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MIDOUN sissani

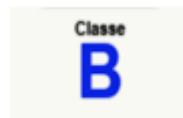
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The impact of the (COVID-19) pandemic on the Algerian economy during the period 2019–2022

أثر جائحة (كوفيد-19) على الاقتصاد الجزائري خلال الفترة
بين 2022-2019

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Abstract: The key purpose of this research is to examine the impact of the coronavirus and its new variants on socioeconomic factors in the world, particularly in Algeria during the period between its appearance in Wuhan, China in 2019 till 2022. There is no doubt that, this pandemic has spread widely and dramatically, and the World Health Organization (WHO) encouraged the government to scale up health workforce and laboratory capacities besides setting up points-of-entry at airports and border crossings in order to slow down the spread of (covid-19) and its variants. Moreover, economic and social measures have also been taken to reduce and mitigate the major effects caused by the drop in oil prices and the closure and layoffs of different economic sectors that were directly affected, too.

Key words: Economic growth; coronavirus; economic diversification; Algerian economy; Oil prices.

JEL classification: F43;G41 Q20; G17.

الملخص: الهدف الرئيسي من هذا البحث هو دراسة تأثير فيروس كورونا ومتغيراته الجديدة على العوامل الاجتماعية والاقتصادية في العالم، وبالأخص في الجزائر خلال فترة ظهوره في ووهان الصين بين سنة 2019 و 2022. لا شك أن الوباء انتشر على نطاق واسع وبشكل خطير ما دفع منظمة الصحة (WHO) الى التشجيع الحكومي على زيادة القوى العاملة الصحية إلى جانب إنشاء نقاط دخول في المطارات والمعابر الحدودية من أجل واحتواء انتشار (كوفيد-19). تم اتخاذ تدابير اقتصادية واجتماعية للتخفيف من الآثار الرئيسية الناجمة عن انخفاض أسعار النفط وإغلاق وتسريح القطاعات الاقتصادية المختلفة التي تأثرت بشكل مباشر أيضاً.

(*) *Corresponding authors*

الكلمات المفتاحية: النمو الاقتصادي؛ فيروس كورونا؛ التنوع الاقتصادي؛ الاقتصاد الجزائري. أسعار النفط.

INTRODUCTION

There is no doubt that the history of mankind has known many epidemics, such as the Spanish Flu of 1918, the severe acute respiratory syndrome (SARS) and Ebola, but the coronavirus epidemic remains the most violent and devastating to mankind after the Second World War. Most optimistic analysts said that the available data shows that the coronavirus scale is greater compared to any epidemic in the past compared to its high contagion risk, and this dangerous virus didn't just affect number of health cases but also heavily the economic field with losses that severely affected air travel, the world oil industry's production, industries worldwide, manufacturing activity, the service industry, and the aviation industry in the short run and with a significant impact. The global economy remained constrained by the on-going negative effects of the pandemic, which led to severe shortages in major supplies and high commodity and energy prices. The (COVID-19) pandemic remained as a risk to domestic growth more than any other factor in early 2020 before the emergence of the Omicron variant.

Algeria, as a developing country stands today on the threshold of an economic crisis due to the double damage caused by this coronavirus, which led to a terrible decline in oil prices and, affected the revenues derived exclusively from oil exports, and also increasingly influenced the economic activities and most internal institutions. After the virus hit the world economy, oil prices fell to less than \$ 30. As we know, the state's general budget was set on the basis of 50 dollars per barrel. Unfortunately, oil prices fell to less than 30 dollars per barrel because of the effects of the corona crisis on oil demand. This situation made the Algerian government's losses increase, and they were estimated, according to unofficial estimates, to be about one billion dollars by the end of the month.

According to the above, the core problem that this study intends to investigate is:

How has (covid-19) pandemic impacted Global economy and Algeria main sector in particular?

Based on the research question, we formulated the *following hypothesis* as fellow:

- There is a significant relationship between the economic slowdown in the world and Covid-19.
- *Algeria's economic* growth depends on oil prices and economic diversification.

The purpose of this article is based on three principal objectives:

- a) First to analyse the *economic* damage caused by the (covid-19) in different sectors of economy in the worldwide.
- b) Second, investigate whether the government's rules measures taken really stopped the spread of coronavirus and decreased the economy crisis.
- c) *Using a descriptive and analytical method, we will focus on the Algerian economy situation under both Corona virus and the falling oil prices.*

2. Previous studies:

Many writers focus on the relationship between economic welfare growth and health disease outbreaks. According to (Hiscott et al., 2020) found that (covid-19) has engulfed human personal lives and their economies. The global economy faced its worst situation since the last economic crisis of 2008 (Boshkoska & Jankulovski, 2020). In the wink of an eye, it has seriously impacted most manufacturing and service and industries shutdowns. The labour market in its turn has faced difficulties, particularly with workers aged between 18-24 (Foley, Francis-Devine, & Powell, 2020). Almost 5 to 25 million workers have lost their jobs globally (Nicola et al., 2020) due to the economic crisis as a result of (corona-19). The informal sector and its informal workers were most affected, too.

The volatility of the financial markets (Barinov, 2020) was seriously evident, especially with the oil crash (Albulescu, 2020) in prices and OPEC reduction of its production.

3. The trends of the world global Economy:

Policymakers, businesses, and market participants have tried to reduce the damage caused by the coronavirus and its variants; especially on growth expectations (Ahmad, Haroon, & Hui, 2020). As soon as it appeared and started spreading, the world entered into a wave of threats and panic, facing, inflation and policy uncertainty, beside the rise of government spending and monetary policies. Rising inequality and security challenges were particularly harmful for most developing countries (Bonaparte, 2020).

This crisis was unrivaled. It was very likely that the global economy experienced its worst recession in the years of the "Great Depression during 1929"(Moschonas, 2020). Before the Coronavirus pandemic started in early December 2019 in Wuhan, China,(Harapan et al., 2020) the world economy strands were expecting a growth rate for the year 2020 of 2.9%.Unfortunately, and just in a short term, the world economy started to sink after striking the corona virus iceberg. As a matter of fact, the International Monetary Fund (IMF) published in mid-April 2020 a contraction of -3% in 2020.anyway, a great deal of uncertainty remains about forecasts, the pandemic itself, and its overall economic implications, and the pressures associated with it in financial and commodity markets(Hung, 2021). In whole countries in the world, industrial production, sales and investment all fell in few months of the beginning of 2020. When the corona crisis hit, investors chose less risky investments and the effects of lockdowns were visible and in order to overcome this critical situation most countries in the world made emergency plans to face and reduce the corona and its variants effects on the world trade as fellow:

Table 01 : Real GDP affected by (COVID-19) during 2019 to 2022

<i>Years</i>		<i>2019</i>	<i>2020</i>	<i>2021e</i>	<i>2022f</i>
World		2,6	-3,4	5,5	4,1
	Advanced economies	1,7	-4,6	5,0	3,8
	United States	2,3	-3,4	5,6	3,7
	Euro area	1,6	-6,4	5,2	4,2
	Japan	-0,2	-4,5	1,7	2,9
	Emerging market and developing economies	3,8	-1,7	6,3	4,6
	East Asia and Pacific	5,8	1,2	7,1	5,1
	China	6,0	2,2	8,0	5,1
	Indonesia	5,0	-2,1	3,7	5,2
	Thailand	2,3	-6,1	1,0	3,9
	Europe and Central Asia	2,7	-2,0	5,8	3,0
	Russian Federation	2,0	-3,0	4,3	2,4
	Turkey	0,9	1,8	9,5	2,0
	Poland	4,7	-2,5	5,1	4,7

	Middle East and North Africa	0,9	-4,0	3,1	4,4
	Algeria	1,0	-5,1	4,1	2,0
	Egypt, Arab Rep.3	5,6	3,6	3,3	5,5
	Kuwait	-0,6	-8,9	2,0	5,3
	Morocco	2,6	-6,3	5,3	3,2
	Qatar	0,8	-3,6	3,0	4,8
	Saudi Arabia	0,3	-4,1	2,4	4,9
	Tunisia	1,5	-9,2	2,9	3,5
	United Arab Emirates	3,4	-6,1	2,7	4,6
Memorandum items:					
	Real GDP ¹				
	High-income countries	1,7	-4,6	5,0	3,8
	Developing countries	4,0	-1,4	6,5	4,6
	Low-income countries	4,6	1,3	3,3	4,9
	World trade volume ⁵ Commodity prices ⁶	1,1	-8,2	9,5	5,8
	Oil price	<i>Oil price</i>	-10,2	-32,8	67,2

Sources: World Bank; Haver Analytics.

As we can see from table1 above, the world global economy received a strong shock from the impact of the coronavirus and all GDP were negative during the year 2020. For example the global world GDP fell from 2.6 to minus -3,4 in the year 2020 ,the same for USA .However, euro area countries fall back from 1,6 in 2019 to minus -6,4 in year 2020 and in the emerging market and developing economies from 3.8 to minus-1,7 and China its GDP decline from 6.0 in 2019 to 2.2 in 2020 .The declines of most economic indicators reached the Middle East and North Africa(Arezki & Nguyen, 2020) as well as all parts of the world. For example Algeria's ,GDP fell from 1.0 in 2019 to minus-5,1 in 2020.Besides , Kuwait's economy faced lot of difficulties and its GDP declined from -0,6 in year 2019 to minus-8,9 in 2020 and Qatar's GDP go back from 0.8 in 2019 to -3,6 in year 2020.All these statistics show clearly that the whole world economy experienced a strong shock and collapse as a result of Corona virus and its new variants. We also notice that most

world economies started to recover at the end of 2021 and most economic indicators began to improve, according to the table above.

3.1. Plan to exit from the covid19 pandemic and booster the global economy:

Dealing with this crisis differs from all global crises, such as the Great Depression. Do not follow the Kenyan model that works, and no financial rescue plans work as the plan that America followed in the financial crisis of 2008. :

- A stage of containment and stabilization.
 - A stage of recovery and search for serum.
 - The stage of restoring confidence in the global economy.
 - Benefiting from the experience and not repeating it at each stage.
- There must be is a critical role for both public health and economic policy.
- Maintain a safe distance by staying at least one metre away from each other.
 - Wash hands with soap and water
 - Wear a face mask , apply home quarantine, and vaccination tests.

1.2. Analyzing the world health indicators during December 2019 to March 2022

It is not easy to analyze the impact of (COVID-19)and the new variants such as Alpha, Beta and Omicron on essential health services in any country(Wolter et al., 2021) but we have to admit that providing information about the health situation for any country helps the decision-makers to take the correct health measures and avoid falling into disasters and bad consequences. Statistics provided by the World Health Organization in table 2 helped most countries in the world to follow the daily development and its speed of spread in certain areas. It also helps governments to take practical health recommendations to control and eradicate (covid-19) pandemic.

Table 02 : World coronavirus disease situation by region from December 2019 till 20 March 2022

Global infected Situation	470,217,763	Confirmed
Global recovered Coronavirus	400,788,132	Confirmed
Americas	149 435 827	Confirmed
Europe	191 842 819	Confirmed

South East Asia	56 667 275	Confirmed
Western Pacific	36 865 816	Confirmed
Eastern Mediterranean	21 478 988	Confirmed
Africa	8 517 888	Confirmed
Global Deaths	6 062 536	Confirmed

Source : world health organization [https:// covid19.who.int/](https://covid19.who.int/)

According to table 2, we can notice that the global cases being confirmed were estimated at 470,217,763 cases during the period from December 2019 to March 2022. For example, Africa despite its continuous employment of vaccines and dosing schedules, it reached more than 8 517 888 confirmed cases during the period studied. However, Europe attained 191 842 819 confirmed cases. On other hand, at least 188 countries have started vaccinating their citizens for the coronavirus and have administered at least 10,430,074,000 doses of the vaccine. The pandemic's true death was estimated to more than 6 062 536 according to collected data during the studied period between December 2019 till 20 March 2022 (Lewnard et al., 2022).

1.1. Algeria Coronavirus update from 2019 to 2022

According to the data collected, we can notice easily that Algeria has reordered about 265705 cases up today and has lost about 6874 confirmed cases since the beginning of this pandemic. We can

Algeria ,like other North African countries had faced a fourth wave of infections due to the spread of the Omicron variant in the beginning of January 2022. The number of new cases per day was not so dangerous.

Table 03 : Report About Algeria coronavirus cases from 2019 to 2022.

#	Country, Name	Total Cases	Total Deaths	Total Recovered	Population
1	Algeria	265,705	6,874	178,315	45.102.387

Source: <https://www.worldometers.info/coronavirus/#countries:>

1.1.1. Measures to Mitigate the Impact

The Algerian government took preventative measures and further steps to set up restrictions such as :

- ✓ Wearing a protective mask in all public places.
- ✓ Land borders were closed with periodic exceptions.
- ✓ A “vaccination pass” was required to access public spaces such as stadiums, meetings, seminars, and conferences.

- ✓ The Algerian government set up a free green phone number to dial 3030 if any person is suspect he is symptomatic.
- ✓ The development of advertising spots in Arabic, Amazing and French, to be broadcast on national radio and television stations as well as on the web of the Ministry of Health.
- ✓ Awareness about seasonal flu and Coronavirus.

4. Study Data And Methods:

In this study, we estimated the relationship between the growth rate of confirmed (COVID-19) and its new variants and this epidemic impact on both economic and social sectors. The economic effects of the spread of the new Corona virus were numerous, as it was expected that the growth rates of the global economy would decline, as a result of three main channels. First, the supply side was affected by production disruptions as a result of virus infections, as well as measures to contain it. Second: the demand side was affected globally, especially in the tourism and entertainment sector. Third: the spread of these effects globally as a result of the transmission of the virus and its variants across borders. As a result the decline in global demand rates in the major industrialized countries and China was serious and most Arab economies were negatively affected through many channels, such as tourism, oil exports, and other industrial revenues.

5.(Covid -19) impact on Algeria Macro economic sectors during 2019 to 2022:

The (covid-19) pandemic influenced badly the short-term activity in the whole world and investor risk uncertainty has increased the volatility in financial conditions. In 2019, Algeria's economic growth rate slowed for the fifth consecutive year, besides a cruel social mobilization and political transformation. This situation weakened consumer confidence, companies and spending. At the sectorial level, the structural deterioration of the hydrocarbon industry continued, with the industry declining by 4.9%, while the non-oil sector rose by a modest 2.4% in real terms. The Algerian government has announced serious reforms to move toward economic diversification and a private sector-led economy as a development model, while maintaining support for the most vulnerable segments of the population. It was not easy, but its success would depend on the decisiveness of the reform programmers, the strength of the private sector response, and the authorities' ability to take simultaneous actions. It was clear that, Algeria relied, in its income from hard currency, on its exports of oil and gas, by 98%, the country's fiscal revenues also

depended on 50% of petroleum taxation, and likely wise 70% of salaries were paid on the basis of these revenues. During this global crisis, Algeria was maintaining, a margin of safety, thanks to its foreign currency reserves estimated at \$ 55 billion, as well as twice its external debt, which does not exceed \$ 3 billion. The Real GDP rose by 4.7% in 2020, compared to 0.8% in 2019. The measures put in place to control (COVID-19) impact had serious consequences for the service and construction sectors, cut many jobs. It jumped gain at 3.4% of GDP, in 2021 and it is estimated to reach 4% by the end of 2022.

Table 04 : Algeria international reserves by billion \$

Date	international reserves	Change, %	unemployment rate	Change
2020	51.607,364,292		13.3	
2019	62,489,871,439		12.5	-2.97 %
2018	87,382,910,154	-16.66 %	11.7	0.19 %
2017	104,852,543,743	-13.19 %	11.7	11.54 %
2016	120,788,088,861	-19.79 %	10.5	-6.38 %
2015	150,595,236,895	-19.19 %	11.2	5.79 %
2014	186,350,590,141	-7.49 %	10.6	7.84 %
2013	201,436,604,412	0.42 %	9.8	-10.39 %
2012	200,586,904,241	4.82 %	11.0	10.01 %
2011	191,369,111,470	12.27 %	10.0	0.10 %
2010	170,461,132,879	9.90 %	10.0	-2.03 %
2009	155,111,906,772	4.74 %	10.2	-10.37 %
2008	148,098,646,077	28.81 %	11.3	

Source: IMF: World Economic Outlook (WEO), April 2020

5.1 Algeria Main Economic Indicators during 2019-2022

The Algerian economy is almost based on hydrocarbons and public investment. Hydrocarbons account for 40% of GDP, 94% of exports, and one third of fiscal revenues. The lack of economic diversification and political uncertainty, besides the (COVID-19) pandemic impact, had awful negative results on hydrocarbon production and prices. As we notice in table 03, the GDP of Algeria was about 171.07 (billions USD) in 2019 (Youcef, Amina, & Hafida, 2019) and increased to 147.60 (billions USD) in 2020, then it jumped to 163.81 (billions USD) in 2021. Besides, general government gross debt (in % of GDP) moved from 45.8 in 2019 to 55.6 in 2020. Regarding the inflation rate and although Algeria inflation rate fluctuated substantially in recent months, it tended to increase from 2.4% in 2020 to 6.5% due to the high prices consumables around the world in this critical period because of (Covid-19). According

to IMF estimates, unemployment hit 14.1% of the population in 2021, and may increase to 14.7% in 2022.

Table 05 : Algeria main economic indicators from 2019 to 2022: (e) Estimated Data)

Main Indicators	2019	2020	2021	2022 (e)
GDP (billions USD)	171.07	147.60	163.81	168.20
GDP (Constant Prices, Annual % Change)	0.8	-4.9	3.4	1.9
GDP per Capita (USD)	3,940	3,337	3,638	3,672
General Government Gross Debt (in % of GDP)	45.8	55.6	58.5	63.2
Inflation Rate (%)	2.0	2.4	6.5	7.6
Unemployment Rate (% of the Labour Force)	11.4	14.0	14.1	14.7
Current Account (billions USD)	-16.96	-18.71	-12.49	-9.19
Current Account (in % of GDP)	-9.9	-12.7	-7.6	-5.5

Source: IMF – World Economic Outlook Database , 2022

On other hands, the current account (in % of GDP) was negative about (-9.9) and hit (-12.7) in 2020 because of (covid -19)and the bad economic situation in Algeria .Concerning, employment(Manel, Driouche, & Mohammed, 2019) and purchasing power deteriorated dramatically since the (COVID-19)crisis and Inflation rate jumped from 2.4 percent in 2020 to 6.5 in 2021 and it is estimated to reach 7.6 in 2022.

5. 2.Algeria recent current account balance and risks : 2019 to 2022

The deficit in the balance of payments reached 12 billion dollars in 2019. By comparing expenditures with revenues, the deficit in the Algerian state treasury was about \$10.4 billion; that means about 9.2% of the gross domestic product.

However, the current account balance reached (-18,221,431,875) million dollars and the exports of goods were about (21,914,992,637) million dollars. It was clear that if the continuation of the duality consisting of the effects of the (Covid -19) and the decline in economic indicators would certainly lead to a catastrophic situation.That means the exchange reserves would automatically fall to less than 40 billion dollars. On the other hands, and according to the Algerian government, the budget law expected revenues of \$43.31 billion in 2021, and expenditures of \$65.95 billion, with a deficit of \$22.6 billion. Also, it was expected that foreign exchange reserves will decline to less than 46.8 billion dollars by the end of 2021, from 56 billion currently, covering 16.2 months of imports.

Table 06: Alegria: Current Account Balance 2020-2021

Years	2010	2021	Units	Frequency
Balance of Goods	-9,007,461,227	-13,001,709,769	USD	Annual
Current Account Balance	-16,954,294,028	-18,221,431,875	USD	Annual
Exports of Goods	35,312,712,054	21,914,992,637	USD	Annual
Imports of Goods	44,320,173,281	34,916,702,406	USD	Annual
Foreign Direct Investment	0.19	0.09	USD Billion	Sep 2021
External Debt	3829.00	3562.00	USD Million	Sep 2020

Source :<https://tradingeconomics.com>

5.3. Oil market developments under the pandemic :

Besides, oil-exporting fall which contributed to a steep drop in oil prices. Most of the economic sectors in Algeria suffer from wide structural imbalances and this situation The economic situation does not bode well despite the procedures followed by the authority to get out of the (Covid-19) tunnel and from the grasp of borrowing from the International Monetary Fund, which in its turn awaits the fall of states such as Algeria as prey, providing it with funds under great exploitative terms and as guarantees that the Algerian government will provide to creditor institutions. The government has taken lot of measures such as the immediate closure of unauthorized dry ports, total and partial confinement in various towns..etc. in order to control its impact.

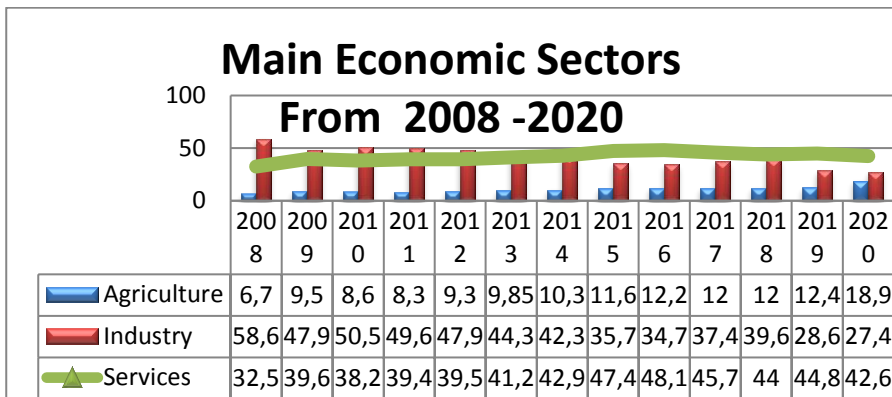
(covid-19) infections grow keep fears of low oil demand, leading to a market glut with the announcement of record numbers of coronavirus infections worldwide, including the United States, the largest consumer of crude. Besides, oil-exporting fall in and contributed to a steep drop in oil prices. Most of the economic sectors in Algeria suffer from wide structural imbalances and this situation The economic situation does not bode well despite the procedures followed by the authorities to get out of (Covid-19) tunnel and from the grasp of borrowing from the International Monetary Fund, which in its turn awaits the fall of states such as Algeria as prey, providing it with funds under great exploitative terms and as guarantees that the Algerian government will provide to creditor institutions. The government has taken a lot of measures such as the immediate closure of unauthorized dry ports, total and partial confinement in various towns..etc. in order to control its impact.

6. Covid's impact on Primary sectors

6.1 Agriculture

Algeria's agriculture knew a serious growth in the agricultural sector about 2.3% against an increase of about 2.7% during the same period of the year 2019. This increase is the result of political interest, and new economic strategy to diversify the economy by relying on agricultural activities.

Fig 01 : main economic sector s: Agriculture, industry, services value added (% of GDP)



Source : <https://algeria.opendataforafrica.org> : seen on 10-12-2021.

There is no doubt that, most measures taken by the Algerian government could remain in place in the country until 2022. The socio-economic recovery plan is based on the application of the diversification of the economy and also on a sustainable model led by the private sector, taking advantage of renewable energies. Health sector was exposing a great danger caused by (covid-19 and although the Algerian authorities attached great importance to protect the public health from the spread of the Corona virus, by strict health measures and strict protocols, unfortunately the outcome of the virus was heavy as it is explained in the table below.

6.2. Finance industry

Due to the slowdown and stagnation of economic activity, the Algerian government provided incentive packages to support economic growth in recent periods, especially in the sterility episodes of the spread of the Corona virus and the decreasing levels of demand for industrial goods, especially in emerging economies. Among the mechanisms is the monetary policy, which most countries in the world have adopted to reduce the social

burden and maintain stability either by reducing interest rates or by reducing mandatory reserves in banks in order to get more liquidity in banks. On other hands, governments have purchased their debt securities to encourage individuals to consume.

The Algerian Central Bank has decided on new measures to avoid a liquidity crisis in the country, in light of fears of the spread of the Corona virus and the consequent demand for withdrawing funds.

6.2.1. The Algerian Central Bank decided to take two measures:

- ✓ The first is to reduce the directive interest rate, by 0.25 percent.
- ✓ To reduce the rate of compulsory reserves in banks by 2 percent.

And as we know, central banks usually take measures to reduce interest in order to encourage banks to borrow from them and thus provide liquidity in the market, during the periods in which a liquidity crisis is expected, which is expected in Algeria due to low oil revenues due to the decline in prices caused by the corona epidemic. The foreign exchange market also was affected by (covid's-19) because of the lack of demand and high supply.

Table 7 average exchange rate DZD / EUR Average exchange rate DZD / USD

<i>Year</i>	<i>Average exchange rate DZD / USD</i>	<i>average exchange rate DZD / EUR</i>
2014	80,56	106,91
2015	100,46	111,44
2016	109,47	121,18
2017	110.96	125.32
2018	116.62	137.69
2019	119.354	135.179
2020	128.742	136.19

Source : <https://www.ceicdata.com>

6.3 Hospitality, tourism and aviation

The whole world was never expecting such similar implications for the global economy as the COVID-19 pandemic did. The tourism sector faced a lot of crisis, such as terrorist attacks in September 2011, (SARS) outbreak in 2003 and Middle East Respiratory Syndrome (MERS) in 2015 but tourism and global economy recovered fast. However, the consequences of COVID-19 pandemic may remain unbelievable and may remain for a long time. After the tourism activities were suspended in the largest tourist countries in the world, besides, hotels, restaurants closure, and thousands of seasonal layoffs. Algeria, in its turn, lost between 2.5 million and 3.5 million tourist visitors. The losses of the tourism sector cannot be estimated because they exceed perception.

6.4 . Impact on national companies:

After the recent government's decision to reduce its bill from \$ 41 billion to \$ 31 billion, it will cause many companies to suffer from a shortage of imported raw materials, which will lead to a reduction in their production, which will force the owners of companies to lay off part of their workforce.

Algeria also suffers from the presence of a large number of troubled economic economical companies and the rescue of these firms which were funded by local support agencies and banks, which are estimated to number 60 percent of about one million enterprises.

6.5. Impact on Services sector:

The service sector has been affected by the consequences of the Corona virus. It is considered as the third major sector in the gross domestic product, including banking and tourism services, insurance, entertainment and communications, internet services, information, transportation, and others. After the Algerian government approved restrictions on flights, and the closure of air, sea and land borders, which caused a large contraction in the hotel and transport sectors, and financial transactions due to the decline in the movement of ports and airports. The hotel sector has been paralyzed and has reached nearly 80 percent.

6.6. Impact of (Covid -19) on labour:

Home confinement does not cause a problem to public sector workers, because the state will guarantee their wages, but rather for private sector workers, such as owners of cafes, restaurants, clothes stores, haberdashery, and transportation companies, which means an increase in unemployment rates, and a widening circle of poverty in society.

Table 08 Algeria unemployment rate

<i>Date</i>	<i>unemployment rate</i>	<i>Change</i>
2020	13.3	
2019	12.5	-2.97 %
2018	11.7	0.19 %
2017	11.7	11.54 %
2016	10.5	-6.38 %
2015	11.2	5.79 %

2014	10.6	7.84 %
2013	9.8	-10.39 %
2012	11.0	10.01 %
2011	10.0	0.10 %
2010	10.0	-2.03 %

Source: IMF: World Economic Outlook (WEO), April 2020

Algerian industrial companies faced a difficult period and unprecedented time and both workers and employers did not find a clear solution to overcome that tragedy, especially those firms whose activities were directly related to dealing with abroad, whether by bringing raw materials or the services sector like the tourist agencies and airlines and insurance companies.

CONCLUSION:

With regard to the Algerian economy, which faced a significant decline as a result of the Corona virus and also the collapse of oil prices, which represented more than 89 percent of Algerian income. Fortunately, Algeria succeeded in speeding up the implementation of the necessary measures for quarantine and social distancing by freezing some activities, especially commercial services. During the period between 2019 and 2021, the government was able to withstand the virus and its variants. No one can ignore that this virus took the lives of millions of people despite the enormous efforts and sacrifices of the medical staff. Moreover, the hydrocarbon sectors, commercial services, and industry faced high risk in the first six months of 2020 due to contraction in most economic activities.

In 2022, especially with the discovery of several types of vaccines for the virus, Algeria purchased more than 20 million doses of anti-virus to reduce the impact. With the beginning of 2021, global demand began to rise due to the gradual lifting of quarantine measures, which were reinforced by plans for economic recovery. And with Algeria's transition to a market economy system with a proportion of the growth of the economy of 3.3%, and with expectations of a stable growth of the hydrocarbon sector of 4%, 4.5% for agriculture, and 4.1% for the industrial sector.

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