



Republic of Tunisia
Ministry of Development, Investment
and International Cooperation

Tunisia : Economic overview & Investment Climate

Tokyo - February 2019



11,7 million



GDP : 40 Mds \$ (2018)



GDP/capita : 3573 \$ (2018)



Performance and success



Successful political transition

Consensus on new vision

Undertaking a profound structural reform process



Commitment to Alternative Development Model

1

Governance and strong institutions

- Achieving institutional framework
- Rule of law and transparency
- Public policies effectiveness
- Devolution foundations


2

A more efficient economy based on innovation and partnership (PPP)

- Positioning the economy within world-class value added chains
- Creating a favorable business environment
- Optimizing the management of human, natural and financial resources


3

Inclusion as basis for social development and peace

- Reconciling economic success and social equity 
- Aid to needy families and to people with specific needs
- Improving human capital
- Inclusion of all the living forces, especially youth and women within the development process

4

Sustainable Development Process

- Adopting a new policy for territorial development 
- Natural resources optimization
- Sustainable management of waste
- Favoring of green economy (environment friendly activities)

Structural Transformation Objectives & Challenges

Digital and technologic transition

- Digital Strategy 2020
- New strategy for innovative industries

Energy transition

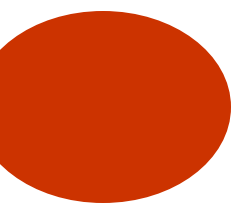
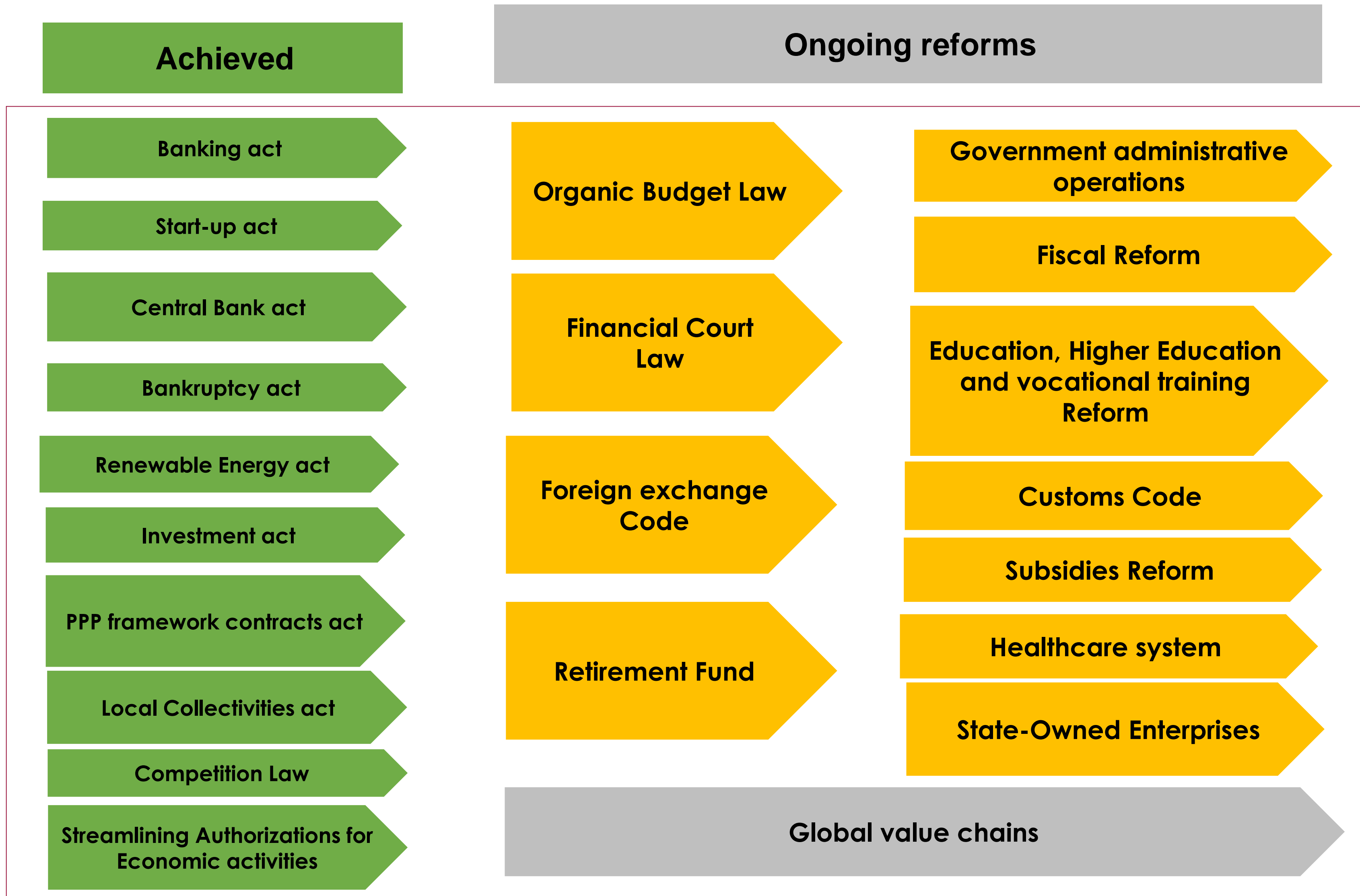
- Implementation of the National Energetic Strategy
- National Renewable Energies Program
- Energy Efficiency

Social resilience

- Subsidies reform
- New social safety law
- Implementation of social inclusion strategy



Implementing reforms



Main recent reforms related to Business Climate

Investment promotion framework

- ✓ Reducing investment barriers
- ✓ Providing additional guarantees to investors
- ✓ Streamlining procedures related to companies
- ✓ Promoting investment in value chains
- ✓ One stop shop to investor's and digitizing investment declaration

Financial reforms

- ✓ Banking law
- ✓ Bank of regions
- ✓ Private equity
- ✓ Financial inclusion
- ✓ Public banks restructuring

Fiscal Reform

- ✓ Modernize the fiscal administration
- ✓ Ensuring fiscal equity
- ✓ Rationalizing fiscal incentives
- ✓ Targeting high added-value sectors and priority regions

Competition Law

- ✓ Regulating market concentration
- ✓ Limiting monopoly practices
- ✓ Establishing a new competition authority
- ✓ Ensuring rule of law, visibility for investors

Renewable Energy Law

- ✓ Designing a national plan for renewable energy-produced electricity
- ✓ Attracting private investors
- ✓ Ensuring an energy transition and mix to reduce energy costs
- ✓ Allowing renewable energy export
- ✓ Launching tenders for renewable energy production(64MW in concession, 500MW windmills, 500 MW photovoltaic), target of 4GW by end of 2030

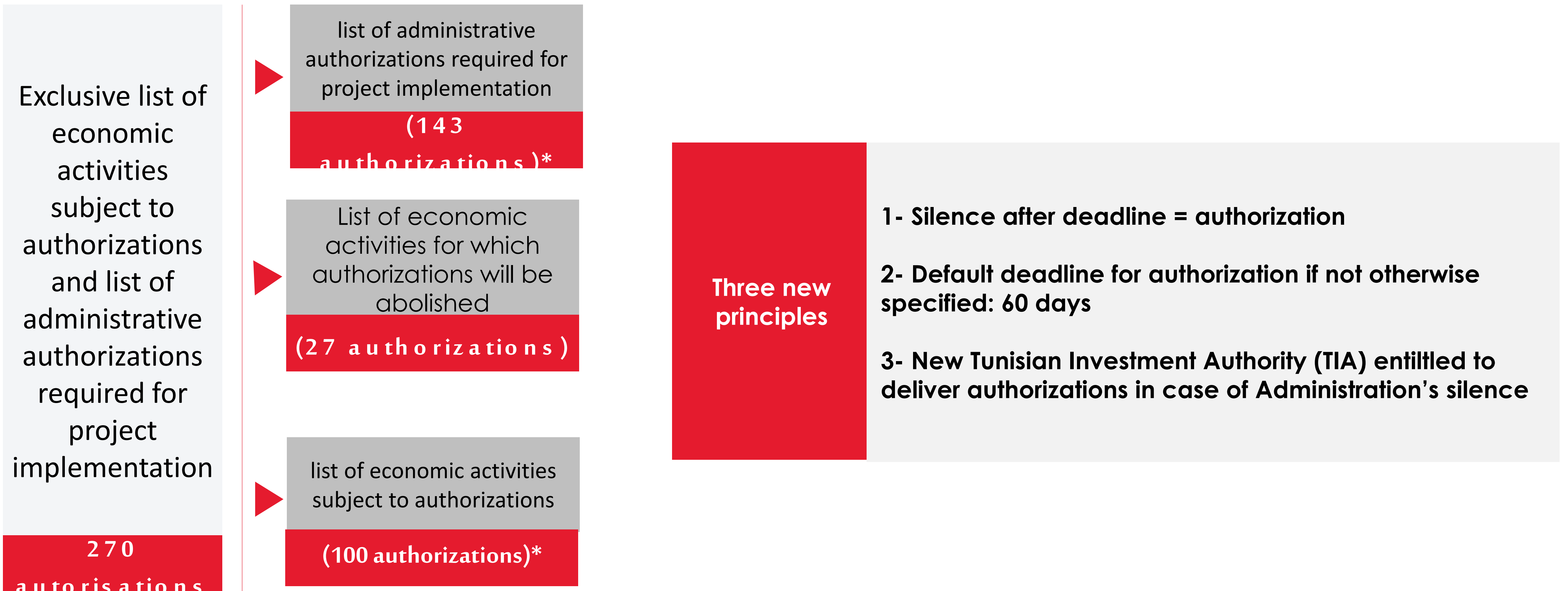
Start-Up Act

- ✓ Streamlining administrative procedures for innovating start-ups
- ✓ Improving acces to funding for innovating companies
- ✓ Easing international outreach of Tunisian start-ups
- ✓ Improving current balance



Business Climate reforms & streamlining administrative procedures

Governmental Decree n°2018-417 dated May 11, 2018 related to the publication of the exclusive list of economic activities subject to authorizations and the list of administrative authorizations required for project implementation, the related provisions and their simplification



*26 authorizations excluded from the « silence = authorization » principle



Promoting PPPs: new challenge in progress for Tunisia

High-level international PPP forum

Objectives

- ✓ Boosting growth and employment
- ✓ Diversifying funding sources
- ✓ Encouraging private sector to contribute in the implementation of megaprojects
- ✓ Present technical files of projects to be submitted to international companies and structures

Over 1 000 Participants

- ✓ Over 1 000 participants including 250 representatives of foreign companies
- ✓ Representatives of large national and international companies
- ✓ Investment funds & banks
- ✓ Financial partners

Projects

- ✓ 33 projects reflecting the Tunisian Government's priorities in terms of PPP
- ✓ Presented Projects' value amounts to over 17 billion TND (€5,4 Billions)
- ✓ Priority sectors: Energy, Water & Environment, Transport & Logistics, Infrastructure and Urban Development, Scientific & Technological parks



Improving Tunisia's rating in the World Bank's Doing Business Report

Accomplished measures

2017 - 2018

- ✓ A short-term plan has been set-up which includes 50 regulatory measures and reforms involving a large number of institutional stakeholders.
- ✓ High-level follow-up process reporting to the Council of Ministers to alleviate obstacles.

Business creation

- ✓ Accelerate and facilitate procedures of business creation
- ✓ One-stop shop
- ✓ From 9 procedures and 11 days to 3 procedures and 3 days

2019 - 2020

- ✓ A bill is being drafted to further improve business climate and introduce legislative reforms

Protecting minority investors

- ✓ Improve rules for public disclosure and information of the public

Construction permit

- ✓ Ensure further transparency
- ✓ One-stop shop in municipalities
- ✓ From 18 to 11 procedures



Improving Tunisia's rating in the World Bank's Doing Business Report

Doing Business 2019 Report

Evolution Of Doing Business Indicators

	2018	2019	Change in Rank
Doing Business (General Ranking)	88	80	+8
Starting a Business	100	63	+37
Dealing with Construction Permits	95	77	+18
Protecting Minority Investors	118	83	+35
Registering Property	93	87	+6
Getting Credit	105	99	+6
Paying Taxes	140	133	+7
Getting Electricity	48	51	-3
Enforcing Contracts	76	80	-4
Resolving Insolvency	63	67	-4



Positive results to consolidate

Exports		
	2017	2018
Exp of goods (MDT)	34427	40986
Change (%)	18,1	19,1
Agriculture & Agro (MD)	3726	5410
Change (%)	20,9	45,2
Mecha. & Electric Industry	15954	18197
Change (%)	20,4	14,1

- ➔ High increase in agricultural products sales: olive oil (111%) and dates (33,5%)
- ➔ Increase in export volume of cement (105,6%) and sales of pharmaceutical products (50,1%).
- ➔ Increase of exports to EU by 17,6%

FDIs		
(11 month)	2017	2018
FDI (MDT)	1 1863	2455
Change (%)	5,6	31,8

- ➔ Increase of Foreign Direct Investments in industry by 5% (897 MD vs. 854,5MD).

Production and Growth				
(%, year-on-year)	T4_2017	T1_2018	T2_2018	T3_2018
GDP (trim.)	2,0	2,5	2,8	2,6
Agr. & fishing	2,0	11,9	9,0	8,3
Tourism	8,5	9,2	11,5	8,9

- ➔ Exceptional olive harvest (1,6 MT vs. 0,7MT in 2017).
- ➔ Promising tourism season (+39,5% bed nights of non-residents by end of september 2018).





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Thank You