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Assessing Foreign Direct Investment in Algeria: From the Implications of Rule 51/49 to the Impact of the Coronavirus pandemic

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ABSTRACT

This study aim to evaluate the role of foreign direct investment in Algeria and the climate in which it is active, and the extent to which it achieved the winner-winner equation under Rule 51/49, in addition to the impact of the Covid-19 virus crisis on these investments. We will try to shed light on the transportation sector as a strategic sector in need of the foreign investor who can make a qualitative leap for it in order to advance other closely related economic sectors such as trade, tourism and even industry.

We concluded through our study that foreign direct investment in Algeria lacks a favorable business climate, especially with regard to the stability of legislation and regulations, which requires the adoption of profound and bold reforms, in exchange it is necessary to activate the control of these investments to prevent monopoly, as well as to ensure the foreign investor fulfills his obligations.

In order to get acquainted with all aspects of the study, the descriptive analytical method was adopted as more suitable for this topic.

1. Introduction

Foreign direct investment contributes significantly to economic growth and infrastructure development in developing countries, although the latter finds great difficulty in attracting foreign investors, who nevertheless are fully aware of the existence of large and growing opportunities in low-income economies.

Algeria, like other developing countries, has a lot of interest in attracting foreign investments and directing them to certain sectors, especially transport and related infrastructure, in order to diversify its economy and in search of expertise and even capital. Because of the security stability, economic reforms and investment programs that it adopted, as well as the recovery of oil prices in global markets, it was able to attract many investment intentions, some embodied and others changed their destination due to their hesitation and the fluctuation of legislation from time to time. Once the foreign investor was considered an ally and once saw it as a threat to its economy and sovereignty, which made investors fear and search for more convincing guarantees.

This is given that Algeria does not benefit from indirect foreign investment, which is made by investing money in the financial markets because it is not owned by an active stock exchange and is not integrated into the global economy. The Algerian Stock Exchange is characterized by the small number of priced projects and the slow transactions in them, in addition to the fact that other financial institutions do not enjoy a flexible financial market.

However, the current crisis experienced by Algeria, due to the outbreak of the Covid-19 pandemic, and its accompanying lockdown, whether at the national or international level, has compounded the difficulties of attracting

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foreign direct investment to Algeria. The Covid-19 pandemic is putting the economies of the Middle East and North Africa (MENA) region with in which Algeria, in the face of new difficulties to attract foreign direct investment (IDE), adds to the inappropriate climate of investment and the regional geopolitical tensions.In light of the above, our problematic study can be formulated as follows:

The problematic:

How has Algeria dealt with foreign direct investment and to what extent does the latter achieve the winner-winner equation, especially in light of the rule 51/49? What is the impact of the Corona virus on these investments?

The structure of the study:

To answer the problem posed, we decided to divide this research paper into five parts:

2-The theoretical framework for foreign direct investment

3-The importance of foreign direct investment in the infrastructure and the potential of Algeria to attract these investments.

4- Foreign direct investment in Algeria and rule 51-49.

5- Assessing the experience of foreign direct investment in Algeria.

6- Foreign direct investment in Algeria and the Covid-19 virus crisis.

Research Methodology:

In order to be acquainted with the various aspects of the topic and answer the problem of research, the study relied on the descriptive analytical approach in order to describe and analyze the various dimensions of the subject of foreign direct investment in Algeria.

The importance of studying:

The topic of foreign direct investment is important , especially with regard to infrastructure in developing countries, including Algeria, as it contributes to the abilities it possesses at the level of financing, technologies and skills, in developing these countries and achieving them economic development, provided that the regulations and legal texts are put Thoughtful way.

2. The theoretical framework for foreign direct investment

Foreign direct investment is defined as the investment by a company in projects located outside the borders of the motherland with the aim of exerting a measure of influence on the operations of those projects. As the International Monetary Fund defines it, “foreign investment is direct when the investor owns 10 percent or more of the capital of a business enterprise, provided that this ownership is linked to the ability to influence the management of the institution, and in this way it differs from investing in portfolios and investment funds that buy corporate assets with the aim of Achieving a financial return without controlling its management..

As the Organization for Economic Cooperation and Development (OECD) defines it as foreign direct investment: a type of international investment that reflects the goal of obtaining a permanent interest in an entity residing in one economy (the direct investor) in an institution residing in another economy (a direct investment institution). A long-term relationship between the direct investor and the institution, in addition to the direct investor enjoying a large degree of influence in the management of the institution(OECD, 1999, p. 7).

Foreign direct investment differs from indirect foreign investment, which is often short-term and fast and is limited to the transfer of cash through the money markets only and is concentrated in securities such as stocks and bonds issued by public or private bodies, with a share of less than 10% of the entity’s total capital. With the aim of obtaining a quick return, whether (current), such as dividends for shares or capital (increase in the share value), provided that the investor does not have the right to manage the project, make decisions, or control those projects related to their investments(The Arab corporation for the guarantee of investment and export credit, 2019, p. 81).

3. The importance of foreign direct investment in the infrastructure and the potential of Algeria to attract these investments

A foreign direct investment (FDI) is an investment in the form of a controlling ownership in a business in one country by an entity based in another country.

3.1. The importance of foreign direct investment in the infrastructure

The existence of acceptable infrastructure, whether in the field of energy, water, transport or telecommunications, is essential for economic and social development. Low-cost access to infrastructure services supports industrial growth, increases the economy's competitiveness, helps reduce poverty, and is a vital component in achieving the Millennium Development Goals of many developing countries.

However, these countries are still recording a large infrastructure gap in many sectors, and in order to achieve their goals in the areas of economic growth and poverty reduction, the World Bank (2008) indicated the need of these countries to invest between 7 to 9 percent of their GDP. Annual infrastructure construction and maintenance, but actual investment rates are much lower, ranging from 3 to 4 percent. In sub-Saharan Africa, for example, the deficit in infrastructure financing is estimated at more than $ 20 billion annually. Asia, Latin America and the Caribbean were found to be experiencing similar gaps (UNCTAD, 2011, p. 4).

The budget and financial and technical constraints make infrastructure development by domestic public and private investment a difficult challenge to overcome, so many countries have resorted to foreign investment in view of the main role it can play in bridging this gap, given its often greater opportunities in finance access, technologies and skills.

Studies have shown that foreign direct investment accounted for 28% of all investments in the infrastructure sector in developing countries during the period 1996-2008, while local investors from the domestic sector made up 23% of these investments. Foreign companies usually enjoy superior technologies and expertise, and also achieve significant economies of scale. They also have a greater ability to mobilize financial resources to meet the huge capital needs for the implementation of major projects in the infrastructure sector (UNCTAD, 2009b, p. 9).

However, policymakers face significant challenges in attracting and regulating investors, and foreign investment in infrastructure also entails risks that must be mitigated through well-designed policies that strike a balance between the interests of investors and the interests of host countries and ensure arrangements that benefit both parties.

3.2. Algeria's potential to attract foreign direct investment

The strengths of the country are:

- The low costs of energy inputs (gas, fuel and electricity);
- A large liquidity reserve that reduces its vulnerability to variations in international commodity prices;
- Significant potential in renewable energies and tourism;
- A skilled and inexpensive workforce;
- Reforms to encourage foreign investment as well as various incentive devices to encourage investment;
- The proximity of Algeria to Europe, its geographical position as an interface between Europe and Africa and within the Maghreb.*References*

4. Foreign direct investment in Algeria and Rule 51-49

In what follows we will touch on the rule 51/49, which had a great impact on curbing the flow of foreign direct investment to Algeria in all sectors. It also affected the image of Algeria and its economic and international position.

4.1. Rule 51-49: A long history with a debate

Often the Algerian government has imposed measures to foreign investment, foremost of which is the adoption of the famous rule 51/49, which means that the Algerian partner or partners - whether public or private - must own 51% of the investment assets to be established in Algeria by Foreigners, with the necessity of the commitment of foreign companies that want to invest in Algeria to establish a partnership with local investors, as a kind of preserving national sovereignty and protecting the national economy, as Algeria regards this rule as a sovereign and legal right that it has the right to impose and exercise its economic sovereignty within its geographical framework. However, according to a recent study by the World Bank that affected 99 countries, it found that Algeria is the only country in the world that applies this type of legislation.

The following table summarizes the legal texts by which the rule 51/49 was adopted or repealed in Algeria:

Table 1: Rule 51/49 through various legal texts

Title	Legal text	rule 51/49	Notes
Investment Law 1963	Law 63-277 of July 26, 1963 containing the Investments Law (Official Gazette 53).	not available	-A law specifically directed at foreign capitals. -Freedom of foreign investment in order to participate in building and constructing the national economy, while giving them guarantees. -In fact, it was not implemented, due to nationalizations.
Investment Law 1966	Law 66-284 of September 15, 1966 containing the Investments Law (Official Gazette 80).	-Dedicated the base.	-Giving priority to local investment. -Determine the field of investment intervention in two economic sectors (industry and tourism). -Mixed companies with contributions from state capital. Provision of the possibility of nationalization. -Disputes are subject to the Algerian courts and law.
Mixed Economy Companies Law 1982	Law 82-13 of August28, 1982 containing the Mixed Economy Companies Law (Official Gazette 35).	-Dedicated the base.	-Mixed economy companies. -A reservation from foreign investment. - Provision of the possibility of insurance.
Investment Law 1986	Law 86-13 of August19, 1986who amends and completes Law 82-13 (Official Gazette 35).	-Dedicated the base.	-New ways of running mixed companies in a stimulating and flexible way. -Reducing control over mixed economy companies.
money and Credit Law 1990	Law 90-10 of April 14, 1990 containing the money and credit Law (Official Gazette 39).	-Cancel the partnershi p clause.	-Freedom to transfer capital. - The text for the first time on the international guarantees contained in international agreements ratified by Algeria.
Investment Law 1993	Legislative Decree of October 5, 1993 containing the Investments Law (Official Gazette 64).	-Cancel the partnershi p clause.	-Freedom of investment + guarantees. -The possibility of recourse to international courts in the event of disputes. - APSI establishment, support and follow-up of the Investment Promotion Agency
Investment Law 2001	Law 01-03 of August 20, 2001 containing the Investments Law (Official Gazette 47).	-Cancel the partnershi p clause.	-Increase tax and customs incentives. -The establishment of the National Council for Investment, CNI. -Establishing the National Agency for Investment Development. ANDI. -Establishing the only window at the decentralized level.
Compleme ntaryFinan ce Law 2009	Law 09-01 of July 22, 2009 containing the complementary finance Law 2009 (Official Gazette 44).	-Dedicated the base.	-Establishing the right of pre-emption, this gives the government the right to acquire shares of foreign companies active in the local market, when making any decision to suspend their activities.
Investment Law 2016	Law 16-09 of August 03, 2016 containing the Investments Law.	-Dedicated the base.	-Preserving the right of pre-emption for the state.
Finance Law 2020	Law 19-14 of December 11, 2019 containing the finance Law 2020 (Official Gazette 81).	Abolish the rule	-With the exception of some strategic sectors (such as hydrocarbons, mines and military industries).

Source: Prepared by researchers based on several investment and financial laws.

The previous table shows the instability of the legislation on foreign investment in Algeria, and we also note that the rule 49/51% was withdrawn from the investment law and included in the finance laws starting from 2009, and this procedure does not contribute to the stability of investments and does not give reassuring signals to foreign investors and does not serve a picture. Algeria in international reports, on the contrary, suggests confusion and uncertainty.

For reference, the Finance Law for the year 2020, in addition to its abolition of Rule 51/49, has also revoked two main restrictions related to the liquidity of foreign direct investment (the right of pre-emption and recovery by the state) and the commitment to domestic financing (the possibility of resorting to foreign financing from development financial institutions)(OECD, 2020, p. 19).

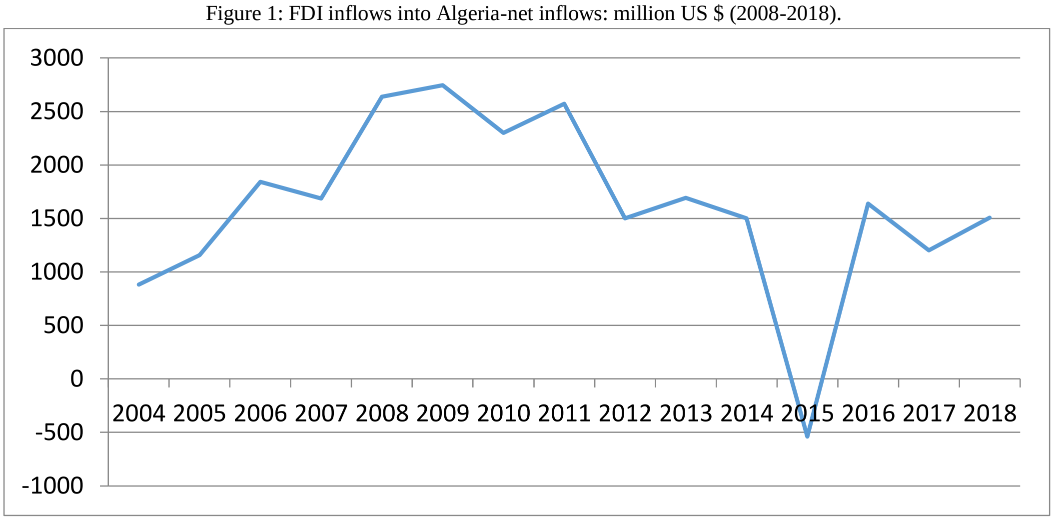
4.2. The implications of Rule 51/49 on the national economy and Algeria's attractiveness to foreign investments

This rule, which was re-imposed in 2009, caused great damage to the national economy and tarnished Algeria's image abroad, so the Finance Law for the year 2020 abolished it and restricted its application to strategic sectors. The 51/49 rule has caused the suspension of many projects due to the lack of a local partner in those projects; this rule also hindered the path of joining the World Trade Organization and integrating the Algerian economy into the global economy(DJabbar, S. & Labiq, M.B., 2019, p. 202).

And official statistics indicate that since the adoption of the foreign investment rule 51/49 in 2009, Algeria recorded a significant decline in foreign direct investment compared to previous years. At a time when foreign investment projects reached 93 investment projects in 2007, they decreased to only 4 projects in the year that this rule was adopted. Foreigners 'aversion to investing in Algeria continued, as the total of foreign direct investments did not exceed 34 projects during the years 2010-2011, less than the total of one year before the application of this rule, and the trend of foreign investment in Algeria continued to decline to its lowest levels, and investment desires remained expressed in mere numbers that sometimes exceeded 10 Billions of dollars without finding its way to materialization.

The following figure shows the decline in incoming FDI inflows into Algeria, starting from 2009, as a result of imposing Rule 51/49:

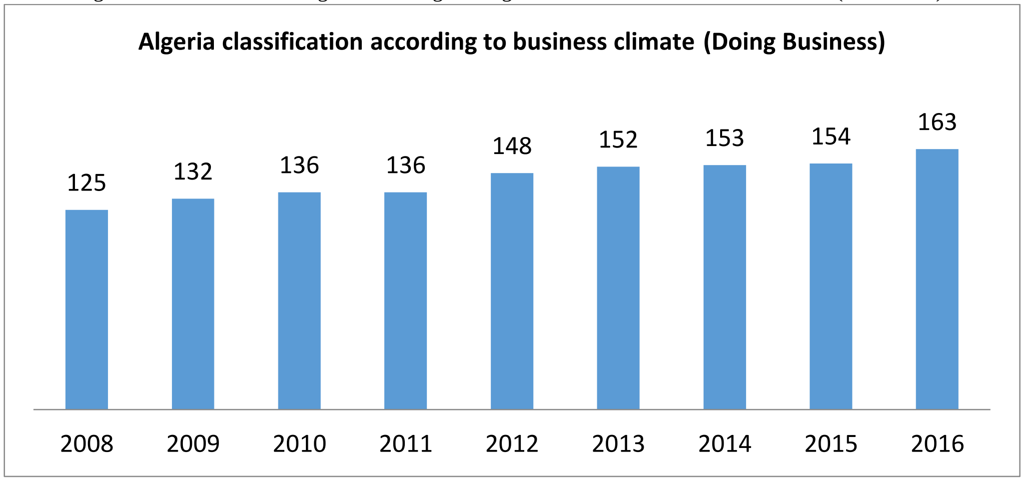
Figure 1: FDI inflows into Algeria-net inflows: million US $ (2008-2018).



Source: Prepared by researchers depending on World Bank data (worldbank.org/statistics)

In the same context, the following figure shows the negative impact of adopting Rule 51/49 on the classification of Algeria according to the General Index of Business Environment prepared annually by the International Finance Corporation of the World Bank in its annual report on business doing, which covers 185 countries:

Figure 02: The decline in Algeria's ranking in the general index of business environment (2008-2016).



Source: Prepared by the researcher based on the reports of the World Bank Doing business for several years (2008-2016).

The previous figure shows the continued decline of Algeria in terms of measures and policies taken to improve the business environment, as the adoption of the 51/49 rule led to a decline in its ranking at the Arab and global levels from the 125th rank in 2008 to the 132nd in 2009, then 152nd in 2013, and reaching the 163rd rank in 2016.

5. Assessing the experience of foreign direct investment in Algeria

Despite the important capabilities that Algeria enjoys (geographical location, unsaturated investment sectors, an open market,); foreign direct investment projects in Algeria are counting on the fingers, due to the inconvenient business climate that needs more reforms.

5.1. The industrial sector is the most attractive sector for foreign direct investments

The following table briefly shows the sectors that attracted foreign investors during the period 2002-2017, along with their financial values and the job positions that they created:

Table 2: Distribution of foreign investment projects by sector of activity (2002-2017)

Activity sector	**Number of projects**	**The ratio %**	**Value (million DA)**	**The ratio %**	**Job positions**	**The ratio %**
Farming	13	1,44%	5 768	0,23%	641	0,48%
Building	142	15,76%	82 593	3,28%	23 928	17,91%
Industry	558	61,93%	2 050 277	81,37	81 413	60,95%
Health	6	0,67%	13 572	0,54%	2 196	1,64%
Transport	**26**	**2,89%**	**18 966**	**0,75%**	**2 407**	**1,80%**
Tourism	19	2,11%	128 234	5,09%	**7 656**	5,73%
Sevices	136	15,09%	130 980	5,20%	13 842	10,36%
Telecommunication	1	0,11%	89 441	3,55%	1 500	1,12%
Total	**901**	**100%**	**2 519 831**	**100%**	**133 583**	**100%**

Source: National Investment Development Agency, investment declaration data 2002-2017, data available on the website: www.andi.dz (28/06/2020).

The data of the previous table shows that the industry, construction and services sectors, respectively, are the largest sectors that attract foreign direct investment. They occupy the first place in terms of the number of projects, their value, as well as the number of created jobs, while the transport sector occupies the fourth place.

5.2. Algeria's attracting foreign direct investment Weakness

Algeria is not a country that attracts foreign investments, as foreign investments represent only 1.42% of the total investments authorized during the period 2002-2017 (the table below), noting that this percentage is actually much lower, since most of the local investors are active in the informal sector :

Table 3: The proceeds of the investments registered with the National Agency for Investment Development 2002-2017.

Type of investment	Number of projects	The ratio %	Value (million DA)	The ratio %	Job positions	The ratio %
Local investment	62 334	98,58%	11 780 833	82,38%	1 098 011	89,15%
Foreigninvestment	901	1,42%	2 519 831	17,62%	133 583	10,85%
Total	**63 235**	**100%**	**14 300 664**	**100%**	**1 231 594**	**100%**

Source: National Investment Development Agency, investment declaration data 2002-2017, data available on the website: www.andi.dz (28/06/2020).

However, although the number of foreign investments is small compared to local investments, they enjoy a monopolistic or quasi-monopolistic position in the national market, due to either the fact that these companies produce distinct items or goods that local companies cannot produce or that they possess a large segment of the market demand for those goods, which allows them to By controlling the price(Ben Omar,S & Boudia,M.D., 2014, p. 36).

Therefore, there are increasing concerns about the negative effects of foreign direct investments through the exposure of many local companies to problems in the disposal of their products, which requires the state to develop a policy to protect some emerging industries, by setting up a legislative and regulatory framework to ensure the continuation of these companies' activities.

5.3. Assessment of business climate in Algeria

Private investment in Algeria, whether local or foreign, is active in a difficult climate that is not conducive to entrepreneurial action. This is evidenced by the various indicators in force at the global level, which are periodically evaluated by the World Bank in its annual Doing Business report. According to the 17th edition of the report for the year 2020, Algeria scored 48.6 points out of a total of 100, and thus it is ranked 157th out of 190 countries concerned with the report, thus registering the same order compared to the previous year 2019.

According to this report always, the points Algeria obtained with regard to assessing legislation affecting 11 criteria for business climate are as follows:

Table 4: Evaluation of the economic indicators of the entrepreneurial climate in Algeria 2018-2020.

Fields	2018		2019		2020	
	Rank	Rating	Rank	Rating	Rank	Rating
-Starting a business	145	77,54	150	78,07	152	78,0
-Dealing with Construction Permits	146	58,89	129	63,28	121	65,3
-Getting Electricity.	120	60,56	106	69,58	102	72,1
-Registering Property	163	43,83	165	44,26	165	44,3
-Getting Credit	177	10,00	178	10,00	181	10,0
-Protecting minority investors	170	33,33	168	35,00	179	20,0
-Paying taxes	157	54,11	156	53,91	158	53,9
-Trading across borders	181	24,15	173	38,43	172	38,4
-Enforcing contracts	103	55,49	112	54,78	113	54,8
-Resolving insolvency	71	49,24	76	49,24	81	49,2
-Overall rating	**166**	**46,71**	**157**	**49,65**	**157**	**48,6**

Source: Prepared by the researcher based on the reports of the World Bank Algeria Doing Business: Economy Profile, for the years 2018, 2019 and 2020. Available at:
https://www.doingbusiness.org/content/dam/doingBusiness/country/a/algeria/DZA.pdf

From the above table it becomes clear that financial and banking institutions (the problem of financing) constitute the biggest obstacle to contractors, as the lowest point Algeria has obtained is in relation to obtaining a loan (10 points out of 100 for three years), followed by foreign trade and what it faces from Obstacles, whether in terms of export or even import, for the years 2018 and 2019, at 24.15 points for the year 2018, with a slight improvement in 2019 by 38.43 points, in addition to the weakness of measures related to the protection of investors minority, as these measures were evaluated at 33.33 points. In 2018, compared to a slight improvement in 2019, by 35 points, then it declined strongly in 2020 by only 20 points.

It should be noted that the improvement Algeria recorded in 2019 compared to 2018, whether in terms of the total point or the overall ranking, was not due to a real improvement in the investment and entrepreneurial climate as much as it was due to the new measures taken by the Algerian authorities regarding the revision of the statute and the composition of the committee in charge of work. And coordination with the World Bank in drafting these reports, as researchers and consultants were integrated in addition to representatives of the government and the private sector who were previously the only members of the committee. Note that, in 2014, Algeria signed an agreement with the World Bank for technical support, with the aim of improving Algeria's position in the arrangement included in Doing Business reports.

However, restoring the confidence of investors - especially foreigners - is not an impossible task. A new World Bank report (World Bank Group, 2020, p. 15) sheds light on what it may take to increase foreign direct investment flows. He points out that 2,400 corporate executives surveyed in 10 of the largest emerging market countries reported that low taxes, low labor costs, and access to natural resources are less important to their investment decisions than political and economic stability, and a predictable legal and regulatory environment. The bottom line is that the three most important factors driving foreign direct investment decisions are completely under the control of governments.

Improving transparency and reducing bureaucratic discretion is an important first step for governments in developing economies. This can make business prospects more predictable and less risky for companies. Governments can enhance transparency by consulting regularly with the private sector and other stakeholders. They can create information portals on the web to make laws and regulations public. Legal provisions and administrative procedures relating to foreign direct investment must be clearly and specifically formulated.

In general, the most important obstacles to investment in Algeria can be summarized as follows:

- → The slowness of administration and the hypertrophy of the public sector;
- → A poor business climate according to international assessment agencies;
- → The economy's dependence on hydrocarbons, which induces dependence on imports of processed goods;
- → Insufficient development of the regional market, which restricts Algeria's attractiveness for foreign investors;
- → The complexity of the legislation, particularly tax, and uncertainty in the interpretation of certain contracts;
- → Access to industrial land;
- → The high rate of youth unemployment;
- → A degraded regional geopolitical context (Libya, Mali, tensions with Morocco).

6. Foreign direct investment in Algeria and the Coronavirus crisis

According to the latest forecast issued by the United Nations Conference on Trade and Development (UNCTAD), the emergence and spread of the coronavirus will lead to a "significant decrease" in foreign direct investment and that the declared recession in the short term will affect the economies of all countries of the world(OECD, 2020, p. 4)The industries most affected are those related to energy and basic materials (-208% for energy, with the additional shock from lower oil prices), airlines (-116%) and the automobile industry (-47%). The latter industry was the first to adjust its earnings to anticipate a supply chain shock.

However, it is expected that the crisis could create new opportunities to benefit from global trends, such as the transfer and restructuring of global and regional value chains. Provided that ongoing reforms continue, new strategies and measures adapted to the post-epidemic context are adopted, as well as regional cooperation strengthened(OECD, 2020, p. 1)

With regard to Algeria, although the final results of the Corona crisis have not been released yet on the impact of the Corona crisis on foreign direct investment flows and on the economy as a whole, it can be said that the decline may be more severe than the expected rates for Arab countries (45% -) by the United Nations Conference on Trade and Development. (UNCTAD), in view of the other problems that Algeria suffers from due to the political situation, in addition to the crisis of the collapse of oil prices at the global level (a 50% drop since the beginning of the year and the lowest since 2001), whose breakthrough remains unclear on the horizon. The Corona crisis is, in fact, only the point that filled the cup.

According to the estimates of the International Monetary Fund, the Covid-19 epidemic has worsened Algeria's economic outlook for the year 2020. It is estimated that the implementation of partial quarantine and a decrease in the price of fuel (a barrel of Sahara blend below US $ 20 in March-April 2020) is expected to cause the economy to contract by - 5.2% in 2020. With a decrease in hydrocarbon production by 17.7%, non-hydrocarbon growth - which has been positive since 2014 - will register a decrease of 2.3%. As for fiscal indicators, the budget and current account deficits could reach -20% and -18% of GDP respectively, and they are the worst in the whole of North Africa, the Middle East and Central Asia. While public debt may reach 61% of GDP and foreign exchange reserves at $ 36 billion at the end of 2020 (or 8 months of imports).

As for the unemployment rate, it is expected to rise to 15.5% and inflation to 3.5% after it was estimated at 2.0% in 2019, due to the decline in economic growth (IMF, 2020, p. 62).

7. Conclusion

Despite the reforms, the stimulus efforts and the measures to create a business climate that Algeria has adopted, the volume of foreign direct investment received remains weak in terms of value and number, and it does not reflect the true size of Algeria, nor the capabilities it enjoys in terms of a vast area, a large market, large natural and human potentials, and other attractive incentives. The volume of foreign direct investment coming into Algeria reflects the prevailing investment climate. Moreover, the rule 51/49% had a disruptive effect on the path of integration of the Algerian economy into the global economy without achieving effective protection for the product and national institutions, since foreign companies were able to circumvent the rule 51/49 easily due to gaps in the Algerian legislation on trade due to the absence of Control mechanisms. The Algerian legislator's focus is on tax and customs incentives and privileges to attract foreign investments and stimulate patriotism, which is called the term "tax regulator", because it exempts institutions from taxes and fees for a limited period and after this period the institutions find themselves in front of an arsenal of taxes and fees, either to pay them or Withdraw, and this may harm the state treasury.

In addition to the mismanagement of projects and the complete absence of control over foreign companies that did not adhere to the terms of reference signed between them and Algeria.

However, the situation of foreign direct investment in Algeria worsened, with the outbreak of the Coronavirus pandemic and the accompanying closure, whether at the national or international level, which doubles the difficulties to attract foreign direct investment (FDI), especially with the expected decline in foreign investment flows to Arab countries by about 45 %. Add to this the inappropriate investment climate and regional geopolitical tensions.

Through these results, we can suggest the following recommendations:

Recommendations:

-Including some internationally recognized rules regarding freedom of investment and its guarantees in the constitution in order to add some stability and consistency with regard to foreign direct investment in Algeria;

-Providing the necessary legislative and institutional base for concluding and implementing contracts with the foreign investor, and clarity of contractual texts, especially in relation to cases of dispute and ending the contractual relationship.

- Ensuring the effective and efficient implementation of the projects that the foreign investor has committed to, by activating oversight and setting up mechanisms that enable the National Agency for the Promotion of Forms to follow up on the real implementation of projects, given that it is currently only a body to register investment intentions and grant facilities and exemptions and has no authority.

- Preparing books of carefully studied and strict conditions that define the rights and duties of the foreign investor with accuracy and clarity, with the possibility of resorting to international arbitration in the event of a breach of its provisions.

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