

Investment incentives and economic advancement in light of the developments of law No. 22-18

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Abstract:

The provisions of the new Investment Law No. 22/18 represent a significant advancement through which the Algerian state aims to enhance the economic environment to attract a greater number of foreign investors. This is achieved by providing adequate legal guarantees and incentives to foreign investors in order to attract capital, promote innovation, supply labor, and reduce the unemployment rate.

Keywords: Investment Guarantees; Capital; Economic Environment; Economic Development.

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INTRODUCTION

The free movement of goods and money has become an important link between all countries, and foreign direct investment (FDI) has become the main driver of economic growth. FDI is very important because it provides the money needed to start productive projects, helps transfer technology, raises income levels, strengthens production bases, and improves skills and knowledge. It also helps businesses get an edge in marketing and exporting. Foreign direct investment is very important for developing countries that are going through very bad financial crises that have made it hard to get money. With debt levels rising and the costs of borrowing from outside the country rising, the only funding options left are to attract foreign investment on one hand and activate and control domestic investment on the other.

From this point of view, countries are competing more fiercely to get foreign investment. To do this, they are getting rid of barriers and problems that make it hard for investments to come in, and they are also giving incentives and guarantees to make it easier for investors to enter the domestic market.

There is no doubt that the combined benefits of foreign direct investment lead to faster economic growth and more job opportunities in the host country's economy. This, in turn, helps the government of the host country reach its goal of lowering unemployment, which is still one of the biggest problems they face.

Algeria, like many other developing countries, has worked hard to make its investment climate better because it knows how important FDI is for host economies. Since the late 1980s, when the country made changes to its laws, it has passed many laws about investment. These include Legislative Decree No. 93-12, Order 01-03, Law No. 16-09, and most recently Law No. 22-18. Each of these laws has parts that are meant to encourage and grow investment in Algeria, but they also take Algeria's international obligations very seriously.

To address the topic, we pose the following research question:

What legal guarantees does the new Investment Law No. 22/18 provide to improve the investment climate in Algeria?

To answer this question, we have divided the study into two main chapters:

- Chapter One: Titled "The Concept of Foreign Direct Investment."
- Chapter Two: Focused on the legal guarantees designed to stimulate investment under the new Law No. 22/18.

Chapter I: The Concept of Foreign Direct Investment

To understand foreign investment, this section is divided into two subsections. The first subsection addresses the definition of foreign direct investment, while the second presents the main theories explaining the dynamics of foreign direct investment.

1. Definition of Foreign Direct Investment

Foreign direct investment is defined as the fact that an enterprise or company invests in projects located outside the borders of its homeland.

1.1 Definition from Economic Doctrine

Foreign direct investment has been defined by economic jurisprudence, for example:

1.1.1 Jean Bertin's Definition

He says that foreign direct investment means having control over the project, which can happen in two ways: the investor can start a new business on their own or form a partnership with someone else. It could also mean buying all or part of an existing business.¹

1.1.2 Abdel Aziz Heikal's Definition

He says that it is when companies based in one country invest in companies based in another country by buying them, starting new businesses, giving them money to start up, or raising the money of businesses that are already there. This definition also includes the investor's setting up of oversight and participation in running the businesses in which they invest. Governments often like this kind of investment because it usually means giving the companies that get the money technology.²

1.1.3 Definition by Arimont Barton

Foreign direct investment (FDI) is when one company gives money to another company by opening a foreign branch, increasing the capital of that company, buying a foreign company, or forming a joint venture with foreign

partners.³

1.1.4 Definition by J. Dunning

Dunning is known as one of the best experts on international investment. He says that international foreign direct investment is fundamentally different from indirect investment. FDI is more than just moving private money; it's a full transaction that includes starting businesses, moving technology, organizational and managerial know-how, and building up the workforce. Dunning says that the most important thing about international private capital flows is that investors usually have special skills and knowledge that can't be shared with other countries in any other way.⁴

1.1.5 Definition by U.S. Balance of Payments Accountants:

According to U.S. Balance of Payments Accountants: The U.S. Balance of Payments accountants say that foreign direct investment is any money that goes to a foreign business or any new ownership stake in a foreign business, as long as the investor has a stake in that business. Different countries have different levels of ownership.⁵

1.2 Definition of International Organizations

Definition of international organizations for foreign direct investment.

1.2.1 Definition by the United Nations Conference on Trade and Development (UNCTAD)

Foreign direct investment (FDI) is an investment that involves a long-term relationship between a parent company in the home country and a company or productive unit in another country, called the host or recipient country. This relationship shows a lasting interest and the ability to control the business. In this definition, the parent company is the one that owns assets in a company or productive unit that is located in a foreign country that is not the home country. Usually, ownership means having equity shares in the subsidiary company that is based in the host country. Foreign direct investment is defined as having a stake of 10% or more in the ordinary shares or voting power on the board of directors of a subsidiary, or its equivalent in other types of companies. Subsidiaries or branches are what people call local businesses. This definition is based on the patterns of FDI flows between developed countries, where mergers between multinational corporations and

acquisitions of company assets are the most important factors. However, it still applies to individual investment cases.⁶

1.2.2 Definition by the International Monetary Fund (IMF)

The International Monetary Fund (IMF) defines foreign direct investment as a type of international investment that aims to buy an economic entity or interest in an economy. This shows that a person or business in one country is still interested in a business in another country. This kind of interest means that the foreign investor and the business will have a long-term relationship, and the investor will have a lot of power over how the business is run.⁷

1.2.3 Definition of the Organization for Economic Cooperation and Development (OECD)

The OECD says that foreign direct investment (FDI) is when someone invests in a business in another country by building relationships that let them take part in that business or by starting or growing a branch. The second definition includes any legal entity, whether it is a person, a business, or a government, that has legal personality and is connected to other entities. A foreign investor is someone who owns a business that invests money in a country other than the one where they live.⁸

1.3 Legislative Definition of Foreign Direct Investment

Most definitions in the law are very similar to the economic point of view. This is because the definitions are shaped by the interconnected economic, political, and legal factors. Most scholars agree that foreign investment means moving money, technical know-how, and management skills across borders to meet the investor's goal of making the most money and the host country's goal of making an economic contribution that increases the host country's national wealth.⁹

Law No. 03-01 on investment development, which was passed on August 20, 2001, included Articles 1 and 2, which defined investment and cleared up any confusion. Article 1 says that investment includes all national and foreign investments made in economic activities that make goods and services, as well as investments made as part of granting licenses and concessions.¹⁰

According to Article 2 of Law No. 09-16 concerning the promotion of investment:

In the context of this law, investment is understood to mean the following:

- The acquisition of assets aimed at establishing new activities, expanding production capacities, and/or rehabilitating existing ones.
- Contributions to the company's capital.¹¹

Article Two of the law further states that investment includes:

- The purchase of assets for the purpose of starting new activities, increasing production capacity, repairing things, and reorganizing them.
- Contribution to the capital of the enterprise, either in cash or in kind.
- The recovery of activities within the framework of partial or full privatization.¹²

These definitions lead to the conclusion that investment includes starting new businesses and increasing production capacity through assets or contributions, whether they are cash or in-kind, to the company's capital. It also includes reviving businesses through partial or full privatization. This framework also includes what people usually call "granting concessions" for projects and economic activities that make goods and services.

2. Identifying the Forms and Motivations of Foreign Direct Investment

There are many different types of foreign investment, and people have different reasons for making them. To make this clearer, we split this section into two parts. The first part talks about the different types of foreign investment, and the second part talks about the reasons why people invest in other countries.

2.1 Forms of Foreign Investment

As previously mentioned when talking about foreign direct investment, project ownership can be either full or partial. Also, the main factors that decide what kind of foreign direct investment to make have been found. Based on this, we can generally group foreign direct investments into:

2.1.1 Joint Ownership Projects (Joint Investment)

Foreign and local investors own these projects together, but the exact

amounts depend on the partners' agreement and the laws that govern foreign ownership. For political and social reasons, this type of investment is also thought to be the most common way for foreign capital to come in. It involves two or more people from different countries working together permanently, which lowers foreign control and encourages national ownership by creating a new class of entrepreneurs (investors).¹³

2.1.2 Projects Fully Owned by Foreign Companies in the Host Economy

Many host countries are wary of this type of investment because it gives the foreign party full control over decision-making. They worry that the foreign investor will become too powerful and dependent on the host country's economy. From the investor's point of view, fully foreign-owned projects are often the best type of foreign direct investment because they have good results. However, host countries, especially developing ones, often hesitate or even refuse to allow full foreign ownership because they are afraid of becoming economically dependent and the political effects that would have at home and abroad. There is also concern that multinational corporations could become monopolies in local markets.

Free zones are part of a country's territory, but for international trade, currency, and customs, they are seen as foreign. In the world of international trade, these zones are a unique type of foreign direct investment. Free zones are located in the host country, but they are not subject to the same customs and administrative rules that apply to the rest of the country.¹⁴

Over the past three to four decades, the rise of foreign direct investment through multinational corporations, also known as transnational corporations, has been one of the most important changes in international economic relations.¹⁵

Chapter II: Legal Guarantees for Promoting Investment in the New Law 22/18

Investment is very important for any country's economic growth because it boosts economic activity by putting money into businesses, increasing their production capacity, making it easier for technology to spread, and creating jobs, which in turn brings in money for the government. Investment is basically the process of putting money to work in order to make

money and have financial surplus.¹⁶ Foreign investment is when money is sent from one country to another with the goal of making money for the foreign investor while also making sure that the host country produces more and develops more.¹⁷

Getting investment has become one of the most important issues for lawmakers. Researchers are interested in it, and states are working hard to find the best ways to promote economic growth.

A strong legal and institutional framework for investment is the most important part of any reform that aims to create an economy that is strong, adaptable, and efficient.

Like many other countries, Algeria has tried to grow its economy. A number of laws that were in line with different constitutions have governed investment since independence, but many of these laws had major flaws and gaps. As a result, the overall direction of the economy and investment policies have changed to follow the rules set out in the Constitution of November 2020.¹⁸ The process of reform includes changing the laws and working to make the investment climate more appealing to investors. A big part of reaching this goal is encouraging and rewarding investment. This is closely related to how well the state protects investors and how well the guarantees and incentives it offers work.

The main way the state encourages investment is through laws that provide legal protections and financial incentives that make the environment more welcoming for investors. The state needed to boost the economy and update the rules that govern investment, so they passed Law No. 22-18 on investment.¹⁹ This law's goals are to make things easier, fix the problems with previous laws, and restore investors' trust.

1. Financial Guarantees for the Investor

There are a number of guarantees in the new Investment Law. These are split into two parts:

- guarantees related to granting rights
- guarantees related to financial incentives

1.1 Guarantees Related to the Granting of Rights

The new Investment Law No. 22-18 gives investors a number of rights.

Its goal is to boost trust in the investment legal framework by upholding the principle of investment freedom. First, this is done by giving investors the freedom to choose their own investment projects and making sure that all investments are treated equally. Second, the law makes sure that foreign investors can move their money and the profits they make. Third, it makes sure that investors' ownership rights and intellectual property are safe. All of these guarantees are made in a setting of legal stability and safety, which investors want to make sure that the legislative system is independent and trustworthy.

1.1.1 Guaranteeing the Principle of Equality and Investment Freedom

Investors can only trust the legal system if it is clear and fair when dealing with investments and investors, and investors are free to choose their own investment projects.

A. Guaranteeing the Principle of Equality:

Legislative Decree No. 93-12,²⁰ which was about promoting investment, recognized this principle. Article 38 says that foreign natural and legal persons will be treated the same as Algerian natural and legal persons when it comes to rights and obligations related to investment. Later investment laws, such as Order No. 01-03²¹ and Law No. 16-09,²² also adopted this principle. Article 21 of Law No. 16-09 says that, subject to the terms of bilateral and multilateral agreements signed by the Algerian state, foreign natural and legal persons shall be treated fairly and equally when it comes to the rights and obligations connected to their investments.

Article 3 of the previous Investment Law No. 12-08 also supports this idea. It says that investments should be treated equally, with freedom and transparency. It is important to note that the legislator did not mention international agreements directly, even though Algeria has signed many investment treaties. The law also didn't say that foreign and Algerian natural or legal people should be treated the same way; instead, it stressed that investments should be treated the same way.

So, the state treats all investment projects the same, whether they are started by a foreign investor or an Algerian investor. They have the same rights and must follow the same rules.²³ One of the main ways the

government tries to get foreign investment is by following the principle of not treating investors differently.

B. Guaranteeing the Freedom of Investment:

Investment freedom means that the investor can do whatever they want within their investment field, as long as it is legal. The state, whether through government, administration, or the courts, must not stop the project, block it, or put illegal conditions on the investor.²⁴ But this freedom isn't complete; it comes with certain rules and conditions that must be followed. The state has full control over its land, including its natural resources and economic assets. This gives it the power to limit investment in some or all economic sectors. However, lawmakers must not make it harder for people to invest²⁵ by finding a balance between protecting the state's national interests and making it easier for foreign investors to invest by clearly defining the sectors and activities that are open to them.²⁶

The 2020 constitution and its predecessors protect the right to invest freely. Article 61 says that people have the right to trade, invest, and start businesses freely, as long as they do so within the law.

In addition, Article 3 of Law 12-08 restates this principle by saying that investment freedom gives any natural or legal person, whether they live in the country or not, the right to choose their investment freely as long as it follows the law and regulations.

1.1.2 Guarantee of Capital and Income Repatriation

The freedom to move their money and the profits it makes to other countries is one of the most important guarantees that investors look for. This kind of guarantee is important because not letting foreign investors take their money and profits back home makes the investment useless. The word "transfer" means the movement of money out of Algeria by residents who want to invest it abroad, as well as the movement of money into Algeria by people who don't live there but want to invest in the country. "Repatriation" means sending money back to foreign countries that came from investments that were already financed. This includes both the imported capital and the original investment capital from Algeria.²⁷

Article 8 of Law No. 22-18 protects this right for investors in Algeria.

It gives them the right to move their money and the profits that come with it. It is interesting to note that the language of this provision is very similar to that of Article 25 of Law No. 16-09, which is about promoting investment. This law lets investors move money into Algeria to start investment projects and send money and returns back home from Algeria, as long as the money was first brought into Algeria in a currency that the Bank of Algeria says is convertible.

These transfers may occur in two forms:

- Cash donations made in convertible currency and valued by the Bank of Algeria, which are then given to the bank in amounts equal to or greater than the minimum amounts set by the total project cost.
- Contributions in kind, made according to the forms set out in the relevant law, as long as they come from abroad and are properly valued according to the rules and procedures for forming a company..

It is important to note that the lawmaker fixed problems that were in Legislative Decree No. 93-12 and Order No. 01-03 by adding clear rules about how to transfer contributions in kind, like shares in investment projects, to Law No. 16-09 and Law No. 22-08.

Article 123 of the amended and supplemented Monetary and Credit Law No. 03-01²⁸ also lets people in Algeria send money abroad to pay for activities that help them make goods and services in Algeria.

Article 8 of Executive Decree No. 22-300²⁹ sets the minimum threshold at 25% of the investment amount. This is what Article 8(B) says. This is how to figure out if you can get the transfer guarantee: it's based on the percentage of the total investment cost that comes from outside sources.

As a result, any investment that doesn't meet the minimum requirements set out in this decree loses the right to the transfer guarantee, but it doesn't lose any other investment benefits.

1.1.3 Guarantee of Investor Property Protection and Intellectual Property Rights Protection

The new investment law enhances the protection guarantees for both tangible property (real estate and movable assets) and intellectual property rights.

A. Guarantee of Investor Property Protection

One of the most important things that supports the economy is owning real estate, which is also closely linked to state sovereignty. People have the right to own private property, but the state can take property for public use, which limits this right.

Most legal systems agree that the state has the right to take property for the public good, as long as the owner is paid a fair amount. Expropriation, whether it is confiscation, expropriation for public benefit, or seizure, is one of the most serious administrative actions that affects private property rights because it takes away part of the owner's property. So, a legal system that governs foreign investment can't be seen as encouraging if it brings in foreign money but also lets the government take those investments away.³⁰

According to Article 60 of the Constitution, the Algerian government has recognized the protection of private property. This article guarantees private property and says that expropriation is only allowed if it is done in accordance with the law and with fair and just compensation. This idea is reflected in most investment laws. For example, Article 40 of Legislative Decree No. 93-12 on investment promotion says that investments can't be taken by the government unless the law says they can, and if they are, they must be paid fairly and equitably.

Furthermore, Order No. 01-03 related to investment development replaced the term “requisition” with “confiscation.”

Article 23 of Law No. 16-09 on Investment Promotion introduced a new word, "expropriation," which means the following:

Along with the rules for taking property by force, investments can only be taken by force if the law says so. The investor will be entitled to fair and just compensation for this kind of expropriation and forced acquisition. The new Investment Law No. 22-18 brought back the term "usufruct" (or "commandeering") because it is more commonly used in comparative law.³¹

Article 10 of the new law says that the administration can only take an investment for usufruct in certain situations that are clearly spelled out in the law. Usufruct gives you the right to fair and equal compensation under the law.

It is clear from looking at civil law provisions about compulsory acquisition, especially Articles 679 and following, that the legislator did not use the word usufruct but instead used expropriation. This is the same word that is used in the French version of the law for both usufruct and expropriation. In rare and urgent situations, this measure is used to get money and services, which keeps public services running.

When the state ends an investment or takes property through expropriation, it must pay compensation to protect the property rights of those affected. This requirement limits the state's ability to use these powers by requiring that compensation be fair and just. It is interesting that the lawmaker didn't go into more detail about this and instead pointed to the relevant laws for more information.

B. Regarding the Protection of Intellectual Property Rights:

Unlike previous laws that did not explicitly guarantee this right despite its importance to investors, Investment Law No. 22-18 explicitly provides for the protection of intellectual property rights in Article 9, which states that the state guarantees intellectual property rights in accordance with the applicable legislation. This right is also enshrined in the Constitution under Article 74, paragraph 3, which affirms that all rights arising from intellectual creation are protected by law.

1.1.4 Guaranteeing Legal Security³²

Legal instability caused by frequent changes and amendments is one of the biggest problems for investors, who are always looking for safety and stability. Legislative stability³³ is a guarantee that investors can count on a stable and predictable legal framework.³⁴ According to Article 13 of Law 22-18, any changes or repeals to this law in the future will not affect investments made under its terms unless the investor asks for something different. This part is very similar to Article 22 of Law No. 16-09, which protects foreign investors who submit an investment project under a certain law from being affected by any changes or repeals of that law unless they ask for them.³⁵

Many people have criticized Algeria's investment laws because they are full of legal texts that change often and are hard to understand. This has made investors less sure about the future of their investments. This has made

lawmakers work hard to set up a legal system that is stable and consistent and protects everyone involved. The key parts of the principle of legal security, such as the non-retroactivity of legal rules, respect for acquired rights, and the principle of legitimate expectations, show what this effort is all about.³⁶

1.2 Guarantees Related to the Granting of Financial Incentives

The legislature changed the incentive systems to focus on priority sectors and regions that the state thinks are strategically important for the national economy in order to guide and support investment. The Investment Law sets up three separate incentive systems: the "Sectoral Incentive System," which focuses on priority sectors; the "Regional Incentive System," which focuses on regions that the state pays special attention to; and the "Structured Investments Incentive System," which focuses on investments that are important to the structure of the economy.

1.2.1 Incentive System for Priority Sectors

The term "sectors" has been added to the investment law to replace the old term "activities with privileges." Article 26 of the Investment Law defines these sectors as specific areas of activity. They include mining and quarries, agriculture, aquaculture and fisheries, manufacturing and food industries, pharmaceutical industries, petrochemical industries, services and tourism, new and renewable energies, knowledge economy, and information and communication technology. It is important to note that the legislator has added more sectors to the list that were not included in the previous legal framework.³⁷

Executive Decree No. 22-300, dated September 8, 2022, lists activities, goods, and services that are not eligible for sector-based incentives. This is the opposite of what the incentives are meant to do. Annex II has a list of these activities under the heading "Activities Not Eligible for Sector Incentives."

1.2.2 Incentive System for Zones of Special National Importance

This system focuses on investments made in places that are considered to be part of the Highlands, the South, and the Greater South regions, as well as sites with natural resources that are good for fattening livestock and places that need special state-supported development efforts.

Executive Decree No. 22-300, which was mentioned earlier, also lists a number of activities that are not eligible for the incentives available in these designated zones. This list can be found in Annex I of the decree. This appendix has a list of 150 things that don't qualify for these benefits. It also gives a full and detailed list of places within zones that the state has prioritized for investment, which is a big improvement over what was in Law No. 16-09.

Annex I has places in the Highlands and the Greater South. These are special investment zones that include hundreds of municipalities. These towns and cities are only connected to the Highlands and the Greater South regions.

Annex II shows a list of places that need special state-supported development, broken down by province and municipality. Annex III, on the other hand, lists places with natural resources that are good for fattening livestock. It does this by naming the natural resources and the municipalities where they are found.

1.2.3 Incentive System Targeting Structured Investments

The investment law calls these investments the "structured investment regime." They are known for having a high chance of making money and creating jobs. They can also make regions more appealing and stimulate economic activity that leads to sustainable development.³⁸

These investments help to replace imports, diversify exports, connect with high-value and regional value chains, get new technology, and make operations more efficient.³⁹

Investments must meet the requirements in Article 16 of Executive Decree No. 22-302 in order to be eligible for the structured investment regime. For an investment to meet these standards, it must create at least 500 direct jobs and cost at least 10 million Algerian dinars. The government may help with these kinds of structured investments by covering some or all of the costs of building the infrastructure and other necessary facilities.⁴⁰

The investment law suggests different benefits depending on the type and location of the investment within this incentive framework. This will direct capital toward strategically important sectors and encourage growth in

areas that need state infrastructure.

These benefits include tax and quasi-tax breaks during the project's establishment phase, which can last up to three years for investments in priority sectors and up to five years for investments under the regional regime or the structured investment system.

In addition to these exemptions, businesses don't have to pay corporate income tax or professional activity tax during the operational phase, which is after the project is finished. Investments made in priority sectors are free from taxes for three to five years, while investments made in designated special regions are free from taxes for five to ten years. Structured investments are free from taxes for the same amount of time. The goal of this is to create jobs, improve the skills of workers, make better use of natural and local primary resources, boost the national economy, and give priority to technology transfer and innovation development.

2. Guarantees Related to the Establishment of New Investment Mechanisms

The legislator passed Law No. 22/18 to make it easier for people to invest, protect investors, and fix problems with previous legal texts. The law introduced new ways to remove barriers to investment. One of the most important of these changes is keeping the National Investment Council, though with limited powers. Another is reorganizing the Algerian Agency for Investment Promotion so that investors only have to deal with one person, the "One-Stop Shops" (OSS), which were talked about in the first subsection. Also, the Algerian Agency for Investment Promotion set up a digital platform, and the President of the Republic set up an Appeals Committee to look at investor appeals, as explained in the second subsection.

2.1 Restriction of the Council's Authority and Establishment of One-Stop Shops at the Algerian Agency for Investment Promotion

One of the most notable reforms introduced by the new Investment Law is the limitation of the powers previously held by the Investment Council under prior legislation, as well as the reorganization of the investment agency.

2.1.1 Restriction of the National Investment Council's Competences

Order No. 01-03, which was about promoting investment, set up the

National Investment Council in the first place. The article said that the Minister in charge of promoting investment should set up the council and that the Prime Minister should be in charge of it. The second paragraph of the same article lists a number of tasks that the council was given. These included managing issues related to investment strategy and support policies, approving agreements made between the National Agency for Investment Development and investors, approving criteria for project selection that were relevant to the national economy, defining lists of expenses, and estimating the funds needed to carry out the National Investment Promotion Program.

The council's powers were limited by Investment Law No. 22-18. Now, it can only suggest the state's investment strategy, coordinate and evaluate its implementation, and write a secondary evaluation report that is sent to the President of the Republic.⁴¹ The main goal of this reform is to give investors enough protection by getting rid of bureaucratic obstacles.

2.1.2 Reorganization of the National Investment Agency through the Establishment of One-Stop Shops

The name of the agency changed from the National Agency for Investment Development to the Algerian Agency for Investment Promotion when Law 22-18 went into effect. This gave the agency a clear Algerian identity on the world stage. The Prime Minister now has control over the agency, which used to be under the Ministry of Industry. This restructuring is a good thing because it will make it easier for investors to invest in a wider range of sectors, such as agriculture, industry, and tourism. It will also get rid of problems that investors have had in the past, like bureaucratic delays and complicated procedures for evaluating and approving investment projects. Many projects had been stuck for years in government offices. Because of this, the agency's job has become more important in promoting and improving investment both in the country and around the world. It runs the investor digital platform, which includes registering and reviewing investment files, helping investors, giving them important information, and walking them through the steps they need to take to get permits and licenses. The agency also plays a big part in finding structured projects that meet certain requirements, checking that people are eligible for incentives, writing

reports when the project starts, and deciding how long the benefits will last. Article 4 of Executive Decree 22-298⁴² lists the agency's main duties as follows: spreading information, making things easier, promoting investment, helping investors, and managing and keeping an eye on incentives.

2.2 Establishment of a Digital Platform for Investors and the Appeals Committee

The legislature did not limit its efforts to expanding the powers of the Algerian Agency for Investment Promotion and establishing one-stop shops; it also created a digital platform for investors as a first measure, followed by the establishment of an appeals committee to review disputes related to investment as a second measure.

2.2.1 The Investor Digital Platform

A digital platform has been set up for investors in line with the digital transformation and the government's goal of using digital technology in all areas to improve and modernize service delivery. Article 23 of the new Investment Law No. 22-18⁴³ talks about this platform. The Investor Digital Platform is run by the Algerian Agency for Investment Development. It has all the information you need about investment opportunities in Algeria, including the people in charge of investments, available real estate, and the benefits and incentives that come with investing.

Investors can use the platform to send in their administrative files after getting all the information they need. This gets rid of the need for physical paperwork and makes the review and processing of applications more open. The platform also makes it easier to keep track of and follow up on investments, as well as to get the permits and registrations needed for the investment. This progress gets rid of problems that investors had to deal with under old laws, especially the fact that they didn't have enough information about investment opportunities before making a decision in Algeria.

Real estate is one of the most important guarantees that investors look for, and the digital platform makes it much easier to find information about available real estate for investment, as well as the permits and paperwork that go along with it.

2.2.2 The Appeals Committee

The new Investment Law set up a Supreme Appeals Committee under the President of the Republic to settle investment disputes that investors think they have been unfairly treated under the Investment Law. There are independent economic and financial experts on the committee, as well as a representative chosen by the President.

If there is a disagreement about an investment, like the withdrawal or denial of benefits, or the relevant authorities refusing to issue resolutions, documents, or permits, the investor must let the committee know. However, the investor must first file a complaint with the agency within one month of getting the decision that they disagree with in order for the appeal to be valid. The agency must then respond to the complaint within 15 days of getting it. The committee has to make a decision within a month of receiving the appeal, whether it is sent directly to them or through the digital platform.

Article 12 of the Investment Law also gives investors the right to take legal action in the appropriate court.

It is interesting that the lawmaker gave the Algerian judiciary the power to settle disputes between foreign investors and the Algerian state. This is in line with the idea of state sovereignty. Arbitration is allowed, though, as an exception to protect the rights of foreign investors.

CONCLUSION

The rise of foreign direct investment (FDI) can be traced back to its role as an alternative way to get money. Many countries that couldn't get enough money to invest in their own businesses because of low savings rates, not enough grants from formal and informal financial institutions, and trouble getting loans from outside sources turned to FDI. The investment climate is very important for getting FDI.

Algeria is working hard to make its economy better by bringing in more foreign investors. Law No. 22/18 shows this commitment. The goal of this law is to give foreign investors strong guarantees and enough incentives to bring in money.

Algeria has adopted the ideas of a market economy and a focus on trade with other countries. Through a series of investment laws, the legislature has

tried to encourage foreign investment, make it easier to transfer technology, train local workers, and help different industries grow and develop by using money, administrative skills, and skills. This method helps the economy and encourages growth at the same time.

Encouraging foreign direct investment is a crucial step for countries competing to integrate into the global economy.

Based on the foregoing, we propose the following recommendations:

- Implementing digitalization within the investment sector, as introduced by Investment Law No. 22/18, aimed at eliminating obstacles faced by investors and eradicating bureaucratic delays.
- Issuing an annual report on the activities of the Appeals Committee, which shall be published through one of the legally recognized methods of disclosure.
- Strengthening the role of the Algerian Agency for Investment Promotion, particularly with regard to managing the digital platform dedicated to investors.

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