

ALGERIA

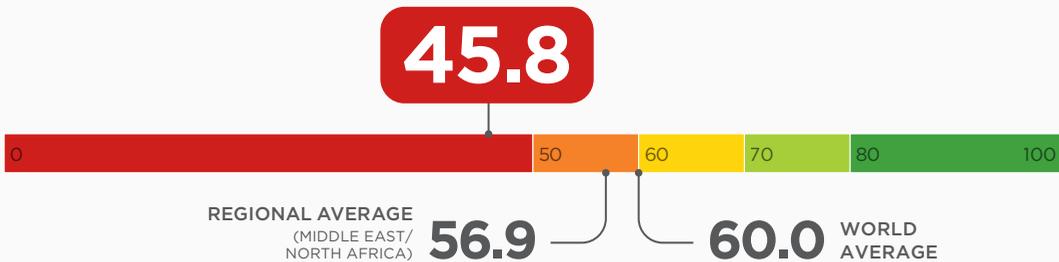
Algeria's economic freedom score is 45.8, making its economy the 167th freest in the 2022 *Index*. Algeria is ranked 13th among 14 countries in the Middle East and North Africa region, and its overall score is below the regional and world averages.

Over the past five years, Algeria's economic growth slowed from 2017 through 2019, turned negative in 2020, and rebounded in 2021. A five-year trend of expanding economic freedom has been broken. Dragged down by score decreases in **property rights** and fiscal health, Algeria has recorded a 0.7-point overall loss of economic freedom since 2017 and has fallen into the middle ranks of the "Repressed" category. Monetary freedom is strong, but rule of law and open markets exhibit weaknesses.

IMPACT OF COVID-19: As of December 1, 2021, 6,076 deaths had been attributed to the pandemic in Algeria, and the government's response to the crisis ranked 106th among the countries included in this *Index* in terms of its stringency. The economy contracted by 6.0 percent in 2020.

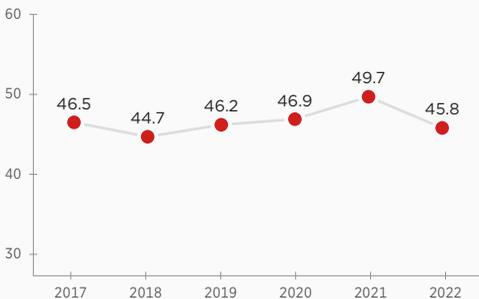
WORLD RANK: **167** | REGIONAL RANK: **13**
ECONOMIC FREEDOM STATUS: **REPRESSED**

ECONOMIC FREEDOM SCORE



HISTORICAL *INDEX* SCORE CHANGE (SINCE 1995): -9.9

RECENT FREEDOM TREND



QUICK FACTS

POPULATION:
43.9 million

GDP (PPP):
\$491.5 billion
-6.0% growth in 2020
5-year compound annual growth 0.1%
\$11,112 per capita

UNEMPLOYMENT:
12.8%

INFLATION (CPI):
2.4%

FDI INFLOW:
\$1.1 billion

PUBLIC DEBT:
53.1% of GDP

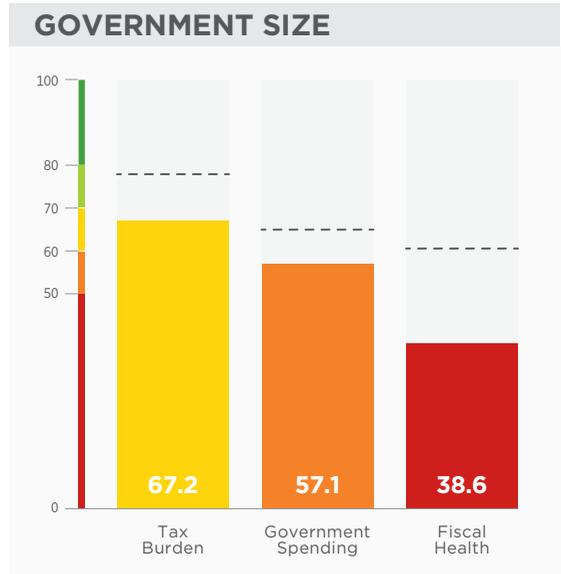
2020 data unless otherwise noted. Data compiled as of September 2021

BACKGROUND: The National Liberation Front has dominated politics in Algeria ever since the country's independence from France in 1962. Early in 2019, President Abdelaziz Bouteflika was forced out of office after 20 years in power, and Abdelkader Bensalah was named interim president. Abdelmadjid Tebboune was elected president later the same year. Political stability has been eroded by widespread popular disillusionment with the political system and by Algeria's weak economy. Since 2015, Algeria has pursued an import substitution policy, adopting protectionist measures to encourage domestic production. Algeria is the world's sixth-largest exporter of natural gas. Oil and gas account for almost 95 percent of export revenues and more than 30 percent of GDP.

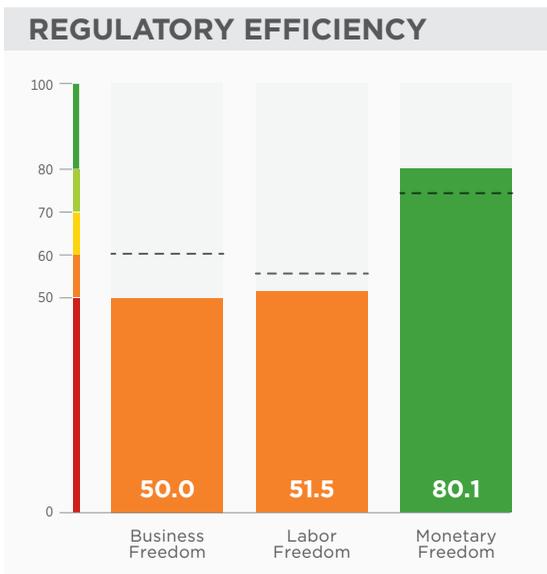
12 ECONOMIC FREEDOMS | ALGERIA



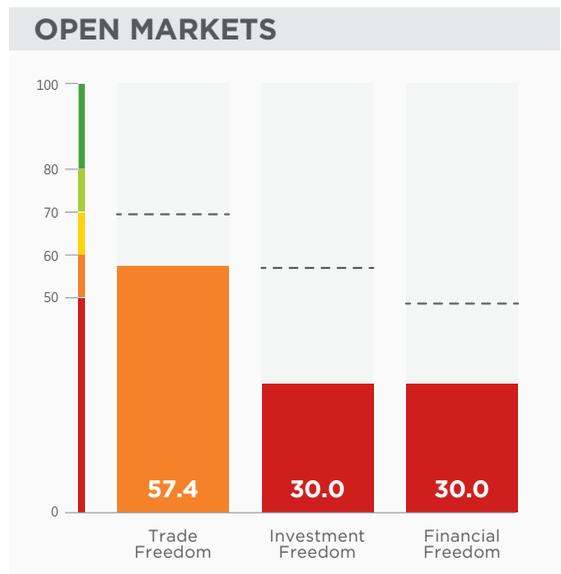
Secured interests in property are generally recognized and enforceable for the relatively few private owners who hold clear title. The government controls most real property in Algeria. Court proceedings can be lengthy, and the results can be unpredictable. The judiciary is generally weak, slow, and subject to political pressure. Cronyism and corruption characterize the business and public sectors, especially in energy.



The top individual income tax rate is 35 percent, and the top corporate tax rate is 26 percent. The overall tax burden equals 37.2 percent of total domestic income. Government spending has amounted to 37.8 percent of total output (GDP) over the past three years, and budget deficits have averaged 5.9 percent of GDP. Public debt is equivalent to 53.1 percent of GDP.



In 2021, Algeria retroactively reinstated a law requiring majority Algerian ownership of new businesses for any companies that sell imports. Job seekers face a jobs market that is overly complex and heavily regulated by the government. Despite ongoing fiscal problems caused by reduced revenues from oil and gas exports, the government maintained generous but unsustainable subsidies for basic household foodstuffs, housing, and fuel in 2021.



Algeria has two preferential trade agreements in force. The trade-weighted average tariff rate is 13.8 percent, and layers of nontariff barriers significantly impede dynamic flows of trade. Government policies such as restrictions on levels of foreign ownership continue to limit foreign investment. Credit is difficult to access, and the equity market is underdeveloped with a capitalization of less than 5 percent of GDP.