

Algerian Tourism Industry Facing Serious Challenges

The Algeria's beleaguered tourism sector is in a kind of paradox situation. On one hand, we notice decline in tourist arrivals due to perceived risk of terrorist attacks, deficit in accommodation capacity, lack of knowledge in hospitality and restaurants, deficit in market, soviet-style bureaucratic visa requirements and lack of tourism infrastructure. On the other hand, we find a lucrative and attractive sector driven by ambitious tourism plans, government investments and foreign collaborations and partnerships.



The Algerian government and the private sector were slow to react to changes in the tourism markets. Very few professional bodies have been involved in the animation of this vital economic niche to enhance stronger coordination of actions at both regional and local levels.

Challenges to Algeria's Tourism

The main challenge to the country's tourism sector is insecurity, characterized by instability and constant threat of violence. Whereas the country is generally peaceful and safe, certain areas are still susceptible to Islamic extremists groups. The mountainous region of Kabylia, including the provinces of Bouira, Bejaia, Tizi Ouzou and Boumerdes, are still under risk of threat of terrorism and civil unrest, which takes on the form of banditry, drug trafficking, kidnapping, and attacks on government targets.

Terrorism still takes on a high media profile. Renewed violence and increasing presence of Islamic State and Algeria's role in Libya add further pressure on the government and to the crisis facing the country's vital tourism sector. The national government however has moved swiftly to assure all tourists of maximum protection throughout the country.



Successes – Sector Reform, Expansion and Overhaul

Despite the fact that tourism in Algeria still contributes a paltry 1% of the country's GDP, the country has

paved way to reach new heights in its tourism sector. The first approach was the establishment of a National Tourism Development Plan (Schema Directeur d'Amenagement Touristique, SDAT) in 2008 whose main aim is to increase the sector revenue from the current annual average of \$445.2 million to at least \$621.2 by the end of 2015. Under the same plan international tourist arrivals are expected to rise to 3.1 million by 2023 from the 2.6 million estimated to have visited the country, helping generate Algerian Dinar (DZD) 27.9 billion in revenues in 2013.

The Algerian government, in collaboration with the World Tourism Organization, has set the goal of boosting the number of foreign investors, including tourists by utilizing the potential opportunity involving adventure holidays in the south. Additionally, seven tourism centers are currently being constructed – three in the north (north-east, north-central and north-west) and four in the south (south-east, south-west, Tassili and Hoggar).

It is worth noting that Algeria sits on tremendous tourism potential, comprising of rich and diversified natural resources and historic sites, which to date are yet to be largely realized. However, through the NTDP, the country is planning to make the sector a motor for development, diversifying the economy, attracting foreign tourists and direct investment and simulating employment. Some of the identified potential tourist destinations include the unspoiled mountains, spectacular deserts and the long Mediterranean coastline.



Plans for the Future

"The Algerian authorities have ambitious plans to launch the tourism sector, aiming to raise the accommodation capacity from 90,000 beds to 160,000 beds in three years," Tourism Minister Smail Mimoune told Reuters during a regional tourism conference on the Tunisian island of Djerba. He continued, "We aim to receive 3.5 million tourists (per year) in three years and hope that income from the sector rises to \$600 million in the same period."

Mr. Mimoune said that the tourism sector's direct contribution to GDP is estimated to register a CAGR of 4.2% to DZD848.4 million (3.8% of GDP) in 2023 from DZD539.7 million (3.7% of GDP) in 2012. He also said that the Islamic extremists – the infamous al Qaeda in the Islamic Maghreb (AQIM) operating in the country did not pose a threat to these plans, as they do not have any strongholds within Algeria, but operate from neighboring northern Mali.

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