SMEs in Algeria: sources of economic growth

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Abstract

SME play an indisputable role, in the dynamism and the economic development. They represent an element essential to the integration and to the economic diversification, so to the acceleration of the volume of investment, production and jobs. These vulnerable entities represent the pit of the economic fabric and occupy a singular place in the growth of the device of production. it establish a source of wealth satisfaction of the economic and social needs and the absorption of the employment; all these factors make that the looks turn these last years to the small company to participate in the process of modernization of the Algerian economy. The present article has for object to present the weight of the Algerian SME in the creation of employment, so its contribution in the state economy.

Keywords: Algerian SME, Business sector, Added value, Gross domestic product, Programs of upgrade, Measures of restructuring, Industrial competitiveness.

Résumé

Les PME jouent un rôle désormais indiscutable, dans le dynamisme et le développement économique. Elles représentent un élément indispensable à l'intégration et à la diversification économique, ainsi à l'accélération du volume d'investissement, de production et d'emplois. Ces entités vulnérables représentent le noyau du tissu économique et occupent une place singulière dans la croissance de l'appareil de production. Elles constituent une source de richesse, de satisfaction des besoins économiques et sociaux et d'absorption du chômage ; tous ces facteurs font que les regards se tournent ces dernières années vers la petite entreprise pour participer au processus de modernisation de l'économie algérienne. Le présent article a pour objet de présenter le poids de la PME algérienne dans la création d'emploi, ainsi sa contribution dans l'économie nationale.

Mots clés : PME algérienne, secteur d'activité, valeur ajoutée, Produit intérieur brut, Programmes de mise à niveau, mesures de restructuration, Compétitivité industrielle.

Introduction

The Algerian SME is constantly growing. Indeed, it has made considerable progress in recent years, as evidenced by its creation and development, as well as the steady growth of its share in the main economic indicators of the country. This entity has therefore justified its revival and its power, as a tool for the permanent renewal of the economic fabric and local industrial development, as well as a core of productive networks built around large companies.

In fact, it plays a very important role in Algeria, in several fields, by consolidating the relations between the various industrial, agricultural and services activities, increasing the volume of investment and production on the one hand, and absorbing the rate Unemployment, and poverty on the other. Indeed, SMEs constitute a source of wealth, satisfaction of economic and social needs and absorption of unemployment. It is in this context that we have focused on the situation of SMEs in Algeria, where this sector is an important and sensitive element in the new economic development strategy.

SMEs now play an indisputable role in dynamism and economic development. They represent an essential element for economic integration and diversification, and for the acceleration of the volume of investment, production and employment. These vulnerable entities represent the core of the economic fabric and occupy a singular place in the growth of the production apparatus. They constitute a source of wealth, satisfaction of economic and social needs and absorption of unemployment; All these factors make eyes look in recent years towards the small enterprise to participate in the process of modernization of the Algerian economy. The aim of this book is to present the importance of the Algerian SME in the creation of employment and its contribution to the national economy.

1. Definition of SME in Algeria

The lack of a recognized definition of the various types of companies up to the recent past makes the inventory of Algerian SMEs (assimilated indifferently(1)) approximate. Nevertheless, following the application of the definition of SME adopted by the European Union in 1996 and which was the subject of a recommendation to all the member countries, it should be recalled that Algeria Adopted the Bologna Charter in June 2000(2) on the European definition of SMEs.

Indeed, this definition is based on three criteria: the workforce, the turnover and the independence of the company. By giving a clear configuration of the Algerian SME, the law N ° 01-18 of December 12, 2001 laying down the law of orientation on the promotion of Small and Medium Enterprise stipulates that: "The SME is defined, whatever its legal status , As a goods and / or services production enterprise that is characterized by (3):

- Employing one (1) to (250);
- Of which the annual turnover does not exceed 2 billion Dinars or whose total annual balance does not exceed 500 million Dinars,
- And that meets the criteria of independence (4) ".

According to Articles 5, 6 and 7 of Chapter II, the Official Journal introduced precision elements of a practical nature by subdividing it into three categories;

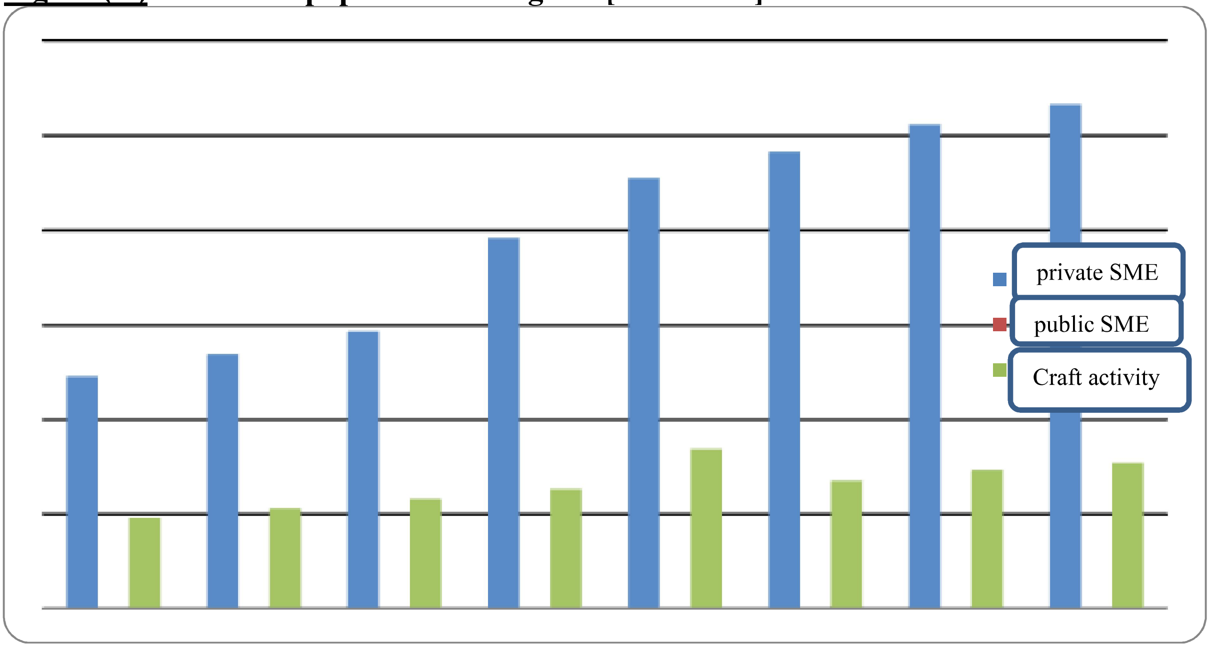
- The average enterprise is defined as an enterprise employing 50 to 250 people and whose turnover is between 200 million and 2 billion Dinars or whose total annual balance is between 100 and 500 million Dinars Article 5).
- Small business is defined as an enterprise employing between 10 and 49 persons, whose annual turnover does not exceed 200 million Dinars or whose annual balance sheet total does not exceed 100 million Dinars 6).
- The very small company (TPE), or micro-enterprise, is a company employing 1 to 9 employees and generating a turnover of less than 20 million Dinars or whose annual balance total does not exceed 10 million Dinars (Article 7).

2. Evolution of SMEs in Algeria

SMEs in Algeria were born in the late 1980s, after the economic crisis following oil price cuts, and the decision to liberalize the Algerian economy by introducing the 1988 law which authorized The financial benefits (external financing, taxation and land), release the volume of investment and establish chambers of commerce to develop the private sector. According to this logic, this sector appears to be of very recent creation during the period [1962 - 2000], whose annual number of SMEs was well below 1,000 by 1990, and reached almost 3,000 in 1991, It exceeded 5,000 in 1994 (Bouyacoub, 2003). In fact, almost 60% of the SMEs in existence in 2000 were created after the adoption of the new investment code in 1993 (October 1993), and after the Structural Adjustment Program came into effect in 1993 May 1994).

From 2000 onwards, the weight of SMEs increased significantly, the number more than doubled, and the density almost quadrupled. Available statistics indicate that around 54% of SMEs were created between 2001-2008, following the 2001 SME Guidance Law, ie 212 120 companies (Merzouk, F, [2009]). Indeed, the figure below presents and clarifies the annual evolution of the number of SMEs during the period [2005 - 2012]:

Figure (1.): The SME population in Algeria [2005-2012]



Source: Figure established from MIPMEPI Information Bulletins Nos. 8, 10, 12, 14, 16, and 20, 21, [2012].

At the end of the first half of 2012, the SME sector (private and public) had 533,263 companies out of a total of 687,386 companies, representing 77.58% of the total. It shows a positive trend compared with 2011, of which there are 512,428, and seems to follow the same logic observed during the period [2005-2008]. At the end of 2008, this sector recorded 392,639 companies out of a total of 51,952 enterprises, which represents 75.57% of the total, compared with 294,612 in 2007, ie 71.69% Of the total number. Indeed, at the end of the first half of 2009, Algerian SMEs (private and public combined) constituted a population of 408,753 SMEs, compared to 455,989 at the end of this year. 72.86% were part of the private park, and 0.09% were public park entities.

3. Typologies of SMEs in Algeria

SMEs can be presented, referring to several basic criteria. They can be distinguished by the legal form, depending on the size, or according to the sector of activity, as well as, by geographical region:

3.1. Classification of SMEs by legal nature

We can classify SMEs in Algeria on the basis of particularly diverse legal forms. The first is to focus on those that make up the private park, which has developed in a predominantly familial and generally narrow setting. Those whose capital, or the majority of the capital, belongs to the State, are enterprises that constitute entities governed by public law (public administrations and establishments), and those which participate in the sector of crafts and crafts. In fact, the following table has highlighted the classification of SMEs in Algeria on the basis of legal structures, focusing on 2012, whose main components are as follows:

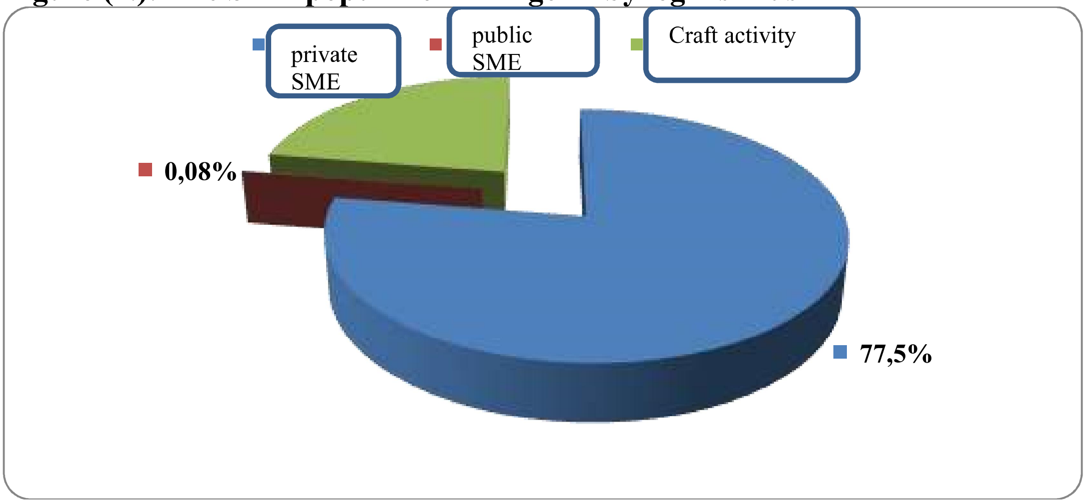
Table (1.): Population of Algerian SMEs by legal nature in [2012]

Nature of SMEs		Number of SME 2012*	%
Private SME	**Moral person**	407 779	59,32%
	Physical person	124 923	18,17%
Public SME		561	0,08
Craft activities		154 123	22,42
Total		**687 386**	**100**

* The table declares the population of SMEs until the end of the first half of 2012.

Source: MIPMEPI Statistical Information Bulletin No. 21, [2012].

Figure (2.): The SME population in Algeria by legal status



Source: Figure from table (1.).

In the first half of 2012, the Ministry of Industry, SMEs and Investment Promotion identified a total of 687,386 SMEs with a total number of private SMEs of all sizes, amounting to 532,702; Accounting for 77.47% of the total. This fleet consisted of 511,856 companies in 2011 (Table 1). Indeed, it has experienced rapid, accelerated and remarkable growth since 2001, following the same logic observed during the period [2008-2009] where the annual rate of change reached + 62.67%, or 7.63 % Of legal entities (Enterprises), thus an increase of 55.04%, compared to Natural persons (Liberal functions). It thus records an evolution of the private sector. This explains why private SMEs remain the majority in this sector. For this reason, the private sector justifies its predominance in most economic sectors, and its weight in the economic arena, providing the majority of Algerian production of non-hydrocarbon goods and services (MPMEA, [2003]).

As for the public park, it is worth noting that it represents only a small part of the sphere of the Algerian SMEs. It has now, experienced a continuous and remarkable decrease. At the end of the first half of 2012, MIPMEPI recorded a 0.08% interest. At the end of 2008, there were 626 enterprises, which represented 0.12% of the total population. At the end of 2009, they were 0.09%, ie 591 companies with 625 069 registered, with a decline Of 5.59% compared to the previous year.

Moreover, they were at a rate of 0.16% in 2007 and 0.31% in 2001. This shy presence of public SMEs expresses the weakness of this fleet in the global population and is reflected in the refocusing The role of the facilitating State and the accompanier of private initiative, as well as the process of privatization of public enterprises engaged in restructuring and the reorganization of the public sector within the framework of the structural transformation of the Algerian economy.

In addition, artisanal activity rose sharply to 154,123 in the first half of 2012, following a batch of 169,080 in 2009, ie 27,05%, with an increase of 33,25% compared to The previous year. Indeed, the number of craftsmen almost doubled during the period [2001-2008]; This park reached 126,887 in 2008, 24,42%, compared with 64,677 artisans in 2001, representing 26.37% of the total population as a whole.

3.2. Classification of SMEs by size

The classification of SMEs according to their size makes it possible to identify characteristics and behavior specific to each company according to their structures. The table below shows the classification of SMEs as a percentage in the years [1995], [1999], [2000], [2003], [2007] and [2008].

Table (2.): Changes in the structure of SMEs in Algeria [1995-2008] in%

	1995	1999	2000	2003	2007	2008
Micro-enterprises with 1 to 9 employees (TPE)	91,00	93,24	90,00	95,06	95,53	96,15
Small and medium enterprises More than 10 employees	9,00	6,76	10,00	4,94	4,67	3,85
Total	**100**	**100**	**100**	**100**	**100**	**100**

Source: Ministry of SMEs and Handicrafts, [2008].

Reading the table clearly shows the predominance of the very small enterprise (TPE) or the micro enterprise (TPE), which thus represents the major part of the total SMEs throughout the period. Unlike small and medium-sized enterprises, this family-dominated cell dominates the overall structure of SMEs in Algeria, and recorded a sharp increase during the period [1995-2008]. It registered a rate of 96.15% in 2008, while small and medium-sized enterprises showed a very small participation with 3.85% of the total SMEs in the same year.

3.3. Classification of SMEs by sector of activity

The SME sector is undoubtedly the mainstay of the Algerian economy. Beyond that, in order to better understand this vulnerable economic entity, it is important to note in this respect that the private sector is still predominant and accounts for the largest part of the overall structure of SMEs in Algeria. As a result, we will present the SME population according to their concentration by sector of activity focusing on the private park:

Table (3.): Number of private SMEs by sector of activity [2011-2012]

Sectors	2011	%	1st semester 2012	%
Agriculture and Fisheries-				
Agriculture and Fisheries	4 006		4 142	
ST1	**4 006**	**1,02**	**4 142**	**1,02**
Hydrocarbons, Energy, Mines and related services				
- Water and energy	106		109	
- hydrocarbons	599		615	
- Petroleum services and works	293		308	
- Mines and quarries	958		982	
ST2	**1 956**	**0,50**	**2 014**	**0,49**
BTPH				
- Construction and public works (BTPH)	135 752		139 875	
ST3	**135 752**	**34,65**	**139 875**	**34,30**
Manufacturing				
-ISMME	9900		10 141	
- Construction materials	8225		8 487	
- Chemical, plastic	2603		2710	
- Food industry	19 172		19 758	
- Textile Industry	4 727		4 910	
- Leather industry	1 718		1 747	
- Wood and paper industry	13 701		14 169	
- other industries	3 844		3 937	
ST4	**63 890**	**16,31**	**65 859**	**16,15**
Services				
-Transport et communication				
-Commerce	36 620		38 317	
-Hôtellerie et restauration	69 837		73 367	
-Services aux entreprises	21 251		22 126	
-Services aux ménages	26 595		28 813	
- Financial Institutions	26 977		28 114	
	1 329		1 417	
- real estate				
- Services for communities	1 124		1 197	
ST5	2 424		2 538	
	186 157	**47,52**	**195 889**	**48,04**
Total	**391 761**	**100**	**407 779**	**100**

Source: Based on data from Information Bulletin No. 21, MIPMEPI, [2012].

Private SMEs are present in force in the Services, which concentrate almost half of private SMEs, followed by the BTPH sector and manufacturing industries. The statistics show the clear predominance of the latter three, and indicates that almost 187,000 activate services on 391,761 private small and medium-sized enterprises (SMEs), almost 47.6% of the total number registered in 2011. Thus, among Almost 408 000 private SMEs active in the national territory, there are almost 196 000 specialized services (48.04%) in the first half of 2012, thus 139 875 SMEs, or 34.30% registered in the same year. While they reached 135 752 in 2011, thus representing 34.64% of the private labor force.

Indeed, this concentration on these sectors has been explained by the Ministry of Industry, Small and Medium-Sized Enterprises and Investment Promotion so that "because of their vulnerability, private SMEs tend to In areas where competition is not tough and where supervision of compliance with labor legislation is more delicate, thus offering widely avoided margins, particularly in services (particularly transport) and BTPH (The building in particular) "(MIPMEPI, [2012]).

3.4. Classification of SMEs by geographical region

Since the classification of SMEs according to their size seems very important, since it makes it possible to identify characteristics and behavior specific to each company according to their size, it is so necessary to distinguish them on the territorial basis. Which makes it possible to situate them in a strategic position by determining a basic reference of economic and territorial activity. To this end, the breakdown by geographical region carried out in 2011 and in the first half of 2012 and which concerns private SMEs as the dominant economic entity in this sector, is thus recorded in the following tables:

Table (4.): Distribution of private SMEs by geographic region [2011-2012]

Region	Number of SME 2011	Movements -Year 2012-			Number of SME 2012*
North		Creations	Radiations	Reactivations	
Highlands	232 664	9 009	1 246	1 458	241 885
South	119 146	4 802	592	780	124 136
Great South	32 216	1 288	88	245	33 661
Total	7 735	372	61	51	8 097
	391 761	**15 471**	**1 987**	**2 534**	**407 779**

Source: MIPMEPI Statistical Information Bulletin No. 21, [2012].

Table (5.): Distribution of private SMEs by geographic region [2011-2012]

(Percentage %)

Region	SME 2011	SME 2012*
North	59,40	59,32
Highlands	30,41	30,44
South	8,22	8,25
Great South	1,97	1,99
Total	**100**	**100**

*1st semester 2012.

Source: Our calculations, from Table (4.).

Private SMEs are divided into four geographic regions. As indicated in the two tables above, they are now centralized in the northern region of the country with 232,664 SMEs in 2011, ie almost 60% of the total number of SMEs, and 241,885 in the first half of the year, Next year, with almost the same previous rate, with a clear progress of 9221 SMEs. The High Plateaux region ranks second with 124,136, or 30.44%, while the southern and southern regions remain the lowest, accounting for 10% of the total.

Indeed, the statistics show clearly this imbalance between these regions, as well as the evolution of private SMEs at national level, which is marked in the northern region by the creation of 9,009 new companies in the first half of 2012 and 4,802 In the Highlands (Table 5.). Lastly, the regions of the South and the Greater South refer to a slow growth of their SMEs, presenting respectively 1288 and 372 private SMEs.

4. The contribution of SMEs to the national economy

The SME sector has justified its revival and its power, as a tool for the permanent renewal of the economic fabric and local industrial development, as well as a core of productive networks built around large companies. In fact, it plays a very important role in Algeria, in several fields, by consolidating the relations between the various industrial, agricultural and service activities, increasing the volume of investment and production on the one hand, and absorbing the rate Unemployment, and poverty on the other. It is therefore necessary to situate Algerian SMEs in a macroeconomic context through the analysis of some vulnerable aggregates (Employment, GDP, and VA).

4.1. The contribution of SMEs to employment

In terms of employment, SMEs contributed to better results during the period [1999-2005], especially in 2001 with 102,687 new jobs (MPMEA, [2006]). However, a decrease in the number of jobs was achieved during the period 2002-2003 and explained by the freeze on investment projects in the Transport sector and the reduction in the tax and parafiscal benefits linked to the operation Of investment. On the other hand, the number of employees increased during the period [2003-2005] with a rate close to 16.42% due to the increase in the large number of small and medium enterprises. With this in mind, the creation of jobs declared between [1st Half 2011 - 1st half 2012] will be reported as follows:

Table (6.): Trends in Registered Jobs by Components [2011-2012]

Nature of SMEs		1st semester 2011	%	1st semester 2012	%	Evolution
private SME	Employees	983 415	58,67	1 041 221	58,61	5,88
	employers*	642 314	38,32	686 825	38,66	6,93
public SME		50 467	3,01	48 415	2,73%	24,07%
Total		**1 756 964**	**100**	**1 776 461**	**100**	**5,98**

* This figure includes employers of private SMEs 'legal entities' companies and employers of 'private sector' private enterprises.

Source: MIPMEPI Statistical Information Bulletin No. 21, [2012].

As already mentioned, the SME has justified its revival and its power as a tool for permanent renewal of the national economic fabric. It is therefore responsible for the vast majority of jobs created over the long term. Cumulative employment in all types of SMEs at the end of the first half of 2012 is 1,776,461, of which MIPMEPI includes employers in private SMEs (legal entities) and The heads of private companies under the liberal functions and the craftsmen. In this context, the concentration of their sources in the private sector, employing 1,728,046 jobs (employers + employees) in the first half of 2012 and 1,625,729 in 2011, is an increase of 6.29%. However, the number of jobs generated by public SMEs is steadily declining as a result of the decline in their numbers. This park contributes to the creation of 48,415 jobs in 2012, and 50,467 in 2011, thus showing a decrease of (- 4.07%). While it recorded a negative evolution rate of about (-2.5%) for the period [2008-2009], and nearly (-8%) during [2007-2008].

4.2. The contribution of SMEs to Value Added (VA) and Gross Domestic Product (GDP)

The Algerian SME is constantly growing. This sector has made considerable progress in recent years, as evidenced by its creation and the steady growth of its share in the main economic indicators. In this fact, the tables below reflect the contribution of SMEs (private and public combined) in the national economy from a photograph of their evolution and shares in terms of Gross Domestic Product and Added Value.

Table (7.): Evolution of GDP by non-hydrocarbon legal sector [2006-2010]

legal Sector	2006		2007		2008		2009		2010	
	Value *	%	Value	%	Value	%	Value	%	Value	%
Share of Public in GDP	704,05	20,44	749,86	19,2	760,92	17,55	816,8	16,41	827.53	15,02
Share of Private in GDP	2740,06	79,56	3153,77	80,8	3574,07	82,45	4162,02	83,59	4,681.68	84,98
Total	**3444,11**	**100**	**3903,63**	**100**	**4334.99**	**100**	**4978,82**	**100**	**5509,21**	**100**

* Unit: In Billions of Algerian dinars.

Source: MIPMEPI Statistical Information Bulletin No. 20, [2011].

Private SMEs remain the majority in contributing to the growth of these two aggregates. According to data from the National Statistics Office, the private sector contributed 48% of GDP (including hydrocarbons) in 2004, and 78.2% (excluding hydrocarbons), this 2 146.7 million AD in value, (ONS, [2006]). Thus, the number of private operators increased significantly by 66.67% during 1999-2004, explained by the evolution of the large number of private operators, notably through the adoption of the law on the promotion of SMEs in 2001, in fact it was up to 53.6% in 1998 (CNES, [2002]). The table above (7.) expresses the same logic followed during [2006-2010]. Only private companies contribute to GDP growth by an average of 83.59%, recording 4,162.02 billion DA and 84.98%, ie 4,681.68 billion DA respectively in 2009 and 2010. On the other hand, the sector Public sector has been steadily declining, from 25.2% in 2000 to 21.8% in 2004 (ONS, [2006]), with 16.2% at the end of 2008 (MPMEA, [2009]), then with 15.02% in the year 2010.

The same trend is now evident on the results of Value Added during the period [2006-2010]. The evolution of this aggregate according to the sectors of activity and the legal nature was presented in table (8). Thus, after accounting for only 40% of the total added value created during the 1990s (Merzouk, F, [2009]), the share of private SMEs recorded amounts to 87.64% and almost 89% respectively In 2007 and 2008, to 1,486.8 billion DA in 2001, and 85.35%, to 2,239.56 billion DA, an average of 85.35% in 2005. The table confirms in fact the predominance of this park, in Particularly in the Agriculture sector, with 99.70% in 2010 and 98.73% in the BTPH, as well as in Commerce and distribution, ie 94.10% after 93.43% in 2006. On the other hand, , Public park participation is still too low particularly in the Agriculture, BTPH and Agri-food Industry sectors, respectively (0.30%), (1.27) and (1.96) (See table below).

Table (8.): Changes in value added by sector of activity and legal nature [2006 - 2010]

sectors activity	sectors legal	2006		2007		2008		2009		2010	
		VA	%	VA	%	VA	%	VA	%	VA	%
Agriculture	Private	577,97	99,84	701,03	99,55	708,17	99,50	924,99	99,85	1012,11	99,70
	Public	0,94	0,16	3,16	0,45	3,58	0,50	1,38	0,15	3,08	0,30
	Total	**578,88**	**100**	**704,19**	**100**	**711,75**	**100**	**926,37**	**100**	**1015,19**	**100**
BTPH	Private	358,33	78,12	704,19	80,94	754,02	86,67	871,08	87,1	1058,16	98,73
	Public	100,34	21.87	593,09	19,05	115,97	13,33	128,97	12,9	13,59	1,27
	Total	**458,67**	**100**	**732,71**	**100**	**869,99**	**100**	**1000,05**	**100**	**1071,75**	**100**
Transport ans communication	Private	349,06	69,27	657,35	79,19	699,04	79,99	744,42	81,41	806,01	81,58
	Public	145,81	30,72	172,72	20,80	174,82	20,01	169,95	18,59	182,02	18,42
	Total	**503,87**	**100**	**830,07**	**100**	**873,86**	**100**	**914,36**	**100**	**988,03**	**100**
Services provided Business	Private	36,06	71,13	56,60	78,92	62,23	74,05	77,66	78,78	96,86	79,15
	Public	14,62	28,86	15,11	21,07	21,81	25,95	20,92	21,22	25,51	20,85
	Total	**50,69**	**100**	**71,71**	**100**	**84,04**	**100**	**98,58**	**100**	**122,37**	**100**
Hotels and restoration	Private	54,5	87	71,12	88,07	80,87	88,70	94,8	89,9	101,36	88,61
	Public	8,14	13	9,63	11,92	10,30	11,30	10,65	10,1	13,03	11,39
	Total	**62.64**	**100**	**80,75**	**100**	**91,18**	**100**	**105,45**	**100**	**114,39**	**100**
Industry Food	Private	93,5	78,41	127,98	84,12	136,95	84,69	161,55	86,14	169, 95	86,03
	Public	25,73	21,58	24,14	15,87	24,76	15,31	26	13,86	27, 58	1,96
	Total	**119,24**	**100**	**152,13**	**100**	**161,71**	**100**	**187,55**	**100**	**197,53**	**100**
Leather and shoe	Private	2,23	83,2	2,08	87,39	2,23	87,08	2,25	88,33	2,29	88,42
	Public	0,45	16,8	0,30	12,6	0,33	12,92	0,3	11,67	0,3	11,58
	Total	**2,68**	**100**	**2,38**	**100**	**919,55**	**100**	**2,55**	**100**	**2,59**	**100**
Trade And distribution	Private	567,19	93,43	776,82	93,25	67,33	93,18	1077,75	93,58	1204,02	94,10
	Public	39,86	6,56	56,18	6,74	67,33	6,82	73,88	6,42	75,45	5,90
	Total	**607,05**	**100**	**833**	**100**	**986,88**	**100**	**1151,62**	**100**	**1279,47**	**100**

*: Unit: In Billions of Algerian dinars.
Source: MIPMEPI Newsletter 20, [2011].

Conclusion

Despite growing importance, it should not be forgotten that the Algerian SME, as an organized system, its growth will depend on its ability to withstand the assaults of this economic environment that weakens it. Its survival is a function of its ability to withstand competition and to intercept new local and international markets, in the face of players with considerable assets and opportunities. However, significant obstacles may hinder the achievement of the objectives of these entities. Indeed, they face numerous constraints (economic, financial, administrative and legal, etc.), and social realities thus limiting the realization of their primordial role in relaunching the production apparatus, as well as Process of the country's economy.

To this end, and like its Moroccan and Tunisian counterparts, Algeria, has a strong demand to be part of the liberalization, globalization and opening up of the world economy, which is currently marked By deep, wobbly and complex changes that have affected the methods of organization, management, production systems and distribution channels, as well as trade practices at national and international levels, through membership of the Organization And the signing of a number of preferential arrangements and / or free trade area (FTA) agreements.

The Algerian economy has thus taken a very important step, which would have to go through the establishment of a competitive market economy striking at the door of this national, subregional and international context, which makes it possible in particular to aim at its progressive integration into The global economy, to offer its industries a great opportunity to anchor in the economic space of the developed countries which represents the largest market in the world; In the face of the challenge of adjusting its economy by establishing an integrated fabric of competitive companies, within the framework of the imperative to put in place development, restructuring and upgrading measures in favor of its SMEs, in order to promote their industrial competitiveness, through the implementation of a multitude of upgrading programs, some of which have ended and others have just been launched.

Indeed, these are the following programs: "The National Program for the Improvement of Industrial Competitiveness" for the period January 2002 to December 31, 2005, "the Program of Support to the Development of the SMEs (Euro Development SME) EDPme (MEDA), which was launched in 2002 and ended at the end of 2007, and the Program for Support to SMEs and SMEs and the Mastery of Information and Communication Technologies (SME II), which Was set up in 2009. In fact, the latter aim in particular to encourage local production and to promote the industrial competitiveness of the Algerian SME, maintain its internal market share and eventually conquer the external market. They aim to support the dynamics of industrial restructuring, integration and growth.

Notes

)- Micro-enterprises, small and medium-sized enterprises.

2)- Merzouk. F, [2009], Based on: Bouyacoub. A, «SMEs in Algeria: dynamism and institutional limits. The governance of SMEs. Regards croisés France - Algeria ". Edition L'Harmattan, 2006. pp. 117-127.

3)- The Official Journal of the Republic of Algeria No. 77 of 15 December 2001, Chapter II, Article 4.

4)- For the purposes of this Law, the following definitions shall apply: - Persons employed: the number of persons corresponding to the number of work-year units (AWU), ie the number of full-time employees during one year. Partial work or seasonal work being fractions of Work-Year. Thus, - the year to be taken into consideration is that of the last financial year closed. - The thresholds for the determination of turnover or for the total of the balance sheet those for the last financial year ending twelve months. The Act specifies that the Independent Enterprise is an enterprise whose capital is not 25% or more owned by one or more other undertakings not falling within the definition of SME (Article 4).

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Annexes

Table (I.): Evolution of SMEs in Algeria [2005-2012]

* The table shows the evolution of the overall population of SMEs until the end of the first semester [2012].

Year	2005		2006		2007		2008		2009		2010		2011		2012*	
	Nbr	**%**	**Nbr**	**%**	**Nbr**	**%**	**Nbr**	**%**	**Nbr**	**%**	**Nbr**	**%**	**Nbr**	**%**	**Nbr**	**%**
Private SME	245 842	71,71	269 806	71,61	293 946	71,53	392 013	75,45	455 398	72,86	482 892	78	511 856	77,63	532 702	77,5
Public SME	874	0,25	739	0,19	666	0,16	626	0,12	591	0,09	557	0,09	572	0,09	561	0,08
Artisans	96 072	28,02	106 222	28,19	116 346	28,31	126 887	24,42	169 080	27,05	135 623	21,91	146 881	22,28	154 123	22,42
Total	**342 788**	**100**	**376 767**	**100**	**410 959**	**100**	**519 526**	**100**	**625 069**	**100**	**619 072**	**100**	**659 309**	**100**	**687 386**	**100**

Source: Synthesis carried out on the basis of data from MIPMEPI Information Bulletins Nos. 8, 10, 12, 14, 16, and 20, 21, [2012].