



Investment Opportunities
G20 Compact with Africa

Tunisia, the right place to invest

COUNTRY CONTEXT

Strategically located in the Southern Mediterranean.

Economic growth : GDP per capita is one of the highest in Africa, estimated average GDP growth of 3.7% from 2017-2020.

Business friendly investment climate : as a result of post Arab Spring, reforms are implemented in areas such as banking, competition, bankruptcy, ICT liberalization, PPPs.

Highly educated workforce : student population is 325,000. 60% are female. More than 70,000 graduates per year and 33% trained in ICT.

Innovative and technological infrastructure : 10 sector specific technoparks, 15 cyber parks dedicated to communication technologies, 2 business parks, a park dedicated to the aeronautics industry, 152 industrial zones.

Well developed transport infrastructure : 9 international airports, 7 commercial ports and one oil terminal, a railway network covering the entire country, a road network of about 20 000 km of roads and more than 640 km of motorways connecting all the Tunisian cities.

Connectivity : mobile cellular subscription of 130 per 100 people.

Robust legal framework for investment : Tunisia has adopted a new investment law regarding the ICT sector : the Start-Up Act.



KEY FACTS

Languages

Arabic (Mother tongue) French (Business)
Other widely spoken languages : English and Italian

Currency

Tunisian Dinar (TND)

Government

Parliamentary Republic

Land area

163,600 sq. km

Coastline

1,148 km

Major urban areas

Tunis

Population

11.4 million

Literacy rate

81.8%

GDP (current, 2017)

\$40.30 billion

GDP Growth (2017 est)

1.9%

GDP per capita (2017)

\$3,690

Natural resources

Phosphates and derivatives, petroleum, renewables, salt, iron ore, lead, zinc.



COMPACT MEASURES

The Government attached priority to compact actions aiming essentially at reinforcing macroeconomic stabilization and boosting inclusive and sustainable growth.

MACROECONOMIC FRAMEWORK

The priorities of the Tunisian government are mainly focused on the major macroeconomic balances through :

- Multi-year fiscal adjustment while boosting investment and social spending
- Increasing reserves based on macroeconomic stabilization package

BUSINESS FRAMEWORK

The government has engaged several reforms to improve business environment including simplifying procedures, enhancing transparency and reinforcing governance through :

- New investment, PPP and competition laws
- Unique interlocutor for investment projects
- Governmental program to streamline licences regarding economic activities within two years

FINANCING FRAMEWORK

Tunisia has undertaken a series of important actions in the financial sector in order to enhance its performance and diversify financing instruments through :

- Restructuring the banking sector
- Efforts to clean up non-performing loans and increase lending capacity



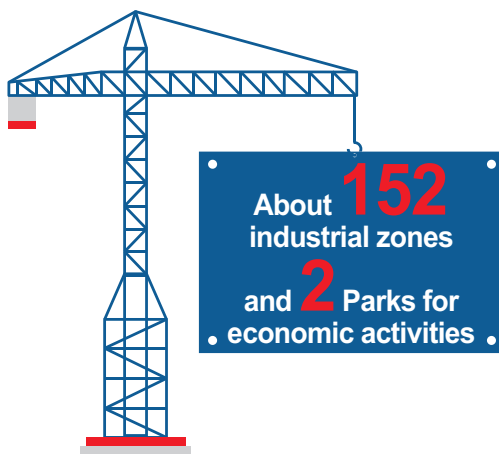
OPPORTUNITIES

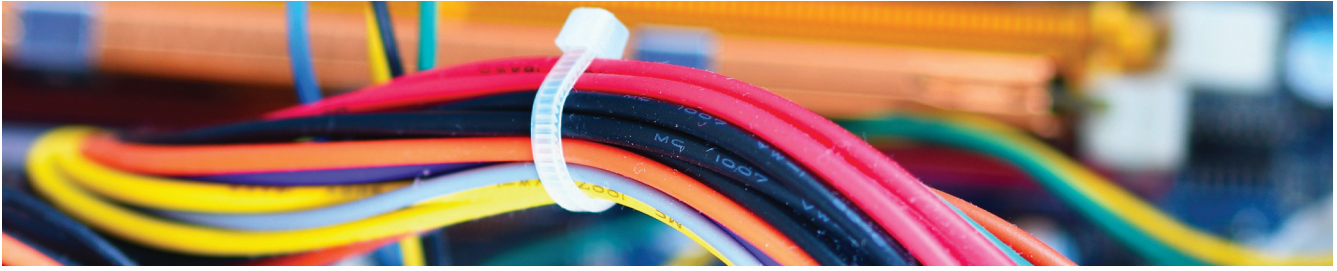
INFRASTRUCTURE

Potential projects

- Enfidha deep water harbor (600 EUR)
- Improving interior roads (280 M EUR) in the governorates of Ariana, Béja, Ben Arous, Bizerte, Gabès, Gafsa, Jendouba, Kairouan, Kasserine, Kébili, Le Kef, Mahdia, Manouba, Médenine, Monastir, Nabeul, Sfax, Sidi Bouzid, Siliana, Sousse, Tataouine, Tozeur, Tunis, Zaghouan
- Construction of express roads linking the governorates of Kasserine, Gafsa and Sidi Bouzid to Sfax, Gabes and the A1 motorway (480 M EUR)
- Construction of 35 new bridges in 23 governorates (80 M EUR)
- Public Private Partnership (PPP) projects to be potentially implemented in an established legal framework especially in waste water treatment, energy, transport, waste sectors : Logistics zone for Rades port, waste water treatment plant in Gabes, waste water treatment in Tunis north, seawater desalination plant of Gabes in favour of Tunisian Chemical Group, ...

Main Infrastructure





AUTOMOTIVE INDUSTRY, THE DRIVING ENGINE OF TUNISIAN INDUSTRY

- An average annual growth of production and exports of 12 % over the past decade
- More than € 2 billion of exported auto spare parts
- Tunisia is among the 10 first providers of Europe for electrical wiring systems
- Tunisia is the only country in Africa with local companies established worldwide
- Different stages of the value chain covered by the Tunisian companies (40% local content)
- Experienced and highly adaptable workforce
- Geographic proximity and fast delivery times
- Consortium of equipment manufacturers within the Tunisian Automotive Association



A BOOMING AEROSPACE INDUSTRY

- More than 80 companies set up in 4 industrial clusters
- Presence in the entire supply chain : high precision cutting and machining ...
- High value-added activities : software/hardware engineering
- Integrated industrial platform dedicated exclusively to aeronautics
- Consortium of companies with activities related to aerospace industry within Tunisian Aerospace Association Industries « GITAS »



ICT, AN EXPANDING SECTOR

- Multi-skilled human resources
- The highest concentration of researchers among Arab and African countries
- A performing infrastructure offer
- The biggest data center in Africa "dataxion" is based in Tunisia
- Tunisia is the first Arab and African Country in terms of innovation (2018 Bloomberg Innovation Index)
- Tunisia is the 7th best city around the world to launch a start-up
- A favourable legal and fiscal framework



AGRIFOOD INDUSTRY, A LEADING SECTOR IN TUNISIAN INDUSTRY

- Tunisia is the 1st worldwide exporter of dates
- Tunisia is the 2nd African exporter of organic products
- Six medals in Los Angeles International Extra Virgin Olive Oil Competition 2018, including 4 golds
- Tunisia is the only African country having received the recognition of equivalence with the EU and Switzerland pertaining to organic agriculture
- Booming organic production
- Quality products, nature taste and flavour
- A synergy between research centers and companies
- Financial and tax incentives in favor of the sector



RENEWABLE ENERGY

- A well-defined Energy Strategy for Tunisia by 2030
- Intensifying energy efficiency promotion in all sectors with aim to decrease primary energy demand by 2030 of 30% compared to the baseline
- Legal framework : Law n ° 12 of May 11, 2015 on the production of electricity from renewable energies
- Tunisia is committed (COP 21) to produce 2250 MW of electricity from renewable energy by 2030
- Priority sector under the new investment law

PARTNER SUPPORT FOR THE REFORMS

Tunisia has been constantly supported by multilateral and bilateral partners for the most important structural reforms carried out along the transition path. The five-year development plan 2016-2020 aims at promoting stronger and inclusive growth.

Macroeconomic stabilization including fiscal consolidation, improved budget composition and reduced external imbalances through larger exports and FDI are considered prerequisites for growth.

On these basis, the partner support is mainly aimed at :

Macroeconomic Framework

- Ensuring macroeconomic stability and debt sustainability while mobilizing more external resources
- Increasing domestic resource mobilization in the context of an investment-friendly tax system
- Ensuring efficient public investment management
- Improving public sector performance

Business Framework

- Reliable regulations and institutions
- Improved project preparation
- Operationalization of PPP
- Simplifying investment procedures
- Streamlining economic licences

Financing Framework

- Efficient risk mitigation instrument
- Domestic debt market development
- More effectiveness in financial and capital market development

CONTACT INFORMATION

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