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Review of government data highlights the economic contribution and growth opportunities of the food industry in Alegria

مراجعة للبيانات الحكومية تبرز المساهمة الاقتصادية وفرص نموالصناعة الغذائية في الجزائر

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ملخص :

يعد فرع الصناعات الغذائية من اهم فروع الانتاج الصناعي في الجزائر، حيث يحتل المرتبة الثانية بعد المحروقات، كما يعتبر وسيلة مهمة لبعث القطاع الصناعي ودفع عجلة النمو الاقتصادي.تهدف هذهالدراسة الى تسليط الضوء على امكانات الصناعة الغذائية في الجزائر في المساهمة في تطوير الاقتصاد ومناقشة أهم العوامل التي تجعل منه قطاعا صالحا لقيادة الاقتصاد نحو النموالمستدام، وتوثق الدراسة تطور الصناعة الغذائية ومساهمتها في الاقتصاد من خلال اربع مؤشرات هي الناتج المحلي الاجمالي والقيمة المضافة والعمالة والتجارة الخارجية، وتناقش ايضا سبل ترقية هذا القطاع واهم الإجراءات التي يجب اتخاذها لتخفيف التحديات التي تواجهه.

الكلمات المفتاحية: الصناعة الغذائية، القطاع الصناعي، الامن الغذائي، الجزائر.

Abstract :

The food industries branch is one of the most important branches of industrial production in Algeria, It ranks second after hydrocarbons and considered as an importantway of resuscitating the industrial sector and stimulating economic growth.

The paper explores the potential of algeria's food industry in contributing to the development of the economy. A number of factors are discussed which make it a viable sector to lead the economy towards sustainable growth. The paper documents the evolution of the food industry, in addition to its contribution to the economythrough four indicators: gross domestic product, value added, employment and foreign trade. The mostimportant procedures to promote this sector and mitigatethe challenges that facing it, is also discussed.

Keywords : Food industry, Industrial sector, Food security, Algeria.

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INTRODUCTION:

The food industries are considered one of the largest industries dominating the industrial sector outside of hydrocarbons in Algeria, contributing more than50% of the industrial GDP (Latrach, 2015, p. 195)and about 45- 50% of the industrial value added, and also provides more than 230000 jobs (Talba Sabrina, Bolodan Nadjah, 2019, p. 485) that represent about 40% of the labour force in the industrial sector (Latrach, 2015, p. 195), working in about30590enterprises in 2018 (mdipi, 2019, p. 33).

After the country’s independence in 1962, The food industries were not a big priority, nor within the development programs for the government, by following up the position of this branch in the developmental economic policies that Algeria adopted after independence within the development plans that focused on establishing a heavy industrial base instead of the light one, you find that the share of the food industries did not exceed 5% of the total allocations for public investments for the period between 1967 and 1973.With the state becoming increasingly aware of the importance of this branch, its share gradually increased from 13% during the period 1974-1979, to 15% in 1984, reflecting the level of attention that the food industries received from the state at that time,especially the widespread consumption materials such as milk, grains, oil and sugar, which remained under the control of the state by monopolizing the import process that was aimed at providing the nutritional needs of the population on the one hand, and replacing imports with finished local products on the other hand.

The post-2000 period witnessed many recovery programs in which the food industries had a significant share, such as agricultural production, where more than 8 billion dinars were allocated to support the food industries and improve the productivity of the agricultural sector and the enterprise of storage and refrigeration units. However, the public institutions that were active in this branch did not succeed and did not achieve the expected increase in the value added, it decreased from 76.8 billion dinars in 1998 to 61,004 billion dinars in 2002.This stage was characterized by the beginning of the implementation of the rehabilitation program in 2002, which faced the difficulty of keeping pace with the situation of the new economy.

Actually, The state gave great priority to food industries, but it still faced greater challenges in its agricultural commodity inputs in particular, which made the government obligated to develop a supplementary program to support growth for the period 2004-2009, which included the following programs: Protect and develop the plant and animal production sectorthrough the reclamation of agricultural lands and the planting of fruit trees and palm trees in the south focusing on the development of the irrigation process.In addition, the same applies to the development of animal production, where several projects were established to work on genetic improvement and health protection of animals and to provide support to young producers to establish animal husbandry projects and the production of milk, meat and eggs.

Currently, the food industry in Algeria is not well advanced, there is a relatively low degree of value addition to food commodities, and there are few linkages with marketing and financial services, partly due to the small firm sizes and under-developed processes which lead to many of these firms operating below capacity using inefficient technologies. An implication of the limited scale of production of food firms in the country is that they are faced with greater bureaucratic, legal and administrative challenges, compared to larger firms.

The remainder of this paper is structured as follows: Section 2 discusses the potential of the food industry in Algeria. The section discusses the main branches of the food industries .It also provides some information on the evolution of SME active in the food industries sector and the huge agricultural potential that Algeria has. Section 3 focuses on the contribution of the food industries sector to the indicators of economic development. The section sheds more light on the performance of food industry in the algerian economy through four indicators : gross domestic product, value added, foreign trade and employment .Section 4 discusses the constraints that this sub-sector faces within the country. Section 5 concludes.

2. The potential of the food industry in Algeria

The structure of the food industry sector in Algeria after the second half of the 90s in framework of the opening of the Algerian economy and the transition to a market economy was characterized by the emergence and spread of a dynamic fabric of small and medium enterprises in the private sector in many fields and branches,such as animal production, plant production, maritime fishing production, in addition to activities related to the conversion of plant and animal materials (milk and its derivatives, sweets and biscuits, filtering and refining oils, sugar, mineral water and beverages...) as well as interfering in the field of food conservation services, Such as packaging and packing of goods.

Generally, these industries were concentrated in the major cities with large consumption rates (Algiers, Setif, Constantine, Chlef, Oran, Boumerdes, Tipaza, Blida, Bejaia, Tizi Ouzou) (Zarkin Aboud, Fawzi Abdel-Razzaq, 2014, p. 155). The food industry branch includes several divisions, their percentage of contribution to the performance of the sector vary according to the nutritional pattern development of Algerian society (Buhidil, 2016-2017, p. 231). Table 1 showsthe main branches of the food industries in Algeria :

Table1. Food Industry Branches in Algeria

Division	Activities
Meat industry	Poultry meat production meat products Manufacturing
Fish industry	various types of fresh and frozen fish, and canned fish
Fruit & Vegetable Processing industry	Preparing vegetable and fruit juices, converting canned vegetables except for tomatoes, canned tomatoes, canned fruits
Bakery, Pasta and Biscuit Industry	confectionery, pasta and biscuits
Fats and Oils Industry	the manufacture of other oils, the manufacture of various types of butter and margarine, ghee.
Milk industry	manufacture of dairy products, ice cream
Grainprocessing industry, starch and fodder mills	other activities for grains, manufacture of starch products, manufacturing food and feed for animals
Other food industries	sugar industry, chocolate and candy industry, tea and coffee industry, spices and seasoning industry
Beverage industry	refreshing beverage industry, mineral water industry
Concentrated beverage industry	alcoholic beverage industries

Source :(Haji Asma, Bouaziz Nasser, 2017, p. 102)

The number of small and medium enterprises active in the food industries sector, especially those of the private sector, has witnessed a remarkable development in their number for the period 2010-2018, as shown in the following table:

Table 2. The ratio of the number of food industry enterprises to the number of manufacturing enterprises(2010-2018)

Years	2010	2011	2012	2013	2014	2015	2016	2017	2018
FoodIndustry' s Number	18394	19172	20198	21624	23075	24746	26635	28616	30590
Manufacturing Industry	61228	63890	67517	73037	78108	83701	89597	94930	99865
Percentage	30,04	30	29.91	29.60	29.54	29.56	24.72	30.14	30.36
Food industry growth rate	-	4.22	5.35	7.06	6,71	7.24	7.63	7.43	6.89

Source : Prepared by the researchers based on : (Mdipi, 2010 to 2019)

The statistics show the continuous development of the number of small and medium enterprises active in the food industries in Algeria during the period 2010-2018, their number moved from 18394enterprises in 2010 to 30590enterprises in 2018, therefore the number of SME established during this period amounted to 12196 enterprises,with an estimated growth rate of 66.30% .

Food industries depend in their entire inputs on agricultural production, which occupies an important place in increasing industrial food production through its inputs to food processing. Therefore, Algeria have great and huge potential in this scope like: raw materials, multiple agricultural climatic environments, use low quantities of chemicals, a large market (domestic and neighboring foreign markets: the Mediterranean, African and Arab countries); the possibility of providing products and supplying the market throughout the year, even out seasons, large assortment of materials, and good quality, even biological products (Andi, 2017).

3. The contribution of the food industries sector to the indicators of economic development

The food industries sector is a vital sector that plays an important role in the development of the national economy, and this role is highlighted through its effects on various indicators of economic and social development (GDP, value added, foreign trade, employment rate ...), which can be illustrated by the following points :

3.1. The contribution of the food industries to the GDP:

The gross domestic product is an economic indicator that measures the wealth achieved by a country within a year. It represents the total of what is produced in an economy by goods and services intended for final use during a certain period of time, usually one year, using the economic resources of a country or a region (Dudin, 2014, p. 183). Gross domestic production is among the indicators that depend on it to know the importance and contribution of a sector or branch in developing the national economy. The following table shows the evolution of the contribution of the food industries sector to the GDP for the period between 2008-2018

Table 3. Evolution of the contribution of the food industries sector to GDP for the period (2007–2017) in billions of Algerian Dinars

Years		2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Gross output of Food Industry	Publc sector	107.8	112.5	118.9	143. 1	150.0	160.1	175.7	189.7	198.0	208.5	220.7
	Privte sec	499.5	574.2	627.4	680.9	749.3	826.9	889.5	968.7	1063.9	1131.0	1196.8

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	Totat	607.4	686.7	746.4	824.1	899.3	987.1	1065.3	1158.4	1262.0	1339.6	1417.5
Total GDP		12836	12043	13846	15979	17095	18424	19410	19398	20448	21943	24355
The ratio of FI to the total GDP %		4.73%	5.7%	5.39%	5.15%	5.26%	5.35%	5.56%	5.97%	6.17%	6.08%	5.82%

Source: Prepared by the researchers based on :
(NSO, 2000 - 2014, pp. 10-17)(NSO, 2015 - 2018, pp. 3-7)

Statistics in the above table show that the Gross output of Food Industry increases over the years, this increase is due to the contribution of the private sector, the difference between the contribution of the public sector and the private sector was largely in favor of the private sector, this latter's contribution ranged between 82 and 84% of the industrial GDP outside the hydrocarbons sector for the period 2008-2018. While the contribution of the public sector did not exceed 17.74%, and this was the year 2008

As for the contribution of the food industries sector to the gross domestic product (GDP) for the industrial sector as a whole, statistics for the period 2008-2018 showed weakness in the contribution rate compared to the rest of the industrial sectors. Where its contribution ranged between 4.73% in 2008 and 6.17% in 2016, when it reached its peak, then it returned and decreased again in 2018, with a contribution rate of 5.82%.

3.2. The contribution of the food industries sector in creating Value-added for the period 2008-2018

Contribution to the creation of value-added is among the indicators that depend on it for measuring the extent of the contribution of any sector to economic development. Value-added in an industry refers to the difference between the total revenue of an industry and the total cost of inputs—the sum of labor, materials, and services—purchased from other businesses within a reporting period (KENTON, 2019)

The table below shows the development of the value added of the food industries, as well as the sector's contribution to the total value added

Table4. Development of the food industries sector contribution to the total value added for the period 2008-2018 in billions of AD

Years	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018

VA of Food Industry	Public sector	24.4	25.7	27.5	32.0	33.9	36.3	43.7	47.1	48.8	50 .9	55.4
	Private sector	139.9	162.7	186.5	199.7	232.2	249.1	282.8	308.8	332.8	357.1	377.9
	Totat	164.1	188.4	214.1	231.8	266.1	285.4	326.5	355.9	381.6	407.4	433.4
Total VA		9314.9	8054.9	9656.7	11278.5	12028.5	12808.8	13251.3	12459.0	13069.8	14073.7	15754.5
The ratio of FI to the total VA		1.76%	2.33%	2.21%	2.05%	2.21%	2.22%	2.49%	2.85%	2.91%	2.89%	2.75%

Source: Prepared by the researchers based on : (NSO, 2000 - 2014, pp. 10-17) (NSO, 2015 - 2018, pp. 3-7)

The table shows that the contribution of the food industry sector to the value added increasesover the years; this increase is due to the large contribution of the private sector, which ranged between 84 and 87% of the total value added of the sector, while the public sector contribution reached to a maximum of only 14.86% and that was in 2008.

For the contribution of the food industries to the total value added of the industrial sector as a whole, the statistics showed an extreme weakness in the contribution rate compared to the rest of the industrial sectors, and the contribution rate did not witness a significant development during the period between 2008 and 2018 where it ranged between 1.76% in 2008 and Only 2.75 % in 2018, which is a very small growth rate.

3.3. Contribution of the food industries sector to foreign trade in Algeria:

Investing in the food industry sector with the aim of diversifying exports outside the hydrocarbons sector is a successful and feasible investment, because the global demand for processed foods is constantly increasing, due to the growing population and the diversification of food desires and needs of individuals.

However, for Algeria, the contribution of the food industries to foreign trade is still very small and marginal, its proportion for the year 2018 was only 0.91% of the total Algerian exports.

3.3.1. Evolution of the value of algerian exports of foodcommodities for the period 2012-2018

The hydrocarbon sector accounted for the largest part of Algeria's exports abroad, with a share of 93.13% of total exports in 2018, an increase of 15.26% over 2017. The Algerian exports outside the hydrocarbon sector are still marginal, with only 6.87% of the total volume of exports. The food industries sector, constitutes a very small percentage of total exports, as it shows the following table :

Table5. Evolution of exports of food goods during the period 2012-2018 by million dollars

Years	2012	2013	2014	2015	2016	2017	2018
Food goods Exports	315	402	323	235	327	349	373
Total exports	71866	65917	62886	34668	30026	35191	41168
The ratio from the total exports	%0.44	%0.61	%0.51	%0.68	%1.09	%0.99	%0.91

Source:Prepared by the researchers based on (Customs, 2012-2018)

The period between 2012-2018 witnessed a fluctuation in the value of food exports, its value increased at the beginning of the period from 315 million dollars in 2012 to 402 million dollars in 2013, when it reached its peak.After that, it decreased and reached its lowest value in 2015 at 235 milliondollars, then rose again and the increase continued until 2018 at 373 million dollars.For the percentage of food goods exports out of the total exports during the entire period, very low rates were recorded, ranging between 0.44% in 2012 and 0.91% in 2018.Obviously, this confirms the weakness of food commodities exports and the control of fuel exports, and reflects the fragility of the national economy, and the weakness of its production sectors, which were unable to reach 3 billion dollars in exports, despite all government support measures provided to exporters, beside their benefit from tax and customs exemptions.

The most important Algerian exports of food commodities are sugar cane and sugar beets with a value of 225.96 million dollars, or 11.68%, followed by dates with 52.37 million dollars, 2.71%, while other goods are found in a very small percentage such as mineral and carbonated water, butter and cocoa butter. Pasta, couscous, ghee, juices, non-alcoholic drinks, chocolate and other preparations, grape wine, yogurt. (Andi, 2017)

3.3.2. Evolution of the value of algerian food commoditiesimports for the period 2012-2018

The period between 2012 and 2018 witnessed a fluctuating movement in the value of food imports, as they increased from 2012 to 2014, then decreased in

2015 and 2016, after that, they rose again in 2017 and 2018,as shown in the following table :

Table 6. Evolution of imports of food goods during the period 2012-2018 by billions of dollars

Years	2012	2013	2014	2015	2016	2017	2018
Food goodsimports	9022	9580	11005	9316	8233	9438	8573
Total imports	50376	54852	58580	51702	47089	46059	46197
The ratio to the total imports	%17.91	%17.47	%18.79	%18.02	%17.46	%18.32	%18.56

Source:Prepared by the researchers based on (Customs, 2012-2018)

This six years witnessed a fluctuation in the value of food imports relative to the value of total imports. We recorded at the beginning of the period an increase in its value, which amounted to 9022 billion dollars in 2012, and the increase continued until the year 2014 when the value of food imports reached a peak of more than 11 thousand billion dollars , Equivalent to 18.79% of all imports. To decrease immediately after 2015 and 2016, amounting to 8223 billion dollars, equivalent to 17.46% of the total imports. Then the value of food imports increased again and reached $ 8573 billion in 2018, equivalent to 18.56% of the total imports.

The most important imported food commodities for the year 2018 are wheat, semolina, and flour in first place 36.09%, followed by milk and its derivatives 16.34%, sugars 9.51%, soy 7.23%, vegetables and dry fruits 4.52%, coffee and tea 4.29%and meat 2.17%. (Customs, 2019)

Obviously, the results well reflect the extent of the national market's dependence on imports of food commodities, despite the state’s intervention in past years to confront this situation and put in place programs and strategies aimed at developing the food industry sector, stimulating investment in it and reducing the import rate; however, Algeria still depends on foreign commodities to achieve food security and cover the needs of the national market, which makes it in absolute dependence on oil in ensuring its food. The continuous growth in the value of food imports versus the continuous decline of exports of food commodities would cause a continuous deficit in the trade balance. This is what we observe through the following table:

Table7. The Trade Balance of Food Commodities in Algeria (2017-2018)

	2017	2018	change's

	Dinars	dollars	Dinars	Dollar	percentage %
Imports	936428	8438	999795	8573	1.60
Export	38728	349	43477	373	6.88
Deficit	-897700	-8089	-956318	-8200	

Source: Prepared by the researchers, based on: (Customs, 2018, p. 15)

What is noticeable from the results of the table is the recording of a large deficit in the trade balance, where the value of the deficit in the balance reached (-897700) million dinars in 2017, to rise to (-956318) million dinars in 2018.

This large deficit recorded in the trade balance is due to the weak value of exports in front of the large increase in the value of imports, and this is due to Algeria's reliance since independence on the strategy of theHeavy industries and its neglect of the agricultural sector, which led to the acquisition of hydrocarbons on a significant proportion of the value of exports at the expense of other sectors,among them is the food industry. What would place Algeria in constant dependence on global markets would endanger the country in terms of food security at any moment in light of the fluctuations and transformations that the global economy knows.

Consequently, it became necessary to draw a new strategy that would be able to adjust the structure of Algeria's foreign trade, to exit the dependency on global oil markets, whose rapid and violent fluctuations remain the greatest threat to the stability of the national economy.

3.4. Contribution of the food industries sector to employment

The food industries sector is one of the most important branches of industrial production in Algeria, that contributes to reducing unemployment and providing jobs,wherein the rate of employment in the sector has developed in recent years. And due to the lack of statistics on the employment rates in the private enterprises of food industries, we had to rely on the public sector only.The development of employment in the food industry enterprises belonging to this sector during the period between 20010-2018,illustrated in the following table :

Table8. Evolution of employment by industry (public sector) (2010-2018)

Title and aggregation	2010	2011	2012	2013	2014	2015	2016	2017	2018
Mines and quarries	6567	6599	6687	6745	6987	7037	7153	7115	6952
S M M E E I*	33821	34062	34825	38438	44266	44963	42359	41436	42716
Building materials	13667	13480	13135	13453	13372	13678	13520	13751	14231
Chemistr	9611	7648	7461	7157	6827	6258	6243	6203	6314

y and pharmacy									
Food processing	19169	19486	19854	19851	20293	20200	18382	18477	16479
Textiles, Hosiery and Apparel	11075	10832	7421	7414	7251	6897	6829	6837	6957
Leather and footwear	1367	1483	1590	1573	1633	1565	1442	1448	1500
Wood, Cork and Paper	6431	9025	9506	9247	8929	8641	7882	7524	7829
Total	101708	102615	100479	103878	109522	109509	103810	102791	102978

*Steel industry, metals, mechanical, electrical and electronic industry.

Source : (NSO, 2019, p. 41)

Through the table, we note that the food industries branch ranked second after the steel, metals, mechanical and electrical industries sector -in the creation of jobs- , in exchange for a decrease in employment rates for the rest of the industrial branches. This is due to the fact that the state encourages investment in the food industry sector, through the establishment of small and medium enterprises.

As for the development of the employment rate of the food industries branch, the period 2010-2018 witnessed a fluctuation in it, where we recorded at the beginning of the period an increase in the number of job positions by 19169 positions, equivalent to 18.8% of the total jobs in the industry sector as a whole, the number increased in the year 2011 to 19486 job position, or 19% of the total job positions in the industrial sector. The increase in the number of positions in the sector continued until the year 2012 when it reached its peak at 19854 job position amounted to 19.8%, an increase of 3.6% compared to the year 2010.This increase did not last long, as the employment rate in the sector decreased in 2015 and reached 19851 positions, or 19.1% of the total number of jobs, this decline continued until the year 2018, when 16479 jobs were held, amounting to 16%. Which means, a loss of about 3375 jobs compared to 2012.

4. General constraints on the growth and development of the food industry

From the above,despite general and specific policies put in place by the government and aimed at promoting the food industry in the country, we concludethat Algeria is unable to cover its food needs -even necessary oneswhich it is supposed to be able to provide by referring to its capabilities at all levels.

Food industries in Algeria have great potential in some branches, such as mills and drinks, unlike to some other branches that suffer from poor production and a low number of enterprises such as canning fish, producing freezers, industrial bakeries, drying and yeast production, and some divisions remain entirely dependent to provide raw materials on import, such as the state of the sugar industry, margarine oils and coffee that importe almost all the raw materials that it need, which is also the case of the soft wheat mills sector, which depends mainly on the imported wheat, while the milk division covers its needs by 70% by import. As for the juice industry, it mostly use the imported concentrated materials from the outside (Haji Asma, Bouaziz (Nasser, 2017, p. 415).

A number of reasons may be proposed to explain the low uptake infood industry in the country, including :

- the lack of agro-processing facilities and modern equipment, which often results in significant agricultural yields going to waste. The high cost of equipment is another factor. Agro-processors also often receive limited information from extension officers, in addition to low access to adequate packaging materials. There is also a lack of marketing skills on the part of agro-processors.
- The decrease in the volume of agricultural production allocated for industrialization.
-Lack of adequate infrastructure.
-Low production inputs, seeds, excessive use of fertilizers and pesticides, poor storage
-The lack of a clear-cut strategy for industrial development.
-Inability to simulate technological developments and international specifications, and the absence of technological research and development institutes.
-Bureaucratic administration, insufficient financial resources and industrial property sufficient for this type of industry (AlHabitari, 2015-2016, pp. 94-95).
-The weak interdependence and complementarity between the food industries branch and the agricultural sector.
-Dependence on packaging and packing operations on plastics and iron.
Very weak marketing policies.
-The deterioration of the industrial fabric of Algerian enterprises, and their weak productivity, i.e. the inability to respond to the growing domestic demand.
-Lack of attention to logistical transport, especially in agricultural production between the north and the south.

-The lack of a qualified and specialized workforce in this field.
-The dependency of the food industries sector on international markets and their impact on price fluctuations. (Latrach, 2015, pp. 217-221)
-food safety control systems' s low quality
- The economic openness and the inability of the Algerian entreprises to compete, which are often of low quality and non-global specifications.

Conclusion :

After the study conducted which aimed to know the reality of the food industry sector in Algeria, and determine the extent of its contribution to achieving economic development, and through our tracking of the evolution of the impact of the food industry sector on some indicators of economic development (gross domestic product, value added, foreign trade, employment rate) for the period 2008-2018,we found that:

- The food industry in Algeria faces a host of problems and obstacles that impede its contribution to economic development.
- Statistics showed an evolution in the number of small and medium enterprises active in the food industries sector in Algeria during the period 2010-2018, so their number went from 18394 enterprises in 2010 to 30590 enterprises in 2018
-Most of the industrial enterprises in Algeria are active in the food industries sector, accounting for more than 30% of the total small and medium enterprises in the industrial sector.
- Statistics showed an increase in the value of the Gross output of the food industry sector over the years, but the sector's contribution to the GDP of the industry sector as a whole remains weak, as it did not exceed 6.17% .
-Statistics showed an increase in the added value of the food industries sector, but the percentage of the latter's contribution to the total added value of all the industry sector remains very weak, compared to the rest of the industrial sector, as it did not exceed 3%.
-The contribution of the food industries to foreign trade is a small and very marginal contribution, the proportion of food exports for the year 2018 was 0.9% of the total Algerian exports. In contrast to the value of food imports, which remained in constant growth compared to the decrease in exports, what caused a deficit in the balance trade that continued until 2018.
-Food industries occupy the second position in the industrial sector outside of hydrocarbons in terms of creating jobs and reducing unemployment. This is due to the continuous development in the number of small and medium enterprises active in this sector in Algeria, especially in recent years. The number of positions provided by the public sector only, has reached 16479 jobs in 2018, equivalent to 16 % of all jobs in the industry sector as a whole.

The ability to attract investment in food industries, frame it, and provide it with the appropriate climate in order to achieve the necessary productivity and

efficiency are considered challenges facing the national economy, which calls for the urgent need to stimulate from the inside, and by that we mean in particular the state's intervention to put in place procedures and regulations to ensure the success of investment operations in the food industries sector .
The primary need in improving the productivity of food industries is for storage, transport and other infrastructure facilities to bridge the gap between growing agricultural output and the need for manufacturing units of an economic size in food processing. Providing electricity, water, sewerage and urban facilities for those processing industries,and provide support services for refrigerated transport to ensure the ability of their products to maintain their healthy properties, thereby increasing the competitiveness of local commodities. Secondly, investment funds will be needed by existing relatively small units to establish and upgrade processing facilities, particularly during the period before ploughed back profits can provide sources of finance.

Thirdly, and perhaps most importantly, the healthy evolution of food industries in Algeria requires, a new emphasis and orientation in industrial policy. Algeria need to evolve policies for improving the efficiency of their food industries in conjunction with their particular agricultural development and growing consumer needs, by eliminating obstacles that prevent the realization of well-studied investment projects, especially complex administrative procedures; reducing taxes and fees on inputs to the food industry sector, especially raw materials, packaging materials, and energy, which encourages private producers. In addition, encouraging food industries to respect production standards and specifications, use modern technology in the field of packaging and packing

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