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TOURIST ATTRACTIVENESS IN ALGERIA AND TUNISIA

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ABSTRACT

This article uses a comparative approach to analyzing two Maghreb destinations with tourism potential that are positioned differently on a tourism competitiveness scale, based on several tourism indicators. The data explored reveals that Tunisia manages to maintain, and even improve, its position by attracting more foreign tourists, unlike Algeria, which moves forward timidly. The research examines the key factors determining a tourism offering in response to more demanding tourist demand resulting from increased competition among destinations. The Tunisian experience demonstrates the crucial importance of infrastructure investments in shaping its tourist appeal, in contrast to Algeria's trajectory. It emphasizes Algeria's ability to capitalize on its resources and create a tourism product that enhances its attractiveness by improving its overall environment. In its comparative analysis, the article draws on performance indicators that combine volume and value, investment opportunities, governance, and the business environment. This analysis recommends that Algeria strengthen its tourism investment and its governance.

1 INTRODUCTION

Global tourism continues its upward trajectory, particularly in the post-pandemic period, where the slowdown, or even complete halt, of the sector has spurred a resurgence and ushered in a new era. In 2025, the world recorded 1.523 billion arrivals, a 4% increase compared to 2024, representing nearly 60 million new tourists. This indicates that the growth in tourism has been sustained since the end of the COVID-19 crisis, despite inflation in tourism services worldwide, especially in certain destinations. In addition to this, there is geopolitical instability and its impact on travel. Other destinations, however, are making remarkable efforts to improve air connectivity and facilitate visa procedures for tourists.

This increase is accompanied by an estimated increase in revenue per arrival, estimated at

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US$ 1,211, and total revenue of US$ 1,844 billion. Including passenger transport, this figure reaches US$ 2,200 billion. This high level of tourist spending in several destinations exceeds the number of tourists, as seen in Africa with 81.3 million tourists in 2025, marking a 7.8% increase compared to 2024, with revenue of US$ 46.7 billion, averaging US$ 574 per arrival. These data reflect an improvement in certain North African destinations, such as Tunisia (11.3 million tourists in the same year). However, in the same region, Algeria has failed to capitalize on this competitive dynamic despite the impressive figures recorded in recent years, particularly in the number of international tourists received.

Our research question concerns Algeria's inability to position itself within this tourism chain, despite its diverse potential and its stated desire to reduce its dependence on hydrocarbons. This desire is reflected in the country's shift towards economic diversification through investments in the agricultural and tourism sectors. What are the key factors in developing an attractive tourism offer in the context of increasingly demanding tourist demand?

The article sets out to undertake a comparative analysis of the various economic determinants of tourism. The aim is to identify the shortcomings and dysfunctions inherent to the strategy adopted by Algeria, to determine the approach required to achieve the status of a leading tourist destination. The objective of drawing parallels with the Tunisian experience is driven by the desire to increase tourist numbers and revenue, and not to be limited to the modest growth marked by Algeria, which has reached nearly 3.5 million tourists in recent years. It is worth mentioning that Algeria has the potential capacities allowing it to outperform Tunisia, given its vast territory, rich in resources, which constitutes a whole world of tourism. It possesses tourist sites corresponding to various forms of tourism demands (leisure, business, seaside, mountain, Saharan, etc.) under- exploited and sometimes poorly maintained. This raises several sub questions surrounding this main complex issue by the multiplicity of structural components within this sector. Is Algeria's attractiveness, in terms of natural and cultural resources, not sufficient to attract tourists? Does attractiveness mainly depend on investment in tourism infrastructure? In this context, what type of investment is needed in a destination to showcase its resources? What are Tunisia's strengths that have enabled it to become a prime destination for international tourists? And why has Algeria been unable to emulate Tunisia, despite its desire to diversify its economy by focusing on this sector? How can Algeria become an attractive and sustainable destination whilst preserving the authenticity and distinctive character of its identity, culture and heritage?

Despite the growing awareness of the harmful effects of mass tourism on host destinations and regions, these destinations continue to strive to increase their attractiveness in order to attract more international tourists and rank amongst the top destinations. Indeed, the positive benefits of tourism – in terms of economic growth, resulting in the creation of direct and indirect jobs – outweigh its negative effects. Despite this competitive dynamic, destinations face the dilemma of balancing heritage and sustainability considerations, which are often overlooked in mass tourism driven by purely capitalist motives. Given the tourism potential of these two neighboring destinations and the political will demonstrated for their development, their processes and impacts are entirely different, warranting an in-depth comparative analysis. This article does not aim to provide a descriptive analysis of each destination in isolation, but rather to carry out a quantitative comparison of the main indicators in the tourism sector. This will allow us to explain how Algeria, as a destination, can learn from the Tunisian experience and avoid its difficulties, thus preventing it from ending up with a single-form tourism sector, an aging hotel industry, and high levels of hotel debt that lead to a succession of bankruptcies, particularly due to the effects of the COVID-19 pandemic.

To this end, we exploited the databases provided by the Tunisian and Algerian ministries, in addition to the OMT data on both countries. In terms of indicators, we adopted those monitored and presented by the OMT to ensure a consistent comparison, and we have limited our analysis to data from 2024, the year for which most statistics were available for both countries. In addition to this statistical data, we relied on various studies that have addressed both destinations, particularly the historical development and evolution of the tourism sectors in both countries. This enabled us to gain a comprehensive overview of the strategies of both countries and to make comparison to draw conclusions about the two destinations, with the goal of successfully developing an attractive and sustainable tourism destination in Algeria.

2 TOURIST DESTINATION: BALANCING IMAGE AND LOYALTY

The tourist appeal of a destination is determined by a set of factors. This ability to respond to tourism demand in the form of an attractive tourist offer is the problem and complexity of destinations today. Linking the internal factors specific to a destination with the demand of tourists, who have become increasingly informed and demanding in their choice, makes the latter a topical issue that deserves to be analyzed. The choice to develop a tourist destination is part of what is known as 'tourism development', defined as the creation of tourist attractiveness based on a core set of factors essential to the dynamics of the tourism market. Several conceptual and empirical studies in the literature addressing this issue of attractiveness resulting from the development of a destination for tourism agree that the components of tourism offer shape, in response to tourism demand, the structural components (Amina & Chabou Othmani, 2020) of a sustainable tourism experience. Moreover, these authors classify the determining factors into broad categories (Yevloyeva, 2024) or large groups due to the multiplicity of these and the interdependency that characterizes them. Therefore, analyzing the development of tourism in a destination is crucial for a complete understanding of the relationship between these different factors.

2.1 Tourist Attractiveness: Between Resource and Tourism Product

The construction and development of tourist attractiveness are represented by pillars centered on natural and cultural resources as the basis of any marketable tourism product. These resources refer to landscape features, local culture —which reflects a destination's identity—and its heritage. Diversifying products (Benuret & Bramwell, 2015) or the range of offers allows for attracting more tourists from different categories to ensure a balanced distribution, both across the territory and between sites, with a view to sustainability. This central pivot of tourist attractiveness aims to achieve a destination's reputation by creating positive appreciation among tourists in the form of a positive experience (Arumugam et al., 2023) to relive and share with others. This transmission of lived experience is one of the best marketing tools because it results from a reality communicated spontaneously. Ultimately, being characterized by tourism potential goes beyond a simple inventory of resources (Adamovsky and Kulayets, 2025) to have the ability to transform them into a popular tourist offer. According to these authors, the digitalized promotion of tourist offers (platforms, social networks, videos, influencers) replaces traditional methods by providing more accessibility, speed, and customization according to the requirements of the new form of tourism demand. This type of supply alone generates several tourists by increasing its perceived value and influencing their decision to visit. To achieve more efficiency of destinations becoming attractive and more sucessful, Herrero Prieto and Gómez Vega (2017) conclude that a reserve of resources feeds its visibility and its competitive positioning in the tourism market.

Long considered distinctive assets of destinations, resources now face the challenge of being leveraged to transform and create a competitive advantage (Stanišić et al., 2022). This advantage results from the valorization of resources through the development of a structured product and an attractive, digitalized offering based on tourism investments (infrastructure and workforce). The use of digital technologies, in addition to these investments, helps to create a strong image for a destination (Goral et al., 2022).

2.2 Meeting tourism demand: attributes and preferences

The arrival of international tourists at a destination is driven by tourism demand, with specific characteristics (purchasing power, exchange rates, digital marketing) (Rahmoune & Baeshen, 2021). In addition to physical attributes, tourists may be attracted by psychological attributes (Gidebo, 2021). Tourists' motivations, combined with their preferences, represent the key attributes of tourism demand (Maskiet al., 2023). The relationship between the attributes of tourism demand – defined by tourist satisfaction – and tourism supply is primarily evident in on-site tourism expenditure (Barrera-Martínez et al., 2025), thereby determining the competitiveness of destinations in a selective global environment.

In addition to the natural and cultural resources that underpin a destination's attractiveness, its image and customer loyalty further strengthen this foundation. Tourist attractiveness is distinguished by its positive impact on the destination's image, driven by the intention to visit and revisit in response to the satisfaction generated by the previous experience (Martín et al., 2019). This satisfaction, acting as a mediator between loyalty and attractiveness, refers to post-visit behavior as a factor influencing the tourist offering's attitude and fostering attachment to the destination (Reitsame et al., 2016). In other words, tourist loyalty is not limited to revisiting a destination to recommend it to others, something Geng-Ging and Qu (2008) refer to as loyalty. Considering the above, the heart of tourist attractiveness lies in the existence of resources, the source of tourist visits, followed by other determining, secondary, and complementary factors, reflecting the capacity to enhance these resources into tourism products. These attributes of a destination's image are not limited to the elements presented here; they also incorporate other, more specific attributes of the image – such as 'safety, uniqueness, hospitality, cleanliness and gastronomy' – in satisfaction and loyalty (Marques et al., 2021).

Tourist attractiveness is ultimately conditioned by the overall environment characterizing the destination between general infrastructure, political stability, and security under the responsibility of the sector managers (Cvelbar et al., 2016). Therefore, the tourist infrastructure is a cornerstone when a country cannot convert its potential without this logistical support. Consequently, it influences the attractiveness of destinations and, by extension, tourist arrivals. In this context, these indicators become determinants in the same way as resources or even priorities to place security, image, and others as transformative factors. From the above, attractions, accessibility, and infrastructure are the main factors determining tourism demand by increasing perceived value and the decision to visit a destination.

3 TERRITORIAL GOVERNANCE AND TOURIST ATTRACTIVENESS

Achieving a high level of tourism performance requires this combination of resources and public policies oriented towards tourism, by implementing measures to facilitate the sector and fostering international openness (Gómez-Vega et al., 2021). The analysis of certain African countries with natural potential but under the effect of poor governance and low or even insufficient infrastructure quality (Pondie & Bitoto, 2025) provides the best example for understanding the issue of this competition, and whilst not neglecting the involvement of stakeholders (Heriyanto et al., 2025) in the management of these resources. Indeed, the strategy of diversification of supply, using promotional marketing, can only succeed with the coordination of a set of committed actors. According to Sainaghi et al. (2019), the engagement of these stakeholders, which defines a destination's capability, begins with identifying opportunities and how to implement them by integrating several attributes as a tool to help the management of the policies engaged by these actors. This approach suggests that heritage as a specific resource that follows a process of heritage-building by a set of stakeholders, inherent to the issue of its sustainable exploitation and the influence of territorial governance (Raif & Zouiten, 2021).

The management of these requires an integrated management approach designed by stakeholders seeking to structure this sector. This is only possible by drawing on a combination of resources and products, supply and accessibility, demand and its motivations, evolving in a global economic and socio-cultural environment.

4 ORIGIN AND MEASURES TAKEN TO PROMOTE TOURISM

The two countries' trajectories differed from the outset, with different choices made during a pivotal period for their post-independence future. Each country opted for the national strategy that best suited its vision and/or priorities. These decisions will shape the future of the sector in each country.

To this end, it established the Société Hôtelière du Tourisme Tunisien (SHTT in 1959) to oversee not only the construction of these facilities but also the training of the staff responsible for them, alongside the establishment of the Tunisian National Tourist Office (Office National du Tourisme Tunisien (ONTT in 1971) (Hallel, 2021). In order to monitor these substantial undertakings, the Tourist Land Agency (Agence Foncière Touristique, AFT, established in 1973) was set up to be responsible for land acquisition and ensuring its viability, as well as for ensuring compliance with building regulations for hotels – particularly for classified hotels– which, according to Moisec (1997), are fully in line with strict regulatory requirements. According to the same author, the National Tourism Development Bank (BNDT) is set to facilitate these operations financially as the main source of funding for developers. Once these foundations had been laid, Tunisia emerged as a pioneer in tourism amongst Muslim countries, catering to a predominantly European clientele. This aggressive expansion of state investment in tourism attracted private foreign investors, who were responsible for the rise of international tourism out of convenience to high-end tourist expectations. This growth in private foreign investment, which gave rise to major tourist hubs (Hammamet-Nabeul, Sousse, Djerba), was consolidated by various national development plans until the early 1990s. This placed Tunisia in a phase of transition from state intervention towards an opening up to private capital. This expansion is not only related to the country's tourism investments or its opening to the private sector but also coincides with the advent of consumer society in Europe and, above all, with the role of the tour operators motivated by the massive construction of hotels with high bed capacity. All these elements have created a tourism boom among high- and then middle-income Europeans with the emergence of charter flights and organized tours, multiplying the chance to travel for a larger number of tourists. This was also facilitated by the standardization of tourism in Tunisia through the construction of hotels with high bed capacity, making Tunisia an affordable destination for mass tourism to take advantage of this global context in favor of tourism. During this period, promoters of the Persian Gulf show a willingness to invest in the tourism sector, and this in partnership with the Tunisian government, to give rise to the development of the El Kantaoui resort. Indeed, the Abu Dhabi Fund for Development and other funds from the Arabian Gulf represent a trigger for Tunisian hotel dynamics with the creation of the largest tourist complexes. Moreover, this collaboration was concretized by the creation of the station of Tabarka in 1981. Similarly, the involvement of the private sector in this industry since the late 1980s onwards has consolidated the Tunisian experience, which continues to increase the number of tourist beds.

The 1973-1974 oil crisis affected many tourists in the country, but without leading to significant consequences. The resilience of Tunisia as a tourist destination has become a permanent and enduring characteristic, even in the face of the numerous crises that have occurred since. Although Tunisia has experienced growth in both tourist numbers and tourism revenue, the country has also experienced periods of crisis that have disrupted the tourism sector. Once again, its inherent resilience allows it to remain and rebound in the face of constraints and shocks (Smadi & Abrika, 2018). The Gulf War of the 1990s highlighted the vulnerability of this destination to insecurity, even if it did not directly affect it. This perception of security in tourism is sensitive for Arab countries in general, serving as a kind of warning to Europeans. The attack in Djerba (2002) has just broken this tourist dynamic, forcing the state to find a new strategy to circumvent this security perception by focusing on communication promoting the destination away from religious tensions. A decade later (2011), the country experienced another form of political crisis called "the Jasmine Revolution," leading to a disorganization of promotion structures. These first two crises have reduced tourist flows and made the sector vulnerable. Nevertheless, the extensive media coverage of the 2015 attacks had a different impact, leading to an exodus from the country, which was classified as a high-risk area to be avoided. Since then, Tunisia has shifted its strategy to diversify its customer base, targeting Algerians, amongst others. In the same vein regarding the impact of crises on Tunisia as a destination. Similarly, the COVID-19 pandemic paralyzed the sector worldwide, resulting in structural repercussions that revealed the fragility of economies, particularly those related to the informal sector and seasonal activities. This capacity for resilience, built up through successive crises, reflects accumulated experience and a customer diversification strategy that Algeria, with a more recent tourist trajectory, has not yet had the opportunity to develop.

Unlike Tunisia, which needed foreign currency to balance its trade deficit in the absence of hydrocarbons, Algeria, after its independence, opted for an industrialisation drive. Despite its attempt to build a few early hotels during the 1970s and 1980s, investment in tourism accounted for only a small proportion of total investment compared with other sectors. Nevertheless, various development plans have consistently included the tourism sector without making it a priority. The country began to welcome its first tourists, but this growth was hampered during the terrorism crisis of the 'black decade' of the 1990s, which led to the mass exodus of foreigners and the country's isolation. The effects of this halt have had long-term consequences, firstly in terms of the destination's image – which was classified as a 'red zone' for foreigners – and secondly in terms of attracting foreign investment outside the highly secure oil and gas sectors. Nevertheless, Algeria is attempting to regain its position as a secure zone while simultaneously diversifying its economy. With a view to reducing its dependence on hydrocarbons, Algeria is implementing a new strategy established within the framework of the national tourism conference in 2008.

Considering these contrasting historical trajectories, a comparative empirical analysis is required to identify the factors explaining the differences in attractiveness between the two destinations.

5 RESEARCH METHODOLOGY

This research adopts a descriptive comparative approach based on the analysis of the determinants of tourist attractiveness of two Maghrebi destinations: Algeria and Tunisia. The choice of these two countries is justified by their geographical proximity, their cultural similarities, and their significant tourist potential, but also by their contrasting performance in terms of tourism competitiveness. We have applied each indicator symmetrically to both countries being compared, in order to ensure a certain methodological consistency as far as possible, depending on data availability.

The aim is to identify the factors explaining the differences observed in terms of tourist attractiveness and to highlight the elements likely to strengthen the positioning of the destination Algeria on the international tourism market. To limit biases related to the different data collection methods, the study is based exclusively on secondary data from national and international institutional sources recognised for their reliability:

Statistical reports from the World Tourism Organisation (UNWTO);

- Publications from the Algerian Ministry of Tourism and Handicrafts;
- Data from the Tunisian National Tourist Office (ONTT);
- Sectoral dashboards relating to tourism and tourism investment;
- Scientific studies and academic publications on tourism development in both countries.

Priority was given to the most recent available data, primarily that covering the common period 2018–2024, whilst drawing on certain historical time series was necessary to understand the development trajectories of the two destinations. To assess the tourist appeal of the two destinations, several indicators were selected based on the scientific literature on tourism competitiveness and the recommendations of the World Tourism Organisation.

***Table 1.** Choice of indicators for the comparative analysis of tourist attractiveness in Algeria and Tunisia*

Dimension	Indicator	Theoretical Justification	Sources
Tourism performance	International arrivals	Measurement of effective attractiveness reflecting a power of attraction in volume	OMT
Tourism performance	Tourism revenues	Measurement of the economic impact that reflect the generated economic value	OMT
Tourism offer	Number of hotels	Measures the volume of tourism supply and provides information on the country's capacity to meet tourism demand	Ministry of Tourism and Handicrafts
Tourism offer	Hotels 3*, 4*, 5*	It measures the quality of the offer and allows us to appreciate its qualitative positioning (mass tourism vs. luxury tourism)	Ministry of Tourism and Handicrafts
Investment	Tourism projects	Outlines the trends in tourism investment over time in order to shed light on and anticipate future changes in attractiveness	Ministry of Tourism and Handicrafts
Governance and environment	Business environment	It measures the overall environment and the essential conditions (institutional, regulatory, security) that guide and limit investment decisions in the tourism sector. Attractiveness depends not only on the material offer but also on the business climate	International reports

Source: Compiled by the authors, based on the collation of institutional data.

Despite efforts to harmonise the criteria and numerical data underpinning this analysis, this study has some limitations that we wish to highlight. The official data sources used in this article remain country-specific secondary data, in addition to that provided by the UNWTO. This exposes our analysis to potential differences in data collection practices between countries. Secondly, whilst the comparative approach adopted allows general trends to be identified, it does not enable us to isolate the causal effect of each individual determinant on overall tourism attractiveness.

6 TOURISM INDICATORS

Our methodological approach was based on a framework of four key dimensions linking existing or realised supply and demand in each country, the current situation, and the evolution of investments within a global context encompassing all sectors of activity. This framework not only enables us to move beyond a simple quantitative analysis of the figures but also broadens the analysis to include other factors, both structural and cyclical.

6.1 The Number of International tourist arrivals, total receipts, and receipts per person

To assess the actual attractiveness of the two destinations, it is first necessary to analyse trends in international tourist arrivals. This indicator measures each country's ability to attract foreign visitors over the period under review.

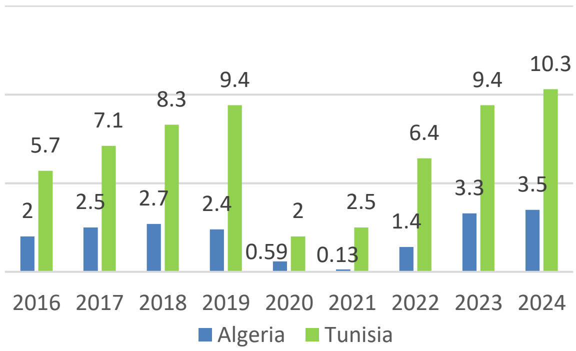

***Figure 1.** Trends in the number of tourists travelling to Algeria and Tunisia in millions (2016–2024)*
Source: Compiled by the authors, based on the collation of institutional data

Apart from the COVID-19 pandemic, when all tourist destinations were shut down, Algeria and Tunisia have seen increasing numbers of international tourists. However, the pace of this growth differs, with Algeria currently receiving only 3.5 million tourists compared to approximately 10 million for Tunisia (see Figure 1). This significant gap puts Algeria at the same starting point as Tunisia in 2016, and even earlier, with a considerable lag of over a decade if we consider only this recent period. This figure represents three times as many tourists choosing Tunisia as their destination and generated substantial revenue for Tunisia, approaching US$ 3 billion. This discrepancy has its origin in divergent strategic choices since independence, as we have pointed out previously, where Tunisia made tourism a priority axis of its economic diversification policy, while Algeria favored industrialization, relegating tourism to the background for several decades.

After analyzing the evolution of tourist arrivals, it is relevant to examine the revenues generated by these flows in order to assess their economic impact.

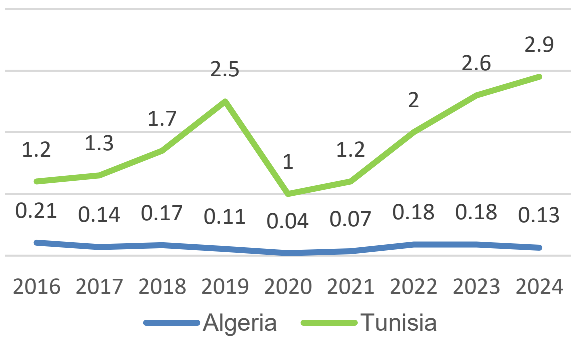

Figure 2. *Evolution of tourism receipts between Algeria and Tunisia (2016-2024)*
Source: Compiled by the authors, based on the collation of institutional data

On the other hand, Algeria has not been able to reach the minimum level of tourism revenue received by Tunisia, even during the COVID-19 pandemic (US$1 million in 2020). Average tourism revenue per person is a significant indicator for tourist destinations, regardless of the number of tourists. The preferred strategy for these destinations is to attract a clientele that spends on various activities, thus benefiting the entire economy over a larger number of visitors and limiting their spending to the minimum duration of their stay.

Moreover, the figures show that for the same destination, for example, Algeria, spending per arrival differs considerably, ranging from just US$ 36 in 2024, with 3.5 million tourists, to US$ 572 in 2021, the year of the COVID-19 pandemic, when Algeria received only 0.13 million tourists. The same phenomenon is observed in Tunisia and can be explained by the return of residents from abroad in both countries. After a long period of lockdown, they are spending more than usual. This is confirmed in Tunisia by the return of average spending per person to normal levels of around US$ 200, while in Algeria, spending remains above US$ 100 per arrival. This low level of revenue reflects the lack of impact on the national economy and leaves the tourism sector in Algeria insignificant in terms of GDP.

6.2 Trends and origins of tourists

Whilst quantitative indicators provide a measure of destinations' overall performance, they are insufficient for understanding the structure of tourism demand. It is therefore necessary to analyse the origins of tourist flows.

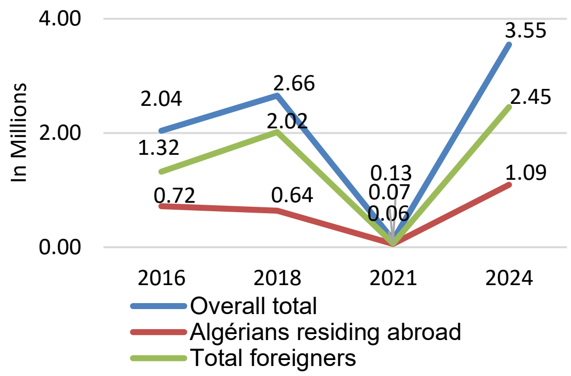

Figure 3. *Trends in tourist arrivals at Algeria's borders (2013–2024)*
Source: various reports from the Ministry of Tourism

The relationship between these two countries is not simply described by proximity and geographical ties but extends beyond that to encompass the exchange of tourists. Indeed, 2017 data from the Ministry of Tourism on the main countries of origin of foreign tourists in Algeria revealed that Tunisia was the leading source, accounting for 60.7%, followed by France at 11.6%. This flow of Tunisian tourists to Algeria falls within the framework of commercial tourism, often of an informal nature. A significant number of Tunisians return to Algeria for shopping purposes due to the erosion of their purchasing power in the face of high inflation rates, particularly since 2017, when inflation rates have been approaching 8% annually. Unlike Tunisia, Algeria prioritizes a social policy approach where the state subsidizes basic food products, even though Algeria has experienced significant inflation, reaching up to 9%, over the same period. This strategy by the Algerian government, supported by the size of the informal sector, has benefited Tunisians, who take advantage of the situation to make tourism a source of income in addition to being consumers in Algeria. This undeclared reason for travel accounts for 86% of trips undertaken for relaxation and leisure, compared to 13.65% for business and 0.29% for official missions. In a comparative logic, it is also relevant to examine the composition of tourist flows to Tunisia. This highlights the specific characteristics of its international clientele and its recent developments.

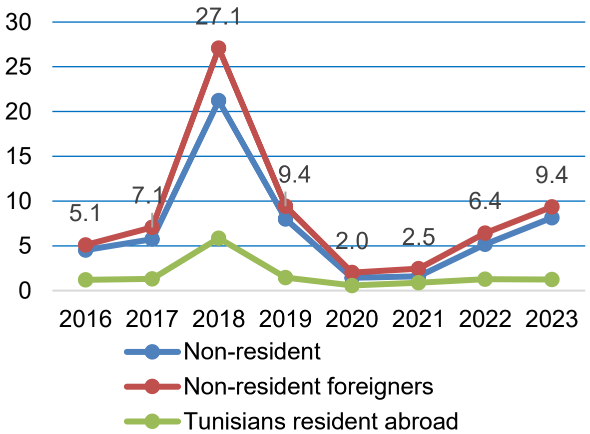

Figure 4. *Evolution of the number of tourists in Tunisia (2016-2024)*
Source: Tunisian National Tourism Office (TNTO)

Conversely, on the Tunisian side, we find a significant presence of Algerians in recent years, unlike at the launch of the destination, when the nationality of tourists entering Tunisia was more European. Indeed, from 2017 onwards, their share is about 24%, rising to 27.2% in 2023. This trend between Europeans and Maghrebi, and even between Maghreb countries, is not being maintained from 2023 onwards. According to the Tunisian National Tourism Office (T.N.T.O), the evolution of tourists by nationality reveals that the weight of Algerian and Libyan Maghrebi tourists has increased from about 55% in 2017, with 64.3% Algerians and 34% Libyans, to 57.4% in 2023, with 56.45% Algerians and 41.9% Libyans. This high demand is explained by the low purchasing power of Algerians looking for a cheap destination, in contrast to the high prices of tourist services in Algeria, and by the multiplication of the offer corresponding to different categories of tourists. The share of Algerians is dominant since the entry into force of the new tourism allocation revisited in Algeria (750 euros) from July 2025.

6.3 Hotel Rating Trends

Tourist attractiveness depends not only on demand but also on the destination's accommodation capacity. The evolution of the hotel stock thus allows us to assess the level of infrastructural preparedness in both countries.

Hotel infrastructure is one of the key determinants in the tourism sector in terms of a destination's accommodation capacity. Diversifying accommodation options enables a destination to cater to a diverse clientele, whether in terms of their comfort requirements or the type of tourism they seek, whilst respecting their budget. This fundamental principle shapes tourists' choices when visiting a destination; indeed, it is the cornerstone of the tourism industry. Building a foundation that meets the expectations of tourists – who are becoming increasingly well-informed and discerning – is becoming one of the most complex challenges facing the tourism sector. Building a foundation that meets the expectations of tourists, who have become increasingly well-informed and demanding, is becoming one of the most complex challenges facing the tourism sector.

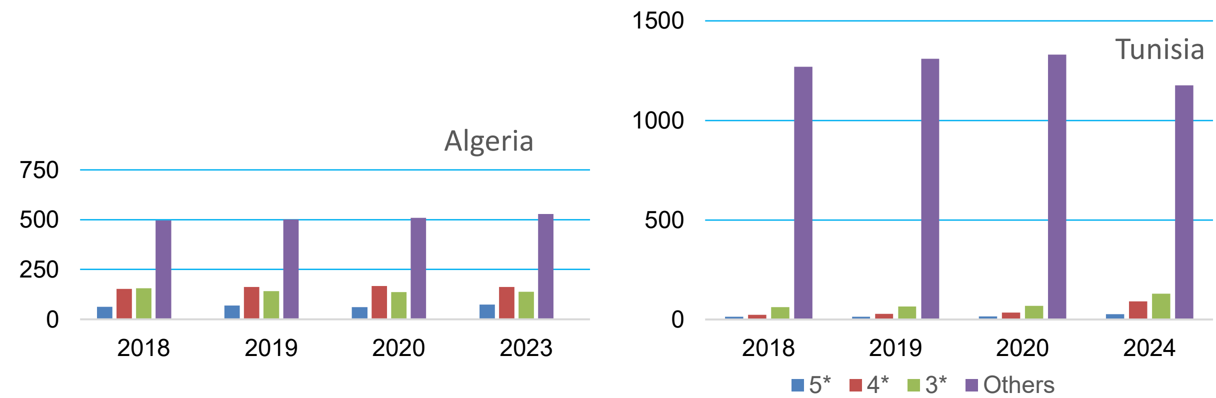

Figure 5. *Evolution of the hotel stock in Algeria (left) and Tunisia (right) by year*
Source: Key Performance Indicators for the Tourism and Crafts Sector, 2018–2024

Tunisia's national strategy of developing a tourist destination with a large accommodation capacity has been evident for several decades. The growth in the number of beds has been evident since 1971, when the country already had 41,225 beds, rising to 75,847 beds in 1981 and 116,534 beds in 1990. Algeria, on the other hand, during the same period in the 1970s, demonstrated its commitment to moving towards tourism and preparing the country to become a tourist destination. However, this commitment was not matched by a significant level of investment in major hotel infrastructure, resulting in only 18,300 beds following the investments made under the three-year plan, the first four-year plan, and for the period 1974–1978 (Tahar, 2021).

Recent data from 2024 reveals that, in terms of the total number of hotels in both countries, Algeria ranks ahead of Tunisia with more than 1,423, compared with only 876 in Tunisia in 2023.

The ranking of hotels by category indicates that, although Algeria ranks first in terms of total numbers, Tunisia far exceeds it with 376 hotels (3*, 4*, 5*) in 2023, accounting for 41.4 % of all hotel accommodation establishments with a bed capacity of 74 % of the total bed capacity (of which 25.7% are 4* and 5* hotels, representing approximately 52% of the total tourist accommodation capacity). In contrast, Algeria has only 247 hotels, representing just 17% of the total establishments, with only 8% in the 4* and 5* categories. All these factors point to a new vision for Algeria and a desire to review existing structures whilst investing in new ones. Moreover, within these very same categories, we can see that the two countries are on a par in terms of the number of 3-star hotels for the year 2023–2024, at around 140 hotels. Furthermore, it has doubled the number of 5-star hotels from 13 to 26 and quadrupled the number of 4-star hotels between 2018 and 2024. This demonstrates that Algeria has increased the number of such hotels, in contrast to the figure for 2018, for example, which did not exceed 62. In contrast, Tunisia has seen the number of its hotels remain broadly stable, with a few closures following the COVID-19 period; specifically, the number of 3-star hotels fell from 156 in 2018 to 139 in 2023. This decline is not unique to Tunisia, as the effects of the pandemic are accumulating and are set to continue in the medium and long term.

For the remaining categories of small-scale establishments in both countries, it remains significant but with a downward trend for Algeria against an upward trend for Tunisia. This may be justified by the change in investment strategy in host structures according to the needs of both countries. Beyond the number of establishments, the specialization of accommodation infrastructure provides information on the strategic orientation of national tourism. The breakdown of hotel supply by purpose highlights the segments favored by Algeria.

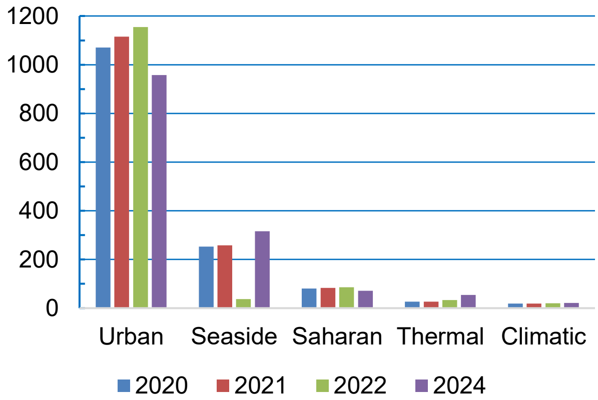

Figure 6. *Evolution of the hotel supply in Algeria by vocation (2020-2024)*
Source: Compiled by the authors, based on the collation of institutional data.

It is important to bear in mind that the nature of tourism in a destination determines all other factors, whether in terms of visitor numbers, hotel infrastructure, tourism revenue, or even the type of visitors attracted. Therefore, the national strategy for guiding and selecting the type of tourism to be promoted remains a key driver for the creation, development, and sustainability of a destination. In this regard, the data already presented show that Tunisia has invested in the luxury hotel sector, with a significant hotel capacity, but specialising in seaside tourism. In contrast, as shown in the figure above, Algeria is an urban destination par excellence, with 58 % of its accommodation capacity comprising beds. This is followed by a trend towards diversification within its sector, primarily towards seaside tourism at 31.4%, and towards thermal and Saharan tourism at around 5% each.

6.4 Evolution of tourism investment projects 2018-2024

The analysis of tourism investments makes it possible to assess the future dynamics of the sector. The monitoring of projects launched, completed, or halted provides information on structural constraints affecting tourism development in Algeria.

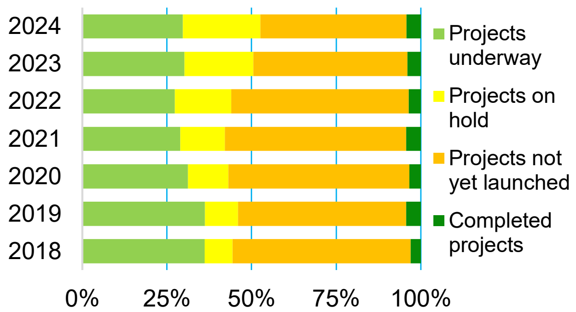

Figure 7. *Evolution of the number of tourism investment projects in Algeria (2018-2024)*
Source: Compiled by the authors, based on the collation of institutional data

The figure illustrating the status of tourism investment projects in Algeria clearly highlights the insignificant proportion of completed projects, rising only slightly year after year, averaging between 6 and 9% of the total number of existing or launched projects (ongoing and/or completed) each year. This low proportion of finalised projects is an alarming situation given the state of the overall business environment, confirming Algeria's ranking among the lowest in terms of business climate according to the annual Doing Business reports (157th place for Algeria compared with 78th place for Tunisia). This minimal progress corresponds perfectly with the rise in the number of stalled projects – calculated by excluding the number of unlaunched projects that have received favourable approvals – which is projected to rise annually from 17% in 2018 to around 40%in 2024. This accumulation, caused by delays spanning several years, is one of the key factors explaining the state of the tourism sector in Algeria.

Indeed, if we look at the proportion of projects currently underway, representing an average of 50 to 75% of all tourism investment projects announced each year, this significant proportion, while not reflecting current progress, can be seen as a promising avenue for the future development of tourist accommodation facilities in Algeria. This will depend on improving the environment overall by releasing funds for these projects as needed, depending on the challenges they face. Each situation warrants specific support in the best interest of the sector. Therefore, we can say that these types of projects, often considered a double-edged sword, should not suffer the same fate as stalled projects. Instead, they should contribute to increasing the number of completed projects, thereby boosting the country's tourism economy. Furthermore, this favorable or optimal situation is supported by the significant number of projects that have received positive feedback from the project review committees, representing between 45 and 55% of all investment projects annually. In addition to completed projects and those currently under way, Algeria has a considerable number of investment proposals in the sector, reflected in strong annual demand and the number of projects approved.

The cost of these investments, as shown in the figure below, helps to clarify this complex issue through telling details. The first point to note is the high level of investment required by this sector to develop tourist accommodation infrastructure. Indeed, for the year 2024, Algeria's efforts to increase the number of hotel establishments – particularly those in the 3* category – cost approximately 275 billion Algerian dinars for projects currently under construction alone, not including the cost of completed projects, which amounted to around 27 billion for the same year. A considerable figure worth highlighting is the estimated cost of projects not yet launched at 477 billion dinars. However, the willingness to invest in the sector, whether on the part of investors or public authorities, is not sufficient by itself and requires continuous monitoring and diagnosis to avoid a consistent financial loss for the sector. Moreover, the case of the projects at a standstill confirms this analysis by the fact that an amount of more than 288 billion frozen investments is pending resumption or outright losses in the event of structural problems without solutions. This is related to the nature of investment in a high-risk sector. This difference in investment largely explains the gap in hotel capacity observed today: Tunisia benefited, as early as the 1960s and 1970s, from a dedicated institutional framework (SHTT, ONTT, AFT, BNDT) which structured and accelerated the development of the sector, whereas a similar framework was slow to be established in Algeria.

To complete the comparison, it is necessary to examine some key indicators of Tunisian tourism related to investment and sectoral performance. These allow us to better understand the resilience factors of this destination.

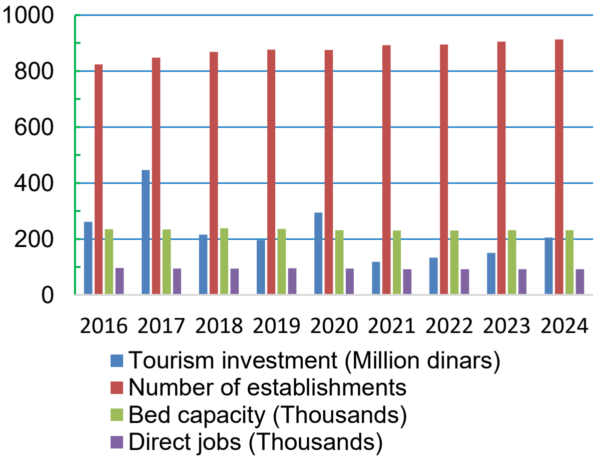

***Figure 8.** Some indicators of tourism in Tunisia (2016-2024)*

Source: Compiled by the authors, based on the collation of institutional data

Tunisia, for its part, addressed the issue of large-scale investments in the tourism sector from the outset with the construction of major seaside resorts. Moreover, the figures shown in the graph below illustrate an increase in investment before the pandemic and a recovery immediately following 2023, although this remains far from the peak recorded in 2017, which corresponded to a recovery after the 2015 crisis. This recovery is recurring after the pandemic in the form of investor reluctance. This increase aligns with the rise in the number of 5-star hotels in Tunisia, in contrast to the decline in other categories. This period has allowed Tunisia to specialize in high-end tourism and hotels with a large bed capacity, having established its foundation. Therefore, the common thread between these destinations is their form of structural transition, each in a different direction depending on the context and the state of the sector. This awareness will allow both destinations to improve their performance in the sector.

The points of comparison we can make between the two countries lie primarily in Algeria's accumulated lag in tourism infrastructure investment. However, recent figures demonstrate its commitment to tourism investment and its ability to reach, after a few years, a position like Tunisia's today, with a more mature, luxurious, and diversified tourism sector. Unlike the Tunisian model of massive and aggressive construction of various establishments, the Algerian model focuses on the progression and diversification of its offerings. As previously mentioned, Tunisia's initial steps were characterized by a kind of trading post economy (Hallel M., 2021), as the first resorts built were completely isolated from the wider community. In contrast, Algeria, with its significant presence of urban, seaside, and thermal hotels, follows a completely different approach based on leveraging its rich and diverse heritage. This choice could make Algeria an authentic destination by exploiting this delay, which has left it untouched, ready to build quality tourism and respond to a specific sustainable tourism far from this logic of mass tourism which destroys tourist potential and brings social and cultural nuisances.

7 CONCLUSIONS

Algeria's potential and assets make it a continent-sized destination, encompassing not only its 1200 km Mediterranean coastline, but also a rich hinterland of mountains, high plateaus, and the Sahara Desert. Algeria's vast size allows it to offer sun, sea, and lush greenery across its three regions: North, East, and West. Each region boasts breathtaking cultural and scenic features that deserve to be discovered by tourists seeking an unspoiled destination with a wealth of authentic experiences. The South, however, alone comprises 80% of the country's total area, with its dunes and rocky massifs boasting a wealth of natural beauty and authentic heritage, not to mention its biodiversity hotspots and prehistoric sites. The various civilisations that have shaped Algeria have turned it into an open-air space of cultural diversity, reflected in its many historical monuments, which are often situated close to other natural tourist attractions. This blend of cultural, historical, natural and other elements is one of the factors contributing to Algeria’s appeal as a destination. More broadly, these results suggest that tourist attractiveness does not depend solely on the richness of natural and cultural resources, but above all, the continuity of public policies and the ability of institutions to transform this potential into a structured offer over the long term.

The Algerian economy faces major institutional and structural challenges that are likely to affect its overall attractiveness. The complexity of administrative procedures, regulatory constraints, and shortcomings in the financial system continue to limit entrepreneurial dynamism and the attraction of foreign direct investment (FDI). The tourism sector perfectly illustrates these realities. Despite its undeniable strengths, its development remains a priority. Compared to Tunisia, the lack of infrastructure weighs heavily on its economic performance and its capacity to generate employment. Therefore, removing these structural obstacles, through the modernization of the administration and the overhaul of the banking system, is essential. These internal reforms are the key lever for supporting Algeria's new dynamic of trade openness and diversification on the international stage. This analysis confirms that the state continues to play a decisive role in the emergence of a tourist destination, whether through the creation of dedicated institutions, investment in infrastructure, or the establishment of a business climate favorable to investment.

Our comparative analysis between the two countries revealed significant differences in key tourism factors, without addressing other characteristics of each system's operation. Indeed, the quality of tourism services, directly linked to the issue of staff training, widens the gap between the two destinations, favoring Tunisia, which continues to demonstrate its specialization in comprehensive tourism products. These products include not only accommodation but also a structured airport-to-hotel transportation system, as well as significant investments in in-hotel entertainment and, most importantly, organized excursions for tourists to visit attractions. This approach combines tourist appeal with the diversification of sources of foreign exchange earnings.

We have focused at length on the Tunisian case to analyse the strengths underpinning this position. This comparison enabled us to address the issue of Tunisia's international standing and its resilience in the face of crises. In short, the two countries have broadly gone through three major periods, each with its own distinct trajectory. These include the post-independence period, characterised by the implementation of national strategies and strategic choices; the 1970s and 1980s, which saw rapid growth in Tunisia and tentative development in Algeria, with low levels of investment in the sector; and finally, the 1990s, when Algeria's initial motivation for developing the sector, and even for learning, was dampened by the events of the "Black Decade." This contrasts with Tunisia, which continued its path of development despite experiencing several periodic crises. Similarly, communication and visibility for a destination play a crucial role, just like other factors, in attracting foreign tourists. A destination that is little known or lacks a positive image cannot be promoted regardless of its infrastructure. This comparison suggests, more broadly, that the tourist attractiveness of an emerging destination depends less on the initial wealth of its resources than on the continuity of institutional choices and the willingness of the State to transform potential into a structured long-term offer. Algeria has understood this point and has created a communication and marketing platform to build its appeal both domestically and internationally. Nevertheless, the backwardness accumulated by Algeria can be transformed into an opportunity by avoiding the pitfalls of standardised mass tourism; the country has the flexibility to develop a distinctive offering, based on the authenticity of its heritage rather than on replicating a model that has already been tried and tested elsewhere.

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