

Tourism in Algeria between the reality and challenges

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Abstract:

Tourism in Algeria contributes only about 1 percent of Algeria's GDP, this due to its sufferance from a deficit in terms of hotel facilities, food quality, qualification of the industry, a deficiency in the production and optimization of the tourism product. In both public and private sectors, the Algerian officials were slow to react to changes in tourism market.

In contrast, Algeria has huge tourist potentialities and occupies a special place on the world tourist market. Algeria is a mosaic of culture, history and traditions, indeed many Mediterranean civilizations occupied this territory and left their tracks.

Between these two sides of tourism in Algeria, can it change and increase its participation in GDP? What are the touristic opportunities that we have? What strategies the government should take to change this situation?

Keywords: tourism, opportunities, Algeria, strategy.

الملخص:

السياحة في الجزائر تساهم فقط حوالي 1٪ من الناتج المحلي الإجمالي في الجزائر، وهذا بسبب معاناتها من العجز من حيث المرافق الفندقية، ونوعية الأكل، وتأهيل هذه الصناعة، ونقص في الإنتاج وتحسين المنتج السياحي. في كل من القطاعين العام والخاص، كان المسؤولون الجزائريون بطيئاً الاستجابة للتغيرات في سوق السياحة.

في المقابل، الجزائر لديها إمكانات سياحية هائلة، وتحتل مكانة خاصة في السوق السياحية العالمية. الجزائر هي عبارة عن فسيفساء من الثقافة والتاريخ والتقاليد، واحتلت العديد من الحضارات المتوسطية في الواقع هذه الأرض وترك آثارهم.

بين جانبي السياحة في الجزائر، فهل يمكن تغيير وزيادة مشاركتها في الناتج المحلي الإجمالي؟ ما هي الفرص السياحية التي لدينا؟ ما هي الاستراتيجيات التي يتعين على الحكومة اتخاذها لتغيير هذا الوضع؟

الكلمات المفتاحية: سياحة، فرص، الجزائر، استراتيجية.

Introduction:

Tourism is one of the largest and steadily growing economic sectors world-wide, as well as being a sector in which developing nations have a considerable stake. For this reason alone, tourism is a relevant factor in terms of development policies. Especially in nature conservation, the "ecotourism" option is increasingly advocated in order to contribute to conservation project funding and offer economic incentives for the preservation of ecosystems and their biodiversity.

Many countries are confronted with a wide range of different forms of tourism development and, at the same time promote themselves as "ecotourism-destinations". Tourism, however, does hold the potential to assist in the implementation of conservation and development objectives, for example by creating economic benefits for local communities and the national economies and by furthering the acceptance of nature conservation and environmental protection. With due consideration given to the aim of ensuring the greatest possible benefits for sustainable development, and bearing in mind the active advisory, yet overall mediating and catalytic nature of technical co-operation, this practical guide represents the first step towards acquiring the know-how necessary for sustainable tourism development.

Algeria's tourist industry lags behind that of its neighbors Morocco and Tunisia. Algeria receives only about 200,000 tourists and visitors annually. Ethnic Algerian French citizens represent the largest group of tourists, followed by Tunisians. The modest level of tourism is attributable to a combination of poor hotel accommodations, the perceived risk of terrorism, and antiquated, soviet-style visa requirements. However, the government has adopted a plan known as "Horizon 2025", which is designed to address the lack of infrastructure. Various hotel operators are planning to build hotels, particularly along the Mediterranean coast. Another potential opportunity involves adventure holidays in the south.

In the following line, we try to show the current situation of the Algerian economy in general, and the situation of the tourism industry in particular.

I. Some facts about Algerian economy:

Low oil prices and political and security risks constitute the main challenges. They will slow down growth, reduce the fiscal space, and discourage private and foreign investment. Even if the country adopts measures proposed in draft 2016 budget, the government is likely to

prioritize social stability over austerity. Since mid-2014, Algeria has been severely hit by the crash of international oil prices. The average oil price already fell to US\$100/barrel in 2014 but is projected at US\$58.3/barrel in 2015. Growth is slowing down, with the GDP growth rate projected to fall from 4.3 percent in 2014 to 2.8 percent in 2015, mainly driven by negative growth in the hydrocarbon sector (and exports) and deceleration in the non-hydrocarbons sector. The fiscal and external positions will remain precarious throughout 2015- 2016. Following small fiscal deficits in the early-2010s, the fiscal deficit is projected to almost double from -6.2 percent of GDP in 2014 to an estimated -11.5 percent of GDP in 2015. The country is also experiencing a significant widening of its current account deficit from -4.5 percent of GDP in 2014 to an estimated -15.8 percent of GDP in 2015. And while the inflation rate subsided to 2.9 percent in 2014, inflationary pressures have surged again and inflation is projected to reach 5.5 percent in 2015. Initial fiscal austerity measures have been announced for the 2016 budget. A high unemployment rate that already increased from 9.8 percent in 2013 to 10.6 percent in 2014, could pick up above 11 percent in 2015 with declining growth. Unemployment is particularly severe among women and youth (25 percent). The government has expressed continued commitment to job creation and reduction of regional disparities although specific measures remain to be developed.

Amid political upheavals in other Arab countries, Algeria's government maintained stability through a combination of minimal political reforms and public sector expenditure. But the long term challenges facing the economy remain unchanged, namely reducing subsidies, improving the business environment, diversifying the economy and creating private sector jobs. While the government talks about the need for reforms, the steps it has taken have been modest. The government formed following the April 2014 presidential elections promised more action but has yet to deliver on promises.

A business climate marked by difficult access to credit, a complex regulatory environment, and time-consuming procedures to set up a business, holds back the private sector. Unemployment has remained at about 10% since 2010, and is significantly higher for youth (24.8%) and women (16.3%). Trade integration has also proceeded very slowly, and negotiations to join the WTO have not made much progress. On the fiscal front, expansionary budgets have propped up the economy but led to widening deficits, which peaked at 6.2% of GDP in 2014 and are expected to remain high in 2015. Hydrocarbon production has been on a downward path since

2006 due to a lack of investment in upgrading existing fields and exploiting new discoveries, while the rise in domestic energy consumption has come at the expense of declining oil exports. Investment in the oil and gas sectors has been held up by uninviting licensing rounds and concerns over security risks. Hydrocarbon exports typically generate around 62-66 percent of total government revenue. Hence, as hydrocarbon exports have fallen from a peak 35.9 percent of GDP in 2011 to 27.2 percent of GDP in 2014. Subsidies in particular, projected to reach close to 13 percent of GDP in 2014, continue to weigh on government finances, underscoring the urgent need for subsidy reform.

To bolster the economy, the government is seeking to further develop its hydrocarbon resources and has also explicitly embraced private sector development by opening research centers and launching major transport and housing projects. Regarding the business climate, the government has established a committee to come up with an action plan to help reform it. In the absence of these much-needed reforms, however, the Algerian economy is likely to continue to grow slowly. Economic diversification and reduced reliance on the hydrocarbon sector are both key to strong and balanced growth. (World Bank, 2015)

II. Why invest in tourism?

Considered not serious in other countries also, tourism has suffered from its image crafts, its complexity and the lack of studies and research which have been devoted. [Jean da Luz , 2001] Data from the World Tourism Organization show that international tourism is mainly concentrated in the three countries of north-western Mediterranean [Carnat & Coll., 2004]: France, Spain and Italy respectively have 11%, 7,4% et 5,7% of World , That represents a cumulative total of 168.5 million international tourist arrivals. By comparison, North Africa and the Middle East, considered as a whole (thus including the holy places), have respectively 1.5% and 3.9% of global international tourist arrivals, or 37.9 million. The countries of southern and eastern Mediterranean, faced with high population growth, enjoy relatively little impact of international tourism which could contribute to their development.

Yet North Africa offers a huge potential for tourism, and the Mediterranean coast is probably the place that attracts the most foreign visitors. Morocco and Tunisia are the two most important tourist destinations in Africa: in 2004, they have led to growth of tourism on the continent of 9%.

In Algeria, tourism may have a future ahead of him. The hope is permitted. However, this future could be jeopardized likely to the unenviable position in which it is struggling due to many difficulties including the lack of citizen involvement in its promotion. Neither the public nor the individual sector have so far given the impression of wanting to invest lots of money to attract Western tourists, hiding their refusal behind remembering the black decade of terrorism.

It is equally true that this activity has begun to attract the attention of the Algerian citizen only recently, as it is clear that only Mother Nature seems to have spent itself. Terrorism generated by the quasi-civil war has begun to decrease, which favors a resumption of activities. Many researchers now believe that "more stability combined with a coherent strategic planning should ensure sustained growth in tourism in Algeria and North Africa [Mathaba.net, 2004]

Overall, Algeria has not succeeded as well as its two neighbors in attracting tourists, due also to the relative lack of hotels and tourist sites in well-managed, less promotion by the government and very large earthquake occurred in 2003. Certainly, the potential for exchange with foreign countries led the Algerian government since 1989 about to make greater efforts to attract tourists. The National Tourism Office has been decentralized, some nationalized hotels have been privatized and foreign companies such as Hilton and Accor have been granted the right to operate brand new hotels or to build new constructions in Algeria.

The objective of increasing the number of hotel rooms has been achieved by encouraging both domestic and foreign private investment in the context of joint ventures. The progresses which were made by Algeria and the potential for future success have been highlighted when the country hosted the World Tourism Day, 27 September 2003. [Mathaba.net, 2004]

There were, in Algeria a national school of tourism and higher institutes. But we must say that, for its part, the University of Algeria is still far to become involved deeply when, paradoxically, the development of ICT, among others, could facilitate its task. With the recent application of the LMD system, the programs are still in their infancy. Thus, no specific module is taught in implementing tourism notions of microeconomics or macroeconomics. It is appalling that the module of International Economy continues to ignore tourism specifically. In this module, tutorials could carry on practical applications.

Finally, some schools specializing in tourism (Tizi-Ouzou, Sidi Bel-Abbes) still give the impression to insist on the aspect of "hotels and restaurant business" without further elaboration

of the issue of tourists and their characteristics) and ignore the debate on how to identify market segments where the introduction of a new product or service is most likely to succeed. Yet from here stems the need for better knowledge of the world and different populations and ethnic groups with their habits and customs and their religious beliefs. The contribution of this work is therefore the knowledge of our own country and our Arab- African world: "To know and to make known" In anticipation of future implementation of such a training program at home, elsewhere the discourse has changed today. « Tourism is the largest industry in the world in its economic, investment and jobs it generates. » [Caccommo, 2001] Within fifteen years, the number of international travelers, estimated at 650 million today, will have doubled. And, « in Perspectives of doubling its market, the tourism industry is booming and it is not a day that the news announced a restructuring in this sector. Specifically, this industry is now at the crossroads of three major changes:

1-globalization of the sector with the development of a competitive international market and the chronic emergence of new destinations;

2- the rapid diffusion of new technologies related to the development of digital networks and the emergence of "e-tourism";

3- and lastly, the upheaval in depth of the traditional distribution of tourism products» [Caccommo, 2001]

And if we are personally interested in tourism, this proves the existence in our two major concerns:

1-First, our awareness of the need to better sell products of Algerian to foreign tourists.

2- Then, the challenge to convince our countrymen to go further small local tourism, if only to spend brief holiday. In recent years, the Algerians begin, in fact, to acquire the tradition of planned holidays and, therefore, to travel abroad [Amir, 2005].

Some Algerians obviously prefer to turn to neighboring countries that do not require visa to avoid running after a tedious paperwork and especially wasting time.

In fact, most travel agencies offer them Egypt with its pyramids, the Nile, including its culture and music and Greece with its magnificent Greek ruins, Turkey and the Bosphorus and the Great Wall of China [Amir, 2005].

The press insists that the favorite destinations in recent years are in priority and Tunisia, Egypt, Turkey, Morocco and also the Middle East and finally Europe. However, this last destination is increasingly difficult to access especially since the establishment of the Schengen area. Applications are processed individually and the operators have little opportunity to obtain visas.

According to statistics from the Ministry of Tourism in 2002, 1 513 491 Algerians have crossed the border during the previous year. The most visited countries are in a prime position Tunisia (708 575 tourists), France (396 692), Saudi Arabia (110 848), Spain (80 499) and Turkey (40 714). Other tourist countries were also selected by the Algerian people: Libya (34 988 tourists), Morocco (29 015), Syria (22 453) and Britain (17 501)

In any case, it seems that the Algerians are moving much closer to Tunisia, not only for its proximity and the quality / price, but also for two other reasons: first, the absence of entry visa; and operations charm that continues to lead the Tunisian tourism organizations towards Algeria, especially since the attack in Djerba in 2002 which has been away a lot of European tourists. We must now put pressure on the Algerian mental and direct approaches to local tourism. (Boumendjel, 2010)

III. Tourism potentialities in Algeria:

- Crossroads of three worlds Mediterranean Muslim and African, home of the art and civilization, Algeria is a land of welcome, meetings and exchanges.
- It presents a number of various regions and very distinctive by their natural environment, history and there civilizational appearance.
- Besides a littoral composed of creeks with a fine sand, in particular the regions of : the Aures, Kabylie, the Oasis, the M'Zab, the Saoura, the Hoggar, and the Tassili conceal invaluable assets.
- It is the reason and from the 1960's a program of equipment has been undertaken hotel facilities.
- Also, efforts have been made to gather the most favorable conditions with a view to inciting the investments in the zones of tourist expansion(ZTE), protected by law in particular because of:

- ✓ The existence of an adequate road, port and airport substructure, as well as a telecommunication network.
 - ✓ The particular interest shown by the potential partners to these regions.
 - ✓ The undertaking of the site's preparation assigned to receive the tourist and hotel equipments by the local communities.
- In this context, more than 174 sites have been identified to be privileged as far as tourist development is concerned.
 - As regard to thermalism, the thermal assessment emerges with a census of 202 sites open to exploitation.
 - Among these thermal springs, some present a national vocation and a therapeutic interest of first rate which require an improvement considering the needs expressed on the subject.

IV. Strategy of tourism development in Algeria:

The national strategy for tourism development, seeks to establish a state policy based on the involvement of all the institutions in the development of tourism products and activities, either directly or indirectly. Moreover, this strategy is to set up a sustainable framework to guide and to coordinate the development of tourism in the coming years for a concentrated ownership of the institutions of tourism activities. Unlike other economic sectors, tourism is still structurally a horizontal sector whose development is strongly linked to the general environment (transport, culture, handicrafts, agriculture, communication, hygiene, health, and so on).

It is obvious that this approach, which must also be supported by all institutions and stakeholders, has its roots in the government's program adopted in September 2000. This program sets the objective of the new tourism policy as being the "The emergence of a true tourism industry based on the development of cultural and civilizational and natural potential of the country and "built around realistic and measurable targets, provides institutional instruments, organizational and appropriate funding from various sources».

The roles of the government in implementing this new policy is the promotion of the country's image abroad, attracting investment and partnership with developers and holders of capital, know-how and markets power especially to make the tourism product more competitive in the national commercial channels. (bouadem, 2006)

1. Factors of such a strategy

This strategy is built around a number of factors closely related to each others:

- A comprehensive real policy to give a boost to tourism in the context of sustainable development;
- A master plan defining the areas to focus on, determining the product types tailored to each area while specifying carrying capacity of each area and forming a kind of specialization ;
- A simplified and rational regulation on the land applied rigorously to the sector;
- A policy of developing human resources for planning sound management and appropriate infrastructure to tourism activities;
- Standards and regulations specific to each area to maintain desired levels of environmental qualities and quality in general;
- The important contribution of the population at various levels is highly desirable to safeguard the achievements in the field of tourism;
- Finally, monitoring and management of tourist services at all stages of plannings are essential.

2. Challenges of such strategy

This strategy relies on a global and medium-term road-map for the development of a tourism industry in Algeria. Some of the requirements are as follows:

- The socio-economic impact of tourism and its inputs, as proved by Algeria's neighbours and elsewhere;
- The state of the tourism sector in Algeria requires removing constraints and advocating factors for its success;
- The challenges the country will be exposed to in the coming years, especially in terms of competitiveness;
- The consequences of the new economic environment largely dominated by the effects of globalization;
- Achieving a contribution in additional tourist accommodation capacity of approximately 50.000 beds;
- A contribution by volume of private investment in projects of around 75 billion Dinars;

- Diversifying the country's foreign exchange earnings from this sector with an estimated amount of over 1.5 billion dollars in the horizon 2012
- Creating direct and indirect jobs through investments made in the sector

3. Opportunities available assets

The success of such a strategy may well rest on the following elements:

- Diversity of landscape and natural sites;
- Exceptional weather conditions, monuments and world heritage sites;
- Communication infrastructure and transportation rapidly changing (good road network of 104000 miles, 35 airports, including 13 with international standards, 13 ports and a railway network of 4500 km with 200 commercial stations already operating);
- Different forms of tourism;
- Multiple attractive and internationally competitive prices;
- Proximity to major markets issuers, extensive customer affinity character as well as rich and varied heritage;
- Availability of various cheap consumer products;
- Well organized market for traditional crafts.

4. Weaknesses of the Algerian tourism industry

The weaknesses to overcome, and there is still a number of factors which should be reviewed in order to find solutions:

- Deficit in term of quality and quantity of tourist accommodation, where a preponderance of urban inn and Inadequacy of hotels average range;
- Lack of tourist culture;
- unattractive environment for tourists;
- Staff unskilled and low level of benefits;
- Poor means of promotion and communication,
- Low operating of cultural tourist sites;
- Inadequate voyage programs to tourism flows;
- Weak involvement of associations.

5. Targets of the strategy for tourism development

The new tourism policy aims at achieving a number of goals:

1. Improve the overall balances (Operating, growth, balance of trade, financial and investment);
2. Impact of this policy on other sectors (industry, traditional, transport, services, industry, job....);
3. Contribution to trade and openness, both nationally or internationally;
4. Conciliation between tourism promotion and environment;
5. Evaluation of historical, cultural and ritual heritage (The fact that these elements represent an important factor in attracting tourism strategies, with respect to cultural diversity , protection of the heritage and contribution to the local development);
6. Improvement of the image of Algeria and the potential of its domestic market.

The Ministry of Environment and Tourism Development's master plan is founded on the creation/or promotion of tourism? By the beginning of January 2008, the strategic framework of reference of tourism policy in Algeria is constituted. It is a document about the state in which all the actors, sectors and regions on its tourism regional prospects for 2025. This translates the will of the State to value the natural, cultural and historical capacities of the country, and use them to promote tourism in Algeria.

SNAT is the result of a long process of research, investigations, studies, experiences and wider consultation with national actors and local public and private institutions – the ultimate goal is the achievement of the objectives of the strategic plan. The main aspect of this strategy is to enhance the prospects for tourism in 2025.

- Algeria's goal is to receive 2.5 million tourists by 2015, and to be comparable situation like its neighbours, it needs 75.000 beds of good quality;
- Priority goal poles nearly half of the capacity of reception is expected, any size bed 40.000 30.000 of which from an international high style in the very short term and an additional 10.000 beds in the medium term
- The creation of 400.000 jobs (direct and indirect);

- An estimated 2.5 billion dollars of public and private investment is needed for the period 2008- 2015;
- For the seven tourist poles of excellence, we can imagine an extra effort with \$ 1 billion U.S. dollars per rest of the country may be employed to remove the current structural deficit.

Conclusion:

Tourism is an important economic activity in most countries around the world. Algeria has several types of tourism: mountain tourism in the Auras, beach tourism on 1200 km of beaches on the Mediterranean, Islamic tourism to the holy places in all provinces. The most important Islamic sites are the mosque of Oqba Ibn Nafai El Fihri, and the Zaowia Tijaniya, which has nearly 300 million followers in Africa and elsewhere. There is also therapeutic tourism, since Algeria has more than 200 very famous mineral springs. And finally, there is the Saharan tourism.

According to the world travel and tourism council, the contribution of tourism and travel in the Algerian GDP was 3.5% in 2014 and it forecasted to be 6% by the end of 2015. The Algerian government start real steps in tourism industry which expected that will have a bright future.

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