

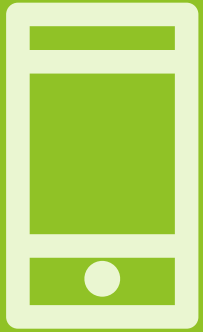
The reality of digital economy in Algeria

DR.Almi Hassiba

The Reality of Algerian DE

- ▶ The Algerian economy is still heavily dominated by the oil and gas sector, which accounted for a significant portion of the GDP, product exports, and budget revenues between 2016 and 2021.
- ▶ In terms of the digital economy, Algeria has attempted to develop the information and communication technology sector through various actions, including establishing sectoral policies for post and wired and wireless communications since the beginning of the year 2000.

The government has launched several initiatives to promote the digital economy



The National Strategy
for Information Society
Development
2012-2020



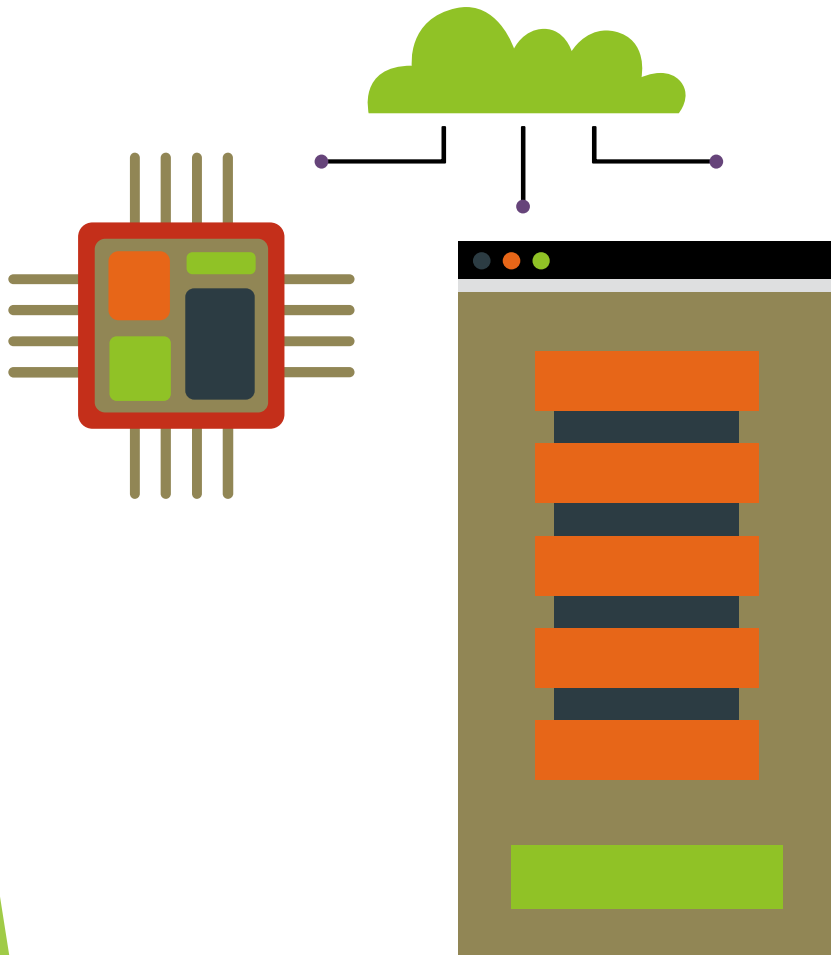
The National Digital Plan
2020-2025



The Digital Algeria
Program
2020

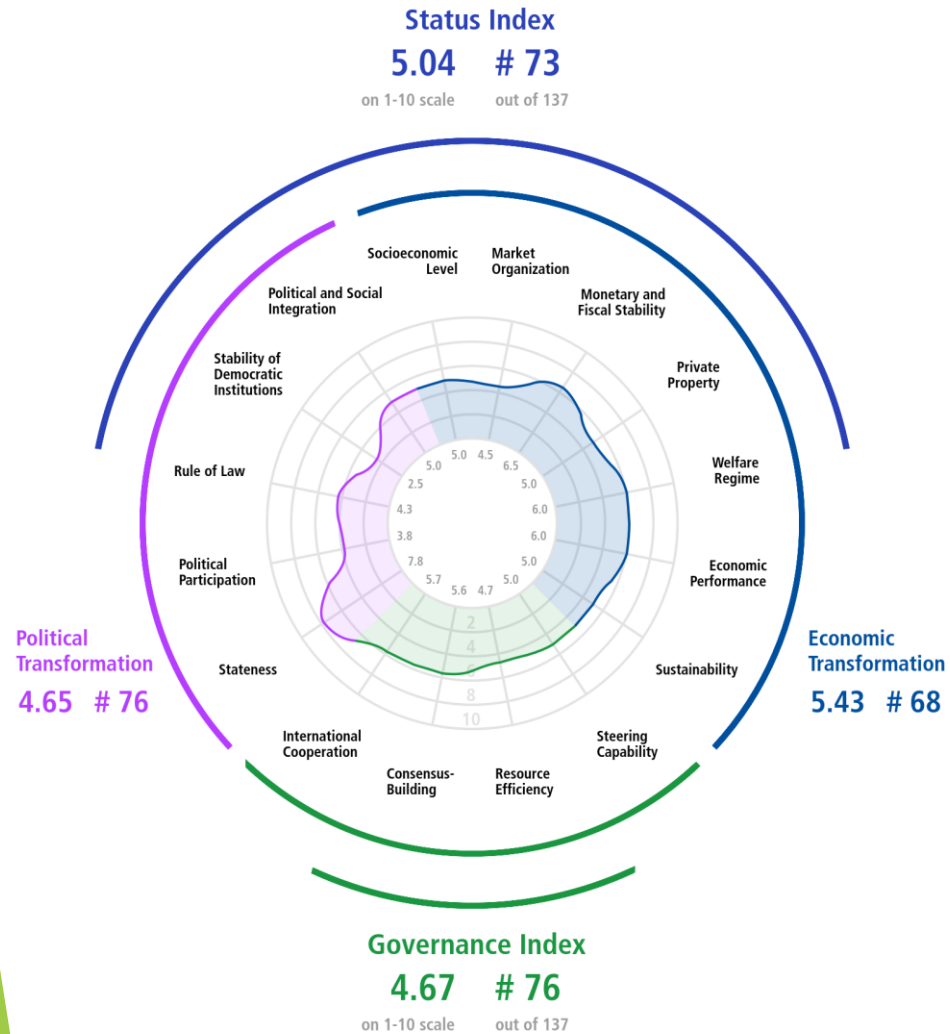
13 Axes of the Algeria E-Project





- ▶ The Algerian government has established a number of initiatives to support the growth of the digital economy, including:
- ▶ **The National Agency for the Promotion and Development of Technology Parks (ANPT)**, which aims to promote the development of technology parks in Algeria.
- ▶ The government has also introduced **laws to regulate electronic transactions and protect online consumers.**

13 Axes of the Algeria E-Project



In 2021, Algeria ranks 127th out of 193 countries in the global ICT Development Index (IDI) with an overall score of 2.91.

The IDI measures countries' performance in three dimensions:

- ▶ access to ICT
- ▶ use of ICT
- ▶ skills in ICT

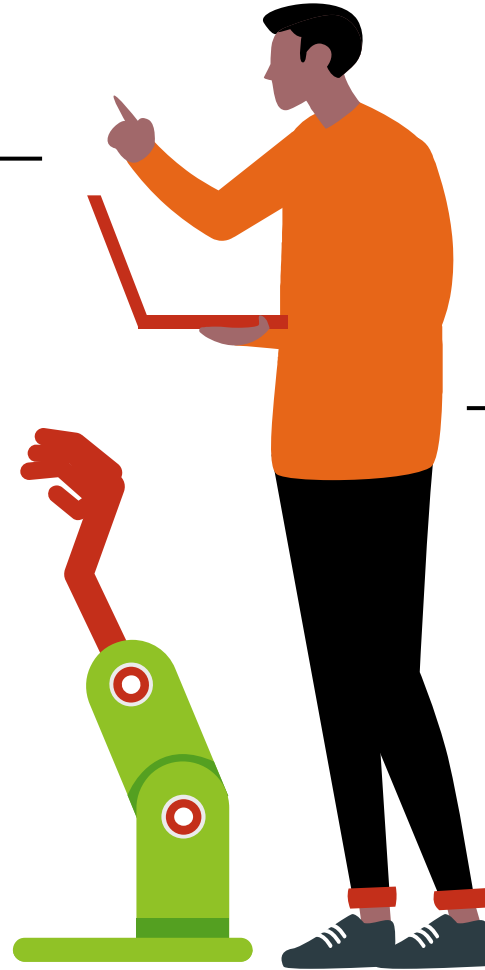
Three Dimensions OF IDI

Access to ICT

42.4% of the Algerian population use the internet, and there are 12.3 mobile cellular subscriptions per 100 inhabitants.

Skills in ICT

Finally, the skills dimension shows that only 19% of Algerians aged 15-74 have basic digital skills, and 8% have advanced skills.



The Use of ICT

3.2% of Algeria's GDP comes from the ICT sector, and there are 3.7 fixed-broadband subscriptions per 100 inhabitants.

Mobile phone penetration rate

► Algeria has a relatively high mobile phone penetration rate, with around 45 million mobile phone users as of January 2021. This represents a penetration rate of around 103%, indicating that many individuals may have more than one mobile phone.



Internet Users in Algeria in 2021

24.9 million

which accounted for 57%
of the population

17.5 million

social media users



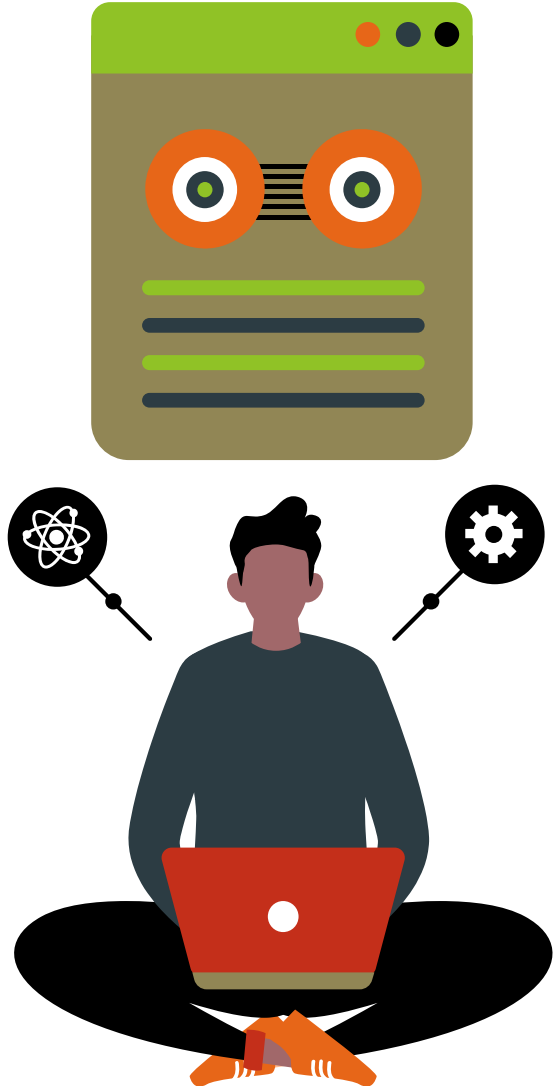
The COVID-19 pandemic has had both negative and positive impacts on the Algerian digital economy.

The pandemic has highlighted the **need for investment in digital infrastructure and skills**,

The pandemic has also disrupted supply chains and caused a decline in demand, affecting the e-commerce market in Algeria.

The pandemic has also presented **opportunities for the digital economy**, such as an increased demand for online services, remote work, and e-commerce

The Internet Penetration Rate



► As of 2023, the internet penetration rate in Algeria is **60%**, with over 22 million active internet users.

► Mobile phones are the most common means of accessing the internet, with a penetration rate of 53%.

► Social media is also becoming increasingly popular, with 15 million active social media users, representing a penetration rate of 40%.

Online payment transactions in Algeria were limited to communications, transport, insurance, and electricity and gas bills in 2016 and 2017, but increased significantly in 2020 with the introduction of the golden card.

Year	Phone / Communications	Transfer	Insurance	Electricity/ water	administrative service	Services	Sale of goods
2016	6 536	388	51	391	0	0	0
2017	87 286	5 677	2 467	12 414	0	0	0
2018	138 495	871	6 439	29 722	1 455	0	0
2019	141 552	6 292	8 342	38 806	2 432	5 056	0
2020	4 210 284	11 350	4 845	85 676	68 395	213 175	235
2021	1443830	28811	3328	885318	800115	102281	83113

Online payment transactions in Algeria during the period 2016-2021

Fintech Adoption Rate and Use Cases in Algeria:

In 2020, 27% of Algerian consumers have used at least one Fintech product or service, such as mobile payments or digital wallets. This is lower than the global average of 64%, indicating that there is still significant room for growth in the Algerian market.

Digital banking

- ▶ **Mobile payments** have become increasingly popular in Algeria, with systems such as mCash and Djezzy Pay who made it easier to send and receive payments. accounting for 22% of non-cash payments in 2020.
- ▶ **Digital banking** has become popular in Algeria. Several banks in the country such as BARD, BEA, and CPA allowing users to manage their accounts and conduct transactions from their smartphones or computers.
- ▶ **Peer-to-peer lending**: Platforms such as “Tayara” and “Masari” have emerged as popular P2P lending platforms in the country, accounting for 3% of all non-cash payments in 2020.
- ▶ **Insurance technology (Insurtech)** platforms such as “Liyfe” and “Saheb” provide innovative insurance solutions to Algerians and offer services such as digital insurance policies and personalized insurance plans.
- ▶ **Cryptocurrency** use is in its early stages in Algeria. However, there is a growing interest in cryptocurrencies among Algerians. Some platforms such as LocalBitcoins and Paxful allow users to buy and sell cryptocurrencies in the country.

The Exacerbate of the DD in Algeria

- ▶ The use of digital financial services in Algeria remains low, with only 16% of Algerian adults and 11% of women using digital payments. This is lower than the MENA region and emerging markets and developing economies.

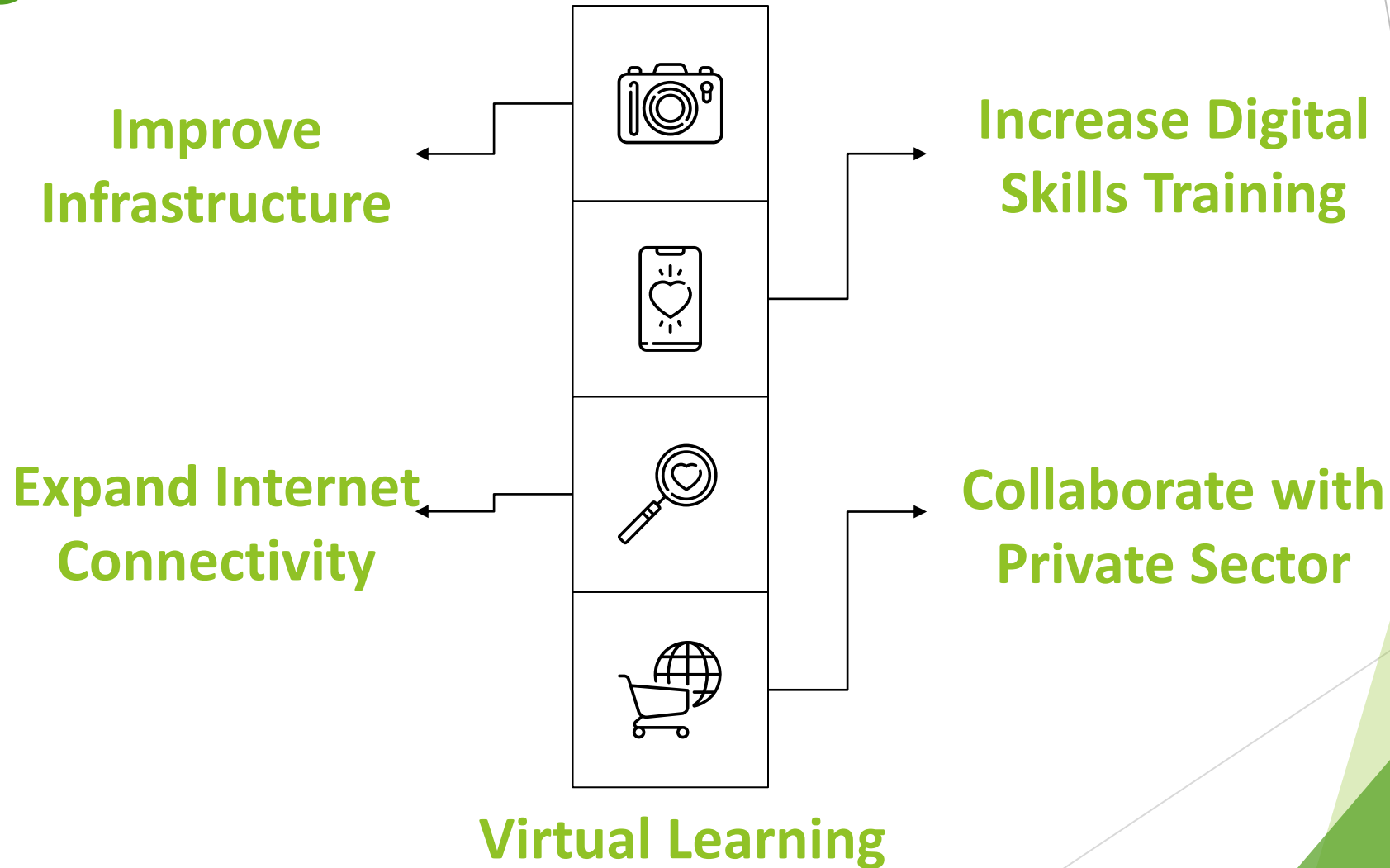


- ▶ **Digital skills gap:** Algeria ranks 112th out of 141 countries in terms of digital skills, Algeria has a relatively young population, with over 60% under the age of 30.

- ▶ 57% of adults and 71% of women still lack access to even the most basic transaction accounts for sending and receiving payments



The best Ways to bridge the DD in Algeria



Increase Awareness and Support



It is important to raise awareness about the digital divide and the importance of digital inclusion. Governments can partner with civil society organizations and community groups to provide education and support for digital access and literacy.

Thank You

Do you have any questions?
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Annaba University

Home work

► What is a Fintech?

Deadline: Saturday 9/3/2024 at
18:00