



The contribution of the National Microcredit Management Agency to enhancing economic development in Algeria through stimulating the Performance of small and medium-sized enterprises

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Abstract

This study aims to examine the role of the National Agency for Microcredit Management in supporting small and medium-sized enterprises (SMEs) in Algeria, enhancing their growth opportunities and prosperity, and emphasizing its importance in stimulating economic and social development. The study found that the National Agency for Microcredit Management is one of the mechanisms that has proven its effectiveness in positively impacting various projects across all regions of the country. This is achieved through the establishment of small and medium-sized economic enterprises capable of stimulating economic activity, economic growth, wealth creation, and contributing to reducing unemployment and economic diversification, among others. The study also provides a set of recommendations that can contribute to

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enhancing the role of the National Agency for Microcredit Management in supporting, stimulating, and improving the efficiency of these enterprises.

Keywords :National Agency for Microcredit Management, small and medium-sized enterprises (SMEs), economic development, economic growth.

1. INTRODUCTION

In light of the economic challenges facing Algeria and its urgent need to promote economic development, the contribution of the National Agency for the Management of Microcredit as a key mechanism to achieve this is highlighted through its role in supporting and financing small and medium enterprises - which have become a vital and important part of economic life and an effective engine for development - and the resulting generation of jobs and wealth creation, and improving economic stability in the country.

Aware of the need to enhance the competitiveness of SMEs and provide the appropriate environment for their development and growth, Algeria strives to strengthen the sector as part of its strategy to stimulate economic growth and achieve sustainable development. In this context, the role of the National Agency for the Management of Microcredit as a key institution comes in providing the necessary financial and technical support to these institutions, strengthening their capacities to achieve projects, expansion and technological modernization, and encouraging them to innovate and grow, thus contributing to strengthening the Algerian economy and raising its position at the regional and international levels.

2. Problematic:

Based on the above, the following main question can be asked: "What is the role of the National Agency for the Management of Microcredit in activating small and medium enterprises?"

3. Sub-questions:

- What is the concept of SMEs in Algeria?
- What is the National Agency for the Management of Microcredit, and what are its working methods?
- What is the role of SMEs in economic development by presenting some economic indicators?

4. Hypotheses of the study:

To answer the main question and sub-questions, we developed the following hypotheses:

- The National Agency for the Management of Microcredit is a State institution responsible for implementing the Government's policies in the area of financing small and medium-sized enterprises;

- "Small and medium-sized enterprises" in Algeria refers to all companies and institutions that operate in the business sector, and enjoy an average or small size of employment, production and revenues compared to large companies.

- The role of small and medium-sized enterprises in the economic development of Algeria includes several aspects, including: job creation, promotion of economic growth by increasing productivity, generating wealth, improving its distribution throughout the country and increasing the added value of products and services, thus enhancing stability and economic and social balance.

5. Objectives of the study

This study seeks to highlight the role of the National Agency for the Management of Microcredit in promoting economic development in Algeria, and to analyze the extent to which this agency has influenced the performance of small and medium enterprises and promotes their growth and development.

6. Study Methodology

To study the above problem, we will use the descriptive approach and the analytical method to adapt them to the nature of this study.

7. Study divisions

The study was divided into the following main axes:

First Theme: Conceptual Framework for Small and Medium Enterprises in Algeria

The second axis: the reality of the National Agency for the Management of Microcredit

Third Theme: The Contribution of Small Enterprises to Economic Development in Algeria through Some Economic Indicators.

8. The first theme: The conceptual framework for small and medium enterprises in Algeria

The authorities in Algeria have included small and medium enterprises among their primary concerns in line with the requirements of the transition towards a market economy and keep pace with global trends, and have made great efforts to integrate them into the national economy and enhance their capabilities by nurturing them and providing them with the necessary support, working to encourage their growth and development, and making them play key roles in diversifying the economy and achieving the desired development.

9. First: Definition of Small and Medium Enterprises in Algeria

The Directive Law for the Development of Small and Medium Enterprises of 2017 defines small and medium enterprises as: Any establishment producing goods and/or services that employs between one and 250 workers, whose turnover does not exceed (04) billion DZD and/or its annual turnover does not exceed (01) billion DZD1, and meets the criterion of independence. The table below shows the definition of the concept of small and medium enterprises according to the criteria adopted in Algeria as follows:

Table 1:

The concept of SMEs in Algeria

Standard/Size	Miniature	Small	Intermediate
Number of workers	01-09	10-49	50-250
Annual turnover	Less than 40 Millions	Less than 400 Millions	Between 400 millions to 4 billion
Annual Total Outcome	Less than 20 Millions	Less than 200 Millions	Between 200 millions to 1 billion

Source: Law 17/02 of 11 Rabi' al-Thani 1438 AH corresponding to January 10, 2017 AD containing the Directive Law for the Development of Small and Medium Enterprises, No. 02, issued on January 11, 2017, p. 06.

10. Second: Characteristics of Small and Medium Enterprises

Small and medium enterprises have characteristics and characteristics that distinguish them from other institutions, including positive ones that help them impose their position in the markets, and negative ones, which we summarize according to the following table:

Table 2:

Positive and negative characteristics of SMEs

Positive characteristics	Negative characteristics
- Easy to establish	- High failure rates
- Achieving wide spread between regions and regions	- Lack of subjective experience
- Independence of management	- Multiple forms of ownership
- Ability to bring in savings	- Low self-scaling, development and modernization capabilities
- Flexibility in organization	
- Low technology	
- Short payback period for invested capital	

Source: Prepared by researchers based on:

IBEN BOUSHAKI Fatiha, The Status and Role of the Small and Medium Enterprises Sector in Light of Economic Support Programs - in the Third Millennium -, PhD thesis, Faculty of Economics, Commercial and Management Sciences, Specialization: Finance and Money, University of Algiers 3, 2022/2023, pp. 26-28.

11. Third: The importance of small and medium enterprises

Small and medium enterprises are of great importance at the economic and social levels due to their effective contribution to the revitalization of the national economy and the development of the local community². We try to distinguish their importance through the following table:

Table 3:

The economic and social importance of SMEs

Economic importance	Social importance
<ul style="list-style-type: none"> - Contribute to job creation and combat unemployment - Contribute to the development of exports and reduce the deficit in the balance of payments - Supporting large enterprises through their production efficiency - Distribution of industries and diversification of industrial structure throughout the national territory - Resistance to economic disruptions thanks to its ability to adapt to different economic conditions. - Attracting savings and converting them into investments that contribute to the creation of jobs 	<ul style="list-style-type: none"> - Equitable distribution of income - Alleviate social pressures - Job creation, - Exploitation of all human and natural resources and energies - Development and development of remote areas and directing investments towards them, thus achieving balanced regional development - Reintegration of those laid off from their jobs and the establishment of psychological and material stability for them

Source: Prepared by researchers based on:

- Krimo Derragi, Small and Medium Enterprises - Reality, Experiences, Future - in Light of Global Economic Transformations, PhD thesis in Economic Sciences, specializing in Economic Analysis, Faculty of Economics, Commercial and Management Sciences, University of Algiers 3, 2010-2011, p. 32.
- Zouaoui Fadila, Financing the economic institution according to the new mechanisms in Algeria, a case study of the Sonelgaz Foundation, Master's thesis, Faculty of Economics, Management Sciences and Commercial Sciences, University of Boumerdes, 2009, p. 43.

12.Fourth: The institutional system to support small and medium enterprises in Algeria

In the context of their growing interest in small and medium-sized enterprises, the authorities in Algeria have adopted several mechanisms and measures with the aim

of providing an appropriate environment for their activity and growth, in addition to several institutions (agencies and funds) to provide them with material and technical support. The most prominent are:

- **National Agency for the Support and Development of Entrepreneurship (NESDA):** It is under the tutelage of the Ministry Delegate to the Prime Minister in charge of micro-enterprises. Known as (ANSEJ) and then formerly (ANADE3), it was revived with an economic approach, with new amendments, conditions, procedures and mechanisms in line with the new policy pursued by the government, in order to transform small and medium enterprises into productive enterprises⁴, which can create wealth and create jobs.
- **The National Agency for the Management of Microcredit (ANGEM):** a body directed to the category of citizens without income or low-income to grant them microloans according to different forms of financing, and to provide advice and accompaniment to beneficiaries⁵. (We will discuss it in more detail in the next axis)
- **The National Agency for the Development of Small and Medium Enterprises (AND-PME):** established by Executive Decree No. 05-165⁶ under the supervision of the Minister of Small and Medium Enterprises and Handicrafts, accompanies enterprises and grants them assistance in the form of services, consultations and recommendations within the framework of rehabilitation⁷.
- **The National Unemployment Insurance Fund (CNAC):** which was created in 1994 to protect employees who have involuntarily lost their jobs⁸, is today a body to support the unemployed entrepreneurs between the ages of 30 and 50 to complete their projects.
- **The Loan Guarantee Fund for Small and Medium Enterprises (FGAR):** established in 2002 by Decree No. 02-273, is responsible - under the tutelage of the Ministry of Small and Medium Enterprises - to approve the eligibility of the required projects and guarantees and follow up on the risks resulting from the granting of the Fund's guarantee ... and others⁹.
- **The Small and Medium Enterprises Investment Loan Guarantee Fund (CGCI-PME):** established in 2004 by Presidential Decree No 04-134¹⁰ to support the establishment and development of small and medium enterprises, has a maximum level of collateral loans of 50 million dinars¹¹.
- **The National Fund for the Rehabilitation of Small and Medium Enterprises:** established in 2006, finances rehabilitation activities related to small and medium

enterprises. All institutions subject to Algerian law and that have been active in the sector for two years and are not subject to financial difficulties benefit from the fund¹².

13. The second axis: the reality of the National Agency for the Management of Microcredit

Before examining the extent to which the National Agency for the Management of Microcredit contributes to stimulating the activity of small and medium enterprises, and through it in supporting economic development, we highlight this body, its tasks and its working methods.

14. First: General presentation of the National Agency for the Management of Microcredit (ANGEM)

It is a governmental institution under the Ministry of Solidarity, Family and Women's Affairs, which is part of the updating of the framework of bodies directed at the economic inclusion of persons who have not been able to benefit from the traditional financing granted by banks. It provides microcredit to low-income individuals and small businesses in rural areas and marginalized communities, to enable individuals to be financially independent and start small businesses on the one hand, and to improve the living conditions of the most needy classes in society and promote economic development on the other.

1- Establishment of the National Agency for the Management of Microcredit

The National Agency for the Management of Microcredit was established in 2004 as an independent body with legal personality and financial independence. It aims to support economic activities, including domestic activities, by providing the necessary financing to purchase the tools and materials necessary to start a business.

The objective of the Agency's work is to address the shortcomings identified by encouraging diversified economic activities, providing economic opportunities to

vulnerable classes and promoting economic development, by meeting several requirements such as¹³: decentralized granting loans, relaxing qualification conditions, adapting procedures to the methods of applying objective conditions for disadvantaged groups, facilitating approval mechanisms and actual granting of loans in order to activate support and contribution of disadvantaged groups, order by establishing sufficient practical bases, the ability to meet strong demand, especially from housewives, and productive families of artisans, small farmers and livestock breeders.

2- Functions of the National Agency for the Management of Microcredit

The National Agency for the Management of Microcredit performs several tasks, including¹⁴: Management of the microcredit apparatus in accordance with the legislation and regulations in force,

15.Second: The services of the National Agency for the Management of Microcredit and the conditions for benefiting from them

The Agency provides two funding formulas, as well as a range of other non-financial services:

1- Financial Services: The Agency grants two forms of financing, one of which is with the contribution of five (5) partner public banks, namely¹⁵:

- Providing interest-free loans, which are loans for the purchase of raw materials (agency - contractor) not exceeding 100.000 dinars, benefiting people who have small equipment and tools, and in a repayment period not exceeding 36 months. The value of these loans may reach 250.000 dinars at the level of the southern states;

- Tripartite financing (agency-bank-contractor) in partnership with banks for the establishment of new activities, at a cost of up to 1,000,000 DZD and distributed as follows: 70% bank loan, 29% interest-free agency advance, 1% personal contribution. The repayment period extends to eight (08) years;

- Increasing the amount of funding available for projects;

2- Non-financial services: In addition to granting funding, the Agency seeks to provide other services such as¹⁶:

- Reception and accompaniment of project idea holders in the best available conditions;
- Individual support and serious neighbourhood follow-up of contractors in the construction and implementation phases of the activity;
- Provision of training courses and marketing support;
- Organization of exhibitions to display and sell products made under microcredit;
- Create a website to promote and sell products and exchange experiences.

3- Guaranteeing bank loans: by providing a guarantee fund to cover bank loans, and covering a large part of the amounts due to banks, in addition to opening the door to participate in the guarantee fund for financial institutions and beneficiaries.

The Agency provides its services to all persons who meet the following conditions¹⁷: reaching the age of 18 years and above, proof of residence location, ability to practice an activity, having professional competencies compatible with the project to be completed, not having unstable and irregular incomes or benefiting from other assistance to establish an activity, the ability to pay a personal contribution estimated at 1% of the total cost of the activity, paying contributions to the Common Guarantee Fund for Microcredits and committing according to a specific schedule to repay the loan to the bank and the amount of the advance without Benefits for the National Agency for the Management of Microcredit.

16. Third: Outcome of the activity of the National Agency for the Management of Microcredit

The following is the outcome of the activity of the National Agency for the Management of Microcredit since its inception until March 31, 2023 as follows:

1- Distribution of microloans by financing pattern

The proceeds of financing achieved within the framework of the National Agency for the Management of Microcredit, until March 31, 2023, are summarized as follows:

Table 4:

Distribution of loans granted by financing pattern until 31 March 2023

Funding pattern	Number of loans granted	(%)
Number of interest-free advances for the purchase of raw materials	836 996	91.46
Number of interest-free advances to create a project	78 055	8.54
Total	915 051	100

Source: National Agency for the Management of Microcredit, via the website:

<https://www.angem.dz/ar/article/prets-octroyés/> Date accessed: 10/12/2023

It is clear from Table 4 above that interest-free advances for the purchase of raw materials represent the majority of the total loans granted as of March 31, 2023, estimated at 996,836, representing 91.46% of the total loans granted, which amounted to 915,051 loans, compared to 78,055, or 8.54%, in favor of interest-free advances for the establishment of a project. From these figures, we conclude that there is a great need to finance the purchase of raw materials for small and medium-sized enterprises in Algeria.

2- Distribution of loans by age group

The distribution of loans by age group reveals the role of the National Agency for the Management of Microcredit in supporting different age groups and empowering them economically. They were distributed as follows:

Table 5:

Distribution of loans by age bracket until 31 March 2023

Age group	Number of loans granted	(%)
18-29 years	325 392	35.56
30-39 years	285 862	31.24
40-49 years	170 199	18.60
50-59 years	95 989	10.49
60 years and above	37 609	4.11
Total	915 051	100

Source: National Agency for the Management of Microcredit, via the website: <https://www.angem.dz/ar/article/prets-octroyés/>
Date accessed: 10/12/2023

Age bracket is a critical factor in determining financing strategies and loan distribution, and for Table 5, it is clear that the needs of age groups for loans and financial stability are affected in a different way. As of March 31, 2023, young people between the ages of 18 and 29 and between 30 and 39 years are the most active and therefore the most benefited from the loans granted at 35.56% and 31.24% respectively. This emphasizes the ability of young people and adults to invest and participate in economic development, and reflects their interest in starting small and medium businesses and achieving financial independence in their early stages of working life. In contrast, the utilization rates of older people (40 to +60) were lower at 33.2% for the three age groups overall.

3- Distribution of microcredit by sex

The distribution of microcredit by gender at the agency level highlights opportunities for both women and men to access these vital financial services.

Table 6:

Distribution of loans granted by sex as of 31 March 2023

Beneficiary gender	Number of loans granted	Percentage (%)
forgetful	578 711	63,25
Men	578 711	36.75
Total	915 051	100

Source: National Agency for the Management of Microcredit, via the website:

<https://www.angem.dz/ar/article/prets-octroyés/> Date accessed: 12/12/2023

Table 6 on the distribution of loans granted by sex shows that as of March 31, 2023, women constituted the largest percentage of loan beneficiaries with 63.25%, compared to 36.75% for men. This reflects their interest in starting small businesses and achieving financial independence. It also reflects efforts to encourage entrepreneurship among women in Algeria and empower them economically.

4- Distribution of microloans by sectors of activity

The Agency's loans are distributed among several economic activities shown according to the following table:

Table 7:

Distribution of loans granted by sectors of activity until 31 March 2023

Sectors	Number of loans granted	Percentage (%)
Agriculture	123 715	13.52
Small Industry	361 171	39.47
Construction&Public Works	81 531	8.91
Services	180 997	19.78
Handicrafts	161 140	17.61
commerce	5 582	0.61
Fishing	915	0.10
Total	915 051	100

Source: National Agency for the Management of Microcredit, via the website: <https://www.angem.dz/ar/article/prets-octroyés/> Date accessed: 13/12/2023

Table 7 presents the distribution of loans granted by sectors of activity as of March 31, 2023, and shows that the small industry sector occupies the largest proportion of loans granted with 39.47%, which is a positive sign towards the promotion and development of small and medium industry in Algeria, which contributes to the diversification of the economy and job creation. While in the rest of the sectors, loans were granted at lower rates, with the services sector coming immediately followed by 19.78%, then the handicrafts sector with 17.61%, followed by the agriculture sector with 13.52%, which are vital sectors to enhance economic stability in the country. The rest of the sectors (construction and public works, trade, fisheries) are partially constituted of the economy, but constitute a small percentage of the loans granted compared to other key sectors.

5- Distribution of microloans by educational level

The distribution of microcredit by educational level is an important aspect that reveals the comprehensiveness of these financial services, and their orientation towards

various segments of society, which contributes to promoting economic development and achieving social balance.

Table 8:

Distribution of loans by educational level until 31 March 2023

Level of education	Number of loans granted	Percentage (%)
Subpar educated	139 362	15.23
primary	13 543	1.48
medium	135 153	14.77
secondary	447 983	50.05
academic	131 950	14.42
Total	37 060	4.05
	915 051	100

Source: National Agency for the Management of Microcredit, via the website:

<https://www.angem.dz/ar/article/prets-octroyés/> Date accessed: 15/12/2023

Table 8 deals with the distribution of loans granted by educational level until March 31, 2023, and shows that people with an average level of education constitute the largest percentage of loans granted at 50.05%, with a total of 447,983 loans. This shows that the agency cares about supporting and empowering individuals who have an average level of education and can have the ability to run their business successfully. They are followed by those with a secondary education level with 14.42%, whose support the Agency considers a key part of its strategy to promote economic development. Next come people with a primary level of 14.77%, while the university level makes up 4.05% of the loans granted. This can be attributed to the tendency of university-level individuals to open projects of a technical or scientific nature more than economic project.

17.Third Theme: The Contribution of Small Enterprises to Economic Development in Algeria through Some Economic Indicators

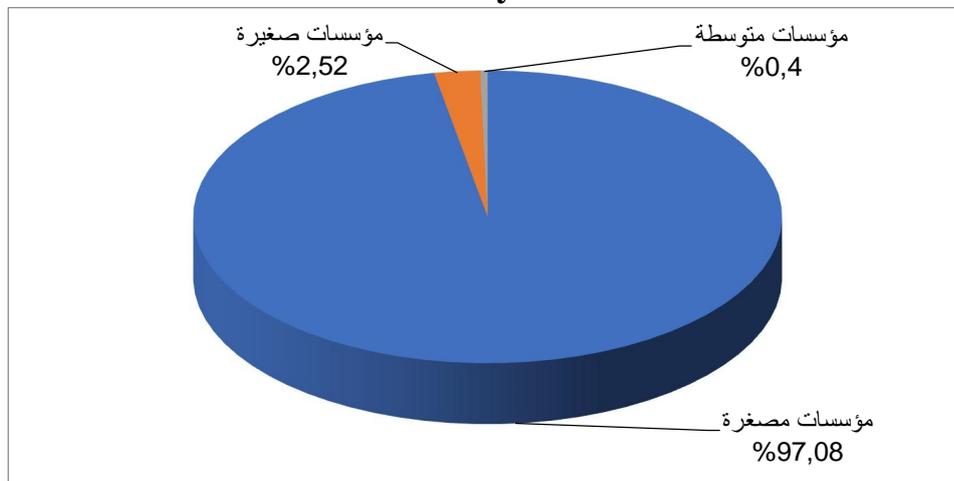
SMEs have become a vital part of Algeria's economic fabric, and an essential and strategic element in building a strong and diversified economy. It contributes significantly to promoting economic growth by contributing to raising value added and promoting exports outside the hydrocarbon sector, as well as contributing to local development and providing new job opportunities that reduce unemployment and poverty.

First: The status of the SME barn in Algeria on 31/12/2022

As of the end of 2020, Algeria counted nearly 1359803 small and medium-sized enterprises, the majority of which are small or very small (accommodating less than 10 workers), representing approximately 98.47% of the total enterprises, while small enterprises (employing between 10 and 49 workers) occupy 1.34% and medium enterprises (employing between 50 and 249 workers) 0.19%, respectively. This confirms that the fabric of small and medium-sized enterprises in Algeria is dominated by the category of micro-enterprises (TPE), as shown in the following figure:

Figure n° 1:

Distribution of institutions by size at the end of 2022



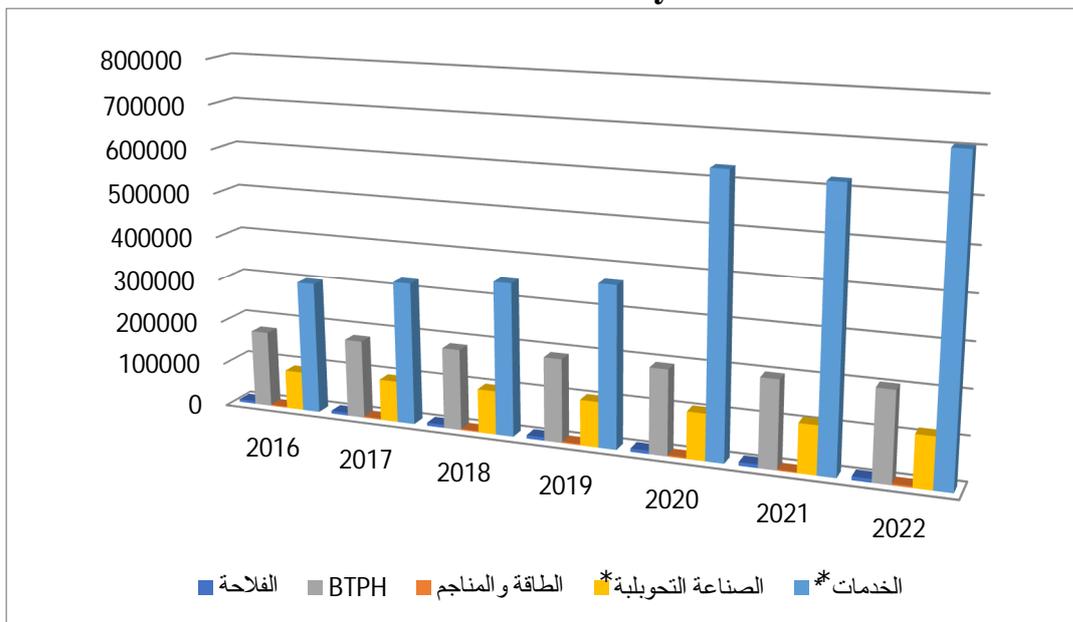
Source: Prepared by researchers based on:

Bulletin of Economic and Statistical Information, Ministry of Small and Medium Enterprises and Handicrafts, Directorate of Information and Statistical Systems for the year 2022, No 42, p 7.

These institutions are present in various economic fields, to varying degrees and unequally, as shown in the following figure:

Figure n° 2:

Development of Small and Medium Enterprises by Sectors of Economic Activity



Source: Prepared by researchers based on:

Economic and Statistical Information Bulletin, Ministry of Small and Medium Enterprises and Handicrafts, Directorate of Information and Statistical Systems for the years 2016, 2017, , 2022, Issues Nos. 30,32, 34, 36, , 42 respectively (Year-end bulletins 2016-2022).

Data from Figure 2 indicate a slight increase in the number of SMEs for the period (2016-2022) in all economic sectors. The analysis shows that the two manufacturing services sectors (BTPH) are among the leading sectors in the Algerian economy, with continuous growth in the number of these institutions. This growth is attributed to the role of both services and construction in promoting economic growth,

providing jobs and the infrastructure necessary for the country's development. In contrast, SMEs are poorly distributed in agriculture and industry, although they are strategic sectors that were highly relied upon to create wealth and jobs.

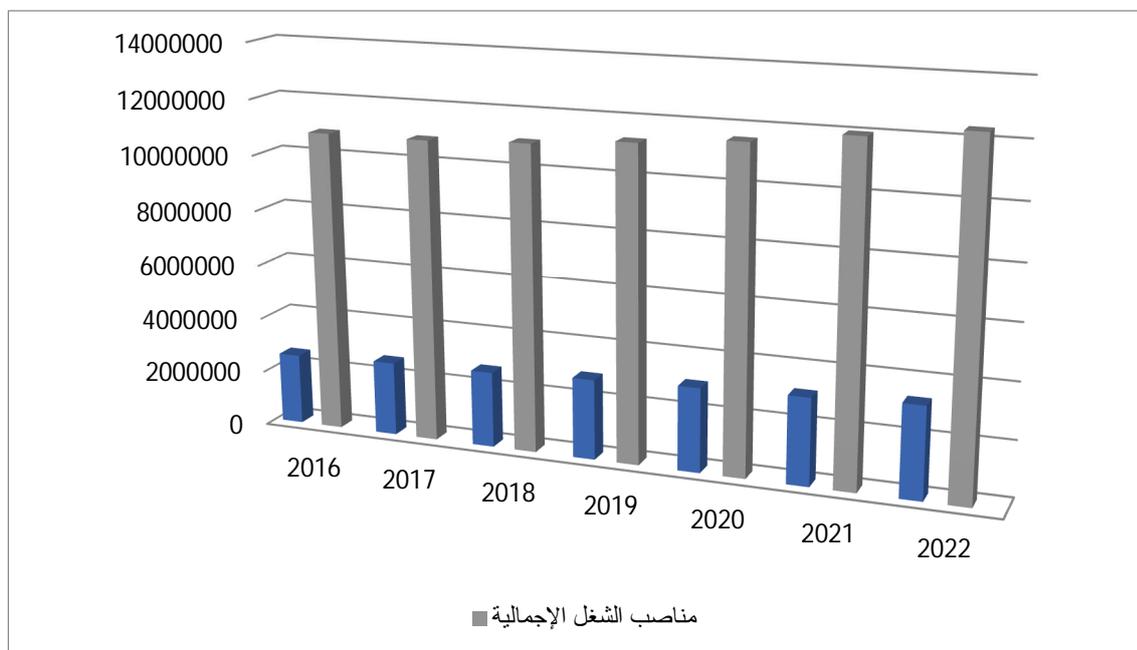
Second: Contribution of Small and Medium Enterprises in Employment

The small and medium enterprises sector in Algeria is one of the largest sectors that attract labor and contribute to job creation, as it is one of the most important economic sectors that create new jobs. In a short period of time in the Algerian economic arena, she has demonstrated her ability to contribute to job creation.

To determine the contribution of SMEs to employment, we use the following format:

Figure n° 3:

Contribution of SMEs to total employment during the period 2016-2022



Source: Prepared by the researcher based on:

Economic and Statistical Information Bulletin, Ministry of Small and Medium Enterprises and Handicrafts, Directorate of Information and Statistical Systems for the years 2016, 2017, , 2022, Issues Nos. 30,32, 34, 36, , 42 respectively (Year-end bulletins 2016-2022).

Data from Figure 3 show that the number of workers joining SMEs increased during the study period from 2016 to 2022, but the contribution of employment to total employment is still small and does not meet the required level, although this contribution to employment is not negligible in light of the current economic changes taking place in Algeria.

Third: Contribution of Small and Medium Enterprises to Value Added

To determine the extent to which small and medium enterprises by private and public sectors contribute to the achievement of added value in Algeria, we present the following table, which shows the evolution of value added according to its nature during the period (2016-2019) as follows:

Table 9:

Evolution of the contribution of SMEs by legal nature to value added 2016-2021

Sectors		Public Sector	Private Sector	Total
2016	Value	1414,65	8529,27	9943,92
	%	14,23	85,77	100
2017	Value	1291,14	8815,62	10106,76
	%	12,775	87,225	100
2018	Value	1362,21	9524,41	10886,62
	%	12,51	87,49	100
2019	Value	1449,22	10001,3	11450,6
	%	12,66	87,34	100
2020	Value	1299,91	9326,55	10626,46
	%	12,233	87,767	100
2021	Value	1426,61	10334,13	11760,74
	%	12.13	87,87	100

Source : Ministère de l'industrie, de la petite et moyenne Entreprise et de la Promotion de l'investissement, Bulletin d'information statistique de la PME, n° 42, Edition Avril 2023, p 35.

The general trend indicates a gradual increase in the overall contribution of Algerian SMEs to value added during the study period, with the exception of 2020 where we noticed a slight decrease compared to 2019 due to the health crisis caused by Covid-19, reflecting their growing and important role in supporting the economy and promoting economic growth. It also shows a greater contribution of private enterprises to added value than the public sector, over the years under study.

Third: Contribution of small and medium enterprises in the development of the trade balance

Small and medium enterprises are a vital engine for achieving trade balance and strengthening the national economy, as they contribute significantly to increasing the volume of exports versus imports, which is an indicator of the high ability of this sector to generate wealth, which contributes to enhancing the country's competitiveness in the global market, thus promoting economic growth and financial stability. Its contribution to Algeria was as follows:

Table 10:

Evolution of the trade balance in Algeria for the period (2021-2022)

Unit: Million USD

Statement	2021	2022	% Evolution
imports	37 683,17	40 173,59	6,61
exports	39 280,83	60 384,02	53,72
Trade Balance	1597,67	20 210,43	-

Source : Ministère de l'industrie, de la petite et moyenne Entreprise et de la Promotion de l'investissement, Bulletin d'information statistique de la PME, n° 42, Edition Avril 2023, p 37.

Through the table of evolution of the trade balance in Algeria for the period 2021-2022, the value of exports increased by 53.72%, rising from \$ 39.28083 million in 2021 to \$ 60,384.02 million in 2022. In contrast, the value of imports increased by 6.61% from \$37,683.17 million in 2021 to \$ 40,173.59 million in 2022. As a result of this development, the value of the trade balance increased significantly from \$1597.67

million in 2021 to \$20,210.43 million in 2022. This indicates a significant improvement in Algeria's trade balance during the specified period, which could reflect economic growth or an improvement in the country's competitiveness in international markets.

18. Conclusion

Our study on the contribution of the National Agency for the Management of Microcredit to the promotion of economic development in Algeria by stimulating the performance of small and medium-sized enterprises clearly shows that the Agency plays a prominent role in supporting this important sector and promoting its development. She also notes that the empowerment of SMEs in Algeria is a crucial step towards inclusive development, and therefore strengthening the Agency's role is vital to achieving the goals of economic growth, job creation and enhanced financial stability.

Results:

The study found the following results:

- The National Agency for the Management of Microcredit plays a prominent role in supporting small and medium-sized enterprises in Algeria.
- Empowering SMEs is key to the country's economic development.
- Despite the positive results achieved at the sector level, the study indicates the urgent need for SMEs in Algeria to provide more investment and available financing.

Recommendations:

In light of the findings, we recommend the following:

- Increase the provision of low-cost financing and loans to SMEs to enhance their growth and expand their business.

- Developing the economic infrastructure, simplifying administrative procedures and reducing bureaucracy, to facilitate the process of obtaining finance and support in order to facilitate the work of small and medium enterprises and make them more attractive for investment.

- The establishment of the National Agency for the Management of Microcredit for incentive programmes and the introduction of financial incentives to encourage more investments in the sector, expand the export of its products and strengthen its presence in international markets.

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- ⁶ Official Journal of the Republic of Algeria, Executive Decree N° 05-165 of 24 Rabi' al-Awwal 1426 AH corresponding to May 3, 2005 on the establishment, organization and functioning of the National Agency for the Development, Organization and Functioning of Small and Medium Enterprises, No 32, issued on May 4, 2005, p 28.

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- ⁷ Official Journal of the Algerian Republic, Executive Decree N° 05-165, op cit, p 28-29.
- ⁸ Official Journal of the Algerian Republic, Legislative Decree N° 94-11 of 15 Dhu al-Hijjah 1414 AH corresponding to May 26, 1994 AD, determining unemployment insurance for employees who lose their jobs involuntarily for economic reasons, No 34, issued on June 1, 1994, p 12.
- ⁹ Official Gazette of the Republic of Algeria, Executive Decree N° 02-337 of 6 Ramadan 1423 AH corresponding to 11 November 2002, establishing the Loan Fund for Small and Medium Enterprises and defining its Organic Law, N° 74, issued on 13 November 2002, p 14.
- ¹⁰ Official Journal of the Republic of Algeria, Presidential Decree N° 04-134 of 29 Safar 1425 AH corresponding to April 19, 2004, containing the Organic Law of the Small and Medium Enterprises Investment Loan Guarantee Fund, N° 27, issued on April 28, 2004, p 10.
- ¹¹ Presentation of the CGCI-PME Available at:
<http://cgci.dz/index.php/fr/cgci-menu/présentation-de-la-cgci>
- ¹² Official Journal of the Algerian Republic, article 04 of Executive Decree No 06-240, op cit, p 17.
- ¹³ Publications of the National Agency for the Management of Microcredit, available at:
<https://www.angem.dz/ar/article/contexte-de-creation/>
- ¹⁴ Article 5 of Executive Decree N° 04-14 of 22/01/2004 establishing the National Agency for the Management of Microcredit.
- ¹⁵ Publications of the National Agency for the Management of Microcredit are available on the website:
<http://www.angem.dz>
- ¹⁶ Publications of the National Agency for the Management of Microcredit are available on the website:
<http://www.angem.dz>
- ¹⁷ Executive Decree No. 04-15 of 22/01/2004 laying down the conditions and level of the microcredit subsidy.