



/ Aeronautics Components Sector

Tunisia Value Proposition

FIPA Tunisia

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WHY TUNISIA ?

Geographical proximity to European countries and **several free trade agreements** with Sub-Saharan, Middle East and European Union markets

A **business-friendly environment** to promote investment, regional development and research & development

Dedicated infrastructure facilitating continual supply chain

One of the most attractive countries in Africa according to the main international rankings



An **industry in constant growth**, bringing together more than **5 200 national and international companies** covering the major economic sectors

A **large talent pool** for industry and services, recognized at regional level for its **qualifications, skills** and its **training quality**

One of the **most competitive countries in the world**, in terms of **labor costs**

A **multicultural and a multilingual country** promoting **diversity** and **mutual tolerance**

A KEY GEOGRAPHICAL POSITION

Combined with secure trade corridors and gateways, our infrastructure facilitates continual supply chain and business operations



Capital
Tunis (1,07 Million habitants)



Population
11, 803 millions



Currency **Tunisian Dinar**



Area
163 610 Km²

Located at the junction of the eastern and western basin of the Mediterranean, and only **140 km from Europe**

Multiple passengers' connection to Europe from 4 different commercial harbors in Tunisia

9 international airports providing more than **2,000 weekly flights** and serving about **50 foreign cities** - Within less than **three hours flying time from European capitals** and major cities of the Middle East

A maritime Infrastructure of **7 commercial ports** and one oil terminal with a monthly frequency of **62 regular lines**

Tunisia

A central position in the EUROMED zone

A GATEWAY TO EUROPE AND SUB-SAHARAN AFRICA

Tunisia gives investors preferential market access through several trade agreements to nearly 100 countries with more than 2 billion consumers

A major manufacturing hub for exports to European, Middle East and African markets.



European Union

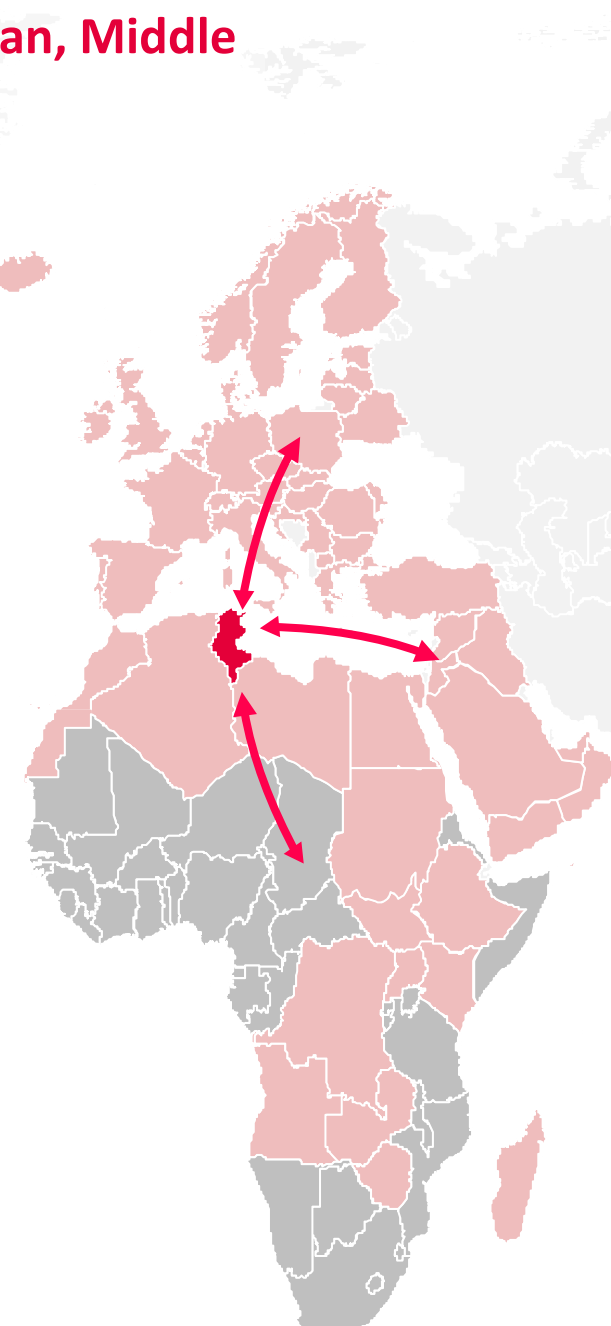
All industrial products exchanges with the European Union are exempt from all customs duties



Common Market of East and Southern Africa (COMESA)

All industrial and agricultural products, fishery products and handicrafts **exported to COMESA markets*** are totally exempt from all customs duties and other charges and taxes

- ✓ A regional and international integration
- ✓ 52 agreements on double taxation and 54 bilateral agreements to promote and protect investments



Trade agreement with Tunisia
Future Trade agreement with Tunisia

Greater Arab Free Trade Area (GAFTA)

For the 18 Arab countries in the MENA region, all products, both agricultural and industrial are traded freely and are exempt from all customs duties*

African Continental Free Trade Area (ZLECAF)

The African Continental Free Trade Area (ZLECA, ZLEC or Zlecaf) is a free trade area project currently being implemented across the **entire African continent**. The Tunisia has already approved its membership and will benefit from future trade advantages and exemptions with the ZLECAF members



Arab-Mediterranean Free Trade Agreement (AGADIR)

All agricultural and industrial products are freely traded and are exempt from all customs duties between Tunisia, Jordan, Morocco and Egypt

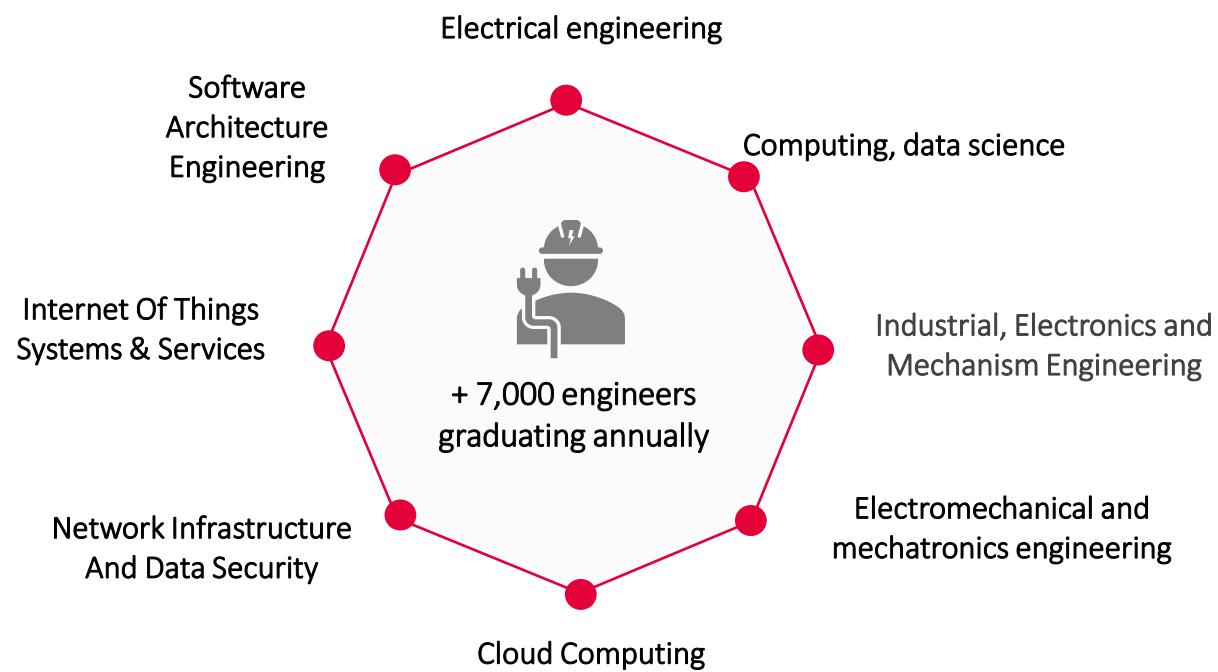
Except for goods exported to Eritrea, Ethiopia, Eswatini, the Democratic Republic of Congo and Uganda that includes specific treatments as follows - http://www.commerce.gov.tn/Fr/union-europeenne_11_224#?

Except of a common Arab list of prohibited products excluded from the application of this for reasons of safety, health, religion or environmental protection - http://www.commerce.gov.tn/Fr/convention-de-facilitation-et-de-developpement-des-echanges-commerciaux-inter-arabes-grande-zone-de-libre-echange-arabe_11_227

A SKILLED POOL OF TALENT AND RENOWN HIGHER EDUCATION

The country harness its large highly skilled pool of talents of more than 7 000 engineers graduating annually to address the need of the industry

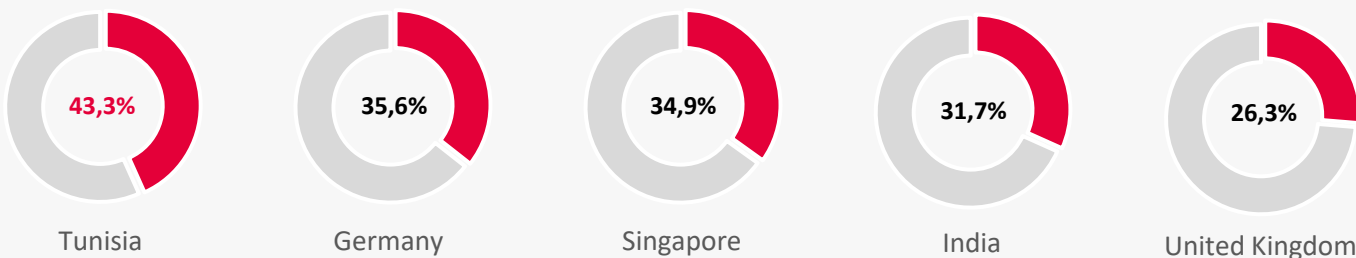
HIGHLY SKILLED TALENT



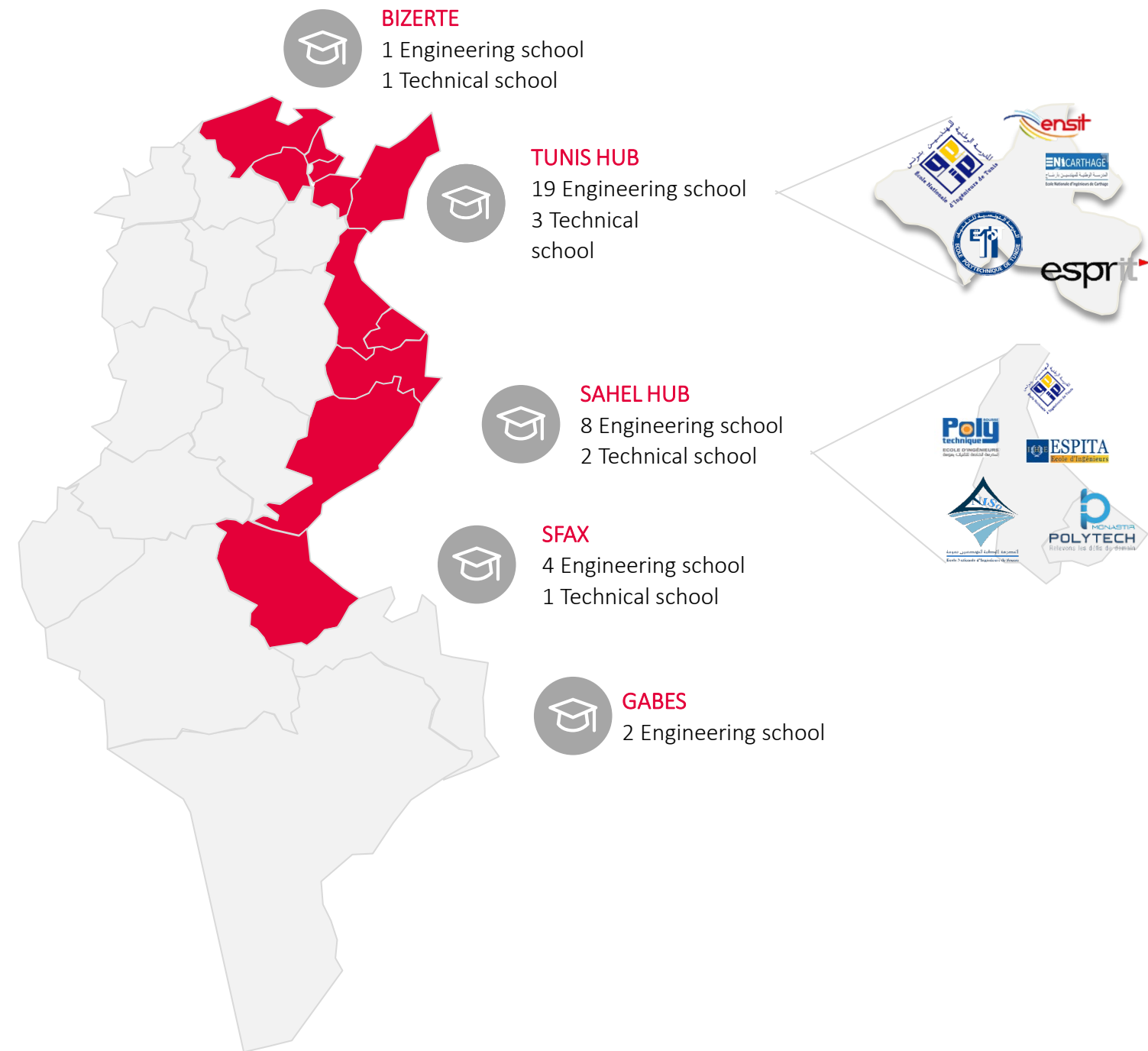
More than **260,000** students enrolled in universities in 2021 including **+60,000** in engineering and technical fields

QUALIFIED POOL OF TALENT WITH STEM FOCUS

According to the UNESCO Institute for Statistics, tertiary students in **Tunisia are most likely to graduate in a STEM field** (science, technology, engineering mathematics), with **more than 43%** students receiving a degree in those subjects



EDUCATIONAL HUBS

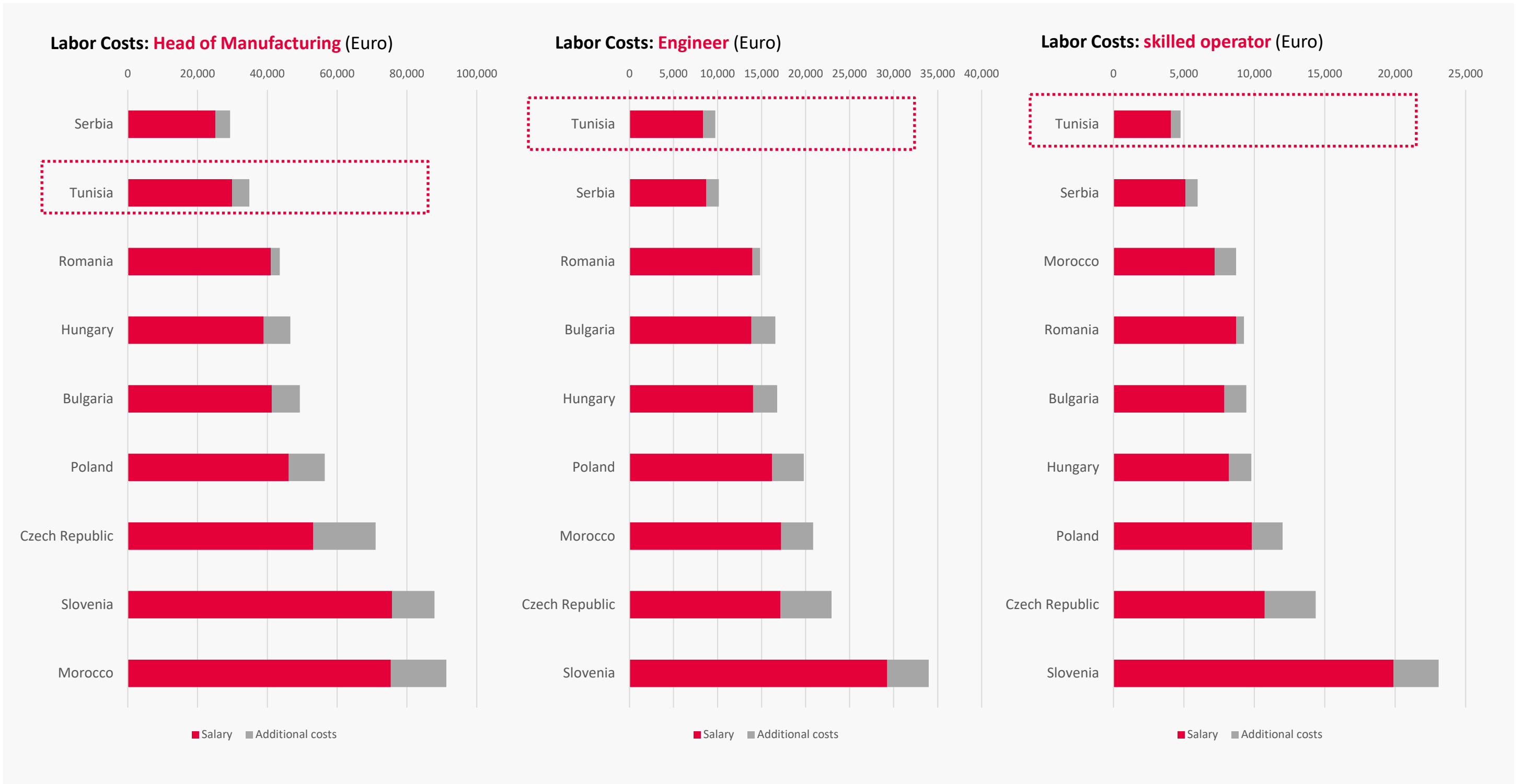


Source : http://www.mes.tn/page.php?code_menu=13

ONE OF THE MOST COMPETITIVE LABOR WORLDWIDE

Tunisia ranks first in North Africa in terms of skills and is highly competitive worldwide according to the major global index

€ / COMPETITIVE LABOR COST

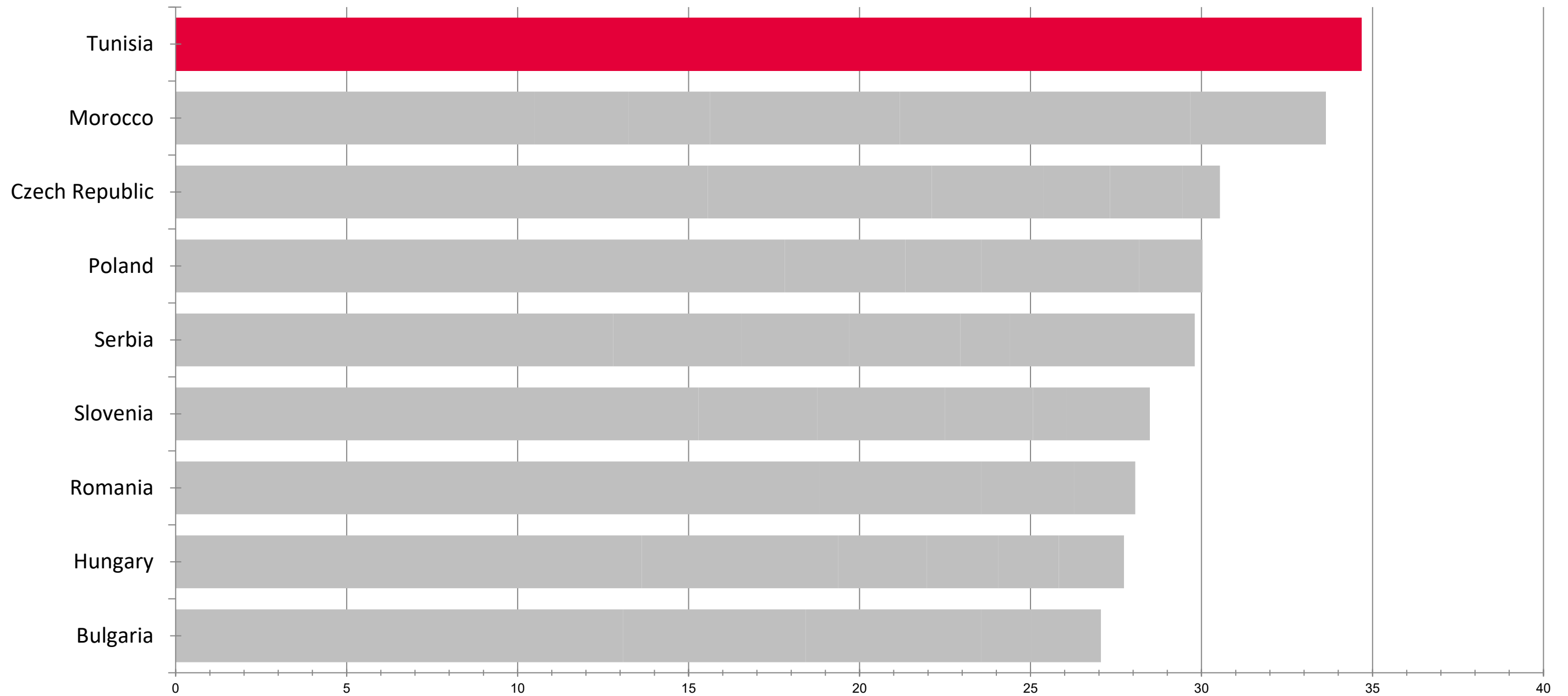


ONE OF THE MOST COMPETITIVE LABOR WORLDWIDE

Tunisia ranks 1st overall in Labour Availability and Quality with a total score of 34.67



LABOUR AVAILABILITY AND QUALITY SCORE



AN INVESTMENT FRAMEWORK TO ADDRESS NATIONAL PRIORITIES

The investment framework (2017) was put in place to further foster investments and offers a wide range of incentives in line with the investor's objectives and the country's priorities

THE INVESTMENT FRAMEWORK PRIORITIES

A solid investment framework promoting innovation and value creation to address the national economy priorities



Increase in added value, competitiveness and export capacity of the national economy and its technological content, as well as the development of priority sectors



Creation of employment and the development and promotion of human resources competencies



The development of investments in the country's interior regions



The promotion of sustainable and durable investments



TOP PRIORITY SECTORS



Automotive



Aeronautics



Pharmaceutical



IT Technologies



Agribusiness



Renewable energies



Technical Plastic



Textile



TUNISIA AERONAUTIC SECTOR



AERONAUTICS SECTOR : A THRIVING SECTOR

The aeronautics sector has experienced strong growth for years, notably driven by the implementation of several leading foreign players



KEY FIGURES

+80 companies operating in the sector in 2023 (x9 since 2003)

1'263 MTND of exports in 2019 (33% growth compared to 2010)



Over 17 000 JOBS generated in 2021 (75% growth compared to 2011)

8% sector's average annual growth - The sector exports nearly **80% of its production to the EU**, with an **added value of over 30%**

A WIDELY DEVELOPED ECOSYSTEM

A dense aeronautic industrial domain with recognized expertise



200 Km is the diameter of the geographic area concentrating the majority of the aeronautical industry activity

- Wiring
- Metalwork
- Avionics and software
- Aero structure assembly
- Plastics and composites
- Interior equipment
- Parts for driving turbines

*Source : Database APII

** Source: Min Industry + Cetime: Study on the situation and prospects of the aeronautics sector in Tunisia

PRESENCE ACROSS THE ENTIRE SUPPLY CHAIN

ENGINEERING

- Mechatronics engineering
- Testing and implementation benches
- Development and testing of embedded critical software
- Computer aided design (CAD)
- Simulation of industrial products
- Simulation and virtual reality solutions
- Aeronautical and space engineering

PRODUCTION & MANUFACTURING

- Surface treatment & painting
- Aerostructure assembly
- Wire harnesses
- Foundry & mechanical machining
- Sheet metal cutting and assembly
- Aircraft assembly casting
- Plastic parts : composite materials
- Aircraft interior fitting



MAINTENANCE & REPAIR

- Aircraft Maintenance
- Component repair and solutions
- Integrated Airlines solutions
- Technical Services

+80% of industrial companies and **nearly 20%** of service companies operate in activities related to aerospace industry. These companies cover the **entire supply chain**.

“ Tunisia has **one of the most comprehensive aerospace supply chains in the world** with the capability to make a product from A to Z “

Thierry HAURE-MIRANDE
GITAS Chairman

A WIDELY DEVELOPED ECOSYSTEM

Main actors in Tunisia

ENGINEERING



MECHANICAL



A WIDELY DEVELOPED ECOSYSTEM

Main actors in Tunisia

ELECTRONIC



PLASTIC COMPONENTS



WIRE HARNESSSES



MAINTENANCE & REPAIR



DEDICATED INFRASTRUCTURE

Tunisia is considered one of the most modern infrastructure platform in Africa

EL MGHIRA AERONAUTICAL PARK :

- ✓ An integrated industrial platform spanning over an aerospace industrial park of more than 500 acres of which 50 acres are dedicated to **Airbus Atlantic Aerospace Park (Ex **STELIA**)**, a subsidiary of **AIRBUS**, in Tunisia to establish its 1st aeronautical components construction site outside Europe.
- ✓ 20% of total Tunisian aeronautical exports come from El Mghira Park.
- ✓ + 80 acres for future extensions (+ 350 Acres MT).



CEMIA : a new center totally dedicated to the aerospace industry for a total cost of 7 M\$

CEMIA has been fully operational since 2016, offers 7 course modules alternating between the classroom and onsite experience. The center has a capacity of 600 trainee per year.



CEMIA in the industrial zone Mghira, next to the aeronautical park of Stelia





< Programme A320/A320neo

- Trappes de train d'atterrissage avant (Nose landing gear doors)
- Air Inlet Outer Surface de nacelle moteur (AIOS)[®]

Programme A350/A350 F >

- Trappes de train d'atterrissage avant [®] (Nose landing gear doors)
- Karmans de mâts réacteurs [®] (Pylon fairings)

< Programme A330/A330neo

- Trappes de train d'atterrissage avant (version cargo) [®] (Nose landing gear doors)
- Karmans de mâts réacteurs [®] (Pylon fairings)
- Air Inlet Outer Surface (AIOS) [®]



AN INNOVATION AND R&D ORIENTED AERONAUTIC INDUSTRY

Diversified aeronautic activities : ICT, engineering, Mechatronics, Mechanical testing, Chemical industry, etc.

1st

in North Africa in the **Global Innovation Index** that measures innovation capabilities within Institutions, Human capital and research, Infrastructure, Market sophistication, and Business sophistication (Global Innovation Index 2020)



A Technology Resource Centre CRT: to provide designing, prototyping, electronic and mechanical, virtual platform of development, PLM System







Center for Research In Microelectronics & Nanotechnology CRMN: to provide training and R&D projects for high-value technology industry in the electronics field



Technical Centre for Chemistry CTC: Where R&D projects in plastic and rubber industry are conducted in laboratories for test and analysis

CLOSE COLLABORATION BETWEEN UNIVERSITIES AND PRIVATE COMPANIES FOR QUALITY TRAINING SERVICES

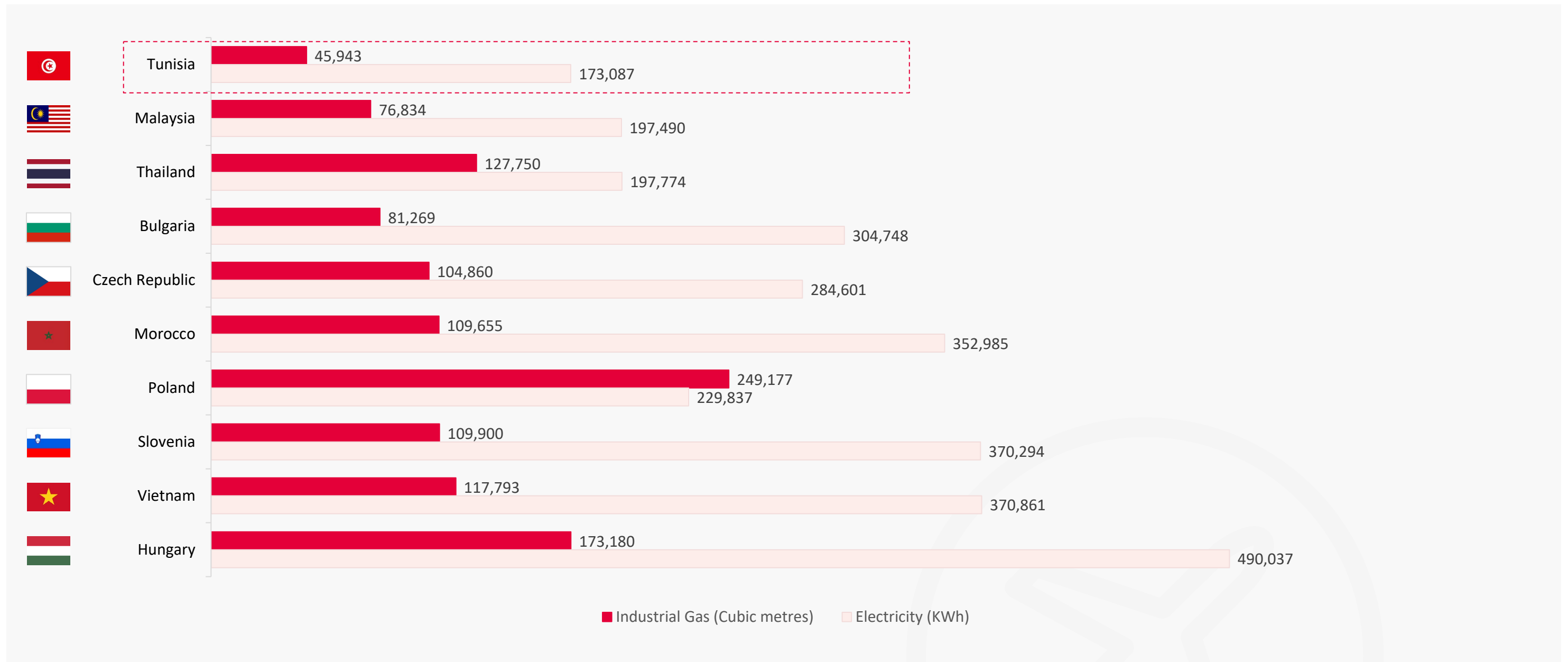
Examples of academic and industrial partnerships of Tunisian universities

University	Training and curriculum	Partnerships
<p>Ecole supérieure de l'Aéronautique et des Technologies (ESAT)</p>	<ul style="list-style-type: none"> ➤ Training of multidisciplinary engineers of high scientific and technical level in aeronautics ➤ Training lasts three years and consists of two phases: <ul style="list-style-type: none"> • 1st and 2nd year: Multidisciplinary education, focused on mathematics and physical sciences • 3rd year : Specialization in Aerospace engineering through courses, practical simulations and certifications 	<p>partnerships with industry: Internships, recruitment and participation in training</p>  <p>Academic partnerships: member of the University Agency of La Francophonie</p>  <p><i>A network of 909 universities, grandes écoles, university networks and scientific research centers in 113 countries</i></p>
<p>National Engineering School of Bizerte (ENIB)</p>	<ul style="list-style-type: none"> ➤ Training of highly competent, enterprising and ready-to-integrate engineers <ul style="list-style-type: none"> ▪ 1st and 2nd year: general phase composed of multidisciplinary courses, projects, business games and internships ▪ 3rd year: year of specialization with specialties related to the aeronautic components industry: Industrial Engineering, Mechanical Engineering 	<p>Academic partnerships with French grandes écoles</p>  <p><i>Exchanges of professors and students</i></p> <p><i>Double degree course</i></p> <p><i>Scholarship</i></p>
<p>Institut National des Sciences Appliquées et de Technologie (INSAT)</p>	<ul style="list-style-type: none"> ➤ Training engineers, technicians, and computer scientists of high level with skills in methodologies and techniques related to software engineering and embedded electronics. <ul style="list-style-type: none"> ▪ 1st and 2nd year: preparatory course ▪ 3rd year: year of specialization 	<p>Partnership with industrialists specializing in IT</p>  <ul style="list-style-type: none"> • <i>Embedded systems</i> • <i>Software development</i> • <i>E-services</i>

OVERVIEW OF INDUSTRIAL COSTS IN TUNISIA

Utility cost overview

UTILITY COST OVERVIEW in Euro (Electricity & Gas)



Type	Usage
Electricity	3,000,000 Kilowatt hours
Industrial gas	350,000 m ³

Source: fDi Benchmark from the Financial Times Ltd 2024

ADVANTAGEOUS INCENTIVE SYSTEM

Investment incentive system for priority sectors

	Investment	Bonus	Limit
Bonus for increasing value added and competitiveness	PRIORITY SECTORS	15% IC	1 MTND
	ECONOMIC SECTORS	15% IC	1 MTND
	MATERIAL INVESTMENTS TO MASTER NEW TECHNOLOGIES AND IMPROVE PRODUCTIVITY	50% IC	500 KTND
	INTANGIBLE INVESTMENTS	15% IC intangible	500 KTND Study bonus 20 KTND
	R&D EXPENDITURE	50% R&D expenditure	300 KTND
	TRAINING EXPENSES	70% training expenses	20 KTND / company / year
Regional Development bonus	1 ST GROUP OF REGIONAL DEVELOPMENT ZONES	15% IC	1,5 MTND
		65% infrastructure spending in the industry	1 MTND 10% IC
	2 ND GROUP OF REGIONAL DEVELOPMENT ZONES	30% IC	3 MTND
		85% infrastructure spending in the industry sector	10% of project cost
Employability bonus	CNSS SUPPORT	3 years : priority sectors; 5 years : 1 st group RDZ; 10 years : 2 nd group RDZ	
	PAYROLL SUPPORT	10% < SR < 15%, 50% paid over a year	250 TND/ month
SR > 15%, 50% paid over 3 years			
Sustainable development bonus		50% of the component	300 KDT

*SR : supervision rate, IC : investment cost

ADVANTAGEOUS INCENTIVE SYSTEM

National interest project

Eligibility

- ❑ Total investment cost higher than 50 MDT or creation of a minimum of 500 jobs or more than 200 qualified jobs over 3 years plan
- ❑ Meeting one of the investment law objectives (4 objectives) :
 - *increasing the added value, competitiveness and export capacity of the national economy and its technological content at regional and international levels, promoting priority sectors, etc.*
 - *job creation and promotion of human resource skills*
 - *achieving integrated and balanced regional development*
 - *achieving sustainable development*

INCENTIVES

- ❑ **Investment premium and incentives within the limit of 1/3 of the total investment cost and capped at 30 MTD**
- ❑ **Taxes exemption for a period up to 10 years**
- ❑ **Government and state support for the establishment of infrastructure investment**
- ❑ **State assumption of employer's social contributions for a period not exceeding the first ten years from the effective date of entry into activity**
- ❑ **Possibility of Granting non-agricultural state lands under form of long-term rental or symbolic dinar**

PROCESS

- ❑ Projects assessment and evaluation by the Tunisian Investment Authority
- ❑ Submission to the approval of the Higher Investment Council

A Friendly Business Environment

A Legal framework which guarantees:

- ❑ Freedom of **investment** in the majority of sectors
- ❑ Freedom to **transfer** profits and capital gains
- ❑ Simplified **procedures** of implementation
- ❑ Intellectual property and personal data **protection**
- ❑ Ease to **import and export** with simplified customs procedures



WE ASSIST YOU IN TUNISIA

27 YEARS

INFORMATION

- ✓ On investment opportunities in Tunisia and the main reasons why Tunisia is such an attractive site for FDIs

CONTACT

- ✓ Our approach is to present the most satisfactory Tunisian offer for companies seeking internationalization

ADVICE

- ✓ On the appropriate conditions for the success of projects, regions of operation, investment plans, financing methods...

ASSISTANCE

- ✓ To investors on exploratory visits to Tunisia and in the various phases of project implementation

SUPPORT

- ✓ To improve the sustainability of the company through personalized monitoring



THANK YOU