



The Strategy of Algerian Economic Diplomacy in Strengthening African Partnerships: The Intra-African Trade Fair (IATF), 4–10 September 2025

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Abstract: International diplomacy functions as a strategic tool which operates past political boundaries to create economic growth and boost national position in the worldwide arena. The fast-changing global political and economic landscape drives Algeria to adopt a diplomatic strategy which unites political stability with economic goals to build its economic strength and spread its influence across international and regional domains. The orientation becomes essential because Algeria exists in multiple important geographical areas which stem from its African connection to the southern hinterland. The African extension establishes Algeria as a strategic location which enables vital interactions between African communities across the continent. Algeria has set its sights on discovering economic opportunities throughout Africa because this strategy enables the nation to build stronger trade ties between African nations which supports sustainable development goals. Algeria works to improve its diplomatic relations through continuous efforts which focus on economic and political relations because the African market demands strong competition from leading economic powers that want to control economic resources.

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Introduction

Economic diplomacy functions as a diplomatic tool which states use to promote their economic and commercial interests through international partnerships between nations. Organizations need to achieve their economic diplomacy goals by establishing specific goals while they bring together their resources and need to combine their activities and work together with all entities that handle economic matters. The main reason for this situation stems from economic diplomacy which serves to boost export volumes while it supports international trade activities and draws in overseas capital that produces elevated economic expansion and national development achievements. The diplomatic relations between Algeria and its neighboring states will serve as the means to achieve these goals which span across economic and political and security domains. The African hinterland becomes accessible through Algeria's southern border because the country functions as Africa's entry point which allows Algeria to discover fresh investment prospects across the continent through its involvement in worldwide programs that support African growth and resolve security threats in the Sahel region and fight against terrorist operations throughout the continent.

Study Problem

The research problem of this study centers on Algeria's economic diplomacy strategy which aims to establish strong relationships with African nations through a unified approach that will create a main access point to these countries.

Accordingly, the following main research question is posed:

How has Algeria strengthened its partnerships with African countries through the adoption of an economic diplomacy strategy?

Sub-questions:

- What is the significance of economic diplomacy?
- What are the forms of partnership between Algeria and African countries?
- What is the current state of the implementation of the economic diplomacy strategy within the Algerian–African partnership?
- What are the principal outcomes of the 2025 Intra-African Trade Fair?

Study Hypotheses:

- Economic diplomacy plays a significant role in the construction of modern economic systems and constitutes a crucial strategy for managing state affairs, with the objective of enhancing political, economic, and international cooperation among states.
- The various forms of Algerian–African partnership provide Algeria with access to additional markets through which Algerian products can be promoted and commercialized.
- Algeria’s hosting of the fourth edition of the Intra-African Trade Fair carries strategic dimensions associated with renewing the country’s position as an economic and diplomatic power within Africa.

Study Significance:

The importance of this study lies in examining the orientations of Algerian diplomacy toward the African continent and in strengthening the role of economic diplomacy as a strategic instrument for promoting investment opportunities and Algerian production, as well as for achieving shared economic interests between Algeria and African states. This is pursued with the aim of addressing the challenges imposed by the global economy.

Study Objectives:

This study primarily seeks to:

- Define the fundamental concepts underpinning the study and highlight the importance of economic diplomacy.
- Examine the performance of Algerian economic diplomacy at the African level.
- Identify the principal outcomes achieved through the various forms of Algerian–African partnership.
- Present the most significant contracts and agreements concluded within the framework of the fourth edition of the Intra-African Trade Fair.

Study Methodology:

This study relies on the descriptive and analytical approaches in order to underscore the importance of economic diplomacy and the forms of partnership between Algeria and African states, within the broader context of Algerian economic diplomacy in Africa, considered one of the principal strategies of Algerian foreign policy.

To comprehensively address the research topic and respond to the questions raised, the study will be structured around the following axes:

- Topic One: Definition of the fundamental concepts of the study.
- Topic Two: The strategy of Algerian economic diplomacy.

- Topic Three: The current state and prospects of Algerian economic diplomacy in Africa.
- Topic Four: Algeria as the capital of the African economy: the “Intra-African Trade Fair.”

1. Defining the Fundamental Concepts of the Study

1.1 The Concept of Economic Diplomacy:

1.1.1 Definition of Economic Diplomacy:

Numerous definitions of economic diplomacy have been advanced, among which the following may be cited: “It is defined as the set of mechanisms, competencies, and practices employed by individuals, governmental or non-governmental institutions, or groups, with the objective of achieving a range of economic goals for a state or a group of states, whether grounded in political considerations or aimed at fulfilling political objectives through economic instruments ¹.”

Economic diplomacy is also defined as: “the mobilization of public authority to implement policies designed to attain commercial and financial objectives, directed toward ensuring the economic advancement of the state through the realization of the interests of its enterprises, professional groups, and citizens.²”

1.1.2 Objectives of Economic Diplomacy:³

- Promoting economic interests and empowering national businesses and enterprises in external markets.
- Attracting technology and foreign investment, encouraging the tourism sector, fostering economic growth, and supporting efforts toward economic development.
- Increasing the volume of trade exchanges and expanding exports, thereby strengthening the state’s external trade.
- Establishing economic partnerships with international economic blocs, forging economic alliances, and addressing economic conflicts.

1.2 The Concept of Strategy:

The term development refers to two basic elements which include the essential rules that direct social and economic plan creation and the operational systems which enable successful plan execution. The practice involves using every available state resource to reach national objectives which have been set at a high level.⁴

1.3 Economic Partnership:

1.3.1 Definition of Economic Partnership:

Two or more independent organizations which exist in the market at present form a partnership through a medium- or long-term agreement which enables them to work together for generating shared financial benefits.⁵ A foreign partnership is likewise defined as an agreement or contract between two or more enterprises founded on cooperation among partners with respect to productive activities, whether industrial, technological, commercial, or service-oriented in nature. The partnership functions through each partner who brings financial backing and manufacturing expertise and brand names and scientific knowledge and full involvement in every phase of production and sales activities. The business structure allows all partners to share equally in the advantages and revenue which result from their joint activities.⁶

2. The Strategy Of Algerian Economic Diplomacy

Strategy is indispensable in the field of economic diplomacy, particularly within a new approach grounded in a discreet form of diplomacy that penetrates foreign markets without causing harm. The strategy of economic diplomacy is centered on a joint diplomatic committee composed of state actors. Among its principal tasks is the study of foreign markets based on data provided by embassies abroad. The economic representative is entrusted with analyzing the market of the host country by facilitating the entry of national products and promoting these products through various economic channels, such as international trade fairs. The economic representative also seeks to attract foreign investment to the homeland. This

approach enables progression to a new stage guided by a medium- and long-term strategy focused on enhancing productive capacity, advancing export performance, and facilitating the legal procedures necessary for access to all foreign markets—foremost among them African markets, which demonstrate a strong demand for national products and offer comparatively easier marketing processes than European markets, which are legally protected by international standards.⁷

3. The Reality And Prospects Of Algerian Economic Diplomacy In Africa

3.1 Dimensions of Economic and Political Cooperation between Algeria and African Countries:

Algeria holds the third position as Africa's largest economy behind South Africa and Nigeria while maintaining the leading economic power across North African nations. The vast resource wealth which Algeria possesses allows the country to start investment ventures throughout Africa while supporting the continent's development. Algeria bases its African economic success on two main factors which include major financial commitments for extensive projects instead of basic commodity trading and these projects require major capital funding to become operational.⁸

Economic diplomacy holds crucial value for Algeria because the nation works to solve worldwide problems which include terrorism prevention and African conflict resolution since their security depends on Algeria's geographical position and continental ties. The economic diplomacy tools of Algeria become active through its delivery of humanitarian aid to African nations and its decision to forgive African nations their debt obligations. The organization works to strengthen African organizations through three major infrastructure projects which include the Trans-Saharan African Unity Highway and the major fiber-optic project between Algeria and Nigeria and the Algeria–Lagos natural gas pipeline.

The African Continental Free Trade Area operates as the largest free trade zone across the world to speed up trade expansion and environmental protection between African nations. The Agency for Solidarity and Development plays a crucial role in supporting tolerance principles and building abilities for African young people. The Algerian government pursues two main goals through its programs which include protecting conventional manufacturing sectors and renewable power generation systems. The nation focuses on preventing resource waste because it wants to create finished products instead of exporting raw materials. The government supports trade relations between different countries. Algeria intends to use its African investments for developing the Chinese Belt and Road Initiative through the African Unity route because the country stands near African commercial centers. The chosen method delivers shared advantages to Algeria and China while showing how Algeria functions as an economic and strategic center throughout Africa.⁹

3.2 The Current State of the Volume of Algerian–African Trade Exchanges:

- Algeria maintains diplomatic relations with 32 African states and has shown sustained interest in advancing economic initiatives for Africa's development. In this context, it co-founded the New Partnership for Africa's Development (NEPAD) in 2001, alongside Egypt, Nigeria, and South Africa.
- Algeria has consistently assumed a leading role as Commissioner for Peace and Security within the African Union since the establishment of the Union in 2002.
- Algerian diplomacy has relied on the provision of assistance to African states, notably through the adoption of a debt-relief policy. In 2012, Algeria cancelled USD 3 billion in debt owed by ten African countries, and in 2013 it wrote off an additional USD 902 million owed by fourteen other African states. It also provided assistance to Mali exceeding USD 100 million.
- The organization of numerous national export-oriented events, including the Algerian Products Fair dedicated to the Libyan market, the African Import–Export Fair “AMBIEX 2021,” and the International Exhibition for Export and Logistics Services.
- Among the major strategic projects through which Algeria seeks to penetrate the African market—comprising 700 million inhabitants in countries connected to the Trans-Saharan Highway project—is the principal axis linking Algiers to Lagos, Nigeria, with multiple extensions reaching Niger, Mali, Chad, and Tunisia.

- The opening of banking branches in Senegal under the designation Algerian–Senegalese Bank, as well as the establishment of the Algerian Union Bank in Mauritania.
- Cross-border trade with African states in the southern regions of the Grand South—namely Tamanrasset, Illizi, Adrar, and Tindouf—constitutes essential infrastructure for free trade through border crossings with Africa. These regions represent a vital economic gateway for diversifying Algeria’s exports beyond hydrocarbons through the exchange of goods, the promotion of intra-African investment, the reduction of commodity costs, the enhancement of purchasing power, and the advancement of economic integration, with its attendant social development and political stability.
- The modernization of the railway network.¹⁰

4. Algeria As The Capital Of The African Economy — The Intra-African Trade Fair (Iatf)

Algeria hosted the fourth edition of the Intra-African Trade Fair, a continental economic event held within a sensitive international and regional context that has compelled African states to devise new mechanisms to strengthen their economic integration and enhance their position within the global system. Algeria’s hosting of this event extends beyond its organizational dimension and carries strategic implications related to reaffirming the country’s status as an economic and diplomatic power in Africa. The exhibition further reinforced Algeria’s image as a balanced actor committed to consolidating South–South cooperation and forging internal economic alliances capable of confronting global challenges such as debt, climate change, and energy and food security. Among the principal outcomes of this fair are the following:

4.1 Algeria’s Conclusion of Investment-Oriented Contracts:

The value of the investment agreements concluded by Algeria during its hosting of the fourth edition of the Intra-African Trade Fair reached USD 5 billion, representing 44 percent of the total agreements signed during the event, as indicated by the Director-General of the National Agency for Investment Promotion, Omar Rekkache. He further clarified that the total value of contracts concluded by Algeria during this significant event amounted to USD 11.4 billion, of which USD 5 billion consisted of investment contracts, while the remainder comprised commercial agreements related to the exchange of goods and services and the strengthening of intra-African trade.

Algeria’s share of the total agreements signed during the fair reached 23.6 percent of the overall deals, corresponding to USD 48.3 billion. These agreements were concluded with 31 countries, including states outside the African continent, such as the United States of America, Germany, Canada, and China. The contracts spanned several sectors, including electromechanical and energy industries, iron and steel, agri-food industries, and electronic products. Mr. Rekkache further emphasized the Agency’s commitment to supporting economic operators and investors through to the effective implementation of their projects on the ground.¹¹

4.2 Supplying West African Markets with Algerian Electrical Equipment Valued at USD 480 Million:

This initiative is embodied in an agreement between the Algerian industrial group GISB Electric, specialized in the manufacture of electrical equipment, and the group SOGELUX, active in the distribution of such equipment in Senegal and Côte d’Ivoire. Pursuant to this agreement, GISB Electric will export electrical equipment exceeding USD 300 million in value for the benefit of SOGELUX in Senegal and Côte d’Ivoire within the electrical industries sector. The benefiting parties affirmed that Algeria possesses substantial expertise in electrical industries, emphasizing that this cooperation represents an opportunity to expand this expertise across the continent, particularly in light of Africa’s growing demand in this field, which necessitates the establishment of additional manufacturing facilities.¹²

Conclusion:

The research paper demonstrates that economic system development needs diplomatic strategy creation which bases its foundation on current reality knowledge and state experience-based future perspective to handle upcoming changes and multiple obstacles.

The Algerian foreign policy establishes Africa as its strategic direction because it enables Algeria to defend its national security and economic assets through expanded African market access and strengthened

economic ties between Algeria and African nations. The Algerian economic diplomacy strategy becomes essential for solving African continental problems because it supports terrorism prevention and African regional peace efforts which directly affect Algerian security through their shared African heritage and close physical location. Through economic diplomacy Algeria delivers humanitarian support to African nations while working to decrease their debt obligations and it supports African regional institutions through its development programs which include the Trans-Saharan African Unity Highway and various natural gas-related projects.

The growing number of agreements between Algeria and African states has not produced substantial trade volumes between the two regions despite their expanding economic and commercial relationship. The African market becomes highly competitive because China and the United States of America actively participate through their substantial economic power while Africa presents abundant natural resources and strategic access to ports which enable market control. The world competition between nations has reached its highest point so Algeria needs to build its economic diplomacy through strategic economic planning and institutional support and diplomat training for economic diplomacy work.

Study Recommendations:

The study presents multiple recommendations based on its findings which include the following main points:

- The development of economic diplomacy needs strategic planning to detect its main influential elements which diplomats and intermediary organizations and business entities should evaluate.
- The national economy needs foreign-based intermediary systems which should receive better support through human and material resource allocation to protect national economic diplomacy from international market volatility.
- The investment environment of Algeria needs improvement while foreign investment must face two major obstacles which include corruption and bureaucratic obstacles.
- The country needs to create specialized organizations which will perform techno-economic assessments for investment projects to determine their financial benefits and operational costs which will boost Algerian product competitiveness on the global market.
- The Algerian diplomatic body needs to develop its economic and political relations through economic diplomacy training because major economic powers maintain strong competition for African markets.

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