



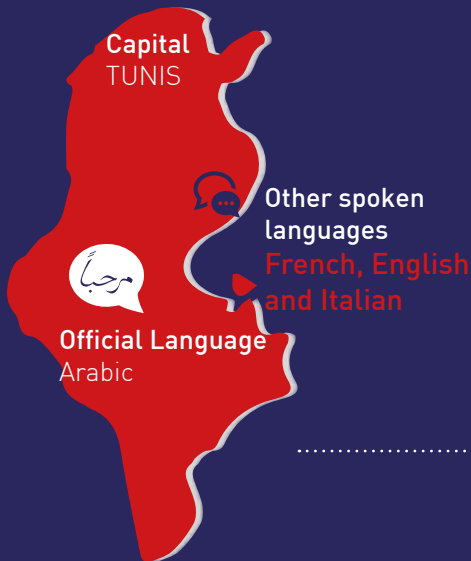
「NEW TUNISIA,
NEW ECONOMIC VISION」

INVEST IN TUNISIA

1

TUNISIA

IN A NUTSHELL



Currency
Tunisian Dinar (TND)



Population
11.3 million inhabitants



Average exchange rate 2016
1 TND=0.421 Euro=0.466 USD



Urban Population
67.8 %



Local time
GMT+1



Human Development Index
(HDI in Africa = 0.524) *
0.725



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

Source: National Statistics Institute, 2016
*Source: United Nations Development Program, 2016



**ECONOMIC
AGGREGATES**

85 490.7 MTND
Gross Domestic Product (current prices)



TRADE

18.3
GFCF (% of GDP)

Source: Central Bank of Tunisia, 2016

27 607.2 MTND
Exports 2015 (current prices)

39 654.8 MTND
Imports 2015 (current prices)

69.6%
Coverage Rate

Sources: Central Bank of Tunisia, 2016
National Statistics Institute, 2016

Main Clients

France
Italy
Germany
Spain

Main suppliers

France
Italy
China
Germany



**WAGE
DATA**

305,586 TND
(40-hour scheme) = 128,65 €
Minimum Guaranteed
Inter-professional Wage (SMIG)

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

Source: Decree n°669-2017 dated 05 June, 2017

2

TUNISIA, LEADER IN NORTH AFRICA

1ST
IN TERMS OF

FDI Attractiveness

Global Opportunity Index 2015, Milken Institute

Talent Competitiveness

Global Talent Competitiveness Index 2017, INSEAD

Entrepreneurship Ecosystem

Global Entrepreneurship Index 2017, GEDI

Innovation

Bloomberg Innovation Index 2017, Bloomberg

Competitive Industrial Performance

Competitive Industrial Performance Index 2016, UNIDO

ICT Development

Measuring the Information Society Report, 2016

Transition to E-commerce

B2C E-commerce Index 2016, CNUCED



TUNISIA is :



1st

world exporter of
dates



1st

world exporter of olive
oil for the 2015-2016
harvest season



2nd

exporter of organic
produce in Africa



2nd

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.

3 410
enterprises

20 746.34
M TND in FDI

365 181
Jobs

Source: FIPA-Tunisia, 2016

FDI DISTRIBUTION BY SECTOR (EXCLUDING ENERGY)



Industry

52.70 %



Service

46.38 %



Agriculture

0.92 %

Source: FIPA-Tunisia, 2016

FDI DISTRIBUTION BY SECTOR INDUSTRY



Construction materials



Electric and Electronics



Textile & Clothing



Mechanics, metal and metallurgy



Chemicals and rubber



Food industry



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
- 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
- ZODIAC ...

TUNISIA, A STRATEGIC POSITION

Located at the northern tip of the African continent and only 140 km from Europe, **Tunisia as a world economic hub** 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**.

OPERATING IN TUNISIA OFFERS THE OPPORTUNITY **TO ACCESS THE AFRICAN MARKET WHICH WILL REACH 1.1 BILLION CONSUMERS BY 2020.**

Source: Boston Consulting Group, 2016

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 will be officially the **20th** member of the comesa market in october 2017.

5

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



268
Higher education institutions
including 65 private ones



More than 1 000
vocational training centres



Over 5% of GDP
devoted to education

Tunisia ranks **3rd** on a global level in terms of postgraduate degree rates in science, engineering, industry and construction.

Source: The Global Innovation Index, 2016

IN 2015, OVER

9 000
NEW ENGINEERS
JOINED THE JOB
MARKET

Source: Ministry of Higher Education, 2015-2016

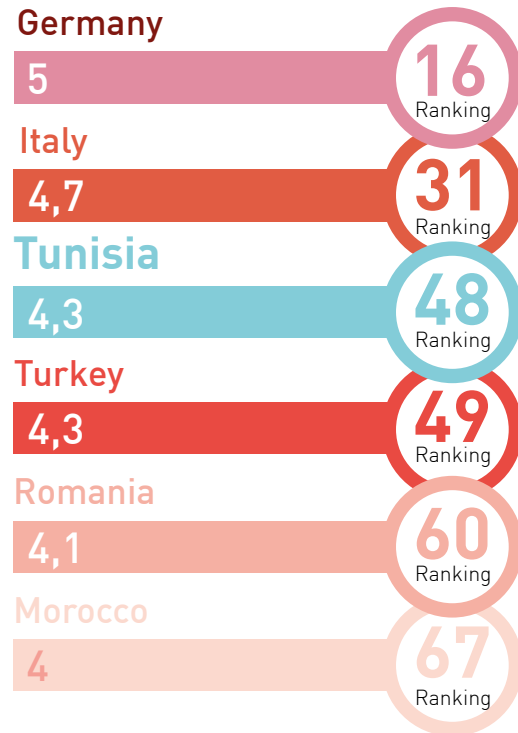
Tunisia is among of the first countries in North Africa and Arab countries to engage in the field of **E-Learning**.

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,
- **More than 300 000 students** are actually enrolled in Tunisian universities.



Availability of scientists
and engineers in the labor market



Source: Global Competitiveness Report 2016-2017, 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:

GRUPE ACTIA, ALCATEL-LUCENT, KROMBERG & SCHUBERT, LEONI, SAFRAN ELECTRONICS, SIEMENS, ST MICROELECTRONICS, ZODIAC AEROSPACE...

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 500 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
- **152 industrial zones** spread throughout the country



THE LARGEST DATA
CENTER OF AFRICA
"DATAZION" IS
LOCATED IN TUNISIA.

Source: Ministry of Communication
Technologies and Digital Economy

TUNISIA IS RANKED
40th OUT OF A TOTAL
OF 190 COUNTRIES IN
TERMS OF ACCESS TO
ELECTRICITY.

Source: Doing Business
2017

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:

- **130.5%** in terms of density of mobile telephony (June 2016),
- **7.8% annual growth** of outgoing voice traffic In mobile networks for international calls,
- **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 1st 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,

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).



• **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,
- **Allowance** 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 Continental Africa in terms of the well-being of its population.

Social Progress Index, 2016

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, 2016

3

in North Africa in terms of the quality of the health care system.

Health Care Index, 2016





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 11th
CHEAPEST COUNTRY
IN THE WORLD.**

Country Expat Cost of Living,
2016

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
- Adoption of a new Investment Law:
 - Governance
 - Financing
 - Incentives



Foreign Investment Promotion Agency



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