



# **INVEST IN TUNISIA**

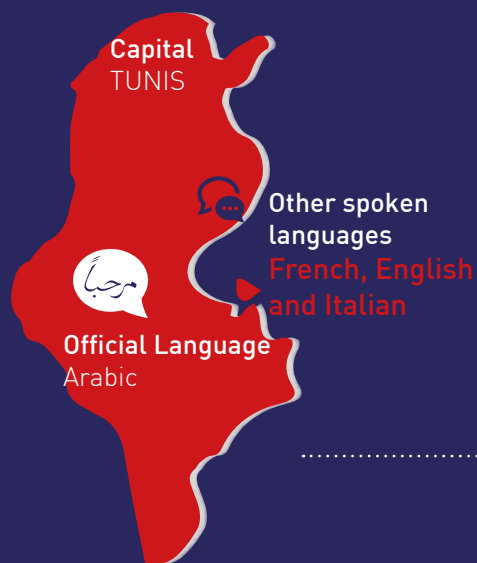
THE NEXT OPPORTUNITY

INVEST IN **TUNISIA**

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# TUNISIA

## IN A NUTSHELL



**Currency**  
Tunisian Dinar (TND)



**Population**  
11.55 million inhabitants



**Average exchange rate 2018**  
1 TND=0.319 Euro=0.377 USD



**Urban Population**  
68.6 %



**Local time**  
GMT+1



**Human Development Index**  
(HDI in the Arab States = 0.699) \*  
0.735



**Climate**  
Mediterranean, 12° C in winter,  
30° C in summer (average)

Sources: Central Bank of Tunisia, 2018  
National Statistics Institute, 2018  
\*Source: United Nations Development Program, 2018



**ECONOMIC  
AGGREGATES**

**96 664.3 MTND**  
Gross Domestic Product (current prices)

**18.06**  
GFCF (% of GDP)

Source: Central Bank of Tunisia, 2017



**TRADE**

**40 986.2 MTND**  
Exports 2018 (current prices)

**60 035.2 MTND**  
Imports 2018 (current prices)

**68.8%**  
Coverage Rate

Sources: Central Bank of Tunisia, 2017  
National Statistics Institute, 2018

**Main Clients**

France  
Italy  
Germany  
Spain

**Main suppliers**

France  
Italy  
China  
Germany



**SALARY  
DATA**

**343.892 TND**  
(40-hour scheme) ≈ 109.70 €  
Minimum Guaranteed  
Inter-professional Wage (SMIG)

**13,736 TND**  
(daily wage) ≈ 5,78 €  
Minimum Guaranteed Agricultural  
Wage (SMAG)

Source: Decree n°454-455 dated 28 May 2019

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# TUNISIA, LEADER IN NORTH AFRICA

**1<sup>ST</sup>**  
**IN TERMS OF**

**Talent Competitiveness**  
Global Talent Competitiveness Index 2018, INSEAD

**Entrepreneurship Ecosystem**  
Global Entrepreneurship Index 2018, GEDI

**Innovation**  
Bloomberg Innovation Index 2018, Bloomberg

**Competitive Industrial  
Performance**  
Competitive Industrial Performance Index 2018, UNIDO

**ICT Development**  
Measuring the Information Society Report, 2017

**Transition to E-commerce**  
B2C E-commerce Index 2018, CNUCED



**TUNISIA** is :



**2<sup>nd</sup>**  
world exporter of  
dates



**2<sup>nd</sup>**  
World exporter of olive  
oil



**2<sup>nd</sup>**  
exporter of organic  
produce in Africa



**3<sup>rd</sup>**  
African producer of  
car components

# TUNISIA,

## THE SMART CHOICE



The **continuous upmarket movement** of Tunisian industry in the global value chains contributes to the success of the companies that are established in the country. Countless foreign groups of international renown are increasingly confident in the Tunisian site.

**3 486**  
enterprises

**25 408.53**  
M TND in FDI  
(Excluding  
energy)

**386 312**  
Jobs

Source: FIPA-TUNISIA, 2018

### FDI DISTRIBUTION BY SECTOR (EXCLUDING ENERGY)



Industry

**53.29 %**



Service

**45.31 %**



Agriculture

**1.40 %**

Source: FIPA-TUNISIA. 2018

## FDI DISTRIBUTION BY SECTOR INDUSTRY



Construction materials



Electric and Electronics



Textile & Clothing



Mechanics, metal and metallurgy



Food Industry



Chemicals and rubber



Pharmaceutical industry



Plastics



Miscellaneous Industries



Leather & Shoes

**TUNIS IS THE  
AFRICAN  
LEADER  
AMONG  
EMERGING  
LARGE CITIES  
IN TERMS  
OF COST  
EFFICIENCY.**

Global Cities of the Future 2016 -  
2017, FDI Magazine

## WORLD RENOWNED FOREIGN COMPANIES OPERATING IN TUNISIA

- AKZONOBEL
- ALCATEL-LUCENT
- ASTEELFLASH
- AUTOLIV
- BENETTON
- BG GROUP
- BIC
- BNP
- CONCENTRIX-CONVERGYS
- CORK
- DANONE
- DRÄXLMAIER
- ELECTROLUX
- FAURECIA
- FRAM
- GATTEFOSSE
- GENERAL ELECTRIC
- GROUPE 3SI
- HAIER
- HEINEKEN
- HENKEL
- HUTCHINSON
- KASCHKE KG
- KBE ELEKTROTECHNIK
- KROMBERG & SCHUBERT
- LACROIX ELECTRONICS
- LATECOERE
- LEONI
- MIROGLIO
- NESTLE
- ORANGE
- PFIZER
- PHILIPS
- PHOENIX
- RIEKER
- SANOFI
- SCANIA
- SIEMENS
- SIOEN
- SOCIETE GENERALE
- SOMFY
- ST MICROELECTRONICS
- STELIA AEROSPACE
- SUMITOMO
- TELEPERFORMANCE
- TOTAL
- UNILEVER
- VALEO
- VAN DE VELDE
- VAN LAACK
- VISTEON
- YAMAICHI ELECTRONICS
- YAZAKI
- YURA CORPORATION
- SAFRAN ...

## TUNISIA, A STRATEGIC POSITION

Located at the northern tip of the African continent and only 140 km from Europe, **Tunisia** prides itself on being the access point to the African market.

At the heart of the Euro-Mediterranean logistics chain, Tunisia is the ideal export platform and *THE* ultimate access hub to several global **growth markets**.

TUNISIA RANKS AMONG THE  
WORLD'S TOP 5 OF THE BEST  
AFRICAN COUNTRIES TO DO  
BUSINESS.

Source: Forbes, 2019

### ADVANCED PARTNERSHIP WITH EUROPE



**Tunisia is the first country in the Southern Mediterranean** to have signed an Association and Free Trade Agreement with the European Union. Tunisia also has the status of **Advanced Partner** with the European Union. This status can only strengthen its trade liberalization and its economic integration.



Negotiations for the signature of a Deep and Comprehensive Free Trade Agreement (DCFTA) are underway to ensure the progressive integration of Tunisia into the EU internal market and the construction of a Common Economic Area.



### FREE TRADE AGREEMENTS

As part of its policy to promote and diversify its trade, Tunisia has signed several preferential **bilateral and multilateral agreements**:

- A bilateral agreement establishing a free trade area with Turkey,
- A Free Trade Area Agreement with EFTA countries,
- The Agadir Free Trade Agreement between Jordan, Egypt, Morocco and Tunisia,
- Bilateral agreements establishing a free trade area with Libya, Egypt, Morocco, Jordan and Iraq,
- An agreement establishing the Pan-Arab Free Trade Zone with 18 countries of the League of Arab States.

Tunisia joined the **OECD** (Organization for Economic Co-operation and Development) Declaration on International Investment and Multinational Enterprises in 2012.

TUNISIA is a signatory to  
**52 DOUBLE TAXATION AGREEMENTS**  
&  
**54 BILATERAL AGREEMENTS** for the  
promotion and protection of  
investments.

Tunisia has been officially the **20<sup>th</sup>**  
member of the comesa market since  
July 2018.

## TUNISIA, A WEALTH OF SKILLS

The accessibility and quality of the **Education System** in Tunisia resulted in the following:



**99%**  
schooling rate



**6 654**  
educational institutions



**275**  
Higher education institutions  
including 72 private ones



**More than 1 000**  
vocational training centres



**Over 6.6% of GDP**  
devoted to education

Tunisia ranks **2<sup>nd</sup>** on a global level in terms of postgraduate degree rates in science, engineering, industry and construction.

Source: The Global Innovation Index, 2018

IN 2017, OVER

**9 000**  
**NEW ENGINEERS**  
**JOINED THE JOB**  
**MARKET**

Source: Ministry of Higher  
Education, 2017-2018

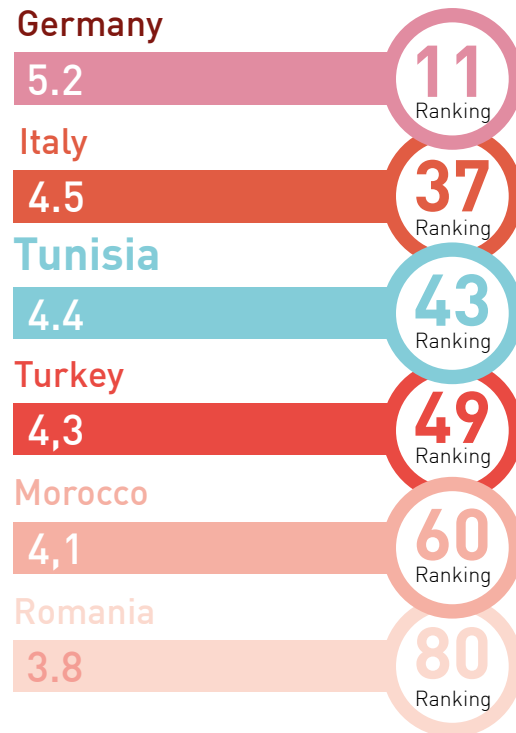
Tunisia is among of the first countries in North Africa and Arab countries to engage in the field of **E-Learning**.

Tunisia has a huge **pool of talents** in the Mediterranean area with:

- **about 65 000** new graduates on a yearly basis,
- **over 30%** of new graduates studied of engineering, computer sciences, multimedia and technical background,
- **about 280 000 students** are actually enrolled in Tunisian universities.



Availability of scientists  
and engineers in the labor market



Source: Global Competitiveness Report 2017-2018, WEF

Acknowledging that the success of a knowledge-based strategy depends on the creation of an environment conducive to **innovation** and **creativity**, Tunisia has adapted its academic training offer to the needs of scientific research and skills development.

Many international companies have expertise centres in Tunisia employing hundreds of engineers and Tunisian executives:

**GROUPE ACTIA, ALCATEL-LUCENT, KROMBERG & SCHUBERT, LEONI, SAFRAN ELECTRONICS, SIEMENS, ST MICROELECTRONICS, SAFRAN...**

## TUNISIA, A DEVELOPING INFRASTRUCTURE

Tunisia enjoys a privileged position thanks to its close proximity to the busiest sea and air routes. Through its strategic infrastructure choices, it aims to boost trade and increase trade flows.



### TRANSPORT INFRASTRUCTURE

**9** INTERNATIONAL AIRPORTS operating more than **2 000 weekly flights** serving about **50 foreign cities**.

**RAIL NETWORK** serving the country's main cities

**7** COMMERCIAL PORTS and **one OIL TERMINAL** with a monthly frequency of **62 regular lines**.


**A ROAD NETWORK** of about 20 000 km of roads and more than 640 km of motorways connecting all the Tunisian cities.

A **deepwater port** project at Enfidha includes the creation of **1 500 meters** of platforms with a capacity of 18 000 containers. A new **railway** line for passenger and freight transport connects the port to inland areas and to a logistics area of 2 000 hectares.

Source: Ministry of Equipment, Housing and Spatial Planning

### TECHNOLOGICAL INFRASTRUCTURE

- **10 sector specific technoparks** spread over several regions
- **15 cyber parks** dedicated to communication technologies
- **2 business parks** in Bizerte and Zarzis
- A **park dedicated** to the aeronautics industry in El Mghira
- **157 industrial zones** spread throughout the country



THE LARGEST DATA  
CENTER OF AFRICA  
“DATA XION” IS  
LOCATED IN TUNISIA.

Source: Ministry of Communication  
Technologies and Digital Economy

TUNISIA IS RANKED  
51<sup>st</sup> OUT OF A TOTAL  
OF 190 COUNTRIES IN  
TERMS OF ACCESS TO  
ELECTRICITY.

Source: Doing Business  
2019

## ENERGY INFRASTRUCTURE

Tunisia offers **easy access** to electricity consumed mainly by the **industrial sector** (29%). The current contribution of Renewable Energies «RE» is increasingly growing and aims, thanks to the law adopted in 2014, to reach **30%** in 2030. Tunisia focuses its RE production on wind energy, solar energy, bio energy and geothermal energy.

## DIGITAL INFRASTRUCTURE

Tunisia has high quality and cost effective international communication networks.

The network records:

- **138.8%** in terms of density of mobile telephony (June 2016),
- **98.8%** of subscribers to high speed Internet,
- **25%** of penetration rate for smart phones compared to total internet connections (early 2015).

## TUNISIA, A NEW LEGAL FRAMEWORK

The new investment law passed in April 1<sup>st</sup> 2017, offers the following advantages:

- **Total freedom** of foreign participation in the capital of offshore companies,
- **Reduction** in the number of **authorisations** and **revision of specifications**,
- Free access to **land ownership for the realisation of investment**,
- **Guarantees** to the investor in accordance with international standards on **fair and equitable treatment** and **industrial and intellectual property**,
- **Freedom** to transfer funds (profits, dividends and assets) abroad,
- Possibility **to recruit 30% of foreign executives** during the first 3 years upon simple declaration and 10% of executives guaranteed thereafter in all cases,
- Strengthening of the incentives to support regional development and the projects of national significance,
- improvements to the process of resolving trade disputes.

The reduction of the number of articles from 75 to 25:  
Better Governance to ease administrative procedures.

The legislation and the specific procedures govern the right to intellectual property. They are consolidated by the law on the protection of personal data.

Tunisia is a member of **ICSID** (the International Centre for the Settlement of Investment Disputes).



«Transversal» Law to improve the business climate, enacted in April 2019:

It aims at removing the administrative obstacles in order to mobilise investments and facilitate procedures.

By simplifying the licensing scheme, the New Investment Law is a step in the right direction.

source: OECD's Economic Survey, 2018

• Tax and financial incentives:

- Income tax rate **reduced to 10%** for totally exporting companies,
- **Total exemption** from VAT and customs duties on inputs of products to be re-exported,
- **Total exemption of profits** for up to 10 years granted to companies located in regional development zones and a reduced rate of 10% after the exemption period,
- **Allowance of** up to **30%** of the investment **cost** capped at 3 M TND for companies located in regional development areas,
- **Allowances** for intangible investment and research and development expenditure of up to **50% of costs**, respectively capped at 500 000 TND and 300 000 TND,
- **Investment allowance** of **15% of investment cost** capped at 1 M TND under the schemes of priority areas and economic sectors,
- **State subsidy** of employer's contribution to the statutory social security schemes during the first 3 years of actual activity of employees of Tunisian nationality for their first recruitment on a permanent basis,
- **State subsidy** of training expenditures leading to certification of skills representing **up to 70%** of the cost of initial training and capped at 20 000 TND.

# TUNISIA,

## A PLEASANT LIVING ENVIRONMENT AND A RICH CULTURE

The living conditions in Tunisia are highly valuable and are comparable to those in the countries of Southern Europe. Apart from the mild climate and the variety of landscapes, Tunisia is endowed with all the structures and amenities necessary for the foreign investor to live comfortably:

a rich cultural, artistic, historical and archaeological **heritage**,

modern **residential neighbourhoods** of high standing at competitive costs,

numerous **shopping centres** and hypermarkets of international retailers,

**foreign schools**: French, American, Canadian, Russian, English, Italian ...

diversified and developed tourism, leisure and sports **facilities**,

highly developed **medical services** in terms of medical skills and health infrastructures to international standards.

Ensuring **freedoms**, establishing a **democratic state** guaranteeing the citizens their rights, sharing a common vision and the aspiration to a **better life** are all values shared by the Tunisian population.

## TUNISIA IS LEADER

### 1

**in North Africa** in terms of the the quality of the healthcare system.

Healthiest Country Index, 2019

### 2

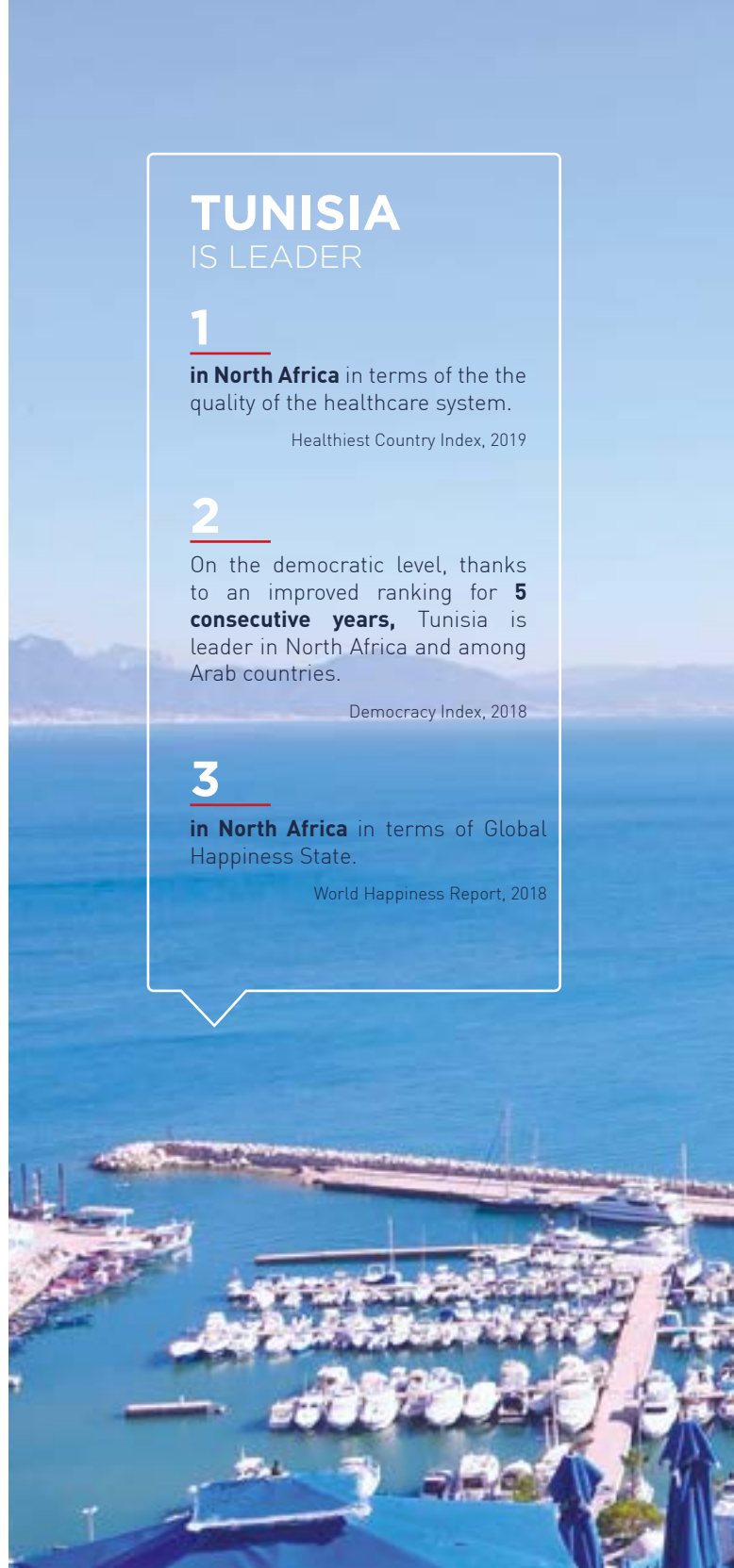
On the democratic level, thanks to an improved ranking for **5 consecutive years**, Tunisia is leader in North Africa and among Arab countries.


Democracy Index, 2018

### 3

**in North Africa** in terms of Global Happiness State.

World Happiness Report, 2018





The 2015 Nobel Prize is awarded to the Quartet of the Tunisian National Dialogue for its decisive contribution to building a pluralist democracy in Tunisia.

**TUNISIA IS RANKED  
AS THE CHEAPEST  
COUNTRY IN AFRICA.**

EuroCost International, 2018

As a pacifist and libertarian people, Tunisians not only enjoy noble values, such as hospitality, tolerance and zest for life, but also show a creative spirit, initiative, determination to succeed and, above all, adaptability.

# TUNISIA 2020, LOOKING FORWARD TO ECONOMIC REVIVAL

**TUNISIA 2020** - the name given to the Tunisian development strategy - is designed to reach an annual growth rate of more than 4% starting from 2020. A true society project including all the components of the Nation, it defines a new vision of economic development based on highly skilled human resources and first-class infrastructure.

## THE NEW DEVELOPMENT STRATEGY IS BASED ON FIVE KEY PRIORITY AREAS:

Good **governance**, reform of the administration and fight against corruption

Transition from a low-cost economy to an **economic hub**

**Human Development** and Social Inclusion

Achieving the ambitions of the **regions**

**Green Economy**

To achieve these objectives, the Government of Tunisia is committed to undertaking multiple structural reforms with the aim of achieving greater socio-economic efficiency and promoting the development of private investment.

**The reforms aiming at changing the investment landscape are the following:**

- Consolidation of the Banking System
- Modernization of the Financing System
- Regulation of the Renewable Energy Sector
- Acceleration of Public Private Partnership (PPP)
- Freedom of prices and competition
- evolution of the Regional Development Paradigm
- Adoption of a new Investment Law:

- Governance
- Financing
- Incentives



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