This study is an attempt, to bring some explanation with analysis and measurement of FDI to the problems linked to the impact of economic policies and reforms on the development of FDI in Algeria. The findings deduced that FDI flows in Algeria know a remarkable growth on that period, This growth is the result of the adopted reforms and positive outcomes of macroeconomic indicator, Therefore, they latter are not sufficient in comparison to the offered possibilities and the achievement level of other Arab countries, The unique orientation of Algeria to hydrocarbon gave a limited opportunity to the other sectors, In order to measure the impact of the economic policies on the development of the FDI in Algeria, during the period (1989-2011), ordinary little-squares method have been used (OLS), the relationship between the FDI during (1989-2011) and the principal macroeconomic variables (GDP, inflation, the proportion of the balance of current accounts of (GDP), the net budgetary position of the nominal GDP, the ratio of the foreign debt of the nominal GDP, rate of exchange for the Algerian dinar with the Dollar, The study concluded that all variables gross domestic product and inflation played a significant role in the interpretation of the movement of the FDI in Algeria during the studied period, where the GDP was sensible and positive on flows of foreign direct investments in Algeria. Whereas, inflation is negative and significant on the level of 5%. For the other variable there was not a
significant impact on the flows of the foreign direct investments in Algeria during that period.