

Developing Algeria's Tourism Sector: The Search for a Wealth-Generator

Hana Erabti ^{1*}, Abdelhafid Aimar ²

¹ University of Jije (Algérie), rabti.ha@gmail.com

² University of Jijel, (Algérie), aimar.hifid@gmail.com

Received: 28/05/2021

Accepted: 23/06/2021

Published: 30/09/2021

Abstract:

The tourism sector in Algeria is facing serious challenges and its contribution to the country's economy is still limited, despite tremendous natural and cultural potentials, as well as an important tourism infrastructure. Indeed, Algeria is still among the bottom rankings of tourist destinations. This paper tries to put forward a number of ways to develop Algeria's tourism sector. It seeks to make a contribution to the solution of the various problems and challenges facing the tourism industry in Algeria. It highlights the necessity of boosting domestic and foreign investment in this sector to help generate wealth and jobs to alleviate the impact of the on-going drastic decline in oil and gas prices in world markets on the national economy.

Keywords: Algeria, Challenges, Development, Tourism sector, Wealth generation.

(JEL) Classification: L80, L83

1- Introduction

Globally speaking, tourism has proved to be the fastest growing sector and a key driver of economic growth. Over the period 1950-2010, international tourist arrivals grew at an annual rate of 6.2 per cent, going from 25 million to 940 million arrivals (unwto 2011). And despite the 2008 financial crisis and the subsequent decrease in global economic growth, as well as sovereign debts in Europe and political upheavals in MENA countries, international tourist arrivals amounted to 1.2 billion in 2015, generating US\$ 1245bn of income (unwto 2016).

However, the tourism sector in Algeria is still lagging behind and its contribution to the country's economy is limited, despite tremendous natural, historical and cultural potentials, as well as important infrastructures. In a highly competitive global tourism market, Algeria has done little to benefit from the growth of international tourism and has so far failed to improve its international ranking substantially, 124 out of 184 countries (wtcc 2015). Still, plummeting global oil prices and declining foreign reserves are forcing the government to diversify the national economy and to open up more to foreign investment. It is seriously looking to the tourism sector together with agriculture as potential substitutes to oil with the purpose of maintaining economic growth, protecting jobs and avoiding social disruptions. But this does not seem to be an easy task, considering the tremendous obstacles and challenges the tourism sector is facing in Algeria.

This paper tries to put forward a number of ways to develop Algeria's tourism sector. It seeks appropriate solutions the various obstacles and challenges facing the tourism industry in Algeria. It stresses the need for innovating managerial techniques and boosting domestic and foreign investments in this sector to help generate wealth and jobs to alleviate the impact of the on-going drastic decline in oil and gas prices in world markets on the national economy.

* Corresponding author.

2. Tourism's contribution to Algeria's economy

Domestic tourism in Algeria largely outweighs foreign tourism, representing about 97 per cent of total visitors. In 2015, domestic visitors registered a decreasing trend, while international tourist arrivals amounted to about 3.2mn (wtcc 2016). This compares to about 9.7mn foreign visitors in Morocco and 3.3mn in Tunisia (wtcc 2016). Foreign tourist spending still represented 3.5 per cent (DZD 30bn) only of total visitor expenditures (DZD 856.3bn) in 2015. This compares to 65.1 per cent (MAD 108.2bn) in Morocco and 47.4 per cent (TND 7202.9mn) in Tunisia (wtcc 2016).

Moreover, Algerians spent on outbound tourism DZD 53.9bn in 2015, whereas foreign visitors spent DZD 30.2bn during the same year, registering a tourism balance deficit of DZD 23.7bn. In comparison, the tourism balance in Morocco and Tunisia achieved a surplus of MAD 54.7bn and 2189.5mn respectively. It should be noted, however, that WTTC projects an important, but still modest, increase in international tourist arrivals in Algeria to reach 5.08mn by 2026 (wtcc 2016). This is expected to make a slight rise in Algeria's foreign tourism receipts to DZD 36.9bn only. If so, foreign tourism will do little for Algeria in the years to come to compensate for the huge losses of foreign currency earnings resulting from decreasing global oil and gas prices.

2.1 Contribution to GDP

The direct contribution of tourism to Algeria's GDP was DZD 590.0bn (3.5 per cent of total GDP) in 2015 compared to MAD 75.5bn (7.7 per cent) in Morocco, and TND 4,973.2mn (5.8 per cent) in Tunisia (wtcc 2016). This contribution is forecast to rise by 4.0 per cent in 2016 compared to 2.0% in Morocco and a decline of 1.0 per cent in Tunisia. Tourism direct contribution in Algeria is expected to further rise by 3.6% per year during the period 2017-2026, to reach DZD 873.7bn in 2026 (wtcc 2016).

As to the tourism sector's total contribution to Algeria's GDP, it was DZD 1,098.4bn (6.6 per cent of GDP) in 2015 compared to MAD 172.0bn (17.5 per cent) in Morocco and TND 10,772.2mn (12.6 per cent) in Tunisia. It is forecast to grow by 4.0 per cent in 2016 compared to 2.0% in Morocco and a drop of 0.9 per cent in Tunisia. It is projected to further grow by 4.0 per cent per year to DZD 1,696.8bn (7.3 per cent of GDP) in 2026 (wtcc 2016). Thus, although it will grow substantially, the tourism sector in Algeria will remain unable to compensate the oil and gas sector in the years to come.

2.2 Contribution to employment

According to WTTC figures released in 2016, the tourism sector in Algeria directly supported 327 500 jobs (3.0 per cent of total employment) in 2015 compared to 731 500 jobs (6.8 per cent) in Morocco and 185 500 jobs (5.3 per cent) in Tunisia. The direct contribution of Algeria's tourism to job creation is projected to further rise by 4.8 per cent in 2016 and by 3.3 per cent per year to reach 475 000 jobs in 2026.

However, the total contribution of tourism to employment, including jobs indirectly supported by the tourism sector, was 5.7 per cent of total employment (628 500 jobs) in 2015, compared to 15.6 per cent (1 687 500 jobs) in Morocco and 11.5 per cent (400 000 jobs) in Tunisia. Algeria's total employment in the tourism sector is expected to grow by 4.5 per cent in 2016 to 657 000 jobs and by 3.6 per cent per year to reach 934 000 jobs in 2026. This figure will represent 6.6 per cent of Algeria's total employment. Thus, even though future jobs in the tourism sector are seemingly significant, they will remain insufficient to solve the unemployment problem in Algeria.

2.3 Contribution to investment

Despite the important tourism potentials and the government's efforts to diversify the country's economy, the tourism sector in Algeria attracted only DZD 160bn in 2014 (tsa 2015) and DZD 161.2bn in 2015, representing a mere 2.8 per cent of total investment. This low share of investment in the tourism sector compares to much higher shares in Morocco (12.4 per cent) and Tunisia (8.4 per cent) (wttc 2016). Tourism investment in Algeria is projected to increase by 6.3 per cent in 2016 and 3.9 per year over the period 2017-2026 to reach DZD 251.1bn in 2026. However, in spite of this projected growth, the share of tourism investment of total investment in Algeria will drop to 3.2 per cent in 2026. This modest investment growth indicates that the tourism sector in Algeria is still far way from becoming a major engine of economic growth.

3. Algeria's tourism potentials

The tourism potentials in Algeria are numerous and diverse. There are remarkable natural resources and cultural heritage, as well as an important tourism infrastructure. If exploited properly, they could qualify Algeria to rank among the leading tourist destinations in the decades to come.

3.1 Natural tourism resources

Algeria is the largest country in the North African region. It has an area of 2.381.741 km² and a population of 40.4 million people in January 2016 (ONS 2016). It has three different climates: a Mediterranean climate on the coast, a semi-continental climate in the highlands regions (les Hauts Plateaux), and a desert climate in the southern regions and oases. The Algerian coastline stretches for 1,200 km from the northeast to the northwest, interspersed with rare tourist spaces and beaches, such as El-Kala, Ziama, Sidi-Fredj and Ténès. Algeria is rich in natural beauty and spectacular views: plains, mountains, forests and a large desert (about 2mn km²). Moreover, Algeria has 202 thermal springs, most of which are in the north of the country, such as Hammam Debagh (Guelma), Hammam Kerkor (Setif), Hammam Essalihine (Berrouaghia), Hammam Righa (Ain-Defla), and Hammam Bouhanifia (Maskara). *These hot springs are important tourist resorts and are used for therapeutic bathing.*

3.2 Cultural heritage

Civilizations that rolled on Algeria over the centuries had left an important historical, cultural and religious heritage which is apparent in most regions of the country. The Roman civilization lasted nearly five centuries. Its traces are in many cities, including Timgad, Djimla, Tipaza, Cherchell, Guelma and Tebessa. The Islamic civilization, which shapes modern Algerian society, is still present in many archaeological sites and castles, such as Kalaa Beni Hammad in Biskera and Al Mansourah in Tlemcen, as well as a wide range of Zawayat (religious orders) scattered throughout the country, such as Tidjania, Rahmaniah, and Qadiriyyah. Similarly, the Ottoman era (1515-1830) left an important cultural legacy and buildings in Algeria, particularly Al Qasba and Kitchaoua mosque in Algiers. Moreover, Algeria inherited from the French colonial period a number of hotels, about 5922 (Haddar 1984), which used to host the French settlers, and a number of French colonial army sites and prisons where Algerians used to be detained and tortured. Today, the latter have become archaeological and historical areas.

The other remarkable cultural patrimony is crafts and cultural events. Crafts vary from region to region and they include pottery, silver and gold jewellery, handmade copper products, old-fashioned homemade carpets, and embroidery on cloth. According to some figures, there are more

than 73000 craftsmen in Algeria, providing at least 150 000 jobs (ONT). As to cultural events, they are numerous and are held frequently throughout Algeria; they are part of the country's rich cultural heritage. In the last two years (2014-2015), Algeria organized two important cultural events hosted by Algerian famous historical cities, Tlemcen (which hosted the Islamic Culture Event in 2014) and Constantine (which hosted the Arab Culture Event in 2015).

3.3 Tourism infrastructure

Tourism infrastructure is tightly linked to the tourism sector and is a basic component of tourism products. It facilitates the movement of tourists and enables them to reach tourist sites and attractions. Tourism infrastructure is vital for diversifying tourism products and raising tourism demand. It includes (Panasiuk 2007):

- All types of transport and its facilities, such as roads, railways, airports, ports, bridges, etc.
- Communication services: wireless, satellite, cable and Internet.
- Accommodation facilities: hotels, apartments, hostels, etc.
- Catering services: restaurants, coffee shops, etc.
- Other socio-economic facilities: schools, universities, hospitals, chemists, retail network, rental companies, etc.
- Tourist resorts: leisure centres, museums, parks and recreational sports, such as skiing, golfing etc.
- Other basic services: water supplies, gas & electricity, petrol stations, etc.

3.3.1 Tourism institutions

There is a significant number of tourism institutions in Algeria, some of which are charged with the implementation of the tourism policy laid down by the government, while others are destined to provide and promote tourism services domestically and abroad. Among the former are the Ministry of Tourism created in 1963 with its directorates at the Wilayat (governorates) level, the National Office of Tourism (ONT) created in 1988 with affiliates at the regional and local level, the National Agency for Tourism Development (ANDT) created in 1998, the National Enterprise for Tourism Studies (ENET) created in 1998, in addition to a large number of tourism associations. As to the bodies responsible for the provision and promotion of tourism products, we mention the National Algerian Office for Tourism (ONAT), the Algerian Touring Club (TCA), and more than 1010 tourism and travel agencies with 125 branches. About 370 of these agencies are classified as first class, while the remaining 640 are classified as second-class (Daoudi 2014).

3.3.2 Transport facilities

Despite significant efforts made in Algeria, the transport services remain inadequate, partly because of the country's huge area. Roads that have been built so far are a little more than 109 452 km long and there is only one highway stretching from the north-east to the north-west (MATET 2008). Railways are about 4500 km long with 200 stations and are mainly located in the northern parts of the country (MATET 2008). Along the coastline, there are about 13 multidisciplinary ports and a large number of small ports dedicated to fishing and recreational activities (MATET 2008). Besides, there are about 31 airports, 13 of which are international. The Algerian air company (Air Algérie) has about 64 planes and covers a network of 96 400 km, and most of its flights are connected to Europe, mainly France (MATET 2008). However, this transport infrastructure is still insufficient as it does not reach important tourist sites and attractions in Algeria, particularly in the southern parts of the country.

3.3.3 Communication services

Algeria has an important communication network. Today satellite, cable and Internet services are available throughout the country. There are three telecommunication companies the State-owned 'Mobilis', the jointly owned 'Djeezy' and an affiliate of the Qatari group 'Oredoo'. The number of mobile subscribers reached 45,489 million in November 2014 (APS 2014). And the number of Algerians connected to the Internet is more than 10 million people (Echorouk 2014). In addition, there is a wide network of post offices and cyber cafés available nearly in every location.

3.3.4 Accommodation capacity

Today, there are more than 1176 hotels in Algeria, most of which are privately owned (95 per cent) and are mainly located in major urban areas. This number of hotels gives Algeria a total bed capacity of 98804 beds (Daoudi 2014). However, Algeria's accommodation capacity is on the increase. The government is projecting to raise this number to 160 000 in the short term and to 500 000 in the medium term (Dergui 2016). Beach and urban hotels are dominant, whereas accommodation facilities in the Sahara desert are limited. Nevertheless, it is worth noting that Algeria's accommodation capacity is still below that of neighbouring countries, Morocco 386 212 beds in 2014 (MTM 2016) and Tunisia 240 077 beds during the same year (O.N.T.T 2016).

4. Creating a lucrative tourism sector

To face the various challenges and create an efficient tourism sector capable of generating wealth and jobs, the Algerian government and the other stakeholders are required to make courageous steps and take crucial and genuine measures. For this purpose, the following measures and actions could be more appropriate.

4.1 Adopting a comprehensive vision in planning and organizing the sector

Algeria is required to adopt a comprehensive vision in planning and organizing the tourism sector. The absence of such vision seems to have hindered tourism development and the upgrading of tourism services. It was not until 2008 that the government adopted a long term tourism development plan (SDAT 2025). Indeed, prior to this plan, hesitation in the tourism sector delayed the selection and completion of appropriate projects. As a result, the completion of tourist projects took longer than planned and the completion costs increased significantly (OBG 2015).

Moreover, Algeria needs to strengthen institutional integration and to foster communication and cooperation between different stakeholders in the tourism sector. Despite the structural reforms launched in 1986 with the purpose of improving performance, the institutional structure remained inefficient. As a result, tourist sites still lack maintenance and are often not valued. Besides, a large number of tourist sites lack attraction and distinction.

While enhancing positioning in conventional markets, mainly Europe, Algeria's tourist operators should target new tourism markets, such as China, Brazil, India and the Arab Gulf. The latter is a source of family tourism and Gulf visitors are known for high spending compared to European tourists. To do so, Algerian tourist operators need to elaborate a marketing plan to respond to foreign tourist requirements and desires.

More importantly, Algeria needs to diversify tourism products. Tourism services should not be exclusively related to hotels and focus should not be on beach tourism only. These must include resorts, motels, hotel apartments, cottages, chalets, boutique hotels, etc. The purpose is to attract different segments of tourists and travellers. The development of other types of tourism, particularly curative and Sahara tourism is also required. Tourism services should be related to the

overall tourism climate, including safety and comfort inside and outside cities and tourist sites and attractions. Besides, the development of new tourism areas is required; each area must be equipped with distinct services to be qualified to provide a prime tourist offer and a unique tourist experience.

4.2 The creation of a more favourable business climate

Successful investment largely depends on the availability of a favourable business environment. This is because it provides the elements of success to investors and helps them to locate and select good investment opportunities. For this purpose, governments often seek to create a set of investment rules and incentives to stimulate investors and facilitate trading. They often adopt encouraging tax policies that include tax exemptions for a long period of time that may exceed ten years. More importantly, some governments adopted specific incentives to specific sectors, as this policy proved to be more effective than the open policies of incentives and exemptions related to all sectors.

In Algeria, the 2009 budget law adopted the 51/49 investment rule which asserts that the share of foreign partners in joint ventures cannot exceed 49% and that of Algerian partners cannot drop below 51% threshold (JO RADP 2009). This rule should be reviewed, as it is seen incompatible with the promotion of the business environment and the intention to increase foreign investment. Moreover, similar to neighbouring Tunisia, where tax incentives specific to the tourism sector were adopted (OECD 2013), Algeria's investment laws should be put in detail and should provide more incentives, particularly specific incentives to specific sectors, such as tourism (OBG 2013). This would attract more investors to operate in the tourism sector.

The government should also intervene directly as an investor and as a companion to new private investors who lack the required knowledge and expertise in the field of tourism management. Low interest rates on loans for tourism development should also be adopted. Partnership agreements should be encouraged with foreign investors with the purpose of boosting investment, raising hotel management efficiency and improving the quality of tourism products.

4.3 Urgent solution to the problem of tourism real estate

Tourism real estate is still a major obstacle to both domestic and foreign investors, given the complexity of the procedures required to obtaining real estate and the exorbitant property prices. Land property in Algeria is still subject to many restrictions and illicit practices, and it is often linked to brokerage and speculation. Indeed, over the last few years these practices have intensified as real estate becomes a source of wealth creation and easy profits. This has significantly disrupted several development projects, including tourism projects, and consequently has severely damaged the national economy.

Moreover, local authorities have frequently monopolized much territory and imposed administrative prices, something which contributed to the spread of speculation and complicated the problem of real estate in Algeria. It caused a parallel real property market to emerge, something which seems to have further increased speculation and reduced investment opportunities. Today, a number of problems still hinder the process of acquiring real estate for investment (Mejitna 2009):

- Response from the authorities responsible for the allocation of real estate is always lengthy and time-consuming,

- Administrative procedures are complicated and the same files are often submitted to different investment promotion bodies,
- The costs of land allocation are high, especially the configuration costs. The acquisition of property for a project usually cost from 20 to 30 per cent of the invested capital,
- Random employment of land and proliferation of anarchic and illegal buildings in areas allocated to tourism expansion,
- Speculation in real estate transactions within the areas of tourism expansion, and
- Degradation of natural resources through sand looting from the beaches coupled with a lack of strict urbanization rules.

Thus, the solution of the problem of real estate is urgent to facilitate the development of the tourism sector in Algeria. The government is required to collaborate with all stakeholders to secure cheaper access to land to foster investment and to fasten the completion of stalled tourism projects estimated at 122. The government should also assist investors to launch the planned projects estimated at 802 (Douadi 2014).

4.4 Administrative procedures should be loosened and transparency and governance must be enhanced

Although the Algerian government often claims that it has loosened the administrative procedures for investors, in reality these are still numerous and lengthy, and they remain a major obstacle to investment. Indeed, investors still go through a large number of procedures before setting up businesses. They frequently complain of the multiplicity of laws and regulations and time-consuming bureaucratic procedures, as well as lack of transparency. Furthermore, complicated administrative procedures seem to generate notorious bureaucratic and corrupt practices. To overcome such barriers, investors resort to illegal methods of bribery, nepotism and favouritism to speed up procedures and get the services done (Mansouri 2004). Undoubtedly, the elimination of such practices will boost investment in the tourism sector and speed up the completion of tourism projects.

4.5 Establishing safety and minimizing danger

Security is an important factor in promoting tourism, as tourists look for places that ensure comfort and safety. In other words, tourists seek to satisfy their needs and wants without exposing themselves to danger. During the 1990s, Algeria went through a difficult period of political upheavals and insecurity, something which hit badly the tourism sector. It delayed tourism investments and resulted in a significant drop of international tourist arrivals. The latter plummeted to 519 576 in 1994 against 1 193 210 in 1991 before they rose to 865 994 arrivals in 2000 and 2.394.887 in 2011 (ONS 1995-2011).

Today, insecurity is affecting the development of Sahara tourism because of mounting terrorist threats along Algeria's borders with Niger and Libya. Although the government has taken strict security measures to deal with these threats, the situation in tourists' view remain uncertain, something which could further reduce the number of international arrivals to the Sahara desert, particularly from Europe.

However, it should be noted that insecurity is not confined to the phenomenon of terrorist threats, but rather it includes various deviations, such as physical assaults and theft. According to recent judicial police reports, more than 3200 persons have been arrested in Algiers alone in April 2015 because of drug trafficking, crime and other offences (tsa 2016). These deviations have

become a major threat to Algerian society in general and the tourism industry in particular. This is because all sorts of violence do not only affect the movement of individuals but also deflect investment from the sector. Thus, establishing safety in tourism areas and resorts is urgently required to attract more investment and tourists.

4.6 Creating an efficient banking system and providing adequate finance

The formulation of development projects in Algeria do not seem to correspond with economic reality. Despite efforts to create a favourable investment environment, a host of economic and financial hurdles are still obstructing the process of economic development. These do not only restrict Algeria's economic growth, but also hinder the expansion of tourism and the related sectors.

4.6.1 Speeding up the processes of money transfer and currency exchange

Despite the wider spread of information and communication technologies worldwide, Algeria's use of electronic communication in money transfer and currency exchange remains limited. Internet banking, VISA network and remote payment systems are either very limited or lacking. The banking system is more central and money transfers, including transfers in local currency, are lengthy. This hampers capital movement and makes money transactions difficult for both domestic and foreign investors, as well as for tourists.

4.6.2 Providing adequate finance

The practices of Algeria's banking system seem to hinder both domestic and foreign investments. In addition to the dominance of the public sector and dependence on old managerial methods, the banking sector lacks highly qualified personnel needed to keep pace with the aspirations and the requirements of development in Algeria. In investors' view, the banking sector seems to lack efficiency and is unable to stimulate and foster investment. While private investors lack the required amounts of money, Algeria's banks are unable to finance major tourism projects with multiple facilities (health, sports, entertainment, recreation), as they require significant funding. Moreover, financial institutions specialized in financing tourism are lacking. Thus, creating a tourism bank and providing sufficient funds are necessary to foster investment in the tourism sector and to avoid delays in the process of project completion.

4.7 Raising human resource efficiency and tourism products' quality

Most of the human resources working in the tourism sector are inadequately trained, ill-prepared and they lack the required knowledge and skills to run tourism facilities and to provide good quality services. Besides, employees in the tourism sector lack flexibility and responsiveness to the ever-changing demand of tourists and the needs of the growing tourism market. Poor training and lack of professionalism in the sector is essentially due to limited training institutions and lack of tourism knowledge at schools. There are only four training institutes operating under the Ministry of Tourism with limited numbers of trainees. The remaining 150 professional training centres which operate under the Ministry of Professional Training do not seem to provide the required training to raise efficiency in the tourism sector.

Thus, Algeria needs to introduce tourism knowledge and skills in educational programmes to promote a tourism culture and to raise people's awareness of the economic importance of tourism. Besides, new training institutions specialized in tourism should be created to encourage professionalism and improve managerial performance in the tourism sector.

4.8 Increasing accommodation capacities

Despite important efforts to build hotels and related facilities, Algeria's accommodation structures in hotels and serviced apartments are rickety and the great majority of them provide low quality services at exorbitant prices. According to some figures, only 10 per cent of the existing hotels meet international standards (ONS 2011). Besides, public spaces lack cleanliness and maintenance. Likewise, service attractiveness and aesthetic is inexistent in many tourist sites and attractions. These deficiencies have extremely affected the competitiveness of Algeria's tourism sector compared to neighbouring countries in the North African region. Thus, Algeria is required to significantly raise its accommodation capacities through public and private investment and improve their quality to enhance the competitiveness of the tourism sector.

4.9 Building additional tourism infrastructure

Although the tourism infrastructure and facilities that have been achieved so far in Algeria are important, they remain insufficient due to the country's large area and are also prone to some obstacles and shortcomings. For instance, the transport sector remains less developed quantitatively and qualitatively, while it is tightly linked to the tourism industry. It affects both demand and supply and contributes significantly to the expansion of tourism activities. With the exception of the recently built east-west highway, highways are generally lacking and railways are still limited in the north and lacking in the south. Thus, the construction of more highways and railways is vital.

The air transport services also do not seem to meet the increasing domestic and foreign demand and their tariffs are relatively higher and, thus, less competitive compared to the pricing offered by neighbouring countries. More revealing is that there is poor air connectivity to the tourist sites and attractions in the southern parts of Algeria. Flights, particularly to the huge Sahara region, are limited and are frequently irregular, causing delays and long waits for travelers. Undoubtedly, this hinders tourism development in Algeria's, particularly in the Sahara desert. So, more investment in air transport is urgently required to promote tourism activities and to diversify tourism products.

Similarly, maritime transport along Algeria's coastline is inadequate. Algeria's ports lack tourism services and most of them are not adapted to anchoring recreational boats and yachts. Yachts and ships for roaming and related facilities are nearly inexistent in Algeria's beaches, despite their importance in beach tourism. These shortcomings have hampered the development of coastal and maritime tourism which is a source for growth and jobs. Thus, Algeria needs to develop maritime transport to promote coastal tourism to protect jobs and incomes for local people.

4.10 Raising the performance of tourism and travel agencies

Today, tourism and travel agencies are badly organized and most of them lack knowledge about tourism markets. Moreover, they seem to be facing tremendous difficulties in coping with information and communication technologies and they do not seem to master international marketing techniques. They lack the knowledge and skills to frame better and viable *marketing*, and product innovation strategies. They also lack flexible electronic management methods and modern reservation and ticketing systems. Instead of contributing to the promotion of domestic and foreign tourism, their activities remain mostly directed to outbound tourism, mainly Hajj and Umrah packages provided for pilgrims to Holy Mecca and Medina.

Thus, Algerian tourism institutions should be stimulated to work on a daily basis to obtain information about tourism trends and locate the whereabouts of tourists. They should be encouraged to participate in international tourism meetings and contribute to the organization of international demonstrations and festivals. They are also required to carry out advertising campaigns in the world's largest tourism markets without excluding emerging markets. This can be achieved through the establishment of affiliates abroad staffed with skilled and highly trained human resources. In this respect, the role of the country's tourism and travel agencies must be enhanced in international markets and the creation of new flights linking Algeria to emerging markets should be considered.

4.11 Enhancing the promotion and marketing of tourist products

The tourism institutional structure is required to do a lot more to promote tourism destinations and attractions. Algeria's tourism institutions seem to be stuck in archaic tools which are not in line with modern communication techniques. Marketing campaigns are limited domestically and abroad and websites remain inadequate in emphasizing and upgrading Sahara and cultural tourism. The lack of cooperation and coordination between the various sectors and stakeholders seem to have further obstructed the development and marketing of an attractive picture about tourist attractions in Algeria. Besides, promotional activities are limited, such as participation in international tourism fairs and exhibitions.

4.12 Promoting tourism culture and awareness

Algeria's educational system should be geared to instilling tourism culture among Algerians. Today, the bulk of Algerians ignore the importance of tourism and lack tourism perception and awareness. With the exception of graduates of the four tourism institutes, employees working in the tourism sector lack the required training to dealing with tourists genuinely, politely and wisely. This is the result of a number of factors:

- The tourism institutions appear to lack a clear plan and policy to diffuse a purposeful tourism culture,
- The tourism institutes and training centres are limited,
- The knowledge of foreign languages, especially English, is lacking,
- The civil organizations responsible for disseminating tourism culture among Algerians and informing them about tourist sites and attractions are inexistent,
- Most Algerians still regard tourism and other related activities, such as crafts, less important,
- In Algerians' belief, tourists are guests. So, instead of generating incomes in hard currency, international tourism becomes part of local consumption in local currency, and
- The great majority of Algerians are unaware of the importance of tourism and its economic and social benefits.

4.13 Promoting cooperation and coordination between different tourism bodies

The Algerian government should promote cooperation and coordination between different tourism bodies. Coordination between the Ministry of Tourism and the Ministries of the Interior, Transport, industry and Culture should be enhanced. Collaboration and integration between the various parties should also be fostered with the purpose of elaborating integral and sustainable development programmes to consolidate interconnectedness and protect the environment and biodiversity which is basic for tourism activities. In other words, Algeria needs to adopt multidisciplinary tourism development projects compatible with the environment.

4.14 Promoting sustainability

Tourism is tightly linked to the aesthetic features of the environment. The more clean and healthy is the environment the more tourism is booming. Unfortunately, pollution is becoming a serious obstacle to tourism development in Algeria. Today, air and water pollution is a major challenge in the northern urban areas. Air pollution is particularly apparent in the central regions, such as Algiers, Blida, Tipaza, Boumerdes and Médéa, where the majority of motor vehicles are concentrated. Similarly, water pollution is particularly serious along the coastal areas, such as Annaba, Skikda, and Bijaya, where petrochemicals and other industries like iron and steel are located. Because of pollution, domestic tourism has been declining over the last few years.

5. Conclusion

This paper revealed that the tourism sector in Algeria still faces serious challenges despite the undeniably important investments and structures that have been achieved so far. A large number of obstacles are still making it difficult for the tourism sector to emerge as an important generator of wealth and a major driver of economic growth in Algeria. Indeed, facts and figures coming out of the sector seem to indicate that the contribution of tourism to Algeria's economy will remain limited in the years to come. More importantly, Algeria's tourism sector will likely remain unable to compensate substantially for the revenues being lost due to decreasing global oil and gas prices.

In such circumstances, Algeria is urgently required to do a lot more in tourism development to speed up the completion of tourism projects and to diversify tourism products. To do so, it has to loosen investment rules and provide competitive incentives to attract more domestic and foreign investors. In this respect, the financial and banking system should be reformed and modernized to keep pace with the required innovations. The banking sector should make the necessary funds for tourism projects easily accessible at low interest rates.

The government is also required to invest more in tourism infrastructure to raise connectivity to the tourist sites and attractions, particularly in the southern parts of the country. The construction of more highways and railways, as well as the creation of new flights to cover different regions in the huge Sahara desert is vital to promote and diversify tourism products. The development of Sahara tourism could give Algeria a competitive advantage in the North African and Mediterranean region. Similarly, tourism operators should move away from seasonal tourism in the coastal regions to sustain incomes and jobs. Undoubtedly, such actions could help create a favourable climate for the tourism sector to develop and thrive in the decades to come.

References

1. APS (2014). "الجزائر: أكثر من 45 مليون مشترك في الهاتف النقال". [Algeria: more than 45 million subscribers in the mobile phone], Agence presses, 01 December. Available from: <http://www.aps.dz/ar/sante-science-tech/11033>.
2. Daoudi W. (2013). "الربيع العربي يساهم في دعم الوجهة السياحية". [The Arab Spring Boosts the Tourist Destination], elkhbar (Algeria), 07 January.
3. Dergui M. (2016). "غول: وهران تحتضن ملتقى المنظمة العالمية للسياحة". [Ghoul: Oran Hosts the UNWTO Conference], elkhbar (Algeria), 18 February.
4. Echorouk (2014). "10 ملايين مشترك في الإنترنت بالجزائر". [10 Million Internet Subscribers in Algeria], Echoroukonline, 29 December. Available from: <http://www.echoroukonline.com/ara/articles/227926.html>.

5. Haddar B. (1988). *Rôle socio-économique du tourisme*. [The Socio-Economic Role of Tourism], Alger.
6. JORA (2009). "Loi de Finances pour 2009". [The Budget Law for 2009], Journal Officiel de la République Algérienne, N° 74, 30 December.
7. Mansouri A. (2004). "واقع وآفاق سياسة الإستثمار في الجزائر". [The Reality and Prospects of Algeria's Investment], The International Conference on Economic Policies: Realities and Prospects, Tlemcen University (Algeria), 29/30 November.
8. MATET (2008). *Schema Directeur d'Aménagement Touristique (SDAT)*. [Guiding Scheme of Tourism Development], Ministère de l'Aménagement du Territoire de l'Environnement et du Tourisme, Livre 1, January.
9. Mejitna M. (2009). "معوقات عملية النهوض بالقطاع السياحي في الجزائر". [Obstacles to the Rebound of The Tourism Sector in Algeria], The 8th International Conference on 'Tourism Development as a Renewable Financing Source for the Fight of Poverty and Underdevelopment in Algeria and Some Arab and Muslim Countries', The National Association of Algerian Economists, Algiers, 19/20 December.
10. MTM (2016). "Capacité d'hébergement". [Accommodation Capacity], Ministère du Tourisme Marocain, 2016. Available from : <http://www.tourisme.gov.ma/fr/sitemap>.
11. OBG (2013). *The Report: Algeria*, Oxford Business Group. Available from: <http://www.oxfordbusinessgroup.com/algeria-2013>.
12. OBG (2015). "Hotel capacity expansion boosting Algeria's tourism offering", Oxford Business Group. Available from: <http://www.oxfordbusinessgroup.com/overview/sea-close-algeria%E2%80%99s-tourist-facilities-are-undergoing-rapid-development>.
13. OECD (2013). *Analysis of the Tunisian Tax Incentives Regime*, Paris, March. Available from: http://www.uscib.org/docs/Tunisia_Tax_Incentives_Analysis.pdf.
- 14- ONS (2004). *Tourisme 1995/2004* [Tourism 1995-2004]. Office National des Statistiques, Alger. Available from : http://www.ons.dz/IMG/pdf/file_Tourisme.pdf.
15. ONS (2011). *Tourisme 2007/2011*. [Tourism 2007-2011]. Office National des Statistiques, Alger. Available from: <http://www.ons.dz/IMG/pdf/Tour07-11.pdf>.
16. ONS (2016). "Démographie" [Demography], Office National des Statistiques, Alger, 19 April. Available from: <http://www.ons.dz/-Demographie-.html>.
17. ONT. "صالون الصناعات التقليدية، من أجل إنعاش جديد". [The Traditional Handicrafts Salon, for a New Stimulus], Office National du Tourisme, مجلة الجزائر سياحة [Algeria's Tourism Magazine], N°26, Publication de l'Office, Alger.
18. O.N.T.T (2016). "Capacité d'Hébergement par Région Touristique". [Accommodation Capacity by Tourism Region], Office National Tunisien du Tourisme, 05 March. Available from: <http://www.ins.tn/fr/themes/tourisme#sub-401>.
19. Panasiuk A. (2007). "Tourism Infrastructure as a Determinant of Regional Development", *Ekonomika ir vadyba: aktualijos ir perspektyvos*. 1 (8). 212–215. Available from: http://www.su.lt/bylos/mokslo_leidiniai/ekonomika/7_8/panasiuk.pdf.
20. TSA (2015). "Tourisme: l'Algérie dernière classe". [Tourisme : Algeria Ranking Last], *Tout Sur L'Algérie*, 3 November. Available from: <http://www.tsa-algerie.com/20151103/lalgerie-en-queue-depeloton-dans-le-classement-mondial-du-tourisme/>.
21. TSA (2016). "Plus de 3200 personnes arrêtées par la police en un mois à Alger". [More than 3200 persons arrested by police in a month in Algiers], *Tout Sur l'Algérie*, 14 may. Available from: <http://www.tsa-algerie.com/20160514/plus-de-3200-personnes-arretees-police-mois-a-alger/>.
22. UNWTO (2011). *Tourism Highlights, 2011 Edition*. Available from: <http://mkt.unwto.org/sites/all/files/docpdf/unwtohighlights11enhr.pdf>.

23. UNWTO (2016). International tourist arrivals up 4% reach a record 1.2 billion in 2015, 18 January. Available from: <http://media.unwto.org/press-release/2016-01-18/international-tourist-arrivals-4-reach-record-12-billion-2015>.
24. WTTC (2015). Travel & Tourism Economic Impact 2015 World. Available from: <https://www.wttc.org//media/files/reports/economic%20impact%20research/regional%202015/world2015.pdf>.
25. WTTC (2016). Travel & Tourism Economic Impact 2016 World. Available from: <https://www.wttc.org//media/files/reports/economic%20impact%20research/regions%202016/world2016.pdf>.
26. WTTC (2016). Travel & Tourism Economic Impact 2016, Algeria. Available from: <https://www.wttc.org//media/files/reports/economic%20impact%20research/countries%202016/algeria2016.pdf>.
27. WTTC (2016). Travel & Tourism Economic Impact 2016, Morocco. Available from: <https://www.wttc.org//media/files/reports/economic%20impact%20research/countries%202016/morocco2016.pdf>.
28. WTTC (2016). Travel & Tourism Economic Impact 2016, Tunisia. Available from: <https://www.wttc.org//media/files/reports/economic%20impact%20research/countries%202016/tunisia2016.pdf>.