

MECHANICAL, ELECTRICAL & ELECTRONIC INDUSTRIES IN TUNISIA...

INVEST IN TUNISIA





MEEL: A DRIVER OF ECONOMIC GROWTH

The sector of Mechanical, Electrical and Electronic Industries (MEEI) in Tunisia has experienced a strong growth momentum in recent years at an **average annual growth rate of 13%** and a **value added of over 3,500 million TND**.

The sector features:

- over 1,000 companies including 606 companies with foreign participation,
- **440** totally exporting companies,
- **1,378.53 million TND** in Foreign Direct Investments in Electrical and Electronic Industries (EEI),
- 1,028.66 million TND in Foreign Direct Investments in Mechanical and Metallurgic Industries (MMI).

Tunisia is the 1st exporter of industrial goods in the Southern shore of the Mediterranean to the EU.

In 2015, exports of the EEI sector registered a **growth rate of 11.7%** compared to the previous year.

75% of MEEI exports are intended for the EU.

1 TND = 0.459 Euro = 0.510 USD (2015 average rate)

respectively ranked 1st and 4th in terms of foreign direct investment in manufacturing industries.

THE MAIN EXPORTED PRODUCTS ARE:

cables and wire harnesses,
electronic assemblies,
automotive components,
electrical components, lighting
equipment, waste and scrap of
non-ferrous materials,
connectors, printed circuit
boards, processors, machined
mechanical parts...



ADVANTAGEOUS GEOSTRATEGIC LOCATION

Located at the Northern tip of the African continent **just 140 km far from Europe**, Tunisia is **at the heart of the Euro-Mediterranean logistic chain** and as such, is an ideal hub that provides access to several major markets.

Tunisia is the 1st Southern Mediterranean country to have signed an Association and Free Trade Agreement with the EU.

Tunisia is also member of the International Centre for the Settlement of Investment Disputes (ICSID) and signed in 2012 the declaration of the Economic Cooperation and Development Organisation (OECD) on International Investment and Multinational Enterprises.

QUALIFIED AND SKILLED HUMAN RESOURCES

Tunisian HR are highly qualified and competitive and regularly adapting their skills to the technological development of MEEI. It is a result of the existing **interface structure** between the socio-economic world and that of research in the field of MEEI.

The specialised training institutions are the following:

- 8 engineering schools specialising in several disciplines including mechatronics and electronics;
- 36 sectoral training centres;
- A centre of excellence CEMIA dedicated to aerospace industries in El Mghira which also includes technology platforms in sectoral training centres.

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

ACTIA, ALCATEL,
KROMBERG & SCHUBERT,
LEONI, SAGEM, SIEMENS,
ST MICROELECTRONICS,
ZODIAC EQUIPEMENTS
TUNISIE...

Guaranteed Minimum Professional Wage (SMIG)

289.639 TND
(40 hours / week)
≈ 128.310 €



ADVANCED TECHNOLOGY INFRASTRUCTURE

A **technological platform** with specific quality to meet MEEI requirements comprises the following centres:

- A competitiveness cluster in Sousse dedicated to mechanics, electronics and computer science including a micro-electronics and nanotechnology research centre and specialised areas in emerging sectors with high added value,
- A fully integrated and autonomous aerospace centre in El Mghira consisting of an industrial platform covering over 200 ha dedicated to mechanics, electronics and computer science.

In addition, the infrastructure consists of **9 international airports**, **7 commercial ports**, a **road network** of 20,000 km, a **rail network** of over 2,000 km, **157 industrial zones** and **2 business parks** (Free Trade Zones).

INDUSTRIAL UPMARKET



34% of certified companies











MANUFACTURING "JUST IN TIME"

Operations management and production workflow are well supported by:

- > **Flexibility of production tools** allowing greater adjustment to demand and offering increased capacity in small and medium batches when needed;
- > Industrial upmarket namely guaranteed by major international certification systems that cover over 34% of companies operating in the MEEI;
- > Increasingly **sophisticated automation** mastered by HR ensuring better quality and greater responsiveness to customers' needs;
- > **Fast Track system** to facilitate customs clearance procedures thus minimizing delivery times, such as the aerospace industries that has its own green corridor.

The automotive and aerospace components & electrical and electronic products manufactured in Tunisia are **well positioned in foreign markets** and especially that of the EU.

This positioning is mainly due to the compliance of manufactured products in Tunisia with the internationally renowned **norms and standards**.

The two branches of
aerospace and automotive
components alone account
for 110 ISO 9000 certified
companies, and several others
are ISO 14000, ISO / TS 16949
and 0HSAS 18001 certified.

The international standards ISO and OHSAS represent an investment lever in MEEI

MOMENTUM OF INNOVATION AND R&D



Innovation and R&D, as growth drivers and core links of a performing value chain, are at the centre of the national industrial strategy whose main objective is to make Tunisia a Euro-Mediterranean platform in industry and technology. This is reflected in the move from competitiveness-driven growth to innovation-based growth.

Tunisia is ranked 46th in terms of innovation worldwide.

Bloomberg Innovation Index, 2016

MEEI companies in Tunisia benefit, among others, from several programmes intended to support and reinforce productive investments like the National Programme for Research and Innovation aimed at financing R&D and innovation projects.

Tunisia has the largest concentration of researchers in the Arab and African countries.

Bloomberg Innovation Index, 2016

The innovative companies are granted the following advantages:

- A **premium** granted for investments in R&D activities which represents a subsidy to offer access to technology intelligence and innovation,
- > A national system of scientific research and technological innovation that enabled the creation of several laboratories and research units.
- > A legal framework for the **mobility of researchers** through companies and governmental and private institutions to take advantage of the skills required to launch innovative projects in the context of technology parks and business incubators,
- An important national participation in international networks of scientific cooperation for a good absorption of the scientific and technological knowledge created in the most advanced economies ...

" Finally, we can move very quickly to develop activities in Tunisia because it has a **skilled** and **well trained workforce**. And then, there is support, with the state and public services, which are of high quality. Dialogue can be easily established and it is always possible to find a solution.



100 % of capital



reduced tax rate
10 %



Priority areas

Exemption of reinvested profits and income

INVESTMENT INCENTIVE CODE

Investment is free in most business activities. Foreigners may hold up to 100% of their capital.

Foreign companies can also benefit from several tax and financial incentives including:

- reduced corporate tax rate of 10% on profits derived from exports,
- **total exemption** of reinvested profits and income,
- a **subsidy** of employer contributions to the social security system and infrastructure spending in areas of regional development,
- **deductions from income or profits** from investments from the tax base in the regional development areas for most sectors:
 - \rightarrow total deductions for the first 5 or 10 years of operation, respectively for the zones of 1st and 2nd Groups,
 - for priority areas, in addition to the total corporate tax exemption for the first 10 years, a further deduction of a maximum of 50% for the following 10 years.
- **premiums** for investment in industrial projects in regional development areas,
- subsidies for investment in environmental protection, technology promotion and R&D,
- **a vocational training subsidy** is representing up to 50 % of the initial training cost.

" Beyond this, there are **accompanying measures** to develop training, to help investment. And all this represents a set of devices that are quite favourable to the establishment of new businesses here in Tunisia."

Mr. Philippe ROBARDEY
CEO, SOGECLAIF
June 2015









PCB's







Precision engineering

Mechatronics



Cable and welded sub-assemblies

Electrical products

INVESTMENT OPPORTUNITIES

Tunisia offers several investment opportunities in MEEI, including:

- The manufacture of automotive and aerospace industrial components: Stamping, pressing and laser cutting, manufacture and maintenance of moulds for technical plastic parts, manufacture of aluminium radiators, machining of parts for engines, hydraulic circuits fittings, brake discs, engines, manufacturing wires, cables and cable assemblies, dashboard, door mechanisms, flight cabins items, tools, heat and surface treatment...;
- Precision engineering: for the aviation and automotive industry, onboard devices, cutting, manufacture and maintenance of measuring devices...;
- Production of cable and welded sub-assemblies: circuit boards, connectors, electromagnets direct and alternating current, cables and harnesses, semiconductors and sensors, low voltage power cables, armoured or shielded power cables, coaxial electric cables, tinned electrical cables, rubber insulated electric wires flexible insulated electrical cables, rubber or silicone rubber insulated cables...;
- Manufacturing, assembly and integration of electrical products: electric stepper motors, three-phase and single-phase electric motors, synchronous motors...;
- **Manufacturing of energy conversion devices**: solar cells and solar panels, wind turbines, generators, transformers, inverters...;
- **Mechatronics**: mechanical parts machining with CNC machines, production of hard drives, smart appliances, active and passive autofocus, embedded systems...;
- **PCB's in small batches**: LCD and Plasma screens, printed single-sided circuits, complex double-sided and multilayer printed circuits for telecommunication operators, double-sided printed circuits with metal coated holes.

FIPA Tunisia APII TAA INNORPI **CEPEX**

SUPPORT INSTITUTIONS

Several institutions provide active support and help investors with:

- The Tunisian Automotive Association "TAA"
- The Technical Centre for Electrical and Mechanical Industries "CETIME"
- The Agency for the Promotion of Industry and Innovation "APII"
- The Export Promotion Centre "CEPEX"
- The National Federation for Electricity and Electronics "FEDELEC"
- The National Institute for Standardisation and Industrial Property "INNORPI"
- The Foreign Investment Promotion Agency "FIPA-Tunisia"

SUCCESS STORIES

ACTIA GROUP = ALSTOM TRANSPORT SA =

AMPHENOL - ASTEEL FLASH -

CASCO PRODUCTS CORPORATION .

COELEC = DONCASTER CABLE = DRÄXLMAIER =

ELECTRO DIESEL REBUILD = FAURECIA =

GITRONICA = GRUNER AG = HAIER =

INTRAM BARWEL LIMITED .

KASCHKE KG GMBH & CO ■

KBE ELEKTROTECHNIK GMBH

KROMBERG & SCHUBERT = LEONI =

PHOENIX MECANO .

RIVA SAFRAN SIEMENS SOMFY

SUMITOMO = VALVULAS ARCO =

VISTEON VOSSLOH SCHWABE

YURA CORPORATION .

YAZAKI





Foreign Investment Promotion Agency

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