

The economic impact of the African Refining Agency on Algeria: a forward-looking vision

*Fatima Belkhir, Tourism Laboratory Institutions and Region, University of Ghardaia
(Algeria), belkhir.fatima@univ-ghardaia.edu.dz*

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Abstract:

This study aims to explore the economic impact of the African Rating Agency on African countries in general, and Algeria in particular. This study relies on a descriptive and analytical approach, examining the most important events and repercussions of the establishment of this agency. It then analyzes the current state of the Algerian economy and explores the agency's impact on the Algerian economy. The study concluded that this agency has become a necessity, not an option, and that it will have many positive effects on the Algerian economy, but all of this depends on the availability of the necessary capabilities and conditions for this.

Keywords: African rating agency, credit rating, Algeria, African continent, sovereign debt, rating index

Jel Classification Codes: G24, O55, H63

1. INTRODUCTION

Following Algeria's chairmanship of the 34th Summit of Heads of State and Government of the African Peer Review Mechanism, Algerian President Abdelmadjid Tebboune announced on Friday, February 14, 2025, the creation of the African Rating Agency, a bold step in the history of Africa towards a fairer evaluation of this continent and an attempt to establish a new classification culture that takes into account the different characteristics of African economies. All this is done to reduce the financial burdens that Africa bears in debt service due to unfair international classifications, and even more than that, the lack of attracting capital, especially foreign investments, due to this type of classification, the latter of which had negative effects on all countries of the continent, including Algeria. Therefore, in this paper we will try to answer the following main problem:

1.1-The main problem:

What is the economic feasibility of establishing this agency, and what are its expected positive and negative effects on Algeria?

In order to address the subject, we will rely on the descriptive analytical approach in order to analyze and describe the most important mechanisms of this agency, and analyze and then anticipate the economic effects that may result from it.

1.2- Importance of the Study: The importance of this study lies in the following points:

- This study carries scientific significance as it addresses a contemporary topic related to African credit ratings and their implications on the Algerian economy, an area that has not been sufficiently explored in previous research.

- It provides an analytical framework that contributes to understanding the relationship between credit ratings and economic policies in Algeria, thereby filling an existing knowledge gap.

- It offers practical value for policymakers by anticipating the potential impact of the African credit rating agency on Algeria's access to external financing and its attractiveness to foreign investments.

- It highlights Algeria's position within the African financial architecture and demonstrates how the new agency could be leveraged to enhance its economic image at both the continental and international levels.

- It supports Algeria's efforts toward economic diversification beyond hydrocarbons by analyzing the prospective role of African credit ratings in directing investment into alternative sectors.

1.3- Study contents:

We also saw fit to understand the subject by dividing the study into two main axes. In the first, we will address the theoretical framework of international evaluation agencies and what their tasks are. As for the second axis, we address the African Pointing Agency and its potential economic effects on Algeria.

2. The Nature of Sovereign Credit Ratings

The success of the economic development process of any country depends on the data and information indicators of the economic situation of the country in question. This is because this data has a major role in the planning process and making the right decision. This data is not only necessary for administrations and their local economies, but it is also extremely important for foreigners, whether it is related to foreign countries and governments, financial institutions and even investors are required to make decisions regarding various forms of capital flows at the international level. Therefore, specialized rating agencies have recently emerged and spread at the global level. They issue reports every year on many countries that have a significant impact on many financial flows at the international level, and economic development plans at the local level

2.1 The concept of rating agencies:

Before talking about rating agencies, it is necessary to define the difference between the latter and international rating institutions. These institutions issue economic indicators regarding some economic classifications. The nature of these classifications differs according to the field of specialization of each institution or body. Some of them specialize in the field of economic development, such as the United Nations Development Program, Some of them specialize in economic

competitiveness, such as the Global Competitiveness Index issued by the World Economic Forum... accordingly, economic classification can be defined as “a scientific method that measures an indicator in a specific country, and is built on the basis of statistics and questionnaires, and is compared to other countries or previous periods (Dezzani, 2001, p. 330)

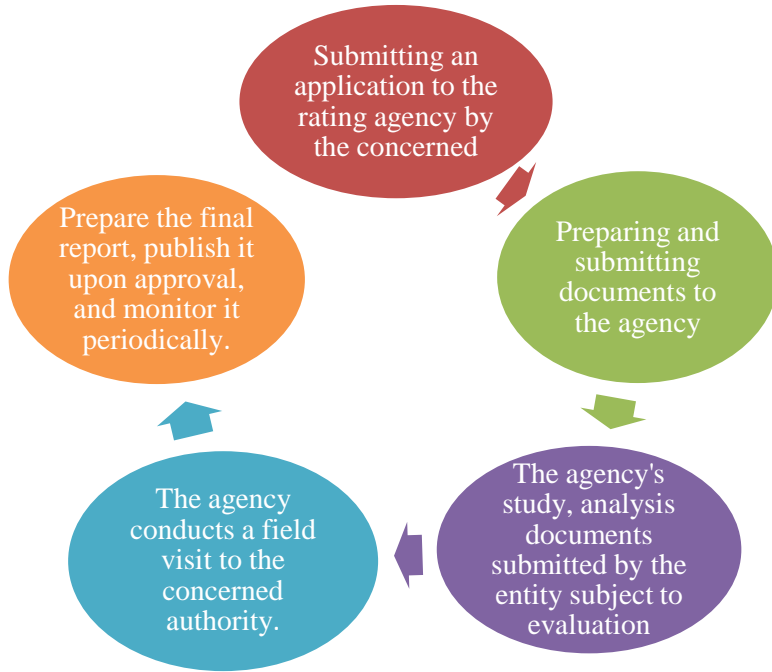
International rating agencies are usually private institutions that perform the rating process.

This refers to the opinion expressed by these institutions, based on statistics and questionnaires, regarding the debtor's ability to repay its debts, in addition to the quality of the financial stocks related to it (Studies, 2020, p. 14) For your information, this rating may evaluate companies, governments, and financial institutions. The history of the emergence of ratings, or what is known as credit rating, goes back to the middle of the nineteenth century, the first actual launch was in 1909 by “John Moody,” who issued a booklet on the creditworthiness of the railway category in the United States of America, as for international rating agencies, there are three agencies that monopolize this field, namely Standard & Poor’s, Moody’s, and Fitch, however, this does not mean that these agencies exist only at the international level, but rather there are many of them, as there are more than 150 agencies operating in 32 countries, including the International Islamic Rating Agency, headquartered in Bahrain, founded in 2005, and it is the only agency that prepares Islamic credit ratings at the global level. (Rawani, 2017, p. 183)

It is important to note that in order for these agencies to reach this stage of importance and gain the trust of those interested in this field, a set of conditions must be provided, namely: independence, objectivity, transparency in providing information, disclosure, competent human and material resources, credibility, methodology, and neutrality.

In order to carry out their work, these institutions mostly go through the same stages, which can be explained in the following figure

Fig.1: The scoring stages of scoring agencies



Source: Prepared by the researcher based on various sources

2.2 Grading criteria:

Evaluation criteria vary between agencies based on a set of considerations, as well as quantitative and qualitative statistics, which are assigned specific weights to assess the solvency of institutions or the creditworthiness of countries to repay their debts. However, in general, they all agree on four basic criteria, which are: (Bergier, 2018, p. 46)

- **Country Risk:** Refers to the economic, social, and legal conditions of the country where the institution activities, as these factors directly influence investment decisions.

- **Market Position:** Agencies analyze the institution's competitiveness and market standing, as well as the regulatory and legal environment affecting its current and future activities.

- **Institutional Structure:** The structure matters independent institutions are assessed differently from subsidiaries of foreign parent companies,

especially in the case of multinationals.

- Private Funds Status: A strong base of private funds acts as a buffer against economic shocks and can compensate for other institutional weaknesses.

In addition to these, agencies consider future expectations about liquidity, profits, debt levels, and the broader political, economic, and social environment.

According to the Basel II Accord: (Karim & Karbach, 2013, p. 08)

If rated by one agency, that rating is used.

If rated by two agencies, the lower rating applies.

If rated by more than two, the two lowest ratings are considered.

Ratings can be short- or long-term and are categorized as investment-grade (low credit risk) or speculative-grade (high risk of default). They are expressed using Latin letters (from AAA to DDD), with possible modifiers (+, -, or numbers). Despite variations between agencies, most follow similar classification structures especially the three dominant global agencies, whose systems are summarized in the following table.

Table 1: Different ratings of the most famous international rating agencies

Category	S&P / Fitch	Moody's	Default Rate Range
Investment Grade			
Excellent	AAA	Aaa	0.00% – 1.67%
Good	AA+ to AA-	Aa1 to Aa3	0.00% – 0.91%
Medium	A+ to A-	A1 to A3	0.64% – 2.43%
Bellow Average	BBB+ to BBB-	Baa1 to Baa3	1.75% – 4.36%
Speculative Grade			
Speculative	BB+ to BB-	Ba1 to Ba3	9.25% – 10.65%
High Speculation	B+ to B-	B1 to B3	14.70% – 24.82%
High Risk	CCC+ to CCC-	Caa1 to Caa3	35.17% – 48.04%
Very High Speculation	CC	Ca	Up to 100%
Near Default	C	C	0.00%
Default	D / SD / RD	/	/

Source : Fabienne Collard, les agences de notation, revue courrier hebdomadaire du

CRISP, n°2156-2157,decembre 2012,p15. [\(https://www.cairn.info/revue-courrier-hebdomadaire-du-crisp-2012-31-page-5.htm\)](https://www.cairn.info/revue-courrier-hebdomadaire-du-crisp-2012-31-page-5.htm).(24/01/2025).

From the previous table, it is clear to us that there is a difference in the point of view of each institution regarding the financial suitability of the institution, as this classification is considered of great importance for the institution and the investor, as the latter depends on it greatly for every investor who is about to invest his money. As for the institution, it is more than advertising and promotion for it, it is an effective tool to attract investors and thus capital.

In fact, we find that this classification is more directed towards developed countries that have active capital markets and the institutions operating in them depend heavily on the financial markets to mobilize capital. As for developing countries, this classification is often not directed towards the institutions operating in their economies due to the weakness of their financial markets, but rather the classification is related to the countries themselves or what is known as the sovereign credit rating (Collarrd, 2012, p. 15)

2.3 The Concept of Sovereign Credit Rating:

Sovereign states sometimes have what is called sovereign debt, which results from the state issuing bonds either in its local currency, in which case it is called government debt, or issued in a foreign currency to foreign investors, in which case it is called sovereign debt. As for sovereign rating, we mean the future assessment by specialized agencies in this area, the state's ability to fulfill its financial obligations towards others - sovereign debt - on time and according to the terms agreed upon in advance. The risks related to sovereign debt are not only related to the ability to fulfill, but also extend to the borrowing state's desire to respect its financial obligations (Studies I. o., 2025, p. 10)

It is worth noting that the sovereign credit rating is based on the same general principles in the classification of institutions and companies in terms of the loan amount and the debtor's ability to repay the debt and its interest, but differs in the adopted tools, as corporate accounting is adopted in the first, while for sovereign debt, national accounting is adopted, in addition to the fact that there are basic differences implicit in the process of

rating sovereign debt the agency does not rely on the ability to analyze it alone, but rather relies on the desire to pay off the debt and its interest. The process of studying and analyzing the assumed risks of external debt must be clear and separate from internal debt, in addition to the necessity of the availability of sufficient foreign reserves for the state in order to be able to pay off the external debt.

Naturally, this classification is of great importance to countries, especially developing ones, in order to implement their development plans, which often depend on external financial resources due to their limited domestic resources. We can summarize the importance of a high credit rating for countries in the following points (Amira, 2019, p. 233)

- Credit rating is one of the most important determinants of whether or not to obtain a loan.

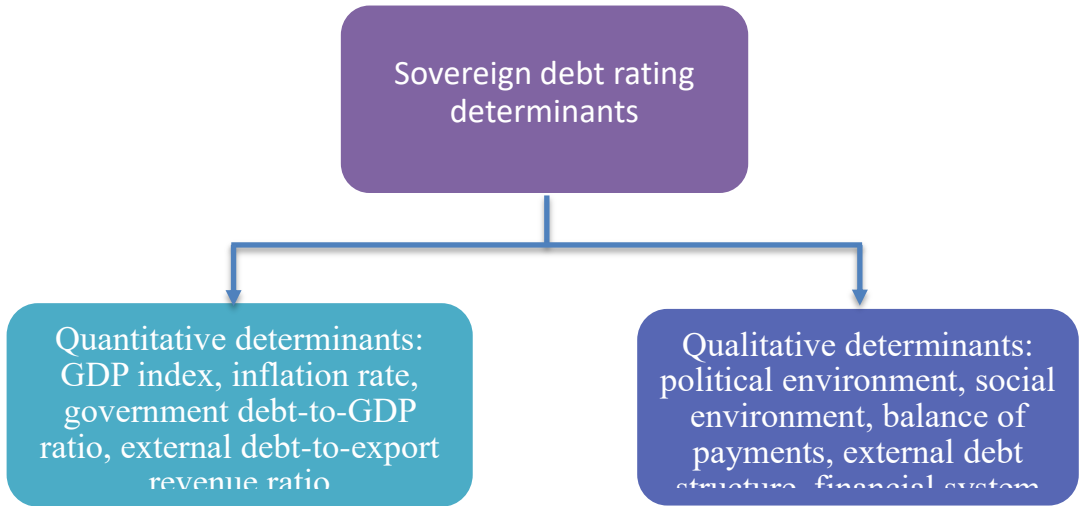
- Credit rating plays a significant role in interest rates, as interest rates rise with increased risk, and vice versa.

- Credit ratings also directly impact global institutions and companies in the countries subject to the rating. These companies' rating criteria include the country's risk, which we discussed previously.

A good rating is a country's visa for entering international financial markets, as well as attracting foreign capital, whether in the form of loans or foreign direct investment. Based on the above points, credit ratings play a significant role in achieving economic growth, which relies on financing, which in turn is dependent on these ratings.

It is worth noting that in order to issue a credit rating for a country, these agencies rely on determinants to measure the creditworthiness of the country in question. These criteria are divided into criteria that cannot be measured at specific rates and are called qualitative criteria, and others that can be measured and are called quantitative criteria. They differ in weights from one agency to another, but in terms of accreditation, everyone agrees on them and they can be represented in the following form.

Fig.2: Sovereign debt classification determinants



Source: Prepared by the researcher.

From the previous figure, we note that there are a number of factors that vary between quantity and quality that determine the classification criteria between countries. Perhaps the most prominent of these, from a qualitative perspective, is the political and social environment, which is considered low in developing countries, especially African ones, where corruption and internal conflicts abound in the latter, which greatly affects these two environments and, as a result, the rest of the other economic variables, These country-related classifications also have ratings for agencies and operate on the same principle as ratings for companies, whereby symbols are given that vary between letters, numbers, and even symbols. The following table contains an abbreviation of that.

Table 2: Sovereign debt classification codes

Standar& poor's	Moody's	Meaning of classification
Long-term sovereign debt rating		
Investment grade rating		
AAA	Aaa	Highest levels of quality
AA+	Aa1	High quality levels
AA	Aa2	

AA-	Aa3	
A+	A1	High ability to pay
A	A2	
A-	A3	
BBB+	Baa1	High ability to pay
BBB	Baa2	
BBB-	Baa3	

Speculative Grade Rating

BB+	Ba1	The probability of fulfilling obligations while remaining uncertain
BB	Ba2	
BB-	Ba3	
B+	B1	High-risk obligations
B	B2	
B-	B3	
CCC+	Caa1	High probability of non-fulfilment
CCC	Caa2	
CCC-	Caa3	

Source : Ahmed Talfah, Arab Planning Institute, April 2005, available at https://www.arab-api.org/Files/Training/programs/1/2018/35_C19-1.pdf on 02/02/2025

From the previous table, we note that all the listed classifications are related to long-term sovereign debts, and therefore some amendments were made to short-term debts, which were (Talfah, 2005) :

ST-1: Above-average ability to meet short-term obligations.

ST-2: Average ability to meet short-term obligations.

ST-3: Below-average ability to meet short-term obligations.

Thus, from the above, credit ratings issued by these agencies play a crucial role for both countries and companies. They help guide investment decisions, facilitate access to external financing, and attract foreign capital. However, these ratings are not absolute truths. Credit rating agencies have faced severe criticism, particularly in the wake of major economic crises - such as the 1997 Asian crisis, the 2008 US subprime mortgage crisis, and the Eurozone crisis - for their repeated failures and miscalculations. The most important criticisms directed at these agencies can be summarized as follows. (Souise, 2016, p. 505)

-Lack of Independence: One of the main criticisms of international rating agencies is their lack of independence. Analysts and policymakers argue that these agencies played a role in triggering the global financial crisis, due to biased and unreliable ratings.

- The credibility of rating agencies is often questioned due to potential conflicts of interest, as many have financial ties or shared interests with the institutions they rate. This relationship can compromise the objectivity and reliability of their ratings.

- Rating agencies are criticized for using outdated risk assessment models, that have not kept pace with modern financial complexities and technological advancements, undermining the accuracy of their evaluations.

- Differences in rating methods between agencies: International credit rating agencies do not use identical methods in assessing credit risk, which leads to differences in planning decisions resulting from differences in reports.

- Credit rating agencies have been criticized for inefficiency, particularly regarding the timing of their reports. Often, they release evaluations after crises have already unfolded and are quick to downgrade ratings in the initial stages of critical situations, showing inconsistency compared to pre-crisis assessments. Moreover, concerns have been raised about the objectivity of these agencies, with many believing they are influenced by certain countries especially the United States, despite their mandate to operate neutrally. As a result, there is a growing call to establish local and regional rating agencies that prioritize the interests of developing countries, which frequently receive unfairly low ratings from the dominant global agencies.

3. Establishing the African Rating Agency: Prospects and Challenges:

After African countries suffered a lot of financial losses due to low credit ratings, which resulted in what is known as the “African premium,” and since African countries are unable to provide the necessary financing for their various projects, they were forced to accept high-interest loans, which, according to the President of the African Development Bank,

“Akinwumi Adesina,” Africa spends more than \$75 billion in debt service alone, resulting from unfair assessment. This money would have been better directed to development projects that benefit the continent, this is all due to the lack of consideration for its unique characteristics, particularly in terms of gross domestic product, which must include the continent's forest resources and

carbon stocks when calculating it. All these factors have made the African Rating Agency a necessity in order for the continent's countries to benefit from fair rankings

3.1 Definition of the African Credit Rating Agency (AFCRA)

of the African Credit Rating Agency (AFCRA): It is a new credit rating body for the African continent, established on February 14, 2025. Its main objective is a fair and appropriate evaluation of African countries, far from the evaluation of Western international agencies that do not take into account the specificity of the continent.

It is an independent body based on the peer review mechanism (ARPM) and has a legal personality and financial independence. It starts with a founding capital and then later works on the “Issuer pay” model (Union, 2024, p. 06) "Which means that the person concerned with the evaluation is the one who pays the expenses, which is the practice in international agencies. The administrative board is temporarily headed by the South African expert "Misheck Mutize", and the agency's headquarters is in the same building as the headquarters of the peer review mechanism in Edisababa, Ethiopia.

It is important to note that this agency was not created improvised or by chance, but rather went through many stages until it was officially announced in February of this year, which can be summarized in the following table

Table3: Stages of establishing the African Rating Agency

the date	Stage detail
2017	The idea of establishing an African rating agency first emerged when ARPM was tasked at the African Union summit with conducting a feasibility study. This came after African countries complained about the “African Risk Premium”.
2019	The rating of more than 17 African countries has been lowered, and therefore the President of the African Development Bank called for the establishment of the agency "AFCRA."
2022	The African Union Ministers called on the members of the ARPM and the African Development Bank to accelerate the operationalization of the AFCRA, pursuant to Resolution Assembly/AU/Dec.631 (XXVIII) of 2017.
09-02-2024	A high-level dialogue was held on the sidelines of the 79th United Nations General Assembly in New York, with the participation of ARPM, UNECA and UVDP, with the aim of developing a draft for the agency, with an emphasis on the institutional framework.
02-07-2025	The 37th African Union Summit was held, during which the official launch of "AFCRA" was announced.
02-14-2025	President Abdelmadjid Tebboune announces the official launch of the agency.
06-09-2025	The agency's actual launch, originally scheduled for June, has been postponed to the end of September of the same year. The first évaluation is Schedule for late 2025 or early 2026.

Source : Prepared by the researcher based on several sources

From the previous table, we conclude through the stages of the emergence of "AFCRA" that among the most important reasons for the establishment of this agency are the unfair classifications by international agencies, especially the three American agencies, which resulted in what is known as the African Risk Premium, which makes African countries obtain loans with very high interest rates, which puts these countries in a cycle of debt service , sometimes debt service is more than the country's GDP itself, and therefore the African Agency, according to the President of the African Development Bank, did not come to cancel the role of international

agencies, but rather came to complement them. Moreover, in the short term, it depends on them in many aspects, and therefore it will face many challenges.

3.2 Challenges and Prerequisites for the African Credit Rating Agency:

Despite the great optimism of African countries towards this agency through the advantages that can be achieved as a result of fair assessments that benefit the economies of African countries, there are many challenges, mainly represented in:

- Lack of resources: After announcing the establishment of the agency, Algeria donated one million US dollars to it, and African countries aspire to reach five million dollars by the middle of this year. However, this amount is not sufficient, according to the founders' estimate, as the required amount is five hundred million dollars. Therefore, one of the most important obstacles that the agency will face is the possibility of not having sufficient funding to carry out the role assigned to it, not to mention the lack of qualified human resources compared to the efficient human resources available to American agencies.

- Transparency and governance: There is a great fear of political interference in the agency's work, which weakens its credibility and thus makes it unable to continue.

- International recognition: In order for this agency to be able to launch and continue, it must gain international recognition, especially in light of the conflict between international and local statistics.

- Overlap with international agencies: Despite the presence of a large number of international rating agencies, the three American agencies monopolize 95% of global ratings. Consequently, the emergence of an African agency could make competition unfair with agencies that have been in existence for more than 100 years and possess significant financial and human resources.

Despite all these challenges, AfCRA possesses continental legitimacy, a sovereign vision, and a fair approach, which is an absolute advantage compared to international agencies.

In order to overcome the challenges and exploit the advantages

enjoyed by the agency, the latter must meet a set of conditions for its establishment and continuity, which are :

- Conditions for establishing an African rating agency:

In order to face the aforementioned challenges, and so that this project is not destined to fail like many ambitions on the African continent, it is necessary to provide a set of conditions, which are:

- **Technical and professional expertise:** It is necessary to train human resources and seek the help of foreign experts who have experience and practice in the field of scoring in order to ensure the start and correct progress on the one hand and on the other hand to train the local human cadres.

- **Adopting globally recognized standards in credit rating,** such as those used by major rating agencies (Moody's, Standard & Poor's, Fitch) and developing clear and independent methodologies for assessing creditworthiness.

- **Accurate and reliable data:** This is achieved by accessing accurate economic and financial data from governments and financial institutions, as well as establishing systems to collect and analyze data periodically and regularly.

- **Transparency and disclosure:** This is the most urgent matter in African countries in general, as the lack of information is considered the biggest obstacle facing rating agencies.

Sustainable financing: Providing diverse sources of financing (governmental, international, private) to ensure the agency's independence and continuity, in addition to managing financial resources in a transparent and effective manner. **Adapting to African conditions:** This is achieved by developing evaluation methodologies, indicators, and weightings that are consistent with the economic and social characteristics of the African continent, while not neglecting the challenges facing the continent, such as weak infrastructure and political instability. All of these conditions enable the agency to achieve the greatest benefits for the countries of the continent in general, and Algeria in particular. Therefore, before discussing the effects of this agency on Algeria, it is important to address Algeria's current

classification in international agencies and its current economic situation.

3.3 Algeria's rating by international rating agencies:

Algeria has not been subject to any sovereign rating from any of the agencies we mentioned previously, and according to economists, this is due to two trends. The first says that the reason for this is that Algeria has not requested a rating from these agencies because they work upon request, in addition to the fact that Algerian legislation that governs bond issuance operations does not require or oblige an assessment of financial risk by international credit rating agencies, the second trend is due to the weakness of financial and accounting disclosure, in addition to the great activity of the parallel market in Algeria, not to mention the limited financial market there.

In general, the first rating that Algeria received was in 2012 by “Dagong Global Credit Rating Co.”, a Chinese rating agency founded in 1994. It rated Algeria from 2012 to 2015 at BBB-, which indicates that the risks of default and the ability to meet are acceptable. However, after 2016, the rating was lowered to BB+, which means that the economy is speculative, and the risk is also high. But it is important to note that there is a classification for Algeria by international agencies, headed by the Fitch agency, regarding the risk assessment of countries, as this assessment measures the risks associated with foreign investment transactions and foreign trade related to the country in question.

The following table shows the classification index for Algeria in recent years.

Table 4: Algeria’s international risk rating according to Fitch Ratings

	Lowest risk 0% Highest risk 100%		
Years	September 2022	September 2023	September 2024
Indicator	47.7 %	48.2 %	50.6%

Source: :Fitch Solutions

From the previous table, we note that Algeria, although it has maintained a moderate risk score according to the agency’s standard (45 - 54.99) % , the risk score is rising from one year to the next. On the other hand, we find that many economic indicators have recorded, especially

between 2021 and 2023, a noticeable improvement, However, the index is rising, indicating a lack of fairness in the classification. The following table shows some of Algeria's most important economic indicators

Table 5. Development of the most important economic indicators

Indicator	Years		
	2022	2023	2024
REAL GDP GROWTH %	3,6	4,2	3,8
CONSUMER PRICE INFLATION (year-over year percent change %)	9,3	9,3	7,6
Export of Goods & Services as % of current GDP	30,7	22,7	22
IMPORTS of Goods & Services as % of current GDP	20,7	20,6	21,4
FDI Inflows (US\$ bn)	0,255	1,216	1,220
Gross official Reserves (US\$ bn)	56,8	64,7	67,1

Source : <https://data.worldbank.org/country/algeria> on 12/02/2025 at 23:55

So, whatever the reason for this low rating, is it real and does it truly reflect Algeria's creditworthiness and economic risks, or is it subject to the standards and agendas of Western countries? The result is the same, which is the necessity of having a local or regional rating agency in order to reduce the cost of obtaining a rating from international agencies, In addition, the regional agency, specifically the African one, will be more familiar with the specificities of African countries, including Algeria, and thus a more accurate classification

3.4 Advantages of establishing the African Rating Agency for Algeria:

As we mentioned previously, establishing the agency with the necessary conditions and standards will provide the continent as a whole and Algeria in particular with many advantages, including:

- Strengthening the Algerian bond market, which it relies on as a funding source, especially during periods of low oil prices.
- Enhancing transparency. The agency's presence necessitates the publication of all information and the development of financial and accounting disclosure in Algeria, thus eliminating the accusation of opaque

information.

- Attracting capital due to fair ratings, which increase investor confidence in Algeria.

- As a result of the previous element, economic development is enhanced due to the availability of sufficient financing, thus achieving economic diversification and moving away from dependence on hydrocarbons.

- Building local capacity, as the establishment of the agency will create jobs in the financial and analytical fields, in addition to transferring foreign expertise in this field.

- The agency can encourage small and medium-sized enterprises, even startups, by providing them with sufficient funding to expand and develop their activities, especially in light of the state's efforts to encourage this sector.

- Confronting the European carbon tax: The agency helps defend Algeria's interests against unfair border taxes, most notably the carbon tax that will be imposed on African borders, resulting in losses estimated at \$35 billion annually in African exports, despite the fact that the continent as a whole contributes only 3% of greenhouse gas emissions.

- Strengthening the role of Algerian economic diplomacy. This agency will be used as a tool to strengthen South-South relations, especially with the Sahel and Sahara countries. In general, Algeria, by proposing and endorsing the establishment of the African Rating Agency, seeks to achieve the aforementioned benefits. However, all of these benefits remain contingent on the political will, not only of Algeria but also of other African countries especially since the latter is characterised by economic instability and dependence on Western countries, which do not have an interest in establishing a regional rating agency, lest they lose the funding generated by the reports it issues for some African countries.

4. CONCLUSION

With the increasing role and importance of international rating agencies and the significant effects they cause to the countries subject to rating, whether negatively or positively, and in light of the absence of an African rating agency, it has become necessary to establish an African

rating agency that is more sensitive to the specificity of the African continent and its countries, the latter of which Algeria is considered the third strongest economy in it, but due to the lack of a fair rating, it still suffers from low ratings. Accordingly, the announcement came to establish the African Rating Agency, which has many advantages for the economies of all African countries and Algeria in particular, but all of this remains dependent on adherence to the necessary conditions for the success of this type of agency in addition to providing the necessary capabilities because ambition remains within the available range, and accordingly we have reached a number of results represented by:

- Study results: The most important results of the study are:

- African countries suffer from the lack of a credit rating agency that provides them with a fair assessment.

- The major problems facing African countries, particularly those related to political and security stability, may delay the implementation of this agency.

- The agency's success remains contingent on the availability of political will to establish it, and this will be able to overcome all the obstacles we have mentioned.

- The failure of international agencies, especially following recurring economic crises, is a major incentive to establish the African Rating Agency.

Accordingly, we can suggest the following recommendations:

- Strengthening economic integration among African countries, which will accelerate the implementation of the agency and its operationalization on the ground.

- Leveraging Algeria's strong diplomacy to encourage countries to accelerate the implementation of the agency on the ground.

- Engaging the higher education sector in this field by opening specializations at universities that align with the trend toward establishing an African rating agency.

- Enhancing governance and transparency to achieve higher rankings, starting with the launch of the African agency.

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