



**INVEST
TUNISIA**

TUNISIA
INVESTMENT
FORUM

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Tunisia - Japan Business Forum

29th August, 2019

Invest in TUNISIA, *The Next Opportunity*

1 Tunisia & Japan :Developed Cooperation

2 Major Factors of Competitiveness

3 How open is Tunisia to Business?

4 Investment Opportunities

5 How **to** proceed?





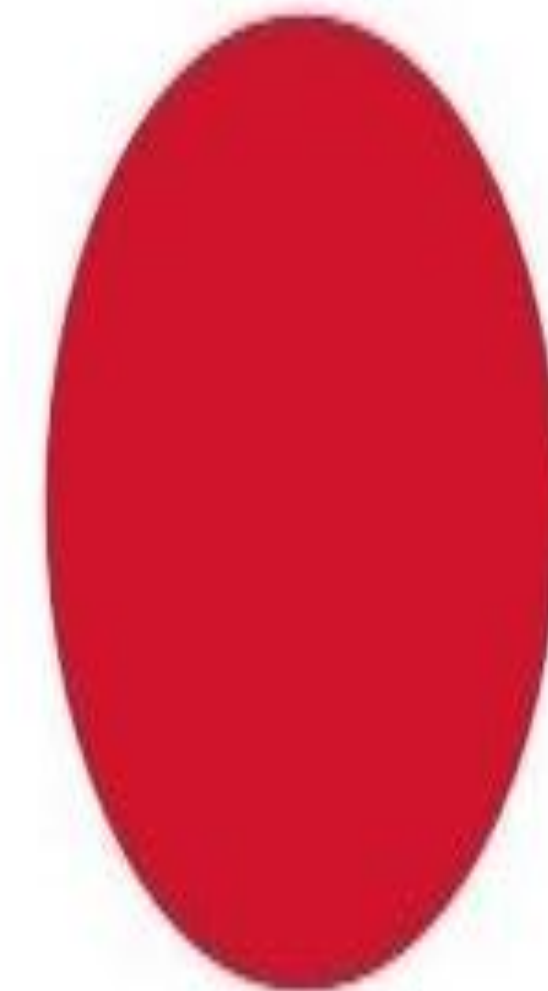
1

Tunisia & Japan : Developed Cooperation

Tunisia & Japan : Developed Cooperation

Sectoral distribution of Japanese companies located in Tunisia

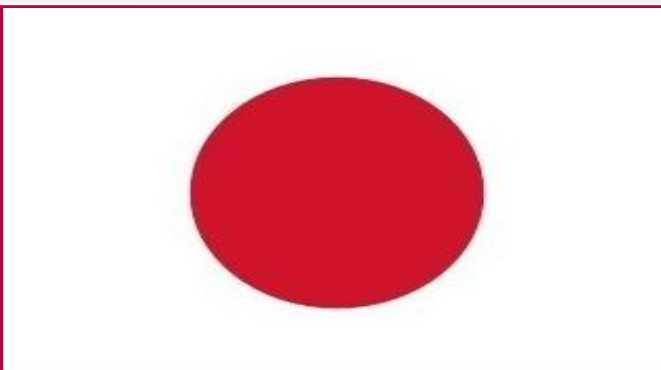
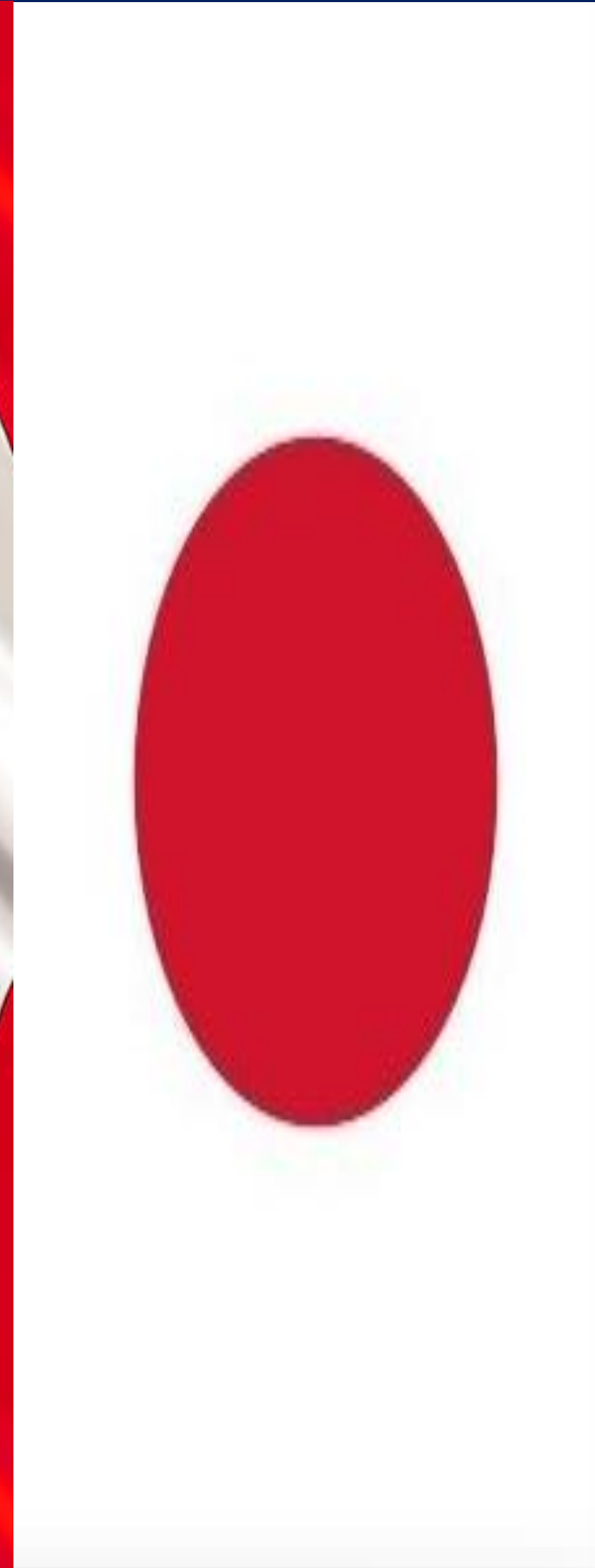
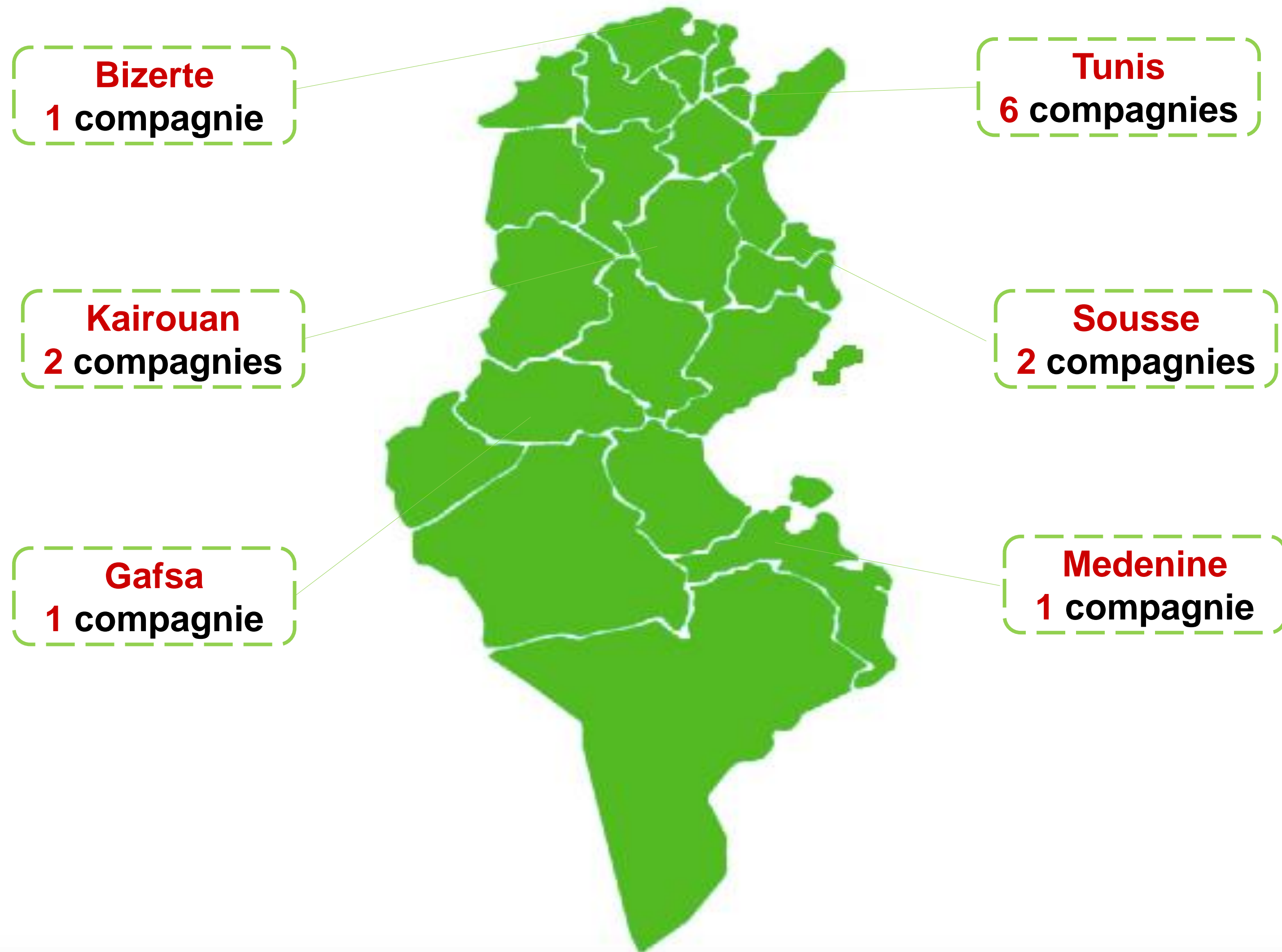
	Sector	Compagnies Number	Investissement Value (Million of dinars)	Employment Generated
Industry	Electrical & Electronic Industries	2	85,734	3966
	Mechanical, metallic & metallurgical Industries	2	176,079	724
	Agrifood Industry	1	40,517	135
	Textile and apparel	1	1,927	61
Tourism	Accommodation	1	38,480	190
Services	IT Services	2	1,489	120
	Studies and advice	3	0,891	27
	Other services	1	0,046	4
Total FDI excluding energy		13	345,163	5227



Opportunity

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Regional distribution of Japanese Investment in Tunisia



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Opportunity

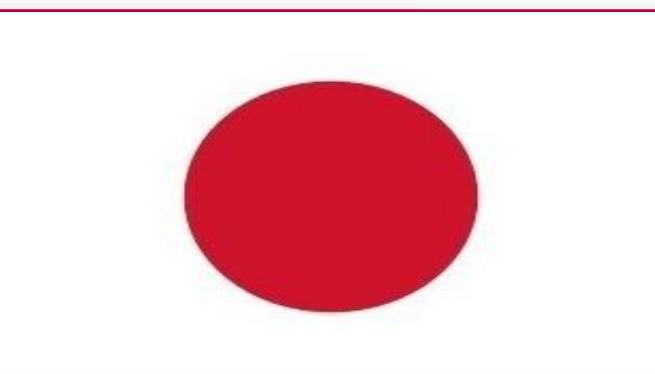
A scenic view of the sea and mountains from a balcony with blue perforated railings. The sky is a mix of light blue and orange, suggesting a sunset or sunrise. The sea is calm and blue, with mountains visible in the distance. The balcony railing is blue with circular perforations. In the foreground, there are some concrete pillars and a decorative metal railing.

2

Major Factors of Tunisia Competitiveness

Why Tunisia?

- Well located - to serve EU, Africa and Maghreb markets
- Huge amount of qualified & Skilled HR - at very competitive costs
- Friendly Business Environment
- Good infrastructure, port facilities and communication network
- Long standing tradition with extensive know-how in textile & clothing, automotive components niches and agriculture and agri-food
- Other emerging and strongly growing sectors incl. Aerospace, ICT & Renewable Energies
- FTA in goods with the EU since 2008 + FTAs with neighbours countries (Algeria, Libya...), regional AGADIR FTA (Morocco, Egypt and Jordan) + 20th member of COMESA since 2018 + several preferential agreements.

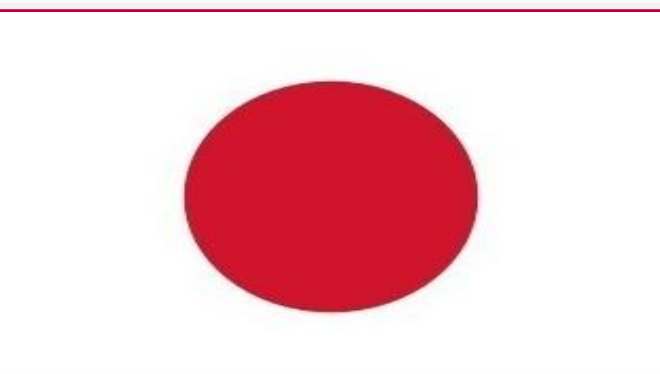
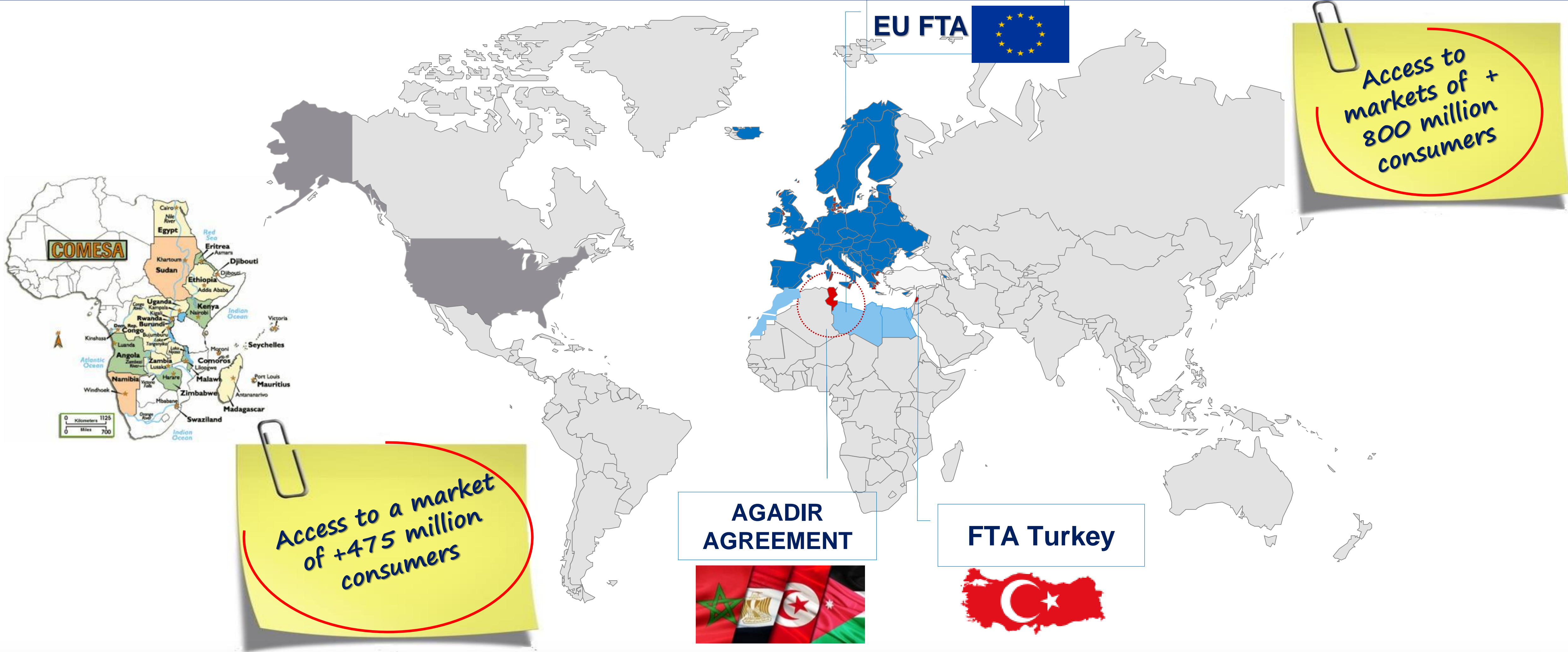


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Proximity & Free Access to Major Markets

Tunisia, A Regional Hub



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Reliable Logistics

- ✓ Established logistics routes (Marseille, Genoa, Barcelona & Valencia)
- ✓ Simplified customs clearance procedures

London Wednesday or Thursday

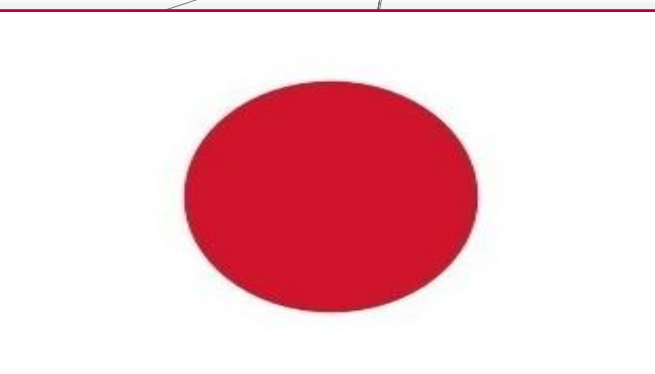
Arrival Paris Tuesday

Sailings to Marseille 3 times a week

- Containers or grouped consignments
- Saturday despatch popular

✈ Flights similar price for high value/small size consignments e.g. electronic components, PCBs, etc...

Tunisia on Mediterranean rim



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Reliable Infrastructure

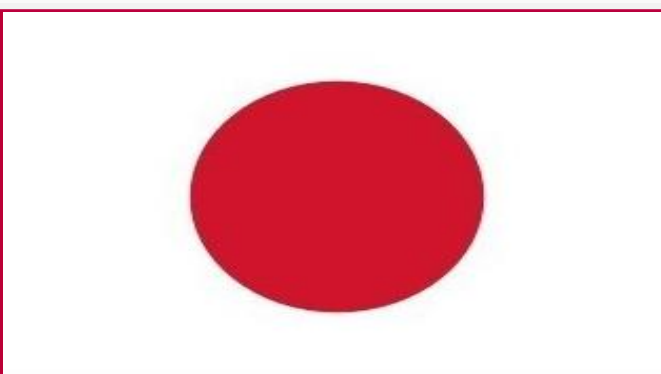
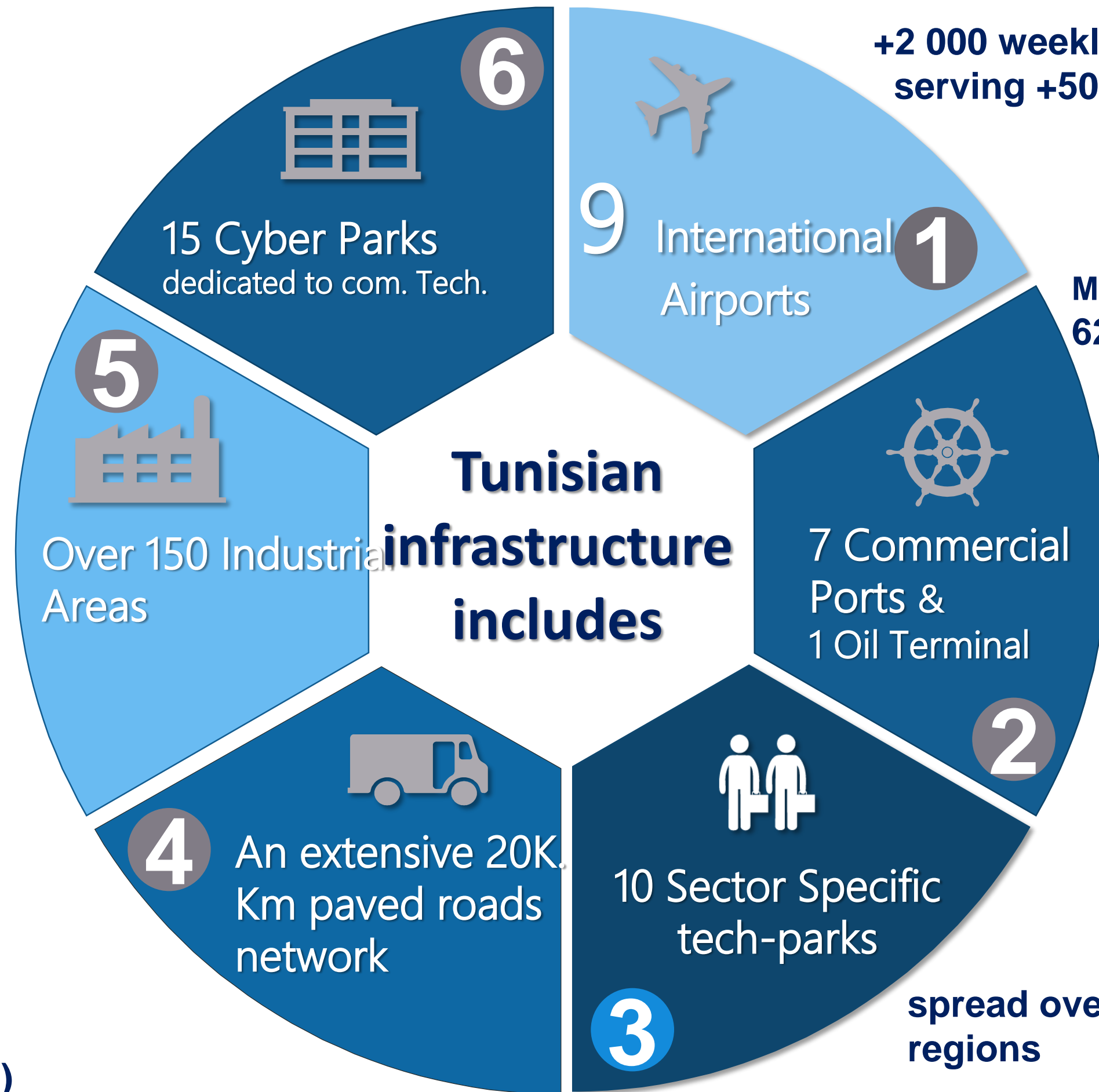


RAIL NETWORK
serving the country's
main cities

Incl. an aerospace
dedicated park
+ 2 FEZs



Radès - La Goulette Bridge (74 M €)
opened in 2009, financed by JBIC



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Human Resources & Labour Legislation

A performing education system
Pool of graduates with high level



99 % of young Tunisians
are at school



Over 65,000 new graduates
each year



+200 higher education
Institutions

35% of graduates
specialized in engineering,
computer science,
communications & other
technical fields



More than 1,000
vocational training
centers



54% of new job-seekers are
either university graduates
or have a vocational training
level

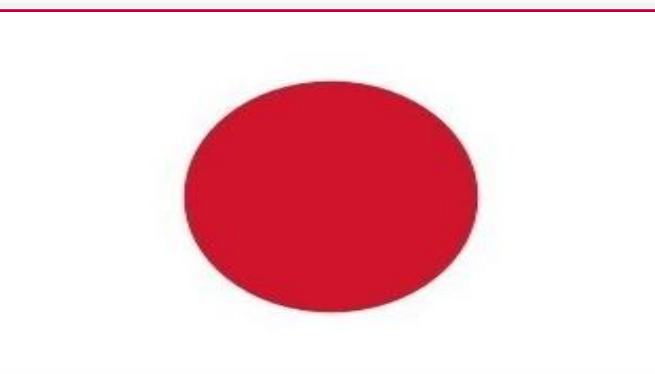


Confirmed high
Multilingualism



Labour Legislation

- To opt for fixed-term work up to 4 years.
- To adapt the working hours & systems to the needs of the company.
- To partially determine wage on a productivity basis.



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COMPETITIVE COSTS : A European Know-how at Competitive Labour Costs

 Tunisia

Profile	Salary	Rank
Operational Manager	12,600 €	2 nd
Senior engineer	15,900 €	2 nd
Senior technician	9,850 €	2 nd
Skilled worker	4,600 €	1 st

 Romania

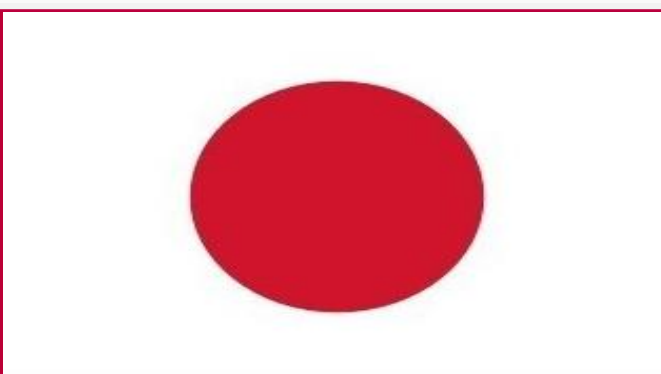
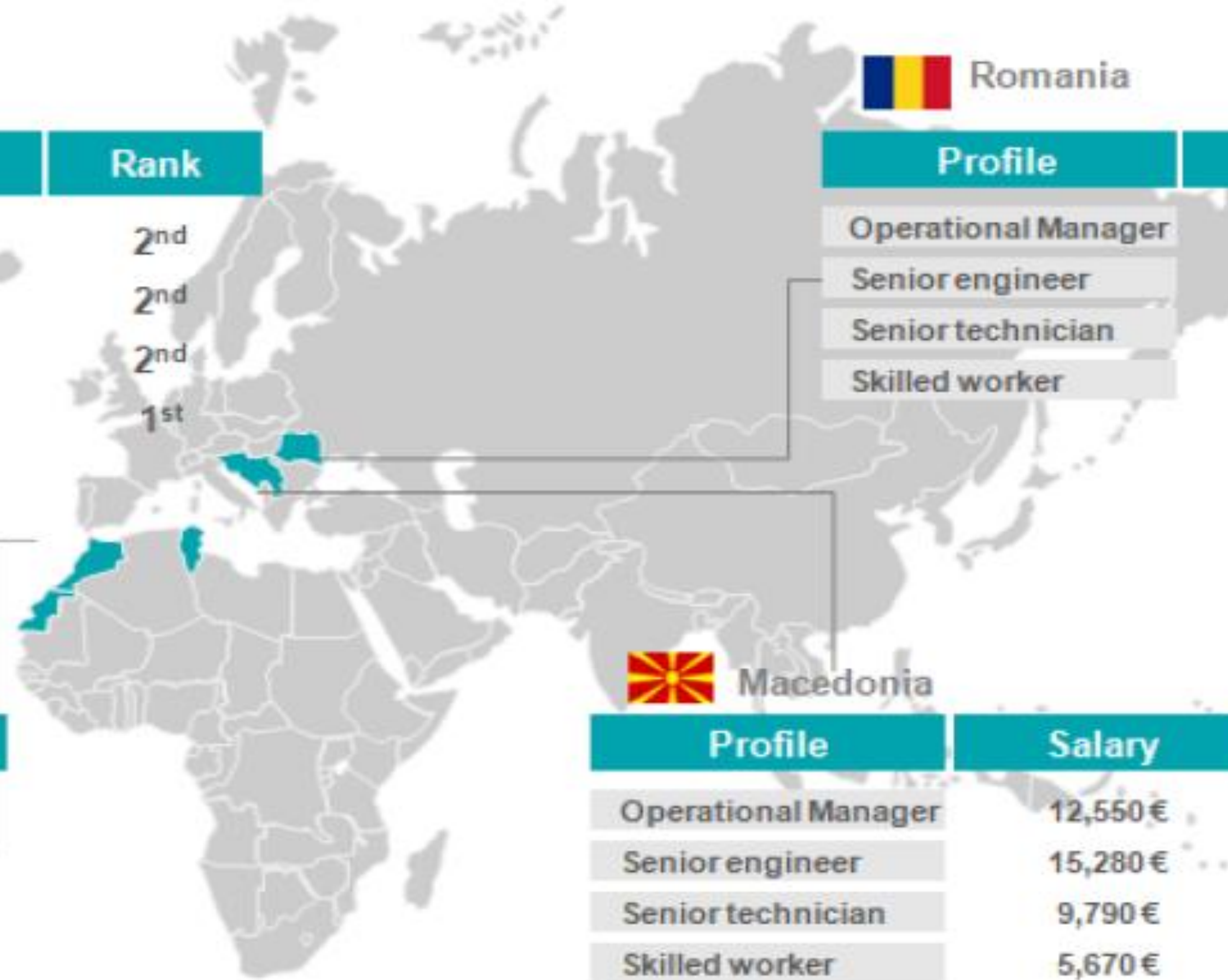
Profile	Salary
Operational Manager	17,600 €
Senior engineer	21,800 €
Senior technician	13,730 €
Skilled worker	8,000 €

 Morocco

Profile	Salary
Operational Manager	28,100 €
Senior engineer	34,830 €
Senior technician	19,000 €
Skilled worker	9,350 €

 Macedonia

Profile	Salary
Operational Manager	12,550 €
Senior engineer	15,280 €
Senior technician	9,790 €
Skilled worker	5,670 €



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A New Legal Framework

The new investment law/ April 1st, 2017 - offers the following advantages:

Total freedom of foreign participation in the capital of offshore companies

Freedom to transfer funds (profits, dividends and assets) abroad

Reduction in the number of **authorisations** and **revision of specifications/guidelines**

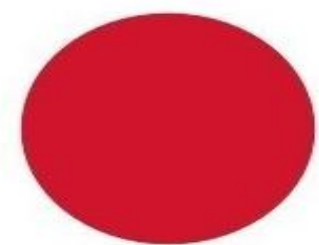
Free access to **land ownership** for the implementation of **investment projects**

Guarantees to the investor in accordance with international standards on **fair** and **equitable treatment and industrial, and intellectual property**

Possibility to recruit **30% of foreign executives** during the first 3 years upon simple declaration and 10% of executives guaranteed thereafter

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].



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New Transversal law

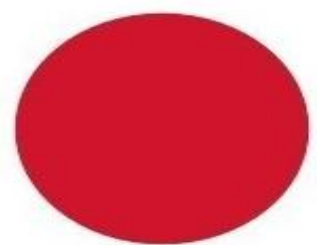
The newly ratified legislation seeks

to bring Tunisia's business regulations in line with international standards and aims to eliminate all legal obstacles in order to mobilize investment and facilitate administrative procedures

to simplify business creation, ease access to finance, facilitate the creation of public-private partnerships (PPPs) and strengthen the governance of companies

to include changes to company management regulations: shareholders controlling 50% of capital now have the right to convene general meetings; the publication of dividend distribution is mandatory; and the roles of CEO and board chair must be separated for all publicly listed companies

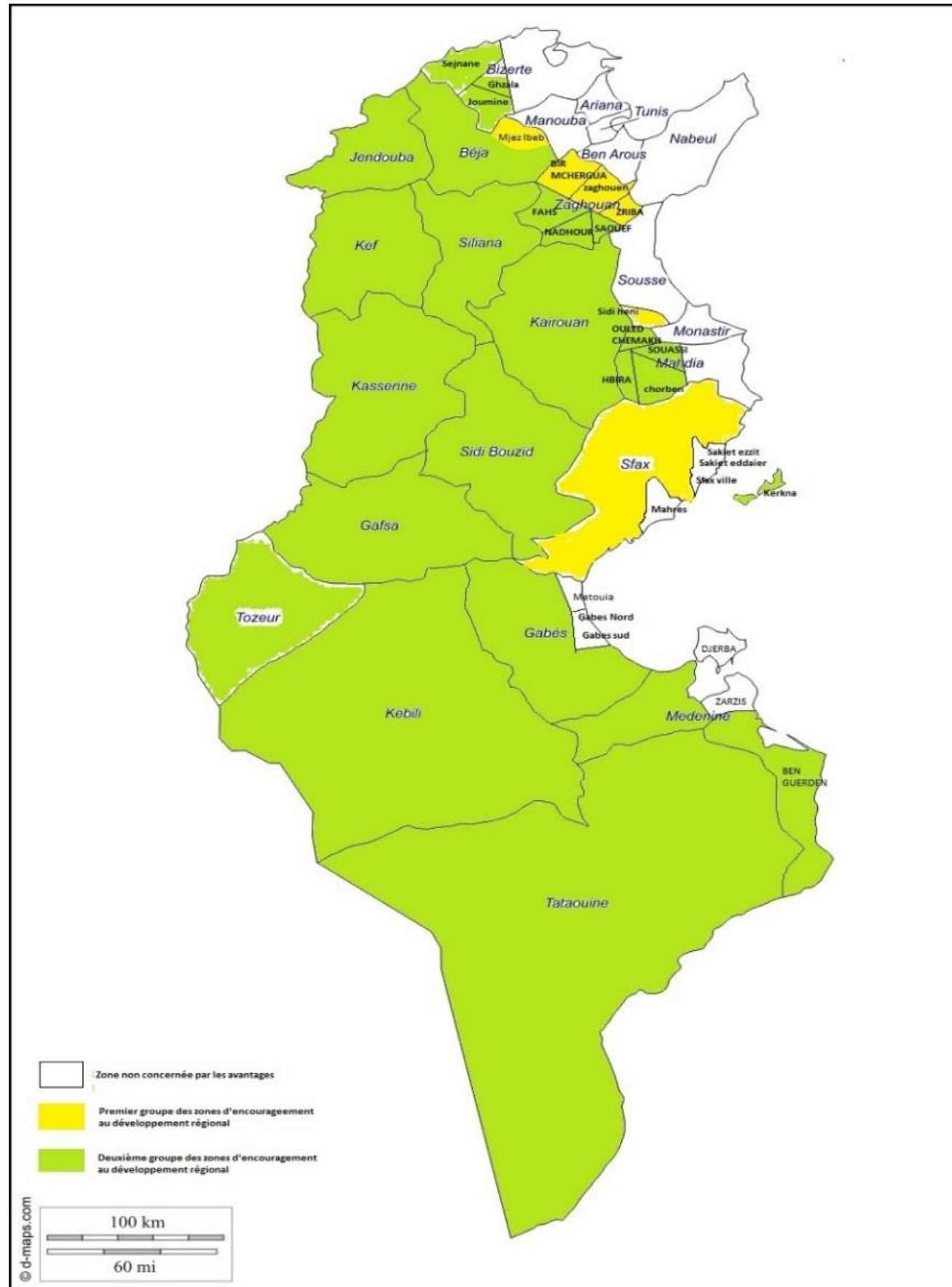
to improve the state's online administrative capacity and increase digitalisation of procedures



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Fiscal & Financial Incentives



1

- 10% Corporate tax for totally exporting companies
- Total exemption up to 10 years for projects in RDZ
- Total exemption from import duties & taxes for equipment, raw materials & semi-finished products

2

- Investment grants for :
- Priority sectors and value chains
 - Projects in RDZ up to 30% of the Investment cost (ceiling 3 MTND)

3

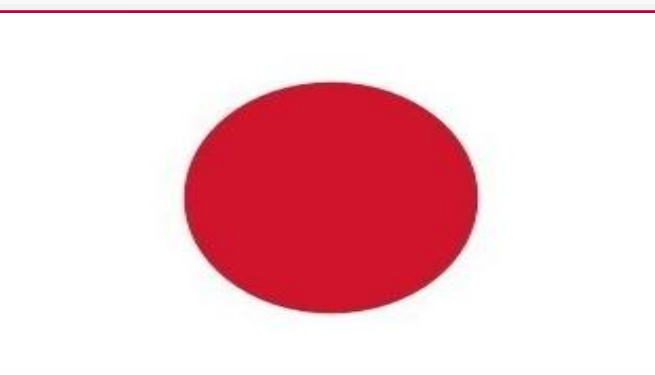
- Allowance for intangible investment and R&D expenditure up to 50% of costs

4

- Total assumption by the State of the employer's share of contributions up to 10yrs for projects in RDZ
- Training grant: up to 70% of the training cost



Supporting Agencies to serve Investors



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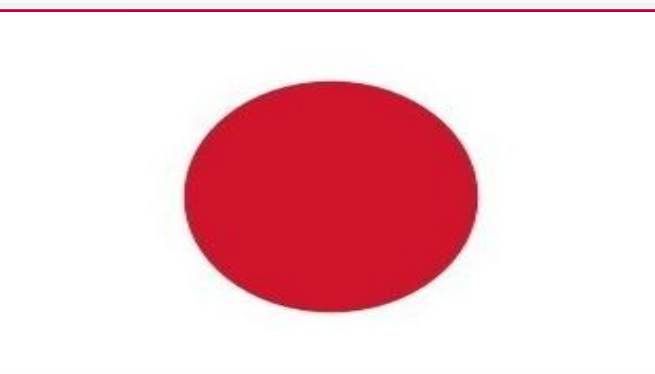
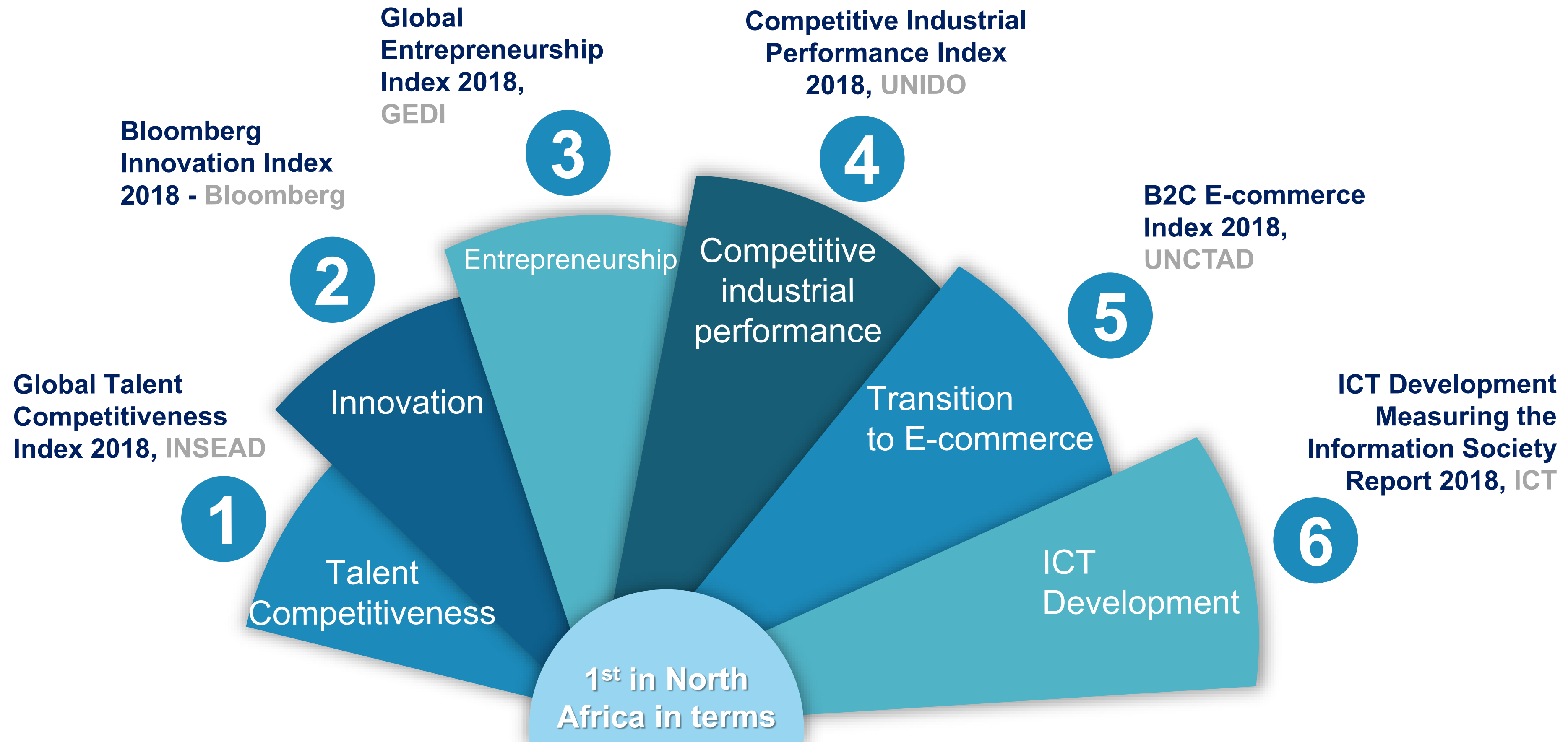
Opportunity

A scenic view of the sea and mountains at sunset, framed by a blue perforated metal railing. The sky is a mix of light blue and orange, and the water is a calm, light blue. In the foreground, there are some concrete pillars and a decorative railing.

3

How open is Tunisia to Business?

Global Competitiveness



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Favorable destination for FDI

FDI Stock in 2018

+ 3 480 Companies

25 400 MTND

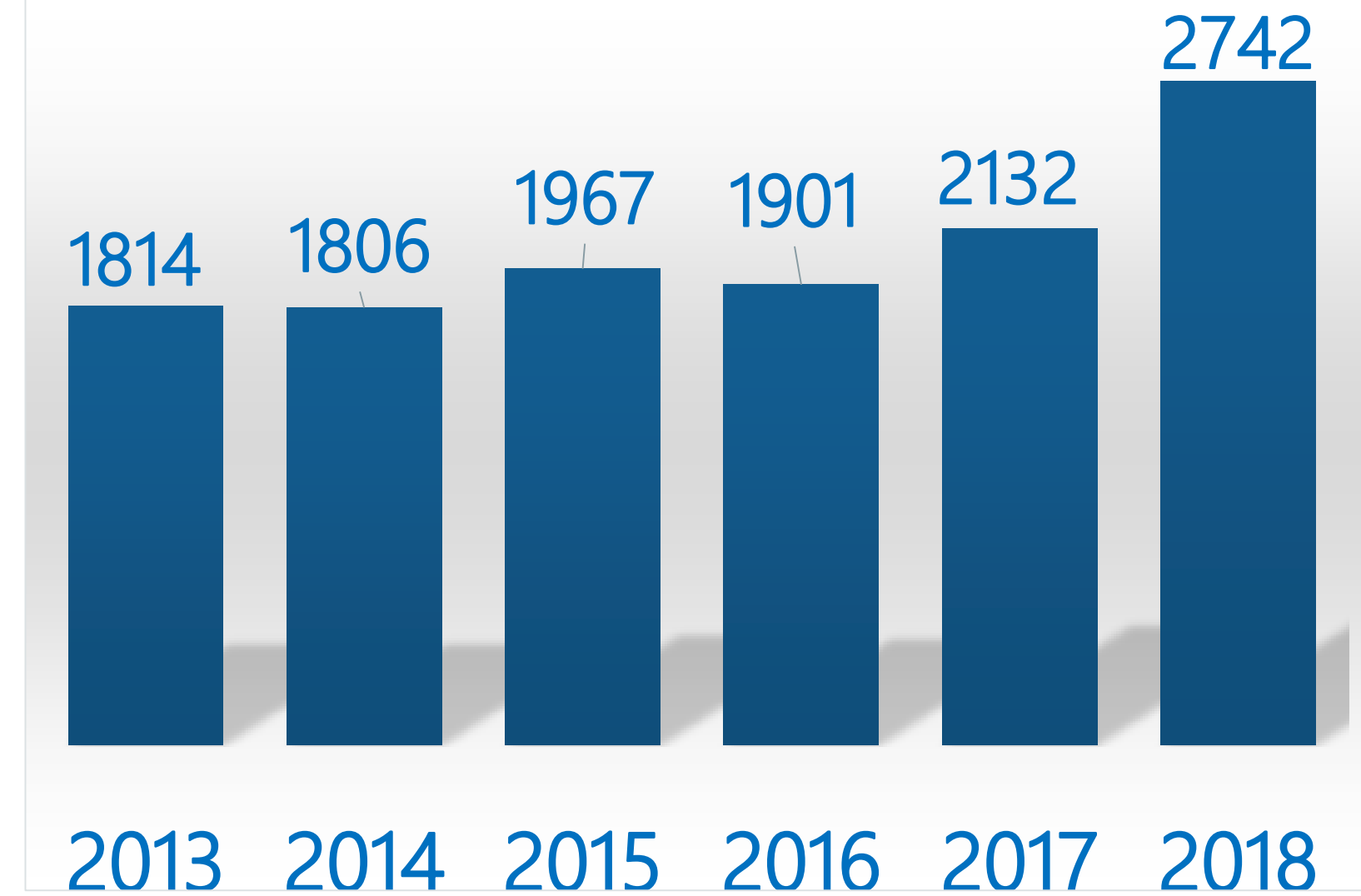
+ 386 000 Jobs

About 75% of foreign companies are wholly exporting

(1) Source: FIPA-Tunisia 2019
Data excluding Energy

Growing FDI flows

Investment Amount in MTND

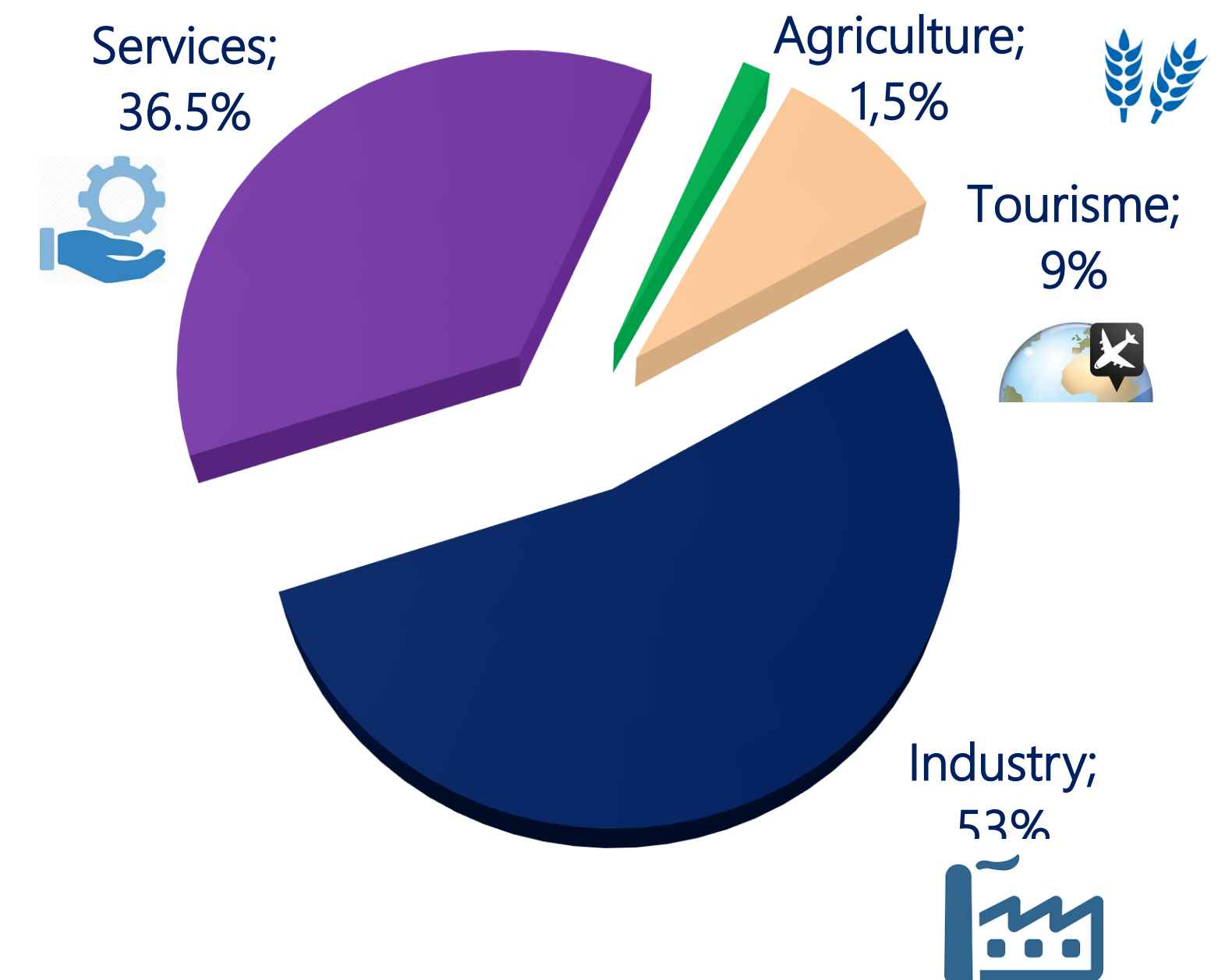


FDI Flows in 2018 recorded an increase of 28,6% comparing with 2017

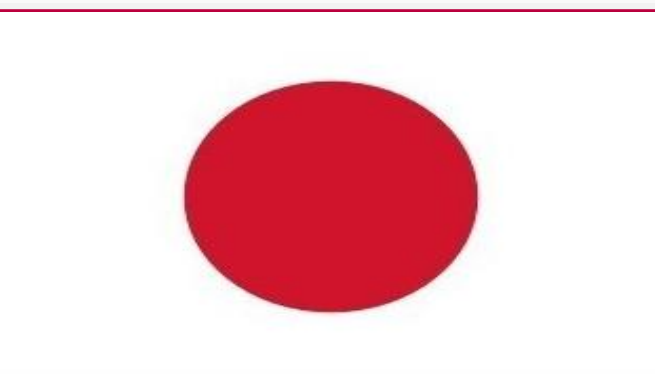
A constant increase of FDI thanks to extension projects (about 85% of annual flows on average) reflecting a growing confidence in Tunisia as a profitable business location.

FDI Breakdown by sector

(excluding energy)



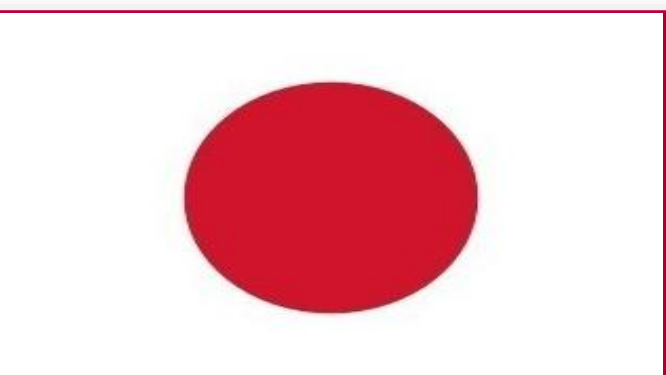
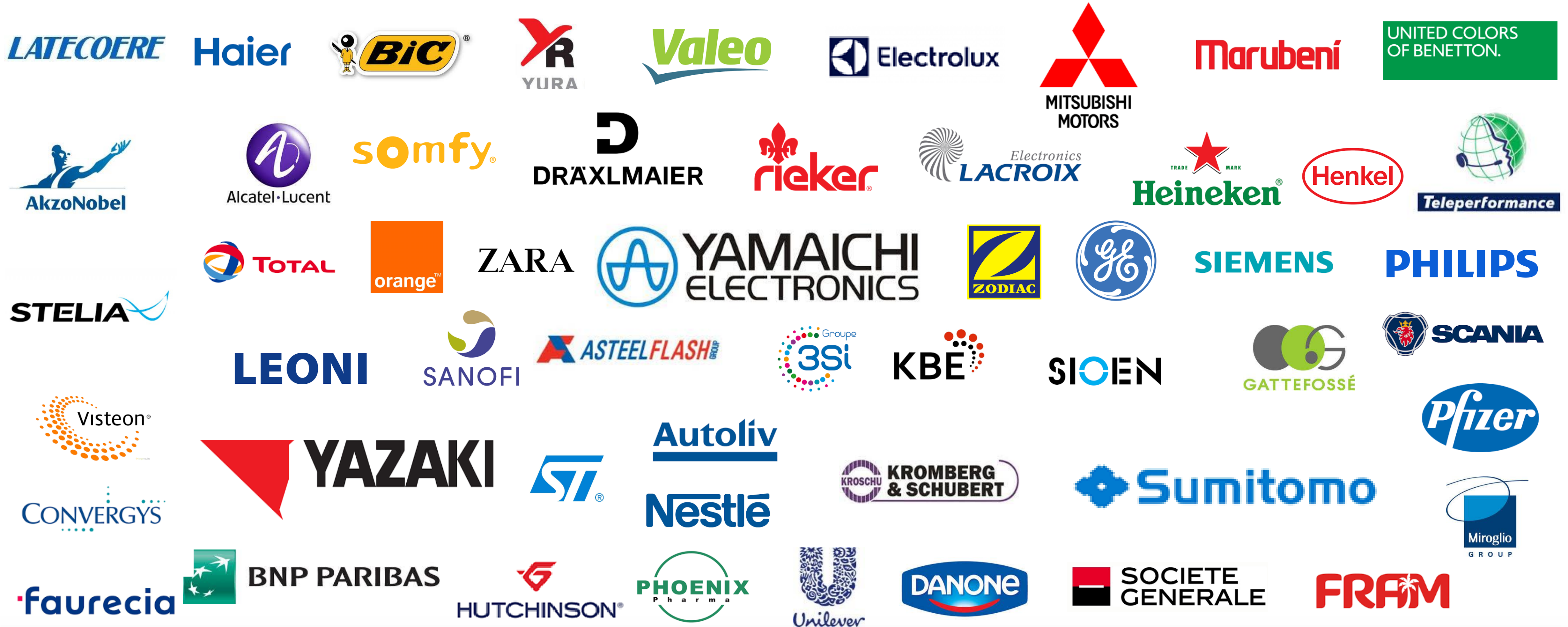
Evolution of the FDI structure in the manufacturing sector in favor of MEE industries and auto components in particular



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MAJOR COMPANIES OPERATING IN TUNISIA



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4

**Promising Sectors for Investment and Business
in Tunisia**

Investment Opportunities



Electronics



Automotive components



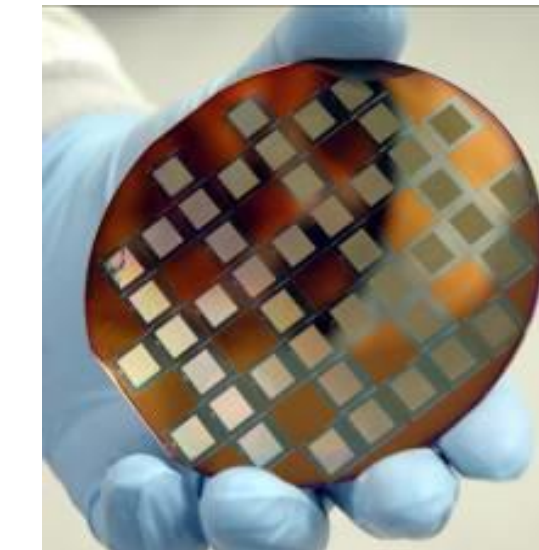
Aerospace Industries



Textiles & Clothing



Renewable Energies



ICT



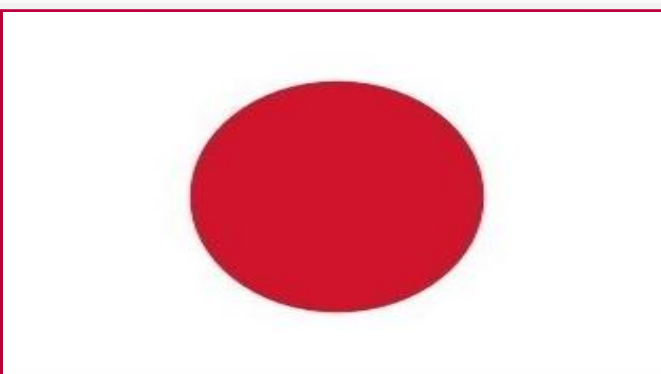
Food processing industries



Financial Services



BPO – ITO – R&D



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MEE Industries, an interesting value chain

1st exporting sector

3rd producer of automotive components in Africa

7th supplier of EU for electrical machinery



+1 000 companies

606 companies with foreign participation
440 totally exporting companies

13%
Annual growth

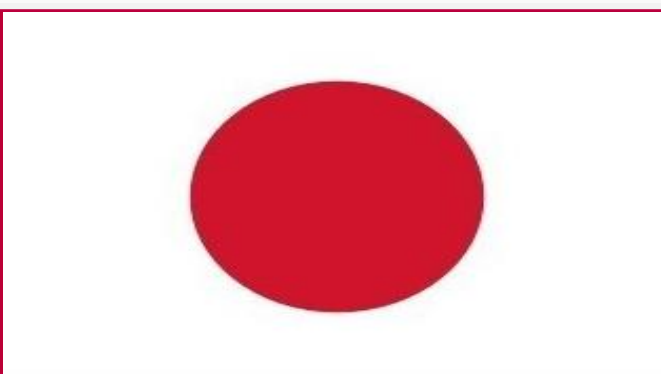


A Tunisian Know How

Competitive production costs

Manufacturing of different automotive and aeronautical components

Presence of major OEM



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A reference site for auto. components

Invest in
Tunisia
**Auto
components
sector**

TOP 5 Automotive Industry producer

Rank	Country	Companies	Employees
1	Germany	29	+ 29 900
2	France	25	+ 16 600
3	Japan	4	+ 6 100
4	USA	5	+ 2 700
5	Italy	5	+ 1 300

+260

Companies

65%

Totally
exporting

+80 000

Jobs

Assets

- ✓ Presence of major OEMs
- ✓ Proximity and short leadtimes
- ✓ Experienced main power with a strong adaptability to new technologies
- ✓ Competitive labour and factor costs :
US\$5 300 (skilled worker) US\$10 600 (engineer)
- ✓ Strong reputation especially in Europe
- ✓ Availability of Technical Centres
- ✓ Association of Equipment Manufacturers "TAA"

12%

Annual
Growth

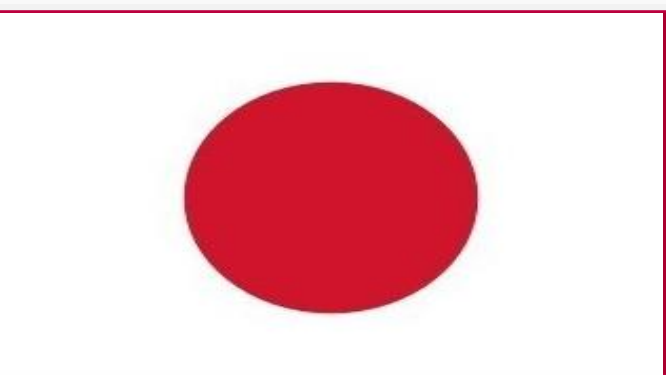
40%

Integration
Rate

3rd

Producer
in Africa

Tunisia is one of Europe's top 10 suppliers of electrical wiring systems



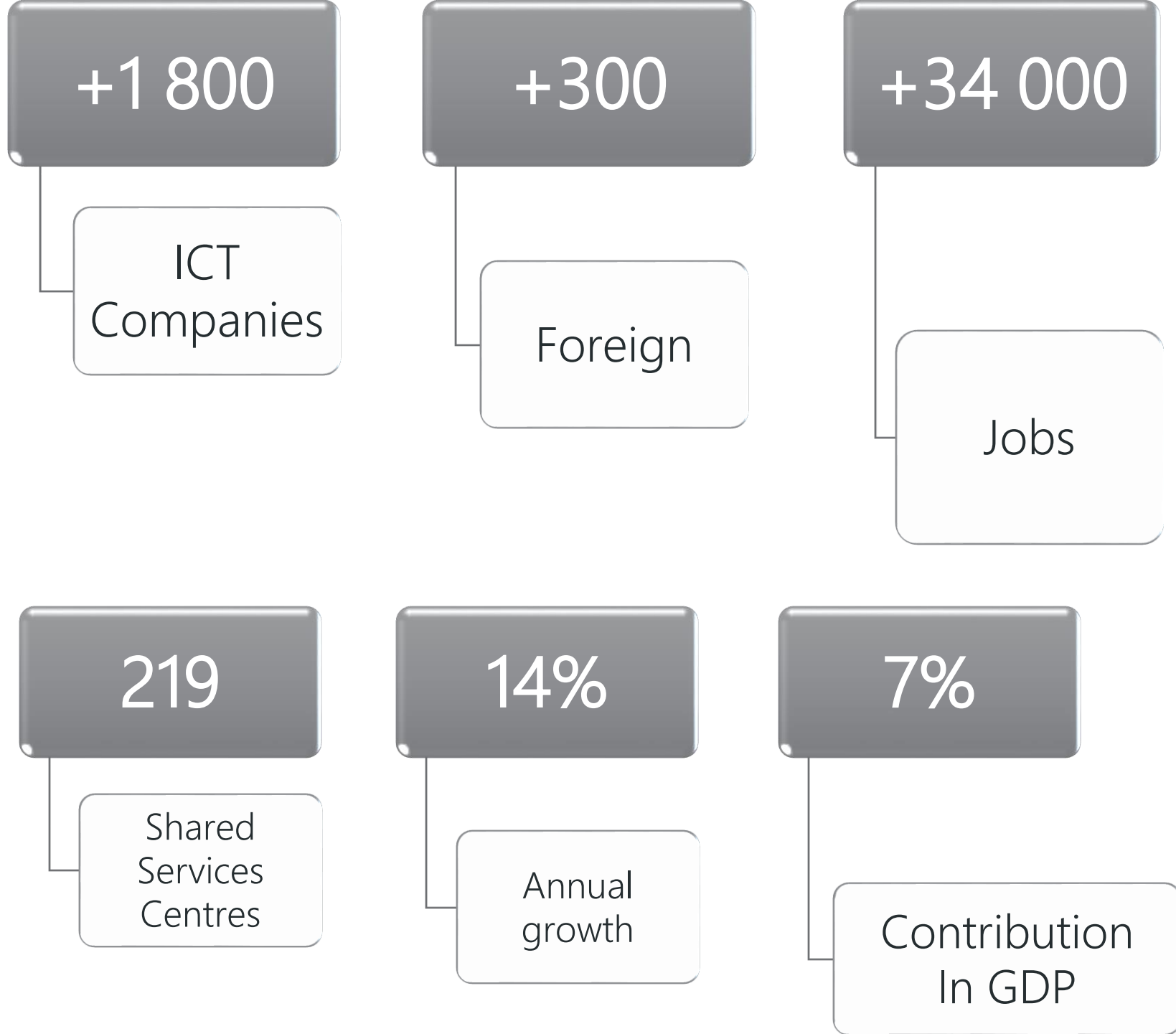
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A Priority Sector in Expansion

Invest in Tunisia Digital sector

3 equipped and ICT oriented **Technoparks**
18 cyber parks - for training and scientific and technological research



Main assets

- ✓ Many Leading International Corporations are based in Tunisia
- ✓ Geographical and Cultural Proximité
- ✓ Same Time zone as Central Europe (GMT + 1)
- ✓ Qualified and experienced Human Resources, bilingual (FR & EN) / C.S.A. US\$ 7 000 – Software Programmer US\$11 000
- ✓ IT infrastructure at global standards
- ✓ Annual rent per sq2 of a class A office in Tunisia circa US\$ 80
- ✓ 200 university courses that fall under ICT disciplines

50,000 students in higher education and technology in the ICT

(List of global companies): ADP, Alcatel, ARDIA, Business&Decision, Cisco, Convergys, FIS (formerly SUNGARD), FOCUS, HP, Huawei, IBM, ODDO, Siemens, Sopra hr, Teleperformance, Vistaprint.



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Invest in Tunisia
Agri-business sector

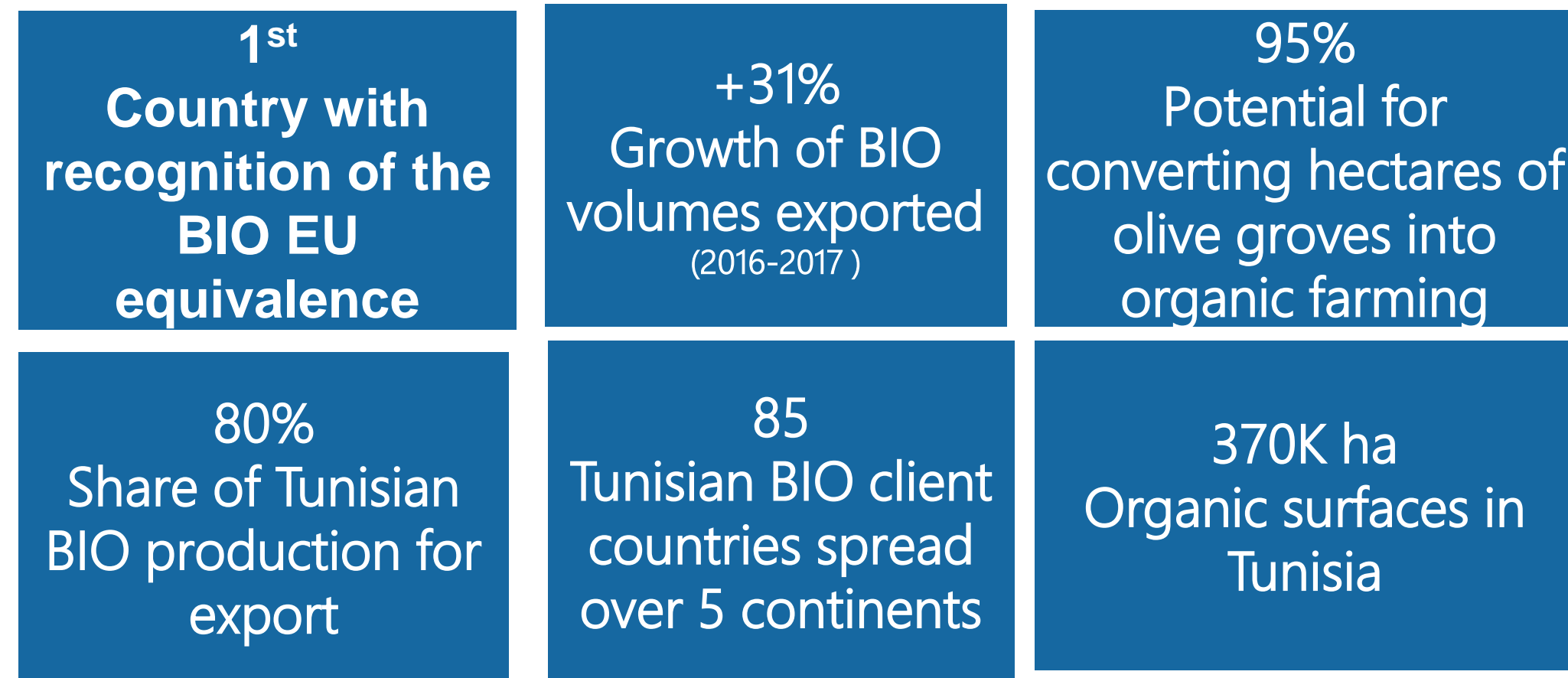
Agribusiness sector in Tunisia



Strenghts of the sector

- ✓ Synergy between Research Centres and companies
- ✓ Booming organic production
- ✓ High quality, favour and natural taste
- ✓ Competitive labour costs and important incentives

Tunisia has a world leadership position in the organic dates and olive oil segments



Source(s) : Executive management of Agriculture Biology, , www.agencebio.org



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Energy and Renewable energy : An Evolving Sector



Tunisia

boasts annual irradiation rates of approximately **1800 to 2600 KWh** per square metre, over **20%** more than the most irradiated sites in Europe

A National Development Strategy of Renewable Energy

since **2015**

Goals

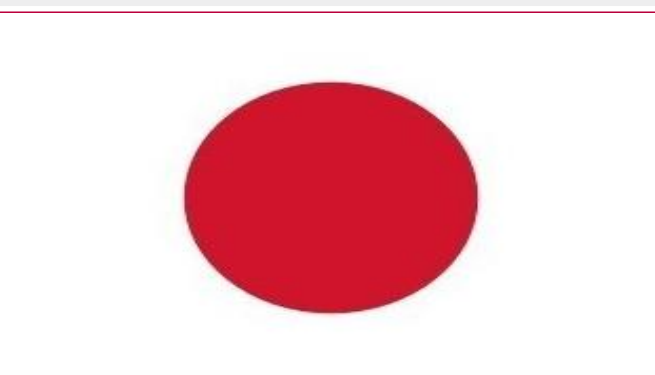
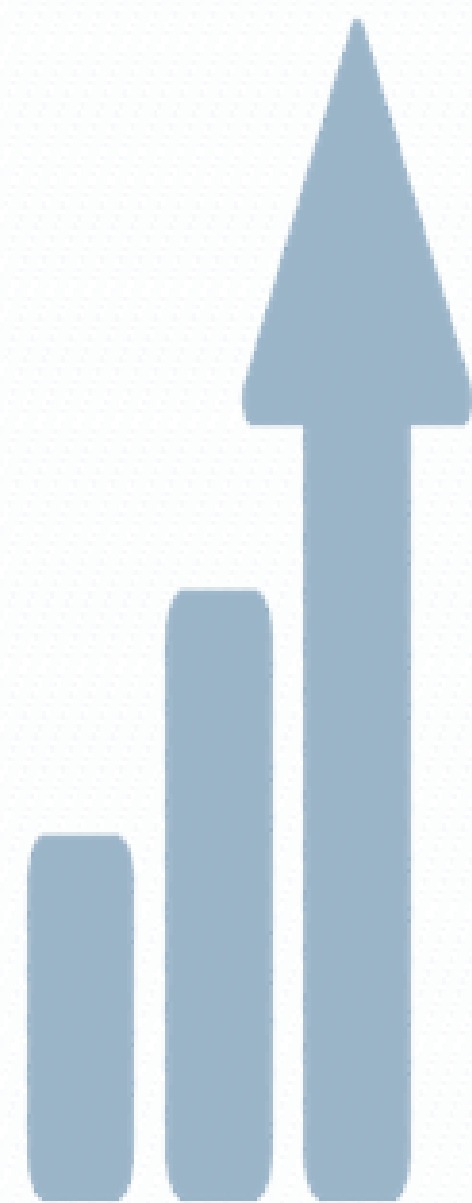
Currently third tender

The development and construction of several solar power plants exceeding **10 MW**

12% renewable energy produced in **2020**

30% renewable energy produced in **2030**

Total investment of **4 B€** by **2030**



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5

How to proceed?

How to proceed?

One-Stop-Shop certified ISO

Simple Procedures

100% foreign capital

Partnership



Project Declaration

24/48h

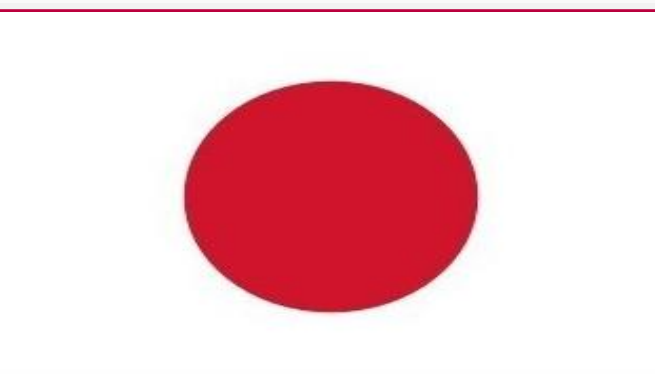
Legal incorporation

Registration of company statutes

Tax ID card

Registration in the Trade Register

Etc.



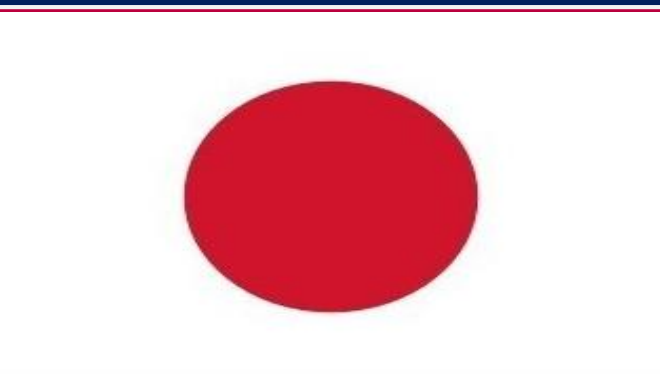
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- ❖ Investment is FREE
- ❖ FREE transfer of profits and capital
- ❖ Simple incorporation procedures
- ❖ Tax & free access to the EU market
- ❖ Competitive production costs
- ❖ Competitive and highly skilled LF :
 - ❖ Engineer: US\$ 600
 - ❖ Skilled worker US\$ 250-300
 - ❖ Minimum wage: US\$ 135/month
- ❖ Factory lease: US\$ 8 to 40 /sq2/yr
- ❖ Fiscal & financial incentives



- Strategically located. Small country with huge Potential
- A market-oriented economy
- Friendly Business Location.
- An educated & modern society open to the world



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FIPA-TUNISIA: Mission ?

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

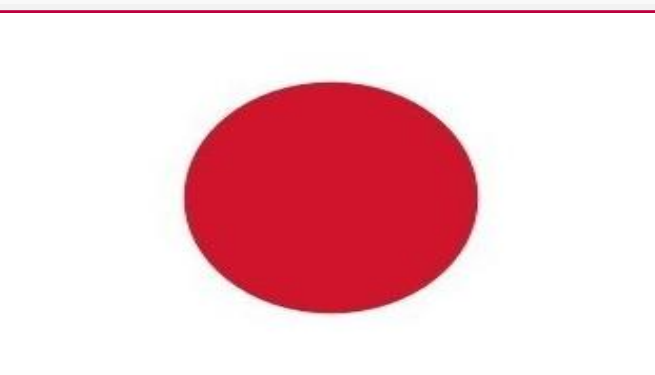
- on the appropriate conditions for the success of projects, regions of operation, investment plans, financing methods...

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



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Contact us

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