

hospitals, food, communications facilities and jobs will all have to be provided on a very large scale.

Secondly the Algerian government is faced with administering the second-largest African state after the Sudan. The task of co-ordinating regional aspirations, and creating efficient communications in a large country are great challenges and are likely to influence development programs for several years to come.

The social orientation of future investment plans with special emphasis on increased agricultural production is already clear and should provide the exporter with a feel for goods, services and projects likely to be in strong demand.

## The Hydrocarbons Sector

Algeria owns the world's fourth-largest proven natural gas resources and substantial reserves of crude oil. The development of these reserves has been central to economic planning since independence, and hydrocarbons account for 98 per cent of Algeria's export earnings. These resources have been developed to finance the establishment of other industries and the provision of essential services to improve living standards. Within the hydrocarbons sector itself, emphasis will be on maintenance and efficiency of investments in order to ensure Algeria's capacity to deliver more pipeline gas and refined petroleum products for export.

## Consumption

Measures are being taken to improve distribution of consumer goods. Over half of family income in Algeria is spent on food of which 70 per cent is imported. Consumer products are and will most likely continue to be limited to prevent excessive expenditures on non-essentials. Government imports of basic foodstuffs is expected to continue at about 20-30 per cent of annual earnings from hydrocarbon exports.

## Agriculture

Since independence, agricultural yield has remained static largely because of planning problems. During the last two decades industry was emphasized at the expense of agriculture while the population increased