

Uecole d'Eté Réseau de Recherche sur l'Innovation
Les nouvelles dimensions des systèmes sectoriels de l'innovation

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**«Sectoral choices of the new
industrial strategy in Algeria. Issues
for discussion »**

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Introduction

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- 2. The New Industrial Strategy (NIS) 2007 version**
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INTRODUCTION

The essential feature of the options industry in Algeria since its independence, is their diversity.

Since the beginning of this century, a series of reforms and legislation have affected the national economy in general and in particular industrial sectors.

In this context, during 2007 a new industrial strategy (NIS) was announced in Algeria, where the process of industrialization is not the case of the single market, or the case of the State alone, even if the initial impulse must still come from the state given the structure of the Algerian economy.

1- The reforms of the 2000s

- During this period the "market economy" was the "creed" as a result of these reforms, the Algerian economy is open. Algerian law provides incentives to attract foreign investors.
- During 2002 Algeria has adopted legislation more favorable to domestic and foreign investors. While the former investment code was based on the full responsibility and Promotion Agency Investment Monitoring (APSI), a National Council of the investment has been implemented.
- In order to encourage investment outside the coastal zone, the State agrees to pay all necessary expenses.

1- The reforms of the 2000s

The new investment code also changed the regime benefits reserved for investors.

There are two schemes, the general scheme and the derogation. More than 90% of the country is eligible for this derogation.

Order n ° 01-04 relating to privatization and public enterprise management, sense up many obstacles.

Reforms in the energy sector, such as Law No. 01-10 of 03 July 2001 Mining Law, or Law No. 02-01 of 05 February 2002 on the electricity and gas distribution pipeline, which put an end to the monopoly of the production, transportation and exploitation of

Macroeconomic indicators

Macro-financial indicators are exceptional:

- Trade balance surplus for several years.
- Foreign exchange reserves have never been more important to U.S. \$ 210 billion in July 2012,
- External debt prepaid is 4.90 billion U.S. dollars, or about 8.9% of GDP in 2012 and will be 8.6% in 2013,
- The balance of the Treasury to the Bank of Algeria is extremely positive,
- The dinar is doing quite well, except against the dollar, inflation rose to 7.3% in July 2012.

But all this wealth is the result of the pension, it is not the companies that created it.

Macroeconomic indicators

- Note the lack of investment and the importance of the unemployment rate is between 11.5%.
- Moreover, heavy tensions disrupt the lives of citizens "in terms of housing, water, electricity and communication facilities;
- However there are not very encouraging signal for FDI that must be addressed:
 - - Amendment of the Law on Hydrocarbons 2005
 - - The supplementary budget law LFC 2009.
- Economic stimulus programs are launched, 2001/2004 and 2005-2009. According to the Algerian Minister of Finance, "This plan is not a return to the planning or economic planning and should not be confused with the state budget ... and he actually comes as a supplement to the budget."

In the absence of an industrial policy, these reforms have not had the desired effect on the business and industrial sectors, which largely explains the advent of NIS at national conferences on industry .

2. The new industrial strategy 2007 version

We are able to reflect on the nature of the dynamics that can be created so that it can make insertion into globalization not as an inevitability to be accepted in any passivity, but by adopting sectoral policies, in the sense of political niches. These seats announced the establishment of an NIS

Six principles accompany these support points:

- 1- import substitution,
- 2- run by external markets in addition to the domestic market,
- 3- rely on foreign direct investment (FDI) in intermediate industries in the partnership,
- 4- make the competitive private sector,
- 5- integrate into the regional space and
- 6- finally generalize Innovation.

the selected economic sectors

According to the document of the MMPI selected economic sectors are [MMPI 2007, p 123]:

- the electrical and electronic industries, where the state encourages any integration (Industry Support) of the electrical and electronic industry. The electronics industry may be a niche specialty subcontracting with multinational companies.
- mechanical industries.
- the pharmaceutical industry is characterized by innovation, research and development and acquisition of licenses for the originator, the growth rate of generics is 16%, twice the growth rate of the princeps.
- food industries (FI), the authors make the observation that FI activities are disconnected from upstream agricultural, hence the need for the integration of upstream agricultural.
- petrochemical, fertilizer. This sector is characterized by a strong attraction, hence the need to establish a blueprint for upgrading industrial processing of natural resources (natural gas, ethane, phosphate, iron).
- Sitting at the board "choice of priority sectors," suggested adding the textile and leather industries of the frame, heavy-metal and capital goods industries, industries related to water and energy and finally shipbuilding industries.

According to this scheme it is anticipated the development of new industries, it comes:

- Automotive.

ICT Industries: Software Industry.

The criteria for selection of sectors and branches are three in number:

- the existence of a potential (industrial park), likely to be valued.

- dynamic export market and benefit from the globalization of trade.

- availability of comparative advantage, the exploitation of oil and natural resources such as natural gas, taking advantage of investment costs "very low"

The valuation of assets available to the Algerian economy:

- Rehabilitation and redevelopment of the industrial park of intermediate goods

The use of natural gas as an energy source and raw material.

But it is also to make:

The rise of industry sectors from final goods, these are industries that are at the stage of assembly but may redeployment upstream (or downstream step by integrating marketing and distribution) .

create the conditions for the gradual establishment of competitive segments of intermediate goods.

The spatial dimension of the NIS

The spatial dimension has not been overshadowed by the NIS, four areas of Integrated Industrial Activities (ZAI) are

identified [MMPI 2007, p 163]:

Areas dedicated to the development of micro climates to encourage business investment and the business combination.

Specialized areas where businesses focus whose activity is sufficiently homogeneous, and it is accomplished in areas of common processing of raw materials or export, which can cause very strong external economies.

Technopoles areas that are comprised of the design, improvement and transformation products through research and innovation.

Parks specialized services.

In this regard the following areas have been identified as a priority:

i) Areas versatile activities: a) Alger b) Blida c) Oran-Mostaganem
d) Annaba e) Setif-BBA f) Ghardaïa- Hassi R'mel

ii) Technopoles :
a) Alger (Sidi Abdellah) b) Bejaia c) Sidi Bel Abbès

iii) specialized areas:
a) Arzew b) Hassi Messaoud c) Skikda d) Oran

NIS, HUMAN RESOURCES & FINANCEMENT

Another aspect related to the development of human resources for industrialization, a long-neglected aspect of

Regarding the financing of this strategy, although some participants seated excluded public funding. "Is the financial market to fully play its role" Officially, the Minister of Investments announces that "the State must put money without forgetting the financial market, including the capital. "

considerable effort has been made to attract FDI and foreign capital interest but it does attract by the oil sector and to a lesser degree petrochemicals, except telephony sector through capital Arabs (Egyptians and Kuwaitis) and the steel industry with the Indian-Mittal steel.

Like A Benachenhou that the margin of seats and expressing a personal opinion, would have wanted the elimination of budgetary procedures.

3. Some comments.

- 1 - Maintain import substitution if the market allows, she adopts a historical approach to the inverse of industrializing industries in the form at the bottom of the priority sectors targeted are not so different options industrializing industries.
- 2 - Policies incentive to move towards external markets
- 3 - Call of FDI in intermediate industries in this regard it should be noted that FDI requires a suitable business climate;
- the promotion of industrial sectors. A register in which Algeria is particularly weak. Promote subcontracting. This is an activity that is "non-existent", but which can generate a large FDI flows, technology transfer and the creation of thousands of jobs. It is considered as a factor "key" industries development.
- Also on FDI, there are other determinants locations wage costs. All naturally depends on the cost structure of the sector concerned. Building activities, organization of distribution and innovation are mainly located in the North; manufacturing activities, in turn, tend to be located in emerging countries, and this is done whenever new units production must meet increasing global demand [Fontagné. L, Lorenzi. J-H 2005, p 48].

- 4 - Promotion of a competitive private sector and citizens. On this principle, it should be noted that the mode of production in the private sector is dominated by SMEs, but there is nothing similar to the model of the countries of South-East Asia, it is based on a system of networks and organized functional, while the private sector in Algeria is very fragmented and relies instead on a single mode coupled with a mode of family property.
- Finally, lack of policy support (problem of access to land tenure, investment regime little incentive, etc.)., These SMEs are disadvantaged by a lack of support and supervision in the fields, legal, technical and financial.

5 - Regional three-dimensional space:

supranational Euro-Mediterranean Maghreb. Beyond wishes and good intentions, all SI (in our opinion, this is valid for all countries of the Maghreb region), if it has no anchor in its regional environment it is unlikely to succeed, if only for the opportunity to be the height of the potential production capacity (signed association agreements with the EU shows).

6 - Generalization of innovation, learning, technical progress. In what direction must the innovation be developed to Stiglitz "Technological innovation is too little western dedicated to reducing the negative impact of growth on the environment, and sought instead to reduce labor "[Stiglitz 2007].

Is that the institutional framework is appropriate, the roadmap was drawn to universities and institutes of higher education that includes this dimension in these goals (development of applied research, the introduction of clusters and incubators ...), another aspect that deserves attention is related to the intellectual property regime, if it is poorly designed, it can stifle innovation [Stiglitz 2007].

Algeria has now large technological capabilities remain unfortunately overlooked and underutilized. Precisely in the computer field, and the lack of communication and coordination between research centers and businesses, the contribution of innovators in this area is limited to actions seen insignificant.

In conclusion

With the improvement caused by the financial windfall, growth was around 6% between 2005 and 2010.

This growth takes place in the context of a public budget surplus and inflation included, depending on the year, between 3% and 7.3%.

All these results, according to the IMF, are obtained thanks to a strong export-led expansion in the hydrocarbon sector, a rebound in agricultural production and a recovery in the sectors of construction and services, a trend observed since the late 1990s.

the blocking is due to the investment and blocking resistance institutions [A. Bouyacoub 2006, p 4].

The level of industrial or economic performance in a more global also depends on institutional effectiveness.

Indeed if the multiple institutional and human decisions to take multitudes of directions, then the results will always be disappointing. The level of economic performance is determined by the coherence and institutional effectiveness.