

Algeria Eyes Agro-Industries for Growth and Food Self-Sufficiency

Addis Ababa, Mar. 25, 2013 – Algeria, famous for its oil and gas industry, plans to develop its agro-food sector in a bid to improve its economic, social and political environment. It is putting US\$1.2 billion into an initiative to boost food security, according to a newly published report.

The fund will be used for measures to encourage private investment and improve interaction between the producers and the processors, says this year's 2013 Economic Report on Africa, co-authored by the Economic Commission for Africa and the African Union.

The theme of the report is "Making the Most of Africa's Commodities: Industrializing for Growth, Jobs and Economic Transformation." It argues for a commodity-based industrialization for African countries if they are going to use their abundant resources to transform into a global economic power.

"Over the 5 years of the program, agro-food industries will receive support to help them improve their contribution to the industrial GDP, comply with production plans upstream, create 500 businesses within the farming areas, upgrade 500 agro-food businesses, and build export capacity," the report says. "A major impact will be development of the agricultural industry and a network of small input-producing and agricultural services enterprises."

Agriculture in Algeria is characterized by the use of outdated technology, insufficient fertilizer application, unskilled labor, and an unwieldy institutional environment. And because of the resultant unattractive investment climate and poor institutional coordination, the country has been unable to integrate the upstream and downstream segments of the sector, says the report.

Although Algeria has a vibrant and growing agro-food industry, 75% of its food is imported. In 2011, upstream and downstream food imports amounted to US\$ 6.8 million—nearly 17% of total imports, it adds.

The country is better known for its energy sector. It has 2.37% of the world's proven natural gas deposits -- an estimated 4.5 billion cubic meters, which ranks it 10th in the world.

ALGERIA

