

Algeria - A Growing Force

Algeria's economy will have rapidly returned to pre-pandemic levels in 2022, according to the World Bank, with a rebound in public and energy sector investment and surging demand for its gas exports. The Bank expects the country to benefit from rising hydrocarbon production and a labour market recovery in the coming year; the African Development Bank, meanwhile, has noted "tremendous" export potential, particularly as new gas projects come on stream. This is a country with immense potential.

While hydrocarbons have long been a driver for the economy, economic diversification is a key priority for the government: building on Algeria's natural resources while adding value and reducing exposure to volatile commodity prices. Minerals including gold, copper, zinc, and phosphates offer potential for value-added production.

Algeria's pro-business approach has also created an environment conducive to business startups, including new tech pioneers who benefit from the country's excellent education system and can-do attitude to business.

"The vision is that this young country must be supported by young people both politically and economically, and that is why we favour startups, and we have a very young minister who is 26 years old and is in charge of startups and doing a great job," said President Abdelmadjid Tebboune at a meeting with US Secretary of State Antony Blinken in 2022.

"We can feel that there is a movement of startups



Abdelmadjid Tebboune
President of Algeria

among young people and younger persons. We are here for the small and micro companies, and we are investing in them more than ever. We are very credible because we have financial resources to transfer donations for companies."

The investment environment has been enhanced further in recent years by moves to open access for foreign and private sector players. The 2020 Finance Law removed most restrictions limiting foreign investment, most importantly allowing majority foreign ownership of non-strategic businesses - truly a seismic shift for the country. It also introduced new tax incentives to encourage startups and innovation in new technologies, and benefits for local sourcing of components in manufacturing.

In July 2022 the government passed a new Investment Law that accompanies these

changes, aiming to strengthen the value-added development of natural resources, boost technology transfer, support export growth, and create jobs. The new law places a strong emphasis on 'freedom to invest', emphasising Algeria's openness to capital from around the world.

Algeria's combination of ample natural resources, youthful innovation, and strong pro-business reform is a successful one: this will be one of the world's fastest-growing economies in 2022, according to the International Monetary Fund, with GDP growing by 4.7%. In a 2021 report, the fund said that the country's transition to a new growth model was already well underway.

As the second most-populous Arab country, and a growing force in the global economy, Algeria is increasingly taking the lead on the regional and global stage. President Tebboune has said that now is the time for Arab countries to reassert themselves - and build on what countries like Algeria have already achieved.

"While our Arab region harbours enormous natural, human and financial potential capable of establishing us as an active economic force in the world, we refuse to allow our economic role to be purely passive," the president said. "We are thus called upon to regain confidence in our abilities to exert all our weight and act in an influential manner on the international scene and the world economy, especially since the foreign exchange reserves of our Arab countries are equivalent to those of Europe or major Asian or American economic groups."

Ooredoo Algeria

Workplace brilliance behind Algeria's number-one telecom provider

Algeria boasts one of the fastest-growing economies in the world, according to the International Monetary Fund (IMF), which forecasted a GDP growth rate of 4.7% for 2022. Alongside the World Bank, the IMF considers recent transformative reforms such as the 2020 Government Action Plan - which aims to diversify the economy - as strong macroeconomic indicators of sustainable growth.

Advanced telecommunications infrastructure is vital to realizing Algeria's transformative vision for the future. Plans are underway to replace the existing copper network with fiber optics and to soon launch 5G as part of a government roadmap to launch the latest technologies.

Ooredoo Algeria started in 2004 as an exclusive mobile services provider and is now the best-in-class licensed telecom provider for 2G, 3G, and 4G. With over 13 million customers, Ooredoo is the country's number-one network for mobile, digital, and data services and the winner of the 'Best African Operator' Telecom Review Excellence Award.

"From the outset, we've received high praise from both the government and third-party providers for our services," says Ooredoo's General Director, Bassam Yousef Al Ibrahim. Ooredoo Algeria is now in discussions to be the 1st to roll out 5G and be the first telecom provider in Algeria to offer 5G services.

Over the past 3 years, Ooredoo Algeria went through a successful transformation building a solid foundation to become an agile digital telco operator with future proof business models. This transformation started late 2019 and achieved a remarkable return to profitable growth



Bassam Yousef Al Ibrahim
General Director

since 2020. It started with making an upgrade to our products and services portfolio and further enhanced distribution channels with new digital Smart Stores and Franchisees "differentiation is the only true way to provide a superior customer Service" stated Al-Ibrahim.

Ooredoo Algeria launched a digital ecosystem to address the youth connected generation under the subbrand Yooz. Offering users access to features and options, empowering them to enjoy better control over their mobile connections. "The future in Algeria in the Youth", say Bassam, "providing them with access to education and entertainment fuels their desires to strive for the best".

Ooredoo Algeria has a clear vision to be the preferred mobile digital player on the back of superior mobile network, digital services and to be a truly customer-centric organization

According to Al Ibrahim, Ooredoo's most valuable asset is its family of 2,500 dedicated employees. Ooredoo was certified as the 'Best Place to Work' for 2022-2023 by the Best Companies - USA Institute and won the bronze award in the 'Most Exemplary Employer' category at the 2022 Middle East & North Africa Stevie Awards and silver in the 'Innovation in Products and Customer Services' category.

Strong CSR values form the basis of Ooredoo's commitment to Algeria's socio-economic welfare. Ooredoo earned a Distinction from the Arab Union of Voluntary Works for importing oxygen tanks to local hospitals during the Covid-19 pandemic and enabling essential firefighter communications during the August 2022 wildfires - as the first provider to restore network services to badly affected areas. Additionally, Ooredoo gained special recognition at the prestigious Global Carrier Awards 2022 in the 'Best Environmental, Social, Governmental (ESG) Initiative' category.

Ooredoo also works in continual partnership with the National Association of the Blind to supply vital learning equipment, such as braille writing boards, to specialized schools and invests in charitable causes for children with disabilities.

As Algeria continues to grow and learn from companies like Ooredoo, many of its diverse opportunities remain untapped. "Now is the ideal time to invest in Algeria. If you miss the train, it's gone forever - investors will be creating the Algeria of the future," says Bassam Yousef Al Ibrahim.



MADAR Holding

Fuelling prosperity with diversified investment excellence

Algeria is the fourth-largest economy in Africa, expanding 3.9% year-over-year in the first nine months of 2021 due to a strong recovery in hydrocarbon production and a surge in European gas demand, according to the World Bank. With one of the highest urbanisation rates in Africa and close proximity to European markets, Algeria is well-positioned to become a future large-scale manufacturing and industrialisation power, supported by a well-educated and highly skilled workforce.

According to a World Bank report, the key to diversifying and strengthening the resilience of the Algerian economy lies in a macroeconomic policy which promotes public and private sector reform. Since 2020, the Algerian Government has taken the initiative to raise foreign and domestic investment by issuing a new Investment Law to stimulate investments in Algeria's natural resources and extend modernisation by incentivising FDI. "I am still aware that there is a lot to do on the diversification of the Algerian economy... We should not only make efforts aimed in the hydrocarbon sector. Other areas of activity, such as waste management, renewable energies, consultancy, communications, and agri-food are also called on to play a key role in the diversification of the Algerian productive structure," says Algeria's President Abdelmadjid Tebboune.

MADAR Holding is leading the government's diversification effort, as one of the most successful and profitable public companies in Algeria, with a portfolio of investments across a range of key sectors. An acronym for the 'Management and Development of Assets and Resources,' MADAR currently operates nine wholly owned subsidiaries in investment capital, agriculture, agri-food, industrial production, and sport, and has a stake in ten companies ranging from the automotive and textiles industries to hotels, security, and agri-food production.

As a state-owned public company, MADAR is rational and pragmatic about which sectors it chooses to invest in and ensures that all investments align with the development policies announced by Algeria's president. "It goes without saying that we fully comply with the strategy and vision of the public authorities in terms of national economic development," says Mr. Charaf-Eddine, MADAR's chairman & CEO. So, whilst MADAR's investment strategy has a proven track record of profitability, national needs ultimately drive it. MADAR seeks to enable projects of a certain size, where the importance of investment constitutes a barrier to entry, to succeed via increased participation in their entire value chain and an investment in their core prerequisites.

Highlighting Algeria's prioritisation of economic diversification, MADAR has several industrial projects nearing completion in the non-woven fabrics and packaging industry and is overseeing the final stages of its investments in finance, namely a leasing company, an insurance company, and a bank. Additionally, MADAR has recently acquired two large-scale agri-food projects, the first in the production of edible oil via crushed oil



Charaf-Eddine Amara
Chairman & CEO

seeds and the second in the refinement and production of sugar, which are almost complete.

Charaf-Eddine understands the importance of public companies like MADAR in fostering a strong business climate within Algeria and believes that forging international partnerships is central to this mission. "Partnerships not only allow an exchange of new ideas and innovations, but mutually maximise R&D and help us to advance the technological drive of the Algerian market," he says.

MADAR has successfully partnered with six Algerian and foreign companies, including a 51% stake in the United Tobacco Company and a 49% stake in the Algerian-Emirati tobacco company, Staem, whilst MADAR also owns 18% of the textile company, Tayal, as part of an Algerian-Turkish partnership. MADAR is open to further strategic partnerships, particularly with leading organisations in biotech and fintech, that align with MADAR's core values: equity and empowerment, community, continuous innovation, mutual trust, and social responsibility. Aligning with MADAR ensures a 'win-win' scenario, and the company builds its relationships upon confidence and respect, sharing all gains with its partners.

MADAR is also committed to the country's social welfare and created the 'INAYA Foundation,' a non-profit association to help develop and strengthen scientific and medical research in Algeria. MADAR participates

indirectly and directly via donations to social action, community support, and education. The INAYA foundation draws its core values from those intrinsic to Algerian society and represents MADAR's goodwill corporate culture - as a company which strives to give back to the communities that have fuelled its success.

Algeria has massive potential as a vast territory offering immense unexplored development prospects, substantial mineral wealth, and a market of more than 45 million consumers. It is thus the perfect destination for foreign and domestic organisations and companies seeking untapped potential. For Charaf-Eddine, the decision could not be more straightforward. "There are not only promising projects; the whole country is promising. Launching one or even several profitable projects in any sector of activity is possible. It is undeniable that the public authorities are doing a colossal job in this area."

Foreign and domestic investments in steel, cement, pharmaceuticals, and agriculture have already experienced rapid success, and the Algerian Government is laser-focused on creating a business-friendly environment, with milestone investment laws and an appeals committee now in place to protect businesses' rights and accommodate the increase in FDI.

Bomare - Algerian Electronics Champion

Algeria will achieve a current account surplus of 6.2% in 2022, according to recent forecasts by the IMF, with its performance boosted by elevated oil and gas prices. The Fund expects the country's GDP to grow by 4.7% this year, despite global headwinds. While its hydrocarbon wealth remains a boon, Algeria's efforts to diversify its economy have won praise from the IMF, among others. The government aims to capitalise on the country's resource wealth to develop high-value manufacturing.

Few companies can exemplify the opportunities as well as tech pioneer Bomare. Founded in 2000, the company is a great success story of the Algerian electronics industry. It has its roots in an electronics import business established by entrepreneur Ali Boumediene in 1992, when the government first allowed private enterprise in the market. Importing brands such as Samsung, Sony, Panasonic, and JVC to Algeria, Boumediene was invited to visit Samsung's plants in South Korea in 1997, and decided that the future lays in manufacturing. Now his company exports to many of the markets where he originally was importing products from twenty years ago, a great pride for the country.

"When I created Bomare, my target was to manufacture products and export to Europe; that was my challenge," says Boumediene, the company's CEO. "Our first exports to Europe were in 2007 - that was the best day! In 2012, we were asked to manufacture LG products for the regional market. Eight years later, they asked us to export to Europe, in a \$3.5bn deal. It was a huge challenge for us; a dream come true."

Bomare has become the star example of the potential of Algerian electronics engineering, producing world-class quality products in Algeria, backed by intensive local innovation and R&D. This approach has won the company numerous awards, including one from the London Stock Exchange as one of its "Companies to inspire Africa".

Boumediene places great importance on the creation of a tech manufacturing ecosystem in Algeria, that will both support and be supported by his company's growth - and, more importantly, contribute to the country's socioeconomic development. In 2015, Bomare signed a joint venture with the University of Blida in Algeria, investing \$1.5m jointly to develop a surface mount technology (SMT) production line. In 2021, Bomare launched a professional masters in electronics. Boumediene sees the graduates as "the future CEOs of Bomare".



Ali Boumediene
CEO

Encouraging them to start businesses as suppliers to Bomare, he helps connect them to sources of financing, and then diversify their client base. Supporting these budding businesses will help reduce export costs and manufacturing lead times - import processes can be laborious - while boosting Algeria's economic diversification through lowering dependence on hydrocarbons, and generating jobs for the young generation.

"We work in Algeria to export outside, that's my plan for the future," says Boumediene. "My dream is innovation, but I cannot innovate without large exports, and I can't export without the ecosystem."

That ecosystem will be particularly beneficial as Bomare looks to its next expansion phase. The company's "big project" foresees producing 10m televisions, by 2025-2030, with 90% of these exported. In the same period, the company targets a turnover of \$3.5bn, and generating up to

10,500 jobs directly and 30,000 indirectly. Bomare will leverage its existing strengths: its skilled team, technological mastery, and export experience, to develop markets including Germany and African countries. The company aims to establish a warehouse in Senegal to serve the West African market, with plans to start manufacturing there in the near future, in order to be closer to its customers.

It is also eyeing warehouse development in Tunisia to access markets including Libya and East Africa. Bomare already offers after-sales service in markets including Spain, Portugal, and Italy, and is expanding it to Germany, adding to its competitive edge. To support this growth, Bomare is open to a range of partnerships, such as subcontracting, joint ventures, and knowledge transfer cooperations.

"I'm looking for partners to manufacture products here and export to Europe and Africa; we can move together," says Boumediene. "That's the first step. The second is to move together to invest in Africa. I would be pleased to form a joint venture with a partner that wishes to do that. I'm looking for long-term business, not short-term, even if there are challenges ahead."

As Boumediene points out, an Algeria-based business is ideally placed for exports to both Europe and Africa. Its proximity to both cuts delivery times, transport costs, and carbon emissions. This could make Algeria a key location for Asian electronics firms looking to export to both continents, and Bomare is available as the ideal partner.

"The protocol signed between Algeria and the EU in 2005 gives more facilities to export our products to Europe," says Boumediene. "Algiers to Valencia only takes six hours; and a maximum of ten hours from Algiers to Marseille. Meanwhile, we have the protocol signed between Algeria and 54 countries in Africa, with zero taxes. We need to open our minds, and our business will grow exponentially."

IMETAL Group

Launching Algeria's vision for industrial self-sufficiency

Algeria's economy will be one of the fastest-growing Arab economies in 2022, according to the International Monetary Fund (IMF), which noted a near-term outlook for the economy as "materially improved" in its End-of-Mission November 2022 report. Aside from rallying hydrocarbon prices, the IMF highlighted the rise in non-hydrocarbon exports as a major contributor to the country's strong economic recovery from the global Covid-19 pandemic. According to a recent Government Policy Statement, Algeria's non-hydrocarbon exports reached almost \$4B by the end of August 2022 - an annual increase of 42% - and recorded a trade balance surplus of nearly \$14B - an impressive turnaround when compared with the \$862M deficit recorded in the same period of 2021.

The Algerian government's continuous development programmes have prioritised the country's steel and metallurgy industry as one of two industries set to achieve self-sufficiency in the near future - the second being food production. By 2025, Algeria intends to double its annual steel output to 10 million tons and reassert its industrial legacy by unlocking the potential of its competitive market for high-quality steel. Also, government strategies to protect Algeria from steel imports have rewarded the country with a massive expansion in domestic long steel rolling manufactories.

Post-Covid, Algeria presents crucial comparative advantages for FDI and other forms of foreign partnerships. These include a strong industrial network, low production costs (electricity, water, gas), a competitive labour market, and a globally recognised stable political climate. In addition, Algeria's balance of payments surplus, as well as its proximity to major international markets (Europe, Africa and the Arab world), ensure a healthy and profitable economic recovery.

All these assets make Algeria a privileged, profitable destination for foreign investors, who will need to seize these opportunities to be able to settle, relocate, or redirect their investments toward Algeria.

Meanwhile, Algeria's new investment laws are boosting FDI and international economic cooperation on numerous steel projects, particularly in the steel industry. In this context, the country recently signed a Memorandum of Understanding with Qatar for the expansion of investments in the steel industry - building upon relations already in place since 2013 - in the form of a strategic partnership which has given birth to the mixed company Algerian Qatari Steel (AQS).

This partnership was widely recognised by the leaders of both nations and resulted in the construction of one of the largest factories in the Arab world. Going forward, Algerian Qatari Steel plans to double its current annual production of 2 million tons in this second phase.

IMETAL Group is a public industrial group, a market leader in Algeria's steel industry, with core strengths in steel production, processing, as well as metal construction, and boilermaking. Playing a significant role in Algeria's most recent public sector restructuring, IMETAL aims to drive technological modernisation in the country's existing facilities and become a benchmark operator.

Aware of the fresh challenges posed to the worldwide steel industry by the Covid-19 pandemic, IMETAL undertook a massive effort to shore up the production resiliency of its subsidiaries, including an in-depth diagnosis of the market environment. "In response to the pandemic, we identified and examined all the negative consequences and repercussions, which led to refining and modifying our strategy to respond effectively to new market needs," says IMETAL's CEO, Tarik Bouslama.



Tarik Bouslama
CEO

Going forward, IMETAL's strategy for future growth focuses on a series of short and long-term business objectives aimed at helping the company navigate the changing market environment. In the short term, IMETAL ensures its success by optimising its overall economic performance, improving its cost-efficiency, and extending its product range. But IMETAL also acknowledges the importance of sustainable growth as a key factor in winning market share for the long term and thus tightly monitors the trajectory of its subsidiaries to help them realise and retain their expansion opportunities. **"We believe in our goals and have the will and the technological capacity to achieve them. IMETAL and its subsidiaries are gearing up for a qualitative transformation of management methods,"** says Bouslama.

Ultimately, IMETAL's long-term success depends on how well the company leverages its core strengths in flexibility and adaptability, the key to which lies in its dynamic workforce and professional corporate culture. "Probity, employment pride, and loyalty form the basis of what exemplary management creates and lie at the heart of everything we do at IMETAL. It's paramount that all IMETAL and subsidiary employees feel a sense of belonging," says Bouslama, who prioritises customer satisfaction through a unique combination of visionary market knowledge and, "above all," solid moral principles.

In addition to fostering a favourable working environment, IMETAL is open to strategic partnerships and joint ventures to help its expansion. IMETAL has successfully partnered with numerous international companies based in the USA, Italy, Portugal, France, and Spain. Aligning with IMETAL is a synonym for a 'win-win' partnership, and the company is well aware of the market shares to be gained by actualising untapped synergies and expanding industry know-how.

Currently, BATIMETAL, IMETAL's wholly owned subsidiary, owns 51% of FRAMEMETAL's capital, a joined company created with FRAMEMAX, an American world leader in Cold-Formed Steel (CFS) dedicated to technology-driven manufacturing.

Meanwhile, its subsidiary BHI Algérie - owned by IMETAL (35%), SONELGAZ (30%), and South Korean-based BHI Co. Ltd (35%) - specialises in the manufacturing of recovery boilers, heat exchangers, and auxiliaries for power plants.

Companies like IMETAL are essential to help Algeria leverage its geostrategic position to achieve its ambitious development plan for modernisation and self-sufficiency. With its sustainable growth, IMETAL is well-positioned to participate, like other companies, in the rapid and lasting improvement of the country's economy.

IMETAL