



Statement of the IDB Governor for the Democratic and Popular Republic of Algeria

The 43rd Annual Meeting of the IDB Board of Governors
Tunis – Republic of Tunisia
17th – 19th Rajab1439H (3rd – 5th April 2018)

Original Text
(Arabic)

In the Name of Allah, Most-Gracious, Most-Merciful

Peace be with the Most Noble Messenger

**Excellency, the President of the Board of Governors,
Excellencies, Fellow Governors ,
Excellency, the President of the Islamic Development Bank Group,
Ladies and Gentlemen,**

Assalam alaykum wa rahmat Allah wa barakatuh,

I am pleased to have the opportunity to extend my sincere thanks and gratitude, on behalf of the Algerian Government, myself and the Algerian delegation, to the Republic of Tunisia, as well its Prime Minister, Government and people, for their generous hospitality and warm welcome, which are in harmony with the authentic traditions that characterize this Muslim country .

I would also like to commend the organizers of this meeting for their efforts to ensure the good conduct of its activities.

**Excellency, the President,
Excellencies ,**

On this occasion, I am pleased to affirm that we are proud of the role and significant contributions of the Islamic Development Bank in laying the foundations of economic and social development and promoting cooperation and economic integration in our Islamic nation. While we are proud of the Bank's activities in supporting the economies of its member States over the past years and decades, today we are more in need of this institution in light of our nation's very important developments, which increase the needs for supporting economic stability and improving the economic and social environment. Undoubtedly, today, we are looking forward to working together to support the Bank's contribution to fulfil its objectives.

As you know, the Bank plays an important and complementary role in providing funds for development and investment projects in the public and private sectors, and for sectoral and structural reforms to achieve economic and financial stability, funds for intra-OIC trade, and security for inter-Islamic investment and exports.

Despite the difficulties experienced globally and their repercussions, the Bank achieved remarkable results this year. It has continued to provide regular funding to Member States. The current global economic situation requires an institution such as IDB to take up the challenges and mobilize resources in an optimal way to help its Member States bear the cost of these changes .

We should also commend the Bank's efforts to promote economic integration regionally, especially through co-financing with development institutions.

The Islamic Development Bank, as an international Islamic financing institution working in conformity with Islamic Sharia, has demonstrated its ability to cope with rapid international changes and managed to adapt to them by devising various funding methods and creating new

channels and programmes that increase development opportunities among Member States. This is evidenced by the growth in its various financing processes.

That is why, it has obtained the AAA credit rating granted by the three leading international rating agencies, Standard & Poors, Moody's and Fitch.

The confirmation of this rating for several consecutive years undoubtedly reflects the Bank's prudent policy thanks to its leadership and its employees and executives.

**Excellency, the President,
Excellencies,**

Economically, our country is facing a significant decline in external revenues and the deterioration of the balance of payments; though it has maintained full sovereignty of economic and social decision thanks to its exchange reserves.

In the face of this situation, Algeria has made further efforts and carried out the necessary economic reforms in full sovereignty.

In this context, the Government has taken a number of steps to address the current situation of declining resources, particularly through the implementation of the new growth model for 2030, along with the implementation of the renewed budgetary path during the period 2016-2019.

Regarding the new growth model, the main objectives of the 2016-2030 horizon are:

1. Strengthening the economic and financial field, especially by improving the business climate and providing industrial land;
2. Continuing to intensify human development efforts to fulfil effectively the needs of citizens;
3. Reinvigorating the development of productive activities by targeting priority investment area, particularly in the sectors of mining, manufacturing, productive agricultural activities, fishing and aquaculture, energy and renewable energy development, tourism, water resources and the use of information and communication technologies, and helping our society integrate a science- and knowledge-based economy.

Economic growth in the first nine months of 2017 stood at 2.1%, compared with 3.3% in 2016. This slowdown in GDP growth rate in 2017 is due to the negative developments in hydrocarbon sector activity (-0.4%) for three quarters.

The budget collection mechanism, which was first implemented in 2015, enabled the government to reduce treasury deficit by 5 percentage points compared with the 2015 to 2016 GDP.

Furthermore, treasury deficit was reduced by 31% in 2017 compared with the 2016 deficit.

Domestic public debt accounted for 6.5% of GDP in 2017 and remains sustainable in view of Algeria's economic situation, which is under control with thanks to prudent management of indebtedness .

The pace of granting loans to the economy remains fast, which means that efforts have been made to encourage and support investment. Loans to the economy increased by 12% in 2017 compared with 2016. Loans granted to the private sector were also higher than those granted to the public sector. In 2017, the private sector benefited from 51% of total loans granted to the economy after growing by 15% in 2017 compared with 2016.

Inflation fell by an average 5.59% in 2017 compared with 6.4% in 2016.

Trade balance deficit declined from USD17.4 billion in 2016 to USD10.8 billion in 2017 .

Algeria does not lack the resources in terms of agriculture, tourism, industrial capacities and traditional and renewable energy resources. Its resources include educated young people and a significant national market.

These resources have been invested more and more by restoring the value of work, improving the environment of economic activity, and accelerating the implementation of various necessary reforms. The Government is mobilized on these tasks to accelerate national economic development and diversify our exports.

We must draw inspiration for solidarity and harmony among all actors of the battle for development, including the Government and its social and economic partners, to mobilize all energies and create new revenue that complement oil income to maintain Algeria's financial independence and economic sovereignty in the long term.

It is true that development, sovereignty and independence and all the values of our people, require the strengthening of the rule of law, which in turn requires the promotion of national consensus and internal unity, in this contemporary world, consensus and joining of forces. These are the essential purposes of national reconciliation that Algeria has sought to achieve for the past 20 years, from national concord to national reconciliation. These two options have restored tranquillity in our country and opened the way for achievements at all levels to serve the Algerian people by maintaining the process of construction and building an economy that is not dependent on oil and gas .

**Excellency, the President,
Excellencies,**

Before concluding this address, I would like to hail all the staff of the Bank headed by His Excellency Dr Bandar bin Mohammed Hajar for all his efforts and the wise management of this institution and for leading it towards achieving the best performance to fulfil the hopes of the Islamic Nation. We pray Allah Almighty to grant him the best reward for everything he I offering to the Islamic Nation and to the Bank. I would also like to thank everyone who has contributed in the organization of this meeting.

In conclusion, I would like to reiterate my thanks and appreciation to the brotherly Republic of Tunisia, its Government and people for hosting this meeting and for all facilities that we have been afforded. We wish this brotherly and prosperous country more progress and prosperity. I pray the Almighty to bless our efforts with success, to grant the Bank further achievements and our Islamic Nation progress and prosperity.

Wassalamualaikum warahmatullahi wabarakatuh.