy and integrate them into it and facilitate the process of adaptation to global economic transformations.

- Its importance is considered a real financing tool through the transfer of real resources from abroad represented in the transfer of technology, equipment and machinery necessary to establish investment and the accompanying technical, administrative and organizational expertise that contribute to solving all problems that hinder economic development.
- It is also considered an important factor in the development and modernization of the industrial structure of the host countries through the stimulation of the local industrial sector by the multinational companies.
- It contributes to developing and strengthening the competitiveness of local enterprises and helping them penetrate global markets, which will be positively reflected in the promotion and development of exports and the reduction of imports of goods and services, thus improving the trade balance of the host country.
- The presence of foreign investment projects in developing countries may lead to the establishment of many auxiliary industries that supply foreign enterprises with their needs, or complementary industries that produce complementary goods to the products of foreign projects, or maintenance and repair workshops that may be needed by foreign enterprises and contribute to the additional employment of local labor and transportation Modern technology and high management skills to it. (Mekdar, 2017-2018)

2.2. Obstacles to investment in Algeria

The investment climate is what attracts FDI to the country and according to the definition of the Arab Investment Guarantee Corporation, it is: the overall conditions and conditions that make up the environment in which the investment process takes place and the impact of those conditions and circumstances negatively and positively on the chances of success of investment projects and thus on the movement and trends of investments, which include political, economic, social and security conditions and circumstances. It also includes legal conditions and administrative regulations. (Al-Asraj, December 2005)

Among the problems that the foreign investor faces in deciding whether to invest or not is it:

- **The problem of industrial real estate:** Industrial real estate represents a great concern for national and foreign investors. Projects have often faltered, and there are many investors for this reason. This obstacle is manifested in the following elements:
 - Difficulty obtaining a plot of land ready to practice an investment activity;
 - The multiplicity and complexity of administrative and judicial procedures;
 - The stagnation of the real estate market;
 - The exorbitant rise in land prices due to the greed of middlemen and speculators;
 - Some industrial zones and activity zones do not conform to the basic standards, given that they were established for political and social goals, not economic ones;

- Many public institutions do not possess ownership certificates (Les titres de propriétés), which hinders their privatization or their partnership with foreign dealers.
- **Information access problem:**

Economic information is of a high degree of importance to investors, as gaining it helps in drawing up future strategy and making decisions on objective grounds. However, the situation in Algeria is completely different from what it should be, as investors are not able to accurately assess the characteristics and needs of the market, let alone ignorance of the number of competitors. As investment decisions, despite the feasibility studies conducted on them, are mainly subject to field visits by foreign investors, and their assessment of the level of success of their investment projects (Nasseri, 2010-2011).

3. Incentives and guarantees of FDI in the field of industry in Algeria

3.1. The industrial sector:

The industrial sector, which represents a major unit within the national economy, which includes a number of companies that are distributed among different branches of industry, some of which extract raw materials from nature or agricultural materials, and some transform these materials into goods or services of an industrial nature, for example Food, beverage and tobacco industries groups within the food industry branch. From there, the industrial sector includes three main groups of activities:

- a. **Extracting industries:** which deals with the extraction of raw materials available in nature, whether mineral or non-metallic, on the ground or in its subsoil.
- b. **Manufacturing Industries:** which processes raw or semi-finished and manufactured materials by making transformational operations on them, such as producing steel from iron ore or fabric production from cotton or wool.
- c. **Service Industries:** It produces or provides services of an industrial nature, such as repairing machines, devices, durable goods and producing electrical energy. (fecarcha & Bennia)

Priority sectors for development:

- **Industry:** strategic branches:
 - Iron industry and mining
 - Hydraulic elastomers
 - Electrical and electrical appliances
 - Industrial chemistry
 - Pharmaceutical

- Mechanics and the automotive sector
- Aircraft manufacturing
- Shipbuilding and repair
- advanced technology
- Food industry
- Textile, apparel, leather and derivative materials
- Wood and furniture industry
- Mines.

3.2. **Measures to encourage and stimulate investment:**

Investment projects benefit from tax exemptions and reductions according to the location of the activity and the impact of the projects on economic and social development.

- Tax and semi-tax benefits of up to ten (10) years of exemption depending on the location and size of the project (fee on value added, customs rights, property transfer rights, public law, tax on profits, fees on professional activity and fees on real estate)
- Other additional benefits:
 1. Partial or full reimbursement of expenses related to infrastructure works, within the framework of the exceptional system
 2. Reducing the employers' contribution to social security when employing young job seekers
 3. Granting the concession over real estate containers in the form of mutual consent over a period of 33 years, subject to renewal, which performs the same property rights arising from the assignment.
 4. A reduction in the amount of rental royalty for real estate assets and real property acquired within the framework of the investment project.
 5. Tax and semi-tax benefits during the life of the project for the exported projects.
 6. Benefit the investments made within some activities of the industrial branches, the iron and mining industry, hydraulic plastics, electrical and electrical household appliances, industrial chemistry, mechanics and the automotive sector, the pharmaceutical, aircraft manufacturing, shipbuilding and repair, advanced technology, food industry, textile and clothing, leather and derivative materials. Wood and furniture industry from temporary exemption for a period of five (5) years from tax on corporate profits, total income tax and fees on professional activity, and a 3% reduction in the interest rate applied to bank loans.

7. Benefit income returning from activities exercised by natural persons or companies in the states of Illizi, Tindouf, Adrar and Tamngst and their home Jbaia in these states and reside permanently from the reduction in the general law of 50% of the amount of the tax on gross income or the tax on corporate profits, for a period of Five (5) years, starting from the first of January 2015.
8. The treasury is authorized to sponsor the bank interests of the investments made by the industrial sector institutions, which are directed to acquire technology and to control their investments, with the aim of controlling them in fairness.
9. Be extended to 31 December 2019, the application of low-rate customs rights on the acquisition of operations equipment and Altotathat is Almanantjh locally by hotel specifications within the framework of modernization operations and rehabilitation in implementation of the scheme “Algerian tourism quality”, a list of equipment and furniture and which set by the Ministerial Joint Resolution 2 March 2014.
10. Reducing the employers' contribution to social security (when employing young job seekers): - North: 56% to 80% -Highlands and South: 72% to 90% (ANDI)

In order to attract foreign investors in Algeria, the Finance Bill 2020 has been amended by abolishing the 51/49% rule, which was one of the biggest obstacles facing them.

3.3. Additional incentives for industrial investments

The Algerian investment law provides for several incentive schemes, aiming at encouraging foreign investments. In addition to these, the 2020 AFA has set forth the following additional incentive measures:

- A 2-year exemption from customs duties and VAT on the importation or local purchase of components and raw materials by subcontractors producing assemblies and sub-assemblies to be integrated into equipment in the mechanical, electronics and electric industries, as well as for companies operating in equipment maintenance and the production of spare parts in all sectors. The 2-year exemption can be renewed – The explanatory statements of the bill of the 2020 AFA state that the aim of this provision is to promote the resurgence of industrial activities such as machining, milling, turning. The 2020 AFA provides that an implementing regulation will be issued in this respect;
- The authorization of the importation of refurbished production chains for release to consumption (which until now, was subject to a prior authorization from the Ministry of Industry), except equipment relating to the transportation of persons and goods – The practicalities are intended to be detailed in an implementing regulation. According to the explanatory statement of the bill of the 2020 AFA, the aim of this provision is driven by the current global economic circumstances where companies may be facing difficulties, thus offering the opportunity to import refurbished production chains into Algeria at affordable prices;

- Vehicle distributors are no longer required to initiate an industrial or semi-industrial project to be granted their operating license.
- An exemption of customs duties and VAT for the raw materials imported or acquired locally, as well as components acquired from local sub-contractors, included in the manufacturing process in the mechanical, electronics and electric sectors, subject to approval by the Ministry of Industry. A 5% customs duties and 19% VAT on importation or acquisition of KD kits by manufacturers having reached the integration rate set forth in the specifications issued by the Ministry of Industry is also foreseen. The two regimes are cumulative and supersede the existing SKD/CKD* regime – The specifications expected to be issued in a forthcoming regulation will be critical for the implementation of these incentive regimes. (Spalding, 2020)^{1*}

According to the distribution of foreign investment projects completed by the National Investment Agency (ANDI):

62% of the completed investment amounts are in the industrial sector, the classification of the investments made in the industrial sector during this period shows that there is a dominance of this sector at all levels (in terms of number, amount of money, new jobs) with rates (11%, 62% and 35%) respectively, followed by the construction and public works sector and hydraulic (18%, 9% and 34%) and finally the service sector (9%, 13% and 12%). In terms of the industrial branches, especially the food industry, the chemical and plastic industries, the wood and paper industries, in addition to the resumption of the textile and leather industries, and in the end, the building materials and glass.

The industrial sector recorded a negative growth of (-5.0 %) during the first quarter of 2020, compared to a performance of 4.9 percent during the same period in 2019 (B, 2020), that's due to the global pandemic according to ONS.

Also during a webinar organized by Ernst & Young, Mr. Ackley, President of the Enterprise Heads Forum, dedicated to Algeria under the title "The Global Economy in the Amidst of Restructuring", which believes that Algeria is in an economic "transformation", and expressed his hope that foreign investors would enter into logic Profitable partnership in the growth and diversification projects launched by Algeria, the number of major sectors with high development potential, namely industrial production, agriculture, food industries, and manufacturing. Branches, manufacturing, mining industry, petrochemicals, renewable energies, as well as the digital industry, as well as the possibility of transferring value chain factories, as growth factors have become tangible (Agency, 2020).

4. Evaluate the performance of FDI

^{1*}As for the (CKD) system, it is an abbreviation for (Completely Knocked Down), which means the system of "assembling from completely disassembled parts". This production pattern is considered the most prevalent in dealings between countries and companies, where producers send final disassembled pieces to the importing party.

As for the (SKD) system, it is an abbreviation or for the phrase (Semi Knocked Down), which means the system of installation of half-disassembled parts, meaning that the percentage of dissociation in it is less than the (ckd) system.

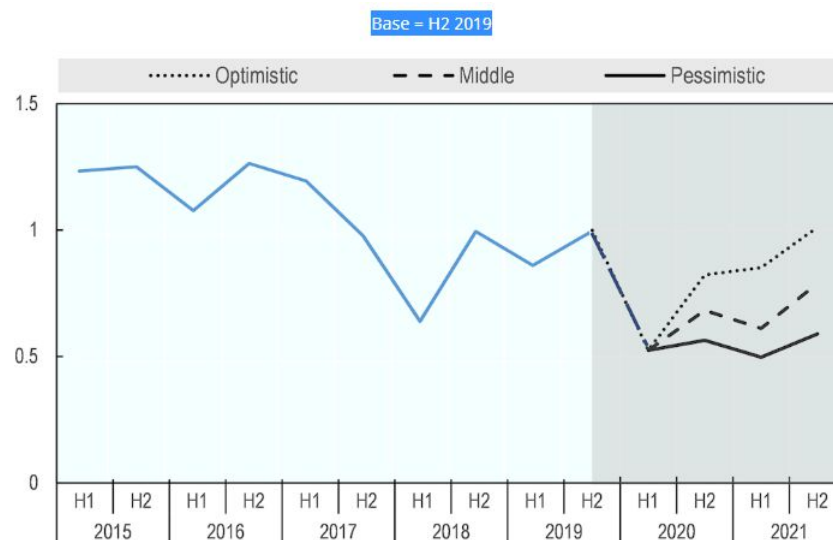
4.1. Evaluate the performance of FDI at the global level

Global foreign direct investment (FDI) flows in the first half of 2020 were down 49% compared to 2019 as lockdowns around the world slowed existing investment projects and the prospects of a deep recession led multinational enterprises to re-assess new projects. The decline cut across all major forms of FDI.

FDI flows to developing economies decreased by 16% – less than expected, Flows were 28% lower in Africa.

Prospects for the full year remain in line with earlier projections of a 30-40% decrease. But the outlook remains highly uncertain, depending on the duration of the health crisis and on the effectiveness of policy interventions to mitigate the economic effects of the pandemic. Geopolitical risks also continue to add to the uncertainty (UNCTAD, Global Investment Trends Monitor, issue. 36.october, 2020),and the resulting supply disruptions, demand contractions, and pessimistic outlook of economic actors,this decline is accentuating and accelerating the steady decline of FDI flows observed in the past five years,Organization for Economic Co-operation and Development (OECD) projections show that even under the most optimistic scenario, FDI flows will likely fall before returning to pre-crisis levels by the end of 2021. (OECD, oecd.org, 2020)

Fig.1. FDI Flows under Different Scenarios on the Effectiveness of Public Health and Economic Policy Measures

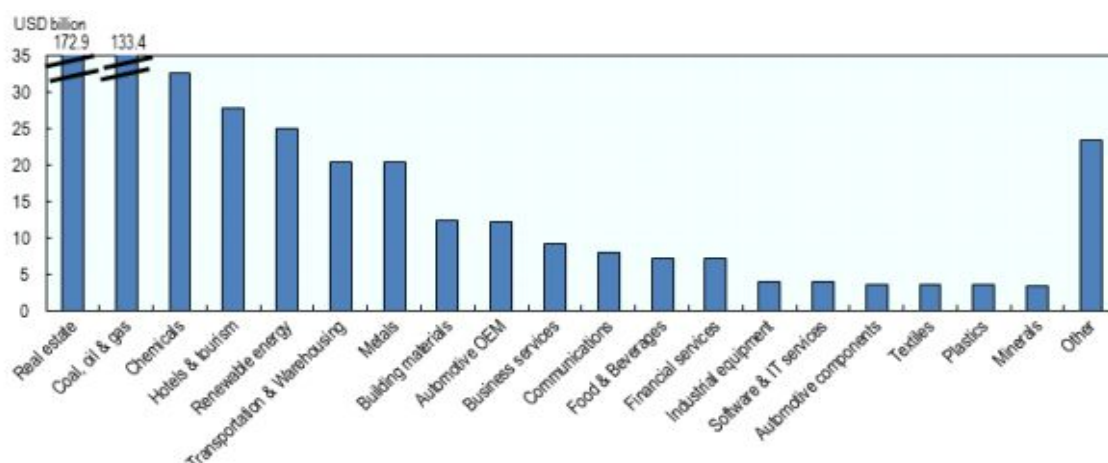


Source: OECD FDI statistics database and OECD projections

This figure shows half-year trends from 2015 to 2019 and possible scenarios on a half year basis through the end of 2021. The figure shows that there is expected to be a sharp drop in FDI flows in the first half of 2020. After that, the impact on FDI flows will depend on the success of the public health and economic policy measures taken by governments. Under the pessimistic scenario, the drop in FDI flows lasts longer.

4.2. Evaluating the performance of FDI in the Middle East and North Africa

Fig.2. the value of FDI in new areas announced in the Middle East And North Africa, by sector 2003-2019



Note: Data are available for Algeria, Egypt, Jordan, Lebanon, Libya, Morocco, Palestinian Authority, and Tunisia

Source: OECD based on the most comprehensive online database of new cross-border investments available (FDI Markets 2020).

The sectoral breakdown of announced new investments for the eight countries surveyed in the MENA region between 2003 and 2019 shows that the real estate sector and the coal, oil and natural gas sectors accounted for 32% and 25%, respectively, of the total investment amounting to 8.525 billion dollars, the chemical manufacturing sector and the service sector such as hotels and tourism, and the renewable energy sector also represent an important share of the investments in the region, the sweeping lockdown measures implemented across the region are likely to have severe implications for new foreign direct investment in many strategic sectors of the economies in the coming months, the region is expected to experience significant declines in the manufacturing sector in line with trends in non-OECD countries since the beginning of 2020, also the drop in oil prices is expected to lead to a decrease in investments from neighboring Gulf countries, which were the largest source of foreign direct investment in new areas in the eight countries surveyed in the Middle East and North Africa region between 2003 and 2019. (OECD, Reprot OECD tackling CORONAVIRUS(COVID-9):contributing to a global effort,Investment in the MENA regoin in the time of COVID-19., 2020)

4.3. Evaluating the performance of FDI in Algeria (incoming and outgoing flows) - The outcome of FDI projects in Algeria for the year 2019

Table. 1. FDI projects into the Middle East and North Africa for the year 2019

Country	No.projects	Capex(USD m)	Companies
UAE	445	135577	407
Algeria	24	2316	17
Bahrian	29	1051	27

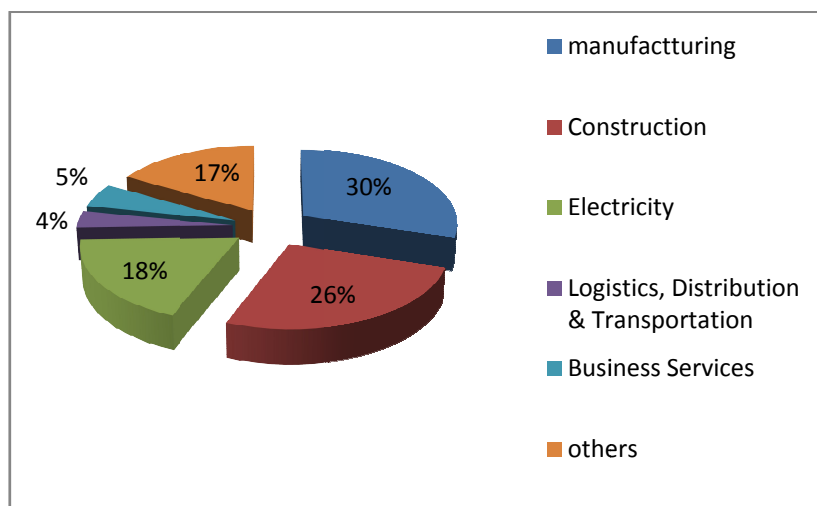
Djibouti	3	181	3
Egypt	140	13715	86
Iraq	13	2117	12
Jordan	26	2290	20
Kuwait	26	695	18
Lebanon	12	290	12
Libya	2	70	2
Mauritania	2	159	2
Morocco	111	3069	100
Oman	61	3647	54
Palestine	3	347	2
Qatar	28	1581	25
Saudi Arabia	134	12527	106
Sudan	2	78	2
Tunisia	31	2519	25
Total	1092	60208	815

Note: Capex figures shown in the table are in USD - millions of US dollars

Source: FDI Markets, from the Financial Times Ltd 2020

According to FDI market, **Algeria** acquired 24 projects in the year 2019 of the total 1092 FDI projects, with an investment cost set at 2316 million dollars, which is 3.85% of the total investment cost.

Fig.3. Top 5 FDI activities in the Middle East and North Africa (2019) in terms of investment cost



Source: by the student based on data (the Climate Report for Arab Countries 2020)

Also according to the Climate Report for Arab Countries 2020, the manufacturing activity was at the forefront of the activities in terms of investment cost and accounted

for 30% of the total, and the United States of America was the largest investor in the region in this sector with 3 billion dollars, and China was ranked fourth in terms of investment cost as the most important investor In the region, as DoubleStare Qingdao-japon invested in Algeria in the rubber sector in an industrial project with an estimated investment cost of 249.2 million dollars, and its subsidiary is planning to build a new factory as part of a joint venture with the local company Sarl Elhadj Larbi Pneumatique, with a joint investment of 226.5 million euros for tires Trucks, buses and passengers.

- **The incoming of foreign direct investment flows into Algeria.**

Table.2. Incoming foreign investment inflows (in millions of US dollars)

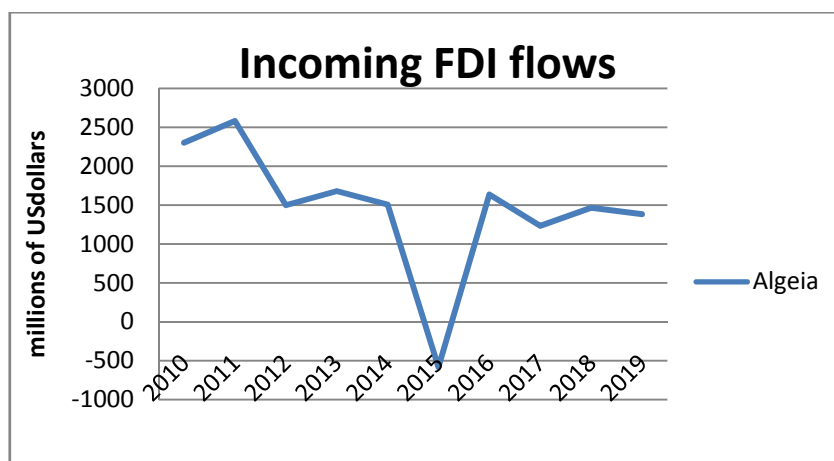
For the period (2010-2019)

United States Dollars at current prices in Millions

Economy/year	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Algeria	2301	2581	1499	1679	1507	-585	1636	1232	1466	1382

Source: UNCTAD STAT

Fig.4. Incoming foreign investment inflows (in millions of US dollars)



Source: by the student based on UNCTAD statistics

The economic reforms followed by Algeria led to an increase in the volume of inflows of foreign investments and an improvement in the investment climate during the period from (2010-2012) to Algeria, the volume of this influx gradually increased from 2301 to 1499 million dollars, then decreased to 1679 million dollars in 2013, to continue to fluctuate from the decline in the increase in the flow in the period (2014-2018), as the inflows of FDI in Algeria increased to 1466 million dollars in 2018 compared to 1232 million dollars in 2017 thanks to investment in the oil, gas and automobile sectors, according to the report of the United Nations Trade Forum And development is Knossid, so that the volume of foreign investment received for the year 2019 amounted to 1382 million dollars, according to UNCTAD statistics.

The Knossid report for the year 2019 on investment in the world indicated that "Algeria benefited in 2018, in addition to foreign direct investment in the oil and gas sector, from large investments in the auto industry", according to the same data, FDI flows in 2018 to Algeria represented 2,3 % of the total fixed capital formation, so it should be noted that the increase recorded in 2018 came after the decline recorded in 2017, during which the attraction of foreign direct investments decreased by 23 % means 1232 million dollars, after it reached 1636 million dollars in 2016, at that time Knossaid had predicted an increase in FDI in Algeria thanks to the new provisions proposed in the framework of the new hydrocarbons law, which aims to stimulate foreign investment in the hydrocarbon sector.

the automobile sector which contributed to the growth achieved in 2018, entered the service of the installation plant of the Chinese manufacturer "Beijing Automobile International Corporation", whose investment value exceeded 100 million dollars, South Korean manufacturers Hyundai and US Ford have also won approval from the National Investment Council to build assembly plants in Algeria, at the same time, FDI flows directed to abroad witnessed the same upward trend, as their value increased from 4 million dollars in 2017 to 880 million dollars, which ranked Algeria third in terms of African investments after South Africa and Nigeria, at the end of 2018, the FDI balance amounted to 30.6 billion dollars compared to 29.09 billion dollars collected at the end of 2017, while the FDI balance increased by 2.7 billion dollars compared to 1.8 billion dollars in 2017. (radioalgerie, 2019)

Algeria did not mention, according to the global investment index prepared by UNCTAD during these years, as it indicated in its report on foreign investment flows during the quarantine period for the year 2020 that North Africa witnessed a decrease in foreign direct investment by 28 %, and because attracting foreign direct investment in its various forms it has implications for different levels, employment, balance of payments. Productivity, technological situation, and the various sectors, so when the crisis occurred, all of this had negative effects in general in the region. In general, we hope to increase the volume of flows during the coming period due to the abolition of the (49% -51%) rule after amendments made in the additional finance law for 2020.

- **The outgoing of foreign direct investment flows from Algeria.**

Table.3.Outgoing foreign investment inflows (in millions of US dollars)

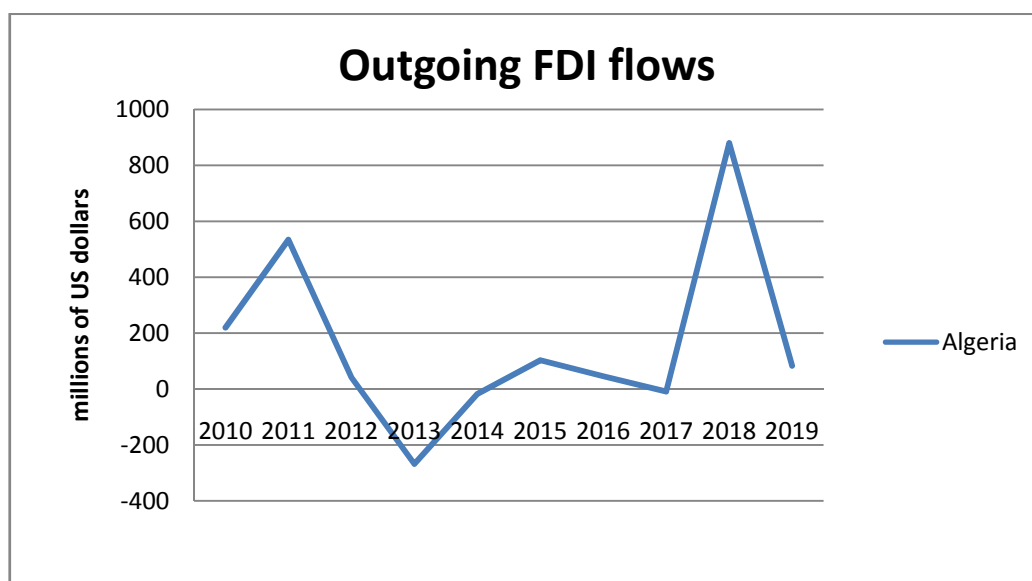
For the period (2010-2019)

United States Dollars at current prices in Millions

Economy/year	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
algeria	220	534	-41	-268	-18	103	46	-9	880	83

Source : UNCTAD STAT

Fig.5.Outgoing foreign investment inflows (in millions of US dollars)



Source: the student based on UNCTAD statistics

The table (3) shows us that investment flows from Algeria during the period (2010-2011) has increased significantly from 220 to 534 million dollars, and the period (2012-2014) recorded dissimilar decline, this is due to the stagnation of the activity of large institutions, especially those active in the field of hydrocarbons, which led to a contraction of their expansion in building foreign projects, 103 million dollars were invested in 2015, it decreased in the years 2016 and 2017, respectively, the highest value was recorded in 2018 to reach 880 million dollars, and in 2019 decreased by 83 million dollars.

The outflows from Algeria of direct foreign investments recorded fluctuations from year to year, down and up.

The gradual development of foreign direct investment flows recorded a decline in growth in all economic sectors despite the strengthening and development of the infrastructure of Algeria in order to conform to international standards to stimulate the foreign investor to set up projects in the industrial sector, especially because of its availability of raw materials and the relatively low cost of labor. This remains due to weak policies and measures, which stimulates the flow of foreign investment and the political conditions that Algeria has gone through, including marches and demonstrations (the popular movement), protests against the presidential elections and the current health situation, all this has curbed the flow of investment projects and halted large sectors of production that would support the growth of the economy.

According to the annual report on investment climate 2020 in the Arab region, by the Arab Corporation for the Guarantee of Investments and Export Credit, there will be a 27 % decline in foreign direct investment projects coming to the region, to remain within the range of 60.21 billion dollars.

5. CONCLUSION

By analyzing the statistical data of various international organizations, foreign direct investment in Algeria was affected by the large size of the crisis (the COVID-19 pandemic) and the resulting recession that the world witnessed, because one of the most influential factor is the global oil prices due to the link of its economy and its incoming and outgoing investment in general to the hydrocarbon sector including the primary, manufacturing and industrial sectors, despite the continued decline in global foreign investment flows, governments around the world are still seeking to liberalize restrictions imposed on international investment by following economic support policies and measures taken across various sectors to increase flows of foreign direct investment, which play an important role in supporting economies Through financial support for their subsidiaries.

6. RESULTS

Governments need to mobilize investment more efficiently through Promote the country's economic recovery by:

- Developing of the national industry.
- Improving economic analyzes by relying on highly qualified and multi-experienced economists
- Adapting the financial and economic policies to the current conditions in the event that the situation is unstable due to Corona and the closure of the borders still exists
- Relying on modern technologies, improving online services and increasing supervision in order to keep pace with the current conditions
- Create platforms on the Internet for industrial projects with foreign companies to facilitate their transactions and support their activities.
- Working on improving investment guarantees to improve the quality of the business environment to attract different investment projects.
- Also there are activities can help governments promote economic growth and investments like UNCTAD projects, works on strengthens the capacities of these countries to promote investment and gives them tools to identify, target and facilitate strategic investment projects, the Investment Promotion and Facilitation Programme includes advisory services, training, capacity-building for the development of online investment guides and the convening of high-level international meetings to share new developments, trends and best practices, as well as guidance on the institutional, policy and strategic aspects of investment promotion and facilitation, provided through its publications.

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