

The Current and The Future Scenario of The Industrial Sector in Saida City: A Statistical Study

السيناريو الحالي والمستقبلي للقطاع الصناعي في مدينة سعيدة: دراسة إحصائية

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Abstract:

The aim of this paper is to study the impact of the contribution of both public and private sectors of the State and the private sector, as well as small and medium enterprises in the development of the industrial sector, especially the manufacturing industry in Saida city by conducting an analytical, statistical study from 2011-2018 for the number of public and private small and medium enterprises active in the industrial sector, The study concluded that there was a significant contribution to the private sector in the development of this vital sector, but despite the incentives provided by the local authorities, this sector did not rise to the required level due to the lack of funding, investment rule 49-51, and poor governance by local authorities.

Key words: Industrial sector, S.M.E, Industrial Zones, public sector, Private sector, Saida City

JEL classification codes : L520 ; L530 ; L7 ; E22.

ملخص:

تهدف هذه الورقة إلى دراسة أثر مساهمة كل من القطاع العام والخاص في تطوير القطاع الصناعي وخاصة الصناعة التحويلية على مستوى ولاية سعيدة، من خلال إجراء دراسة إحصائية تحليلية من 2011-2018 لعدد من المؤسسات الصغيرة والمتوسطة العامة والخاصة الناشطة في القطاع الصناعي، وكذا دور المناطق الصناعية في الرفع من وتيرة النمو الاقتصادي، والتخفيض من معدلات البطالة. خلصت الدراسة إلى وجود مساهمة كبيرة للقطاع الخاص في عملية تطوير هذا القطاع الحيوي، ولكن بالرغم من التحفيزات المقدمة من طرف السلطات المحلية إلا أن هذا القطاع لم يرقى إلى المستوى المطلوب حاليا بسبب نقص التمويل، قاعدة الاستثمار 49-51، وكذا سوء التسيير من طرف السلطات المحلية.

الكلمات المفتاحية: القطاع الصناعي، م.ص.م، المناطق الصناعية، القطاع العام الخاص، ولاية سعيدة.

تصنيفات JEL : L520، L530، L7، E22.

1. INTRODUCTION

Despite the marked improvement of economic performance indicators after 2001 in Algeria, its excessive dependence on oil put it in a difficult situation and faced significant economic challenges to support its economic growth. To be more precise, the growth rate of 3.9% in 2015 compared to 3.8% in 2014 clearly reveals the government's failure to diversify its economy away from the hydrocarbon sector. The share of GDP outside this sector was 5.5% in 2015 compared to 15% in neighboring countries. Another aspect of the weakness of the Algerian economy is the adoption of 60% of the oil tax in the provision of resources to the budget of the government. Therefore, the diversification process is necessary but more difficult to achieve it because of the oil crisis of 2014, the decline in foreign direct investment. Here, the government introduces its new policy through the Finance Act 2016, which aims to increase spending to promote investment with a budget of over 264 \$ a billion for 2015-2019, much of this amount is for the industrial sector, especially the manufacturing sector, which contributes only 4.3% in 2018.

Now we return to such an important point, we know that the development of the economy of any country started by diagnosing and analyzing its internal economic situation, it's mean at the city level, and here we choice Saida city because its contain so many enormous potentials in the fields of agriculture and industry, and in line with the new development plan for the industrial sector, the state has benefited from huge amounts of money and incentive policies such as the laws that encourage investment in this sector (law finance 2016), especially the manufacturing industry, in order to improve the current economic situation with more productive and developed situation in the near future through the industry sector, and the use of small and medium enterprises, and that what we will discover it in this paper with numbers on the facilities granted to investors in this vital sector, and considering that we are studying the reality of the industry sector in Saida city, The paper looks to answer the following question:

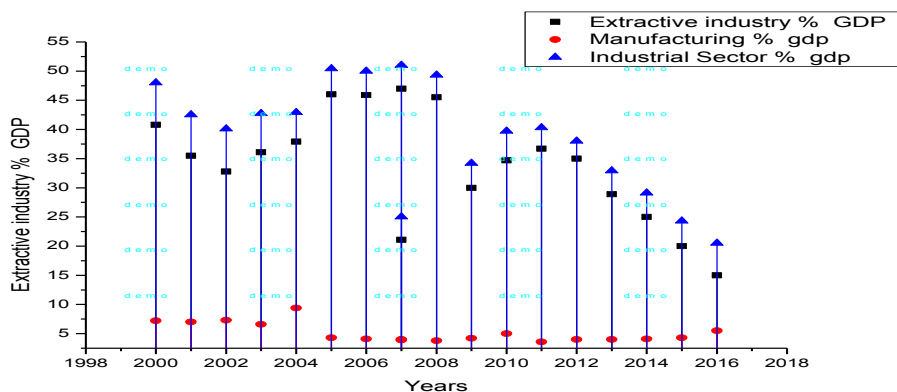
Has Algeria's economic policy, based on the expansion of public expenditure, succeeded in improving the performance of the industrial sector?

In our study, we relied on the statistics provided by the Directorate of Energy and Mines, as well as the Office of Investment Promotion and the Bureau for the Promotion of Small and Medium Enterprises from 2011-2018. The other part of the information was collected through interviews with the aforementioned heads of the offices and the workers of the directorate. To provide a complete image of the current situation of the industry sector in Saida city and the future prospects for this sector in the coming years.

2. Facts About the Industrial Sector in Algeria

The hydrocarbon sector's control of the Algerian economy significantly complicates the process of development outside the sector. The issue of economic diversification, which is becoming more and more important after the 2014 crisis, requires the elimination of this dependency and the move towards more efficient sectors. This is part of the new strategy of the Algerian industry, For industry. If we go back to the years of 70, we can see that the State has not hesitated to invest billions of dollars in heavy industries (steel, cement, iron) as a base for the production of light commodities without satisfactory results. This is due to poor management and the absence of an effective strategy to exploit the resources of this country efficiently, this is logical. Nothing will happen in reality because of the government in that period following a generous policy by squandering spending resulting from oil revenues in the period from 1970 to 1984, it before the oil crisis of 1986. In addition, the withdrawal from the Oil Stabilization Fund in 2014 exceeds 2132 billion dinars to finance the deficit Treasury after falling oil prices in 2014 to 33 US dollars, Algeria is forced to focus on other sectors more vital instead of concentration in the hydrocarbons sector, but so far, the figures show the inability of these industries to contribute effectively to achieve development, which is noted in fig.1.

Fig.1 Share of Industrial Sector, Extractive Industry, Manufacturing as % of GDP from 2000-2016



Source: Prepared by Researchers Based on The Annual Reports of The Arab Monetary Fund.

These figure led the government to settle some of the failing public institutions and to move towards privatizations in order to attract FDI, but so far these policies have not succeeded as they should be due and this is going back to the absence of an effective governance and the gaps in the terms of investment laws, especially the rule 49-51. To be realistic, In general, the investment climate doesn't help to increase capital flows to Algeria, in addition to the lack of production base due to the weak of production factors and poor management, in addition to the increase in the import bill. It is noted that the cost of production increased as a result of foreign importation. However, these products did not meet the quality standards and has limited its products only in the light industry more unlike foreign countries who produce both heavy and light industries, and given that the government has turned it's interested in recent years to the industrial sector we can see that the industrial production rates increased by more than 3.8% after private sector participation in the productive process.

One of the largest manufacturing segments in Algeria is construction materials, which accounted for 2.2% of total country GDP and 10.4% of industrial GDP in 2016, with value added of AD101.3bn (€840.2m), according to the National Statistics Office. In 2016 segment GDP grew by 6.2% in real terms – up from 5.1% the previous year – making it the

second-fastest-growing industrial segment, behind only wood, paper, and cork. Growth slowed in 2017, to 3.7% in the first quarter and 2.8% in the second. Activity is roughly equally split between public and private sector actors: AD46.8bn (€388.2m) of sector value added originated with private companies in 2016, versus AD54.5bn (€452.1m) for state firms. (Oxford Business Groupe 2017).

3. Industrial Zones in Algeria

Industrial zones (ZI) were developed to accommodate industrial investments which were essentially state. They defy the logic of decentralization or regionalization. At the end of the second four-year plan 73, ZI was built on an area of 15 000 hectares with no land use plan. Indeed, the first law on spatial planning was enacted in 1987. The latter was to meet the need to locate the investment at the national regional and local level. The majority of industrial areas was conducted between 1966 and 1977. An industrial zone was to be composed of at least five industrial units and provide at least 1,000 jobs in an area of 50-2000 hectares.

New industrial areas called "new generation areas" are being developed in addition to the renovation of old areas. These areas are now called "Integrated Industrial Development Zones" or ZIDI or clusters. They were proposed by the MPPI (Ministry of Participation and Promotion of Investment) in 2007 (MPPI 2007). They were designed to implement the new industrial strategy based itself on the poles of competitiveness and excellence located by the SNAT 2025 in Sidi Abdellah, Boughzoul Bouinan and for the first poles. Six clusters have been identified by the SNAT 2025 (SNAT 2008), namely:

- ✓ Sidi Abdellah (ICT) Bouinan (food biotechnology and sports medicine).
- ✓ Oran, Mostaganem and Sidi Bel Abbés- Tlemcen: organic chemistry, energy and space, technology and finally telecommunications.
- ✓ Constantine, Annaba, Skikda: Mechanical métallurgie- biotechnology and petrochemical.
- ✓ Setif, Bejaia, Bordj Bou Arreridj, M'sila: plastics, food biotechnology and Production.

- ✓ Medea, Boughezoul, Laghouat: renewable energy, biotechnology, environment, health, agriculture and food, pharmaceutical industry.
- ✓ Ouargla Hassi Messaoud, Ghardaia : Petrochemical, agricultural biotechnology saharienne-arid and water.

4. The Industrial Sector in Saida City: The Current Scenario

Saida is strategically located in the Upper Highlands region of the west of Algeria, making it a link between the Northwest and the South. The agricultural sector in Saida is witnessing a continuous development thanks to the abundance of vast areas suitable for agriculture, with a total of 300,000 hectares, abundant water and abundant investment in agricultural activities, especially grain and livestock.

Since 2000, 14,700 agricultural investors have been established to produce crops, vegetables and fruit trees on a total area of more than 200,000 hectares according to the Directorate of Agricultural Interests.

In the industrial sector, the state has many industrial units, the most important of which is the concrete cement factory, the cloth unit, the abrasive industry unit.

In addition to the economic projects in Saida, a contract was recently signed for the establishment of an Algerian-Japanese company called SPA Suzuki Algeria, a company based on the investment rule of 51/49% for the completion of this project, knowing that the Algerian company Tahkout Manufacturing Company (TMC) is owned by the private sector and is the local partner of the Japanese in the completion of this project.

The program's eligibility of land applications for investment purposes returns to CALPIREF (Assistance Committee at the Location and the Promotion of Investments and the Property Regulation) at the wilaya. Monitoring the implementation of the investments is provided by ANIREF and CALPIREF. (Belkacem and Herizi 2015, P4).

The establishment of industrial zones at the state level where there are two industrial zones (Saida and Ain Al-Hajar), which is active about 66 public and private institutions, and 178 institutions outside the industrial zone. Two industrial zones were established in this state to establish investment projects in various fields:

- The first is Ain El Sultan, where investment projects related to food are included.
- The second area in Sidi Ahmed is considered one of the largest industrial zones currently being constructed. Large projects such as heavy industries will be established.

4.1 Industrial establishments located in Saida

- **SHYMECA Entreprise (ENAD):**

A public enterprise located in Industrial Zone 1, with a capital of 257,440,000 DA and an area of 42079 square meters, specializing in the production and marketing of maintenance materials and the conversion of raw materials into automotive maintenance products.

In 2006, the institution stopped working after it faced financial difficulties. Then it received funding from the State with a loan of 5 billion centimes. This shows the State's intention to support such institutions in order to develop the industrial sector. The Foundation has a production capacity of over 40 tons per day.

Note: The organization has obtained ISO 9001 certification in July 2007.

- **ABRAS Entreprise:**

Is a public corporation established in 1982, this enterprise producing glass and abrasives materials, it's located in the first industrial zone, with a capital of 174,500,000 DA, and a production capacity of 1230 tons annually, employs about 100 workers.

- **Forsan Mills Company:**

Is a public enterprise whose social capital is valued at 425 million dinars. It was founded on 01/08/1998 in Saida. It aims to convert raw material (Wheat and barley) into consumer products consisting of flour. The product is distributed and marketed at a district level consisting of 3 states and 8 distribution centers in the three states, employs about 86 workers.

- **GIBLAIT Entreprise:**

A public commercial and industrial enterprise entered the production field on 13 - 2 - 1988 with a production capacity of 40.000 liters of milk and 1000 liters of milk Raib. The unit produces approximately 140.000 liters per day and employing about 86 workers. In the future, the company

is preparing for the cheese production project, but this project is hindered by some administrative obstacles, although that all the production facilities and resources are available.

- **SCIS Company for Ciment:**

Is a public company established in 1974 and started production in 1979 in Saida. The company produces cement of type F / Mm2KGCPJ 42.5 and lime, with an estimated capital of 1.050.000.000 DA is a branch of FILIALE and ERCO, it has two areas of exploitation:

- **The area of lime:** estimated reserves of 140 million tons and the annual needs of this material are about 521.700 tons.

- **The mud area:** estimated reserves of 20 million tons and the annual needs of this material are about 173.900 tons.

- **ADE Saida for water:**

It's a big private company to produce mineral water in Saida, The company will soon start producing international beverages, including juices and soft drinks, as part of a joint venture agreement with Japan's Santuri, the world's third-largest producer of soft drinks, The project will allow the creation of 400 new jobs for young people in various disciplines including management, manufacturing and distribution, employing 350 workers, currently with one million bottles of mineral water per day.

To make any investment project in this wilaya the Function of the Sub-committee have to follow up and evaluate the completion of investment projects (**CALPIREF**) in this way:

- ✓ Study of investment project files.
- ✓ Follow up, and evaluation of the completion of investment projects.
- ✓ To take all necessary measures in coordination with the concerned departments in order to issue any administrative license required for investors.

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Table 1. The Status of Economic Projects in Saida City from 2015-2018

Sector	Activity	Number of Files	The amount of investment (1000 da)	The space required (he)	Number of workers
	Leather and its derivatives	4	673 327.00	13.50	211
	Recyclable	3	378 152.85	3.50	87
	Industry	51	23 086 456.16	94.52	4389
	Food Industry	61	2316 224 165.66	69.95	2281
	Electricity	11	1 035 563.13	3.91	281
Industrial	Industrial Chemistry	4	1 224 842.00	1.50	122
	Textile and clothing	7	569 173.95	4.27	303
	Mechanics and cars	2	39 366.00	0.20	24
	Wood and furniture industry	2	356 756.30	1.30	100
	Pharmaceuticals	2	155 419.98	1.37	63
	Advanced technology	2	246 936.80	1.40	55
Total 1		149	43 999 159.81	195.42	7916
	Commerce	16	3 614 479.47	75.62	4374
Services	Configuration, query and education	2	149 611.97	0.25	45
	Health	5	533 020.43	2.41	226
	Services	52	8 441 092.49	97.55	1494
	Building Materials	22	12 819 032.60	90.31	2147
Total 2		97	25 557 236.95	266.13	8286
	Tourism	14	5 575 889.22	85.03	496
Tourism	Hotels	13	3 859 197. 63	19.26	812

	Entertainment	6	2 476 386.67	23.87	421
Total 3		33	11 911 473.52	128.17	1729
Total 1+2+3		279	81 467 870.28	589.72	17931

Source: Directorate of Industry and Mines of Saida, Investment Promotion and Industrial Development Authority.

Table 1. shows the number of files deposited on the Directorate of Industry and Mines in Saida City according to the new formula that was established after the new Finance Law 2015, which provided for increased interest in the industrial sector and encourages industries outside the hydrocarbons sector for achieving local development in this city.

The figures show that the largest share of deposited files was in the industrial sector with 149 files valued at 43.999.159,81 DA, 51 and 61 of 149 deposited files was for the industry and food industry, respectively, 97 files in the service sector and 6 files for tourism.

Table 2. Franchise Decisions Completed from 2015-2018

Sector	Activity	Number of Files	The amount of investment (1000 da)	The space required (he)	Number of workers
	Leather and its derivatives	4	673 327.00	1.50	211
	Recyclable	3	378 152.85	0.90	87
	Industry	40	16 769 183.95	49.78	3311
	Food Industry	54	13 614 172.62	33.05	1921
	Electricity	11	1 035 563.13	2.66	281
Industrial	Industrial Chemistry	3	1 028 407.00	0.50	92
	Textile and clothing	5	413 873.95	1.32	168
	Mechanics and cars	1	19 683.00	/	14
	Wood and furniture industry	2	365 756.30	0.59	100
	Pharmaceuticals	2	155 419.98	1.02	63

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	Advanced technology	2	246 936.80	1.06	55
Total 1		127	34 700 476.58	92.38	6303
	Commerce	3	2 344 935.00	10.57	2590
Services	Configuration, query and education	1	/	/	/
	Health	4	528 784.91	2.34	222
	Services	36	4 434 886.66	28.01	878
	Building Materials	18	11 999 348.60	35.95	2005
Total 2		62	19 307 955.17	76.88	5695
	Tourism	3	4 104 383.96	50.93	110
Tourism	Hotels	6	1 288 039.17	6.65	354
	Entertainment	1	1 5000 000.00	15.03	260
Total 3		10	6 892 423.14	72.62	724
Total 1+2+3		168	60 900 854.89	241.88	12 722

Source: Directorate of Industry and Mines of Saida, Investment Promotion and Industrial Development Authority.

199 files were accepted out of 279 files deposited, 127 was for industrial, 40 files for the industry sector and 54 files for the food industry sector with a total value of 34.700.476.58 DA, 62 files for services and 10 files for the tourism sector.

What can be seen from these figures is that the local authorities give greater attention to the industrial sector, especially the manufacturing industry, and the fact that the state has become more open to industries based on advanced technology, the petrochemical industry as well as the clothes manufacture.

As for the decisions of the concession which is intended a contract under which the state grants a natural person of Algerian nationality, who is at the core of the text "the concessionaire investor", the right to exploit the agricultural land belonging to the private property of the state and the related surface properties, based on a book of conditions to be determined by the organization for a maximum of forty years Renewable for an annual

royalty payment. (National Bureau of Agricultural Land). A total of 83 concession contracts with a value of 69,482,383 have been delivered in the old version CALPIREF and the new LFC format and 231 files of the completed Franchise Decisions with a total value of 51.146.669.3 DA.

Table 3. Projects in The Works Phase from 2011 to 2018

Sector	Activity	Number of Files	The amount of investment (1000 da)	The space required (he)	Number of workers
Industry	Building materials	1	30 771.00	0.15	25
	Industry	12	1 100 000.00	8.25	400
	Food Industry	9	370 000.00	3.43	54
Total 1		22	1 500 771.00	11.68	454
Services	Public works	1	90 900.31	0.80	17
	Commerce	3	235 606.55	4.11	90
	Tourism	4	645 467.85	2.81	121
	Services	7	66 861.00	3.10	20
Total 2		15	393 367.86	10.82	20
Total 1+2		37	1 894 138.86	22.50	474

Source: Directorate of Industry and Mines of Saida, Investment Promotion and Industrial Development Authority.

155 decisions contracts for the industry and food industry, while the projects that are in the stage of completion estimated at 37 projects in the new and old version (CALPIREF and LFC). The industry alone employs more than 1225 workers and thus helps to reduce unemployment rates. They have seven projects existing already with an amount of 544.684.19 DA.

4.2 The industrial zones in Saida City:

First, we should identify the definition of the industrial zones which means a specific area (tract of land) that is separated from urban and densely populated areas and zoned specifically for the location of industrial facilities. Industrial estates must support proper infrastructure such as roads,

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power, water supply, and other utility services to all facilities located within the well-defined parameters of the estate (World Bank Groupe p2).

Table 4. Industrial Property Granted by The Directorate of Energy and Industry Until 23.12.2018

Industrial Zones	Date Created	Number of Pieces	Area (Hectare)	Number of Pieces Awarded	Area (He)	Number of pieces Remaining	Area (He)
Industrial Zone of Sidi-Ahmed	06 July 2011	144	100	70	28.25	74	33.72
Industrial Zones of Saida	01 Mars 1972	43	83.52	43	72.22	00	00
Industria Zones of Ain-hdjar	28 Augt 1975	186	103.44	185	71.66	01	00.58
Total	03	373	286.96	298	172.13	75	34.30
Activity Zone of Ain-Elsultan	22 November 2017	117	45.16	35	27.19	82	00.49
Activity Zone of Youb	20 April 2014	35	10.06	27	6.59	08	00.49
Activity Zone of Ain-Elhdjar	05 November 2018	117	11.43	00	00	117	11.43
Total	03	269	66.65	62	33.78	207	22.42

Source: Directorate of Industry and Mines of Saida, Investment Promotion and Industrial Development Authority.

The table shows the industrial zones located in Saida wilaya which is 3 zones, the first one in saida zone it was created in 1972 with an area of 83.52 hectares. The second in Sidi Ahmed which is the latest industrial zone in saida It was established in 2011, It is noticeable from the table that this area is not fully exploited due to the lack of investment, especially foreign direct investment. when we contacted the interests of the Directorate of Energy and Mines and the Office of Investment Promotion

we have learned that there are several files deposited with the Directorate by local investors and therefore this region will know a great development in the coming years.

In addition, there are three areas for all modern construction activities. The most recent of which was the Ain Al-Hajar area in November 2018 with an area of 11.43 ha, so it is evident from the table that the area has not yet been exploited, unlike the 10.06-hectare area of Yub.

The third area is Ain Al-Sultan, and it's will be famous for producing food industry. A total area of 27.19 hectares has been distributed to investors as concession contracts out of 45.16 hectares.

Table 5. Number of Companies by The Region Until 2018

Activity Area	Industrial Zone- Saida		Industrial Zone- Ain-Elhdjar		Out of the Industrial Zone		Total	
	Pri	Pub	Pri	Pub	Pri	Pub	Pri	Pub
S A I D A	23	13	/	/	98	4	120	17
AIN EL HADJAR	/	/	29	1	10	3	39	4
MOULAY LARBI	/	/	/	/	1	/	1	/
SIDI AHMED	/	/	/	/	4	1	4	1
SIDI BOUBKER	/	/	/	/	6	/	6	/
SIDI AMAR	/	/	/	/	4	2	4	2
OULED KHALED	/	/	/	/	18	4	18	4
HOUNET	/	/	/	/	/	/	/	/
EL HASSASNA	/	/	/	/	5	1	5	1
MAAMORA	/	/	/	/	1	/	1	/
AIN SKHOUNA	/	/			3	/	3	/
OULED BRAHIM	/				7	/	7	/
TIRCINE	/	/	/	/	/	/	/	/
AIN SOLTANE	/	/	/	/	/	1	/	1
Total	23	13	29	1	163	16	245	
	36		30		179			
	245							

Source: Office of Promotion of Small and Medium Enterprises, Directorate of Trade and Mines.

It can be noted that the number of establishments outside the industrial zones (179 establishments) is much higher than the number of establishments within the industrial zones (66 institutions). This is due to the neglect of the local authorities of these areas and their great role in developing the industrial sector and achieving local development in case of

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pay attention to it more. Another positive point is the contribution of the private sector to the promotion of these areas in particular and the sector in general.

- The Role of Small, Medium and Big Enterprises in the Process of Developing the Industrial Sector in Saida Wilaya (SME):

It's sufficient the swiftest attempt to study SMEs to understand that there is no specific definition of them that may be taken as a reference by all economies, statistical agencies or researchers of economy. (Gentrit and Justina 2015, p18) in Algeria, a small and medium-sized enterprise, whatever its legal nature, is defined as a company producing goods or services, employs between 10 and 250 workers, with a total annual turnover of 500 million dinars.

Table 6. Number of Companies by Business Sector and Business Type

	I.Z. S				I.D. E				O.I. Z				Σ			
	VS E	SE	M E	L E	VS E	SE	M E	L E	VS E	SE	M E	L E	VS E	S E	M E	L E
Agriculture and fishing	/	/	/	/	/	/	1	/	/	4	/	/	/	4	1	/
Water and energy	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/
Hydrocarbons	/	/	/	1	/	/	/	/	/	1	/	/	/	1	/	1
Oil services and works	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/
Mines and quarrymen	/	/	/	/	/	/	/	/	5	17	/	/	5	17	/	/
ISMME	2	/	1	/	/	/	/	/	/	/	/	/	/	/	/	/
Construction materials	1	2	2	/	/	10	/	/	3	/	3	1	15	/	5	1
Construction and public works	/	1	/	/	5	2	4	/	1	96	7	2	7	100	13	2
Plastic chemistry	/	1	4	1	/	/	/	/	1	/	/	1	1	1	/	/
Food industry	1	/	/	/	3	/	1	/	1	3	2	/	4	4	7	1
Textile industry	/	/	/	/	/	/	/	/	/	/	1	/	1	/	1	/
Cooking industry	1	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/
Wood and paper industry	/	/	1	/	/	/	/	/	/	1	1	/	1	1	1	/
Various industry	/	/	/	/	/	/	/	/	/	/	/	/	/	/	1	/
Transport and	1	/	1	/	1	/	/	/	/	4	/	/	2	4	1	/

communicat ion																
Trade	5	1	1	/	2	/	/	/	/	6	1	/	7	7	2	/
Hotels and restaurants	/	/	/	/	/	/	/	/	4	2	/	/	4	2	/	/
Service provided to businesses	2	/	/	/	/	/	/	/	/	3	/	/	2	3	/	/
Service provided to households	4	/	/	/	/	/	/	/	3	2	1	/	7	2	1	/
Community Service	/	1	1	/	/	/	/	/	1	1	1	/	1	2	2	/
Total Total Total general	17	6	11	2	21	2	7	0	19	140	7	3	57	148	35	5
	36				30				179				245			
	245															

Source: Office of Promotion of Small and Medium Enterprises, Directorate of Trade and Mines.

I.Z.S : Industrial Zone Saida. **I.ZA :** Industrial Zone Ain El-Hdjar. **O.I.Z :** Out Industrial Zone.

VSE : Very Small entreprise. **SE :** Small entreprise. **ME :** Medium entreprise. **LE :** Large entreprise.

The interests of the Directorate of Energy and Mines are to rehabilitate small and medium enterprises in coordination with the regional agency for the rehabilitation of small and medium enterprises, in addition to contributing and supporting institutions through coordination with the loan guarantee fund for small and medium enterprises. also, the local authorities aim to activate the role of the private sector in the local economy and enhance the efforts of the public and private sectors in order to encourage investment in the industrial sector in order to achieve the local development of the state. The contribution of small and medium enterprises is very important in this sector as these institutions are considered as a locomotive for growth, where we are according to 245 institutions in this city.

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Table 7. Number of Employees by Sector and Activity Branch

	I.Z.S		I.Z.E		H.Z		Total	
	Private	Public	Private	Public	Private	Public	Private	Public
Agriculture and fishing	/	/	/	54	16	110	16	164
Hydrocarbons	/	554	/	/	4	/	4	554
Mines and quarrymen	/	/	/	/	337	/	337	/
ISMME	/	/	/	/	/	/	/	/
Construction materials	2	58	41	/	472	260	515	318
Construction and public works	197	/	435	/	3037	/	3698	/
Plastic chemistry	/	35	/	/	3	/	3	35
Food industry	244	668	67	/	152	91	463	759
Textile industry	/	/	/	/	/	139	/	139
Wood and paper industry	2	/	/	/	12	82	14	82
Various industry	/	87	/	/	/	/	/	87
Transport and communication	1	112	2	/	52	/	55	112
Trade	13	224	2	/	42	110	57	334
Hotels and restaurants	/	/	/	/	67	/	67	/
Service provided to businesses	4	/	/	/	21	54	25	54
Service provided to households	19	/	/	/	47	60	66	60
Community Service	/	231	/	/	15	68	15	299
	482	1969	547	54	4277	974	5306	2997
Total	2451		601		5251		8303	
General Total	8303							

Source: Office of Promotion of Small and Medium Enterprises, Directorate of Trade and Mines.

We can see from table 7. the contribution of the industrial zones in Saida and Ain El-Hagar to the provision of 3052 jobs and 5251 jobs outside

the industrial zones, in addition to the large participation of the private sector in this vital sector, through small and medium enterprises.

5. Conclusion

The last point that we will conclude with it our study is that the industrial sector is of great importance in the economy of any country in general, As for the development of the industrial sector in Saida city, we can adopt it as a continuous process in which the efforts of several parties are intensifying, including the public and private sectors as well as small and medium enterprises, to establish the industrial zones for their major role in achieving local development, especially the manufacturing industry, and through our analysis to the data which we get it by the Directorate of Energy and Mines, we concluded the following points:

- A significant contribution to the private sector in the development of the industrial sector.
- After the Finance Act of 2015 and 2016, we witnessed an increase in the rate of domestic investment in the industrial sector.
- developed new industrial zones to become four industrial zones: Saida, Ain Al-Sultan, Ain Al-hdjar, Sidi Ahmed.
- The high contribution of the manufacturing industry in the economy, (299 files in various industries outside the hydrocarbons sector).
- Providing facilities and incentives by granting lands to investors to set up industrial projects (concession contracts).
- Decreasing of the unemployment rates after creating 8,303 jobs in the industrial sector.
- Increasing in the contribution of SMEs in the process of the industrial sector development.

However, despite these efforts, the industrial sector has not reached the required level. Therefore, the obstacles experienced by this sector in Saida can be summed up according to the statistics we have obtained, and through some of the questions that we have asked about local investors in the following points:

- Difficulty in obtaining an industrial license for some industries, such as electronics, petrochemical industry, advanced technology.
- The Mismanagement of some public administrations.

- The laws, notably the 51-49 investment rule which has become a barrier for many foreign investors to invest in this city.
- The difficulty of getting loans from commercial banks.
- The need to upgrade the industrial areas because they currently need new equipment and we should not forget the problem of funding.
- High taxes and fees for some sectors.
- The difficulty of establishing a partnership between the foreign investor and the local and this is due to the investment laws and this in terms of (investment rule 49-51), which explains the occupation of Algeria ranked 142 in terms of the ease of starting a business, and ranked 175 on the ease of getting credit by commercial banks.(World Bank Groupe Report 2017, p20,P57).
- Lack of financial support for small and medium enterprises in the industrial sector.

The above scenario reflects the current scenario of the industrial sector in this city , but the future scenario shows that there are positive indicators for the development of this sector, after our conversation with the director of Energy and Mines, who told us that the number of industrial projects is increasing continuously, after receiving a large number of files by local investors to set up industrial projects with the participation of the public and private sectors and the SMEs.

This paper, which examined the impact of the contribution of the public sector, the private sector and small and medium enterprises in the development of the industrial sector in Saida city through spending, gave us a clear vision of the reality of this sector and how it will look during the next few years. Therefore, the most important recommendations we have included in this the paper are based on the need to encourage this sector and not focus on the petroleum sector by applying the following recommendations:

- Developing and activating the manufacturing sector.
- Encouraging investment in the petrochemical sector, pharmacy, food industry, automotive industry.
- Establishing venture capital companies.

- Encourage the role of small and medium enterprises in achieving local development.
- Development of the banking sector (banks).
- Relying on the vertical and horizontal industry, is sectoral spread in the industry by introducing new products to the market.
- Relying on the idea of industrial clusters for the development of the industrial sector.
- Establish advanced and harmonious industrial zones among them.
- More creativity and innovation.
- Increase the efficiency of human resources.
- Tax Administration Modernization.

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