

10 Key Points about the Republic of Benin

Situated in sub-Saharan Africa, the Republic of Benin covers an area of 112 622 km². It borders the Republic of Niger to the north with the Niger River forming a natural boundary, Burkina Faso to the north-west, Togo to the West, Nigeria to the east and the Atlantic Ocean to the South. It is located in the tropics and has a hot and humid climate.

Benin, previously Dahomey, is the home of ancient and brilliant civilisations which were built around city-state kingdoms. Its population was estimated at 8.8 million in 2006. Its GDP grew by 5.3% in 2008, and 6.1% in 2009

(source: West African Economic and Monetary Union).

Today, Benin boasts a regulatory framework for of administration, tax and customs which is conducive to the promotion of private enterprise. The institution of an Industrial Free Zone makes it one of the most attractive legal frameworks of the West African region.

- 1 > *Liberal and stable political environment*
 - 2 > *Ideal geographical situation*
 - 3 > *A qualified workforce*
 - 4 > *Services facilitating investment*
 - 5 > *Production factors at competitive rates*
 - 6 > *New investment framework in the Free Industrial Zone*
 - 7 > *Appealing investment code offering important guarantees to investors*
 - 8 > *High quality infrastructure*
 - 9 > *International agreements to facilitate exchanges with other countries*
 - 10 > *Interesting investment opportunities*
- + > Code of conduct / how to act during your first meeting.**

1 *Liberal and stable political environment*

Benin is distinguished in Africa for its exceptional political and economic stability, which makes it a hotspot for investors.

Since the National Conference of Entrepreneurs and the adoption of the Constitution on 11th December 1990, Benin resolutely decided to become pluralist and to separate powers between the executive, legislative and judiciary branches.

For 15 years, 'market economy' and 'macro-economic rigour' have been the buzzwords which have encouraged the integration of Benin into the global economy.

2 *Ideal geographical location*

At the junction of two large economic areas, the UEMOA and the CEDEAO with 250 million inhabitants, Benin offers an unprecedented opening into the whole of West Africa, Central Africa and the hinterland countries, thus providing investors with a unique commercial position in Africa.

A crossroads of exchanges and meetings, Benin is at the confluence of Francophone and Anglophone Africa and has very close commercial relations with Nigeria, the second largest economy of Sub-Saharan Africa with its 150 million inhabitants.

Opening onto the Gulf of Guinea, Benin is the natural entry port for three landlocked countries (Niger, Burkina Faso and Mali) representing 40 million consumers.

3 *Qualified workforce*

Benin's greatest resource is its people. Often deemed Africa's Latin Quarter, Benin offers investors a competent and qualified workforce, often educated abroad. The quality of its human resources is also attested by the **Conseil Français des Investisseurs en Afrique (CIAN)**.

4 *Services facilitating investment*

Services facilitating investment are available to investors. They include:

- > The **Centre de Promotion des Investissements (CPI)**, whose role is to guide investors and help them obtain information on the expanding markets and other investment opportunities.
- > The **Centre de Formalités des Entreprises (CFE)**, whose role is to simplify the bureaucracy surrounding business largely by means of a 'One Stop Shop' where investors can complete all the formal requirements in just one place, in the least time possible and at a reduced cost. This applies to the formal requirements linked to the creation of individual and member companies and subsidiary branches, suspension of trade, dissolution of companies and their modifications.

5 Production factors at competitive rates

In the UEMOA area, Benin offers the lowest costs in terms of production factors such as labour, electricity, water and hydrocarbons.

Example: table of salary scale

Tree of gross monthly salaries: (local personnel only, in FCFA, excluding fringe benefits)				
Type of staff	Specific functions or hierarchical position	Salaries by sector		
		Agriculture/ Agri-business	Industry	Services
Director	Director (DHR, DAF, DFC, DT, DC, DM, DI, etc.)	119 230 / 167 871	84 002 / 135 280	112 495 / 164 998
Manager	Head of Service, of Department, Manager	NA	NA	NA
Initiates	Engineer, Head of Product, Study Leader, Auditor, etc.	NA	NA	NA
Senior Supervisor	T.S., Foreman, Analyst, Executive Assistant, Head Nurse	NA	NA	NA
Supervisor	Computer Technician, Technician, Secretary, Accountant, etc.	69 524 / 114 777	58 116 / 83 002	71 725 / 93 460
Qualified Employee	Shopkeeper, Lab Assistant, Cashier, Computer Operator, etc.	27 500 / 67 359	27 500 / 49 193	27 500 / 68 850
Employee	Chauffeur, Accounting Assistant, Courier, Auxiliary Nurse,	34 466 / 37 117	38 775 / 41 425	44 565
Qualified worker	Qualified Production Operators, Qualified Maintenance workers...	27 500 / 39 773	69 524 / 114 777	119 230 / 184 084
Worker	Specialist workers	NA	NA	NA

Source: Sector sheet 2004 'Cost of Human Resources by Category and Business line' edited by the Investment Promotion Centre

6 New investment framework in the Free Industrial Zone

Created in 1999 under Article 5 of Law n° 99-001 of 13th January 1999 on finances, *Benin's Free Zone* covers an area of 230 hectares which will be developed gradually. It offers enormous opportunities for investors wanting to conduct added value activities concerning exportation.

7 *An attractive investment code, offering important guarantees to investors*

Any company involved in commerce, industry, agriculture, artisan or the services, whatever the regime under which it operates (common law or privileged regime), benefits from the following guarantees:

- > Freedom of entry, residence, circulation, movement of expatriate employees and their families within current regulations;
- > Commercial freedom;
- > Freedom of management;
- > Freedom of capital transfer;
- > The guarantee that no nationalisation measures will be taken by the State.

8 *High quality infrastructure*

Benin has much infrastructure to support investment and facilitate commercial exchange with the rest of the world, including:

- > A **deep water port at Cotonou** with a capacity of 2 million tonnes of cargo and eleven berths for conventional liners, roll-on-roll-off vessels, container ships, oil tankers, etc. It is the fifth largest port in West Africa;
- > An international airport in Cotonou with a tarmac runway 2 400 metres in length, equipped with an ILS-DME and substantial infrastructure;
- > A constantly expanding road network (in terms of kilometres of tarmac road).

9 *International agreements to facilitate exchanges with other countries*

To reinforce the legal framework for investment and provide greater security for foreign capital, Benin ratified the agreement on the creation of the **Agence Multilatérale de Garantie des Investissements (MIGA)** in 1993 and the **traité sur l'harmonisation du Droit des Affaires en Afrique (OHADA)** in 1994. Benin has signed bilateral agreements to promote and protect investment with several countries: Germany, USA, the Netherlands, Canada, Swiss Confederation, the Belgo-Luxembourg Economic Union, Burkina Faso, Ghana, Guinea, Mali, Mauritius and Chad.

With a view to enlarging this group, Benin is in negotiation with other countries. With these agreements, Benin offers a non-discriminatory treatment framework as well as physical and legal protection of investments.

10 *Interesting investment opportunities*

In sum, Benin's economic environment is characterised by:

- > Possibilities of acquisition owing to privatisations, particularly in the telecommunications sector;
- > The under-exploited sectors of Agrobusiness and Agro-industry;
- > The opportunity to set up packaging manufacturers;
- > An expanding tourism sector;
- > Opportunities to invest in housing;
- > Opportunities to invest in urban transport;
- > Opportunities to invest in the management of household waste in the main urban centres;

Code of Conduct

How to act during your first meeting

Benin is made up of a mosaic of tribes and ethnicities with various different customs and beliefs. It is therefore well advised to be informed of the specific traditions and customs of each tribe. To start with, it is important to recognise that Benin has a prestigious ancestral history. Remember that respect of their elders and their status must be taken into account in business relations.

The family sphere is privileged and protected and it is usual to greet each member of the family and ask about their well-being before starting negotiations.

The idea of time is adapted to the cycles of nature and, as such, it is not necessary to want to rush things. The Beninese avoid conflict by means of quiet diplomacy. They will prefer consensus to confrontation. The Beninese company has a paternalist structure and decisions depend on the hierarchy. Be careful, however, not to fall into the trap of nepotism. Visual and body language is very important in business relations: the handshake can seal a deal. Some subjects are forbidden in negotiations: history, politics and religion. Use humour in moderation because it can often be wrongly interpreted.

10 Key Points about South Africa

- 1 > *Recovered economic stability*
 - 2 > *Tense social climate*
 - 3 > *Robust legal and financial infrastructure*
 - 4 > *Highly- developed logistical and transport infrastructure*
 - 5 > *Numerous natural resources*
 - 6 > *Economy orientated towards Africa*
 - 7 > *Business-friendly environment*
 - 8 > *Qualified and competitive workforce*
 - 9 > *Numerous expanding sectors*
 - 10 > *Country open to the rest of the world*
- + > **Code of Conduct / how to act during your first meeting.**

1 *Recovered economic stability*

South Africa is one of the most advanced developing countries in the world. The economic power of the continent can be demonstrated by a GDP of 1 900 billion Rand (€175 billion), representing 30 % of the total GDP of Africa. Over the course of the last fifteen years, South Africa has achieved robust macro-economic stability as a result of policies aiming to promote competitiveness, development and employment. Between 2000 and 2007, the economy has seen an average growth rate of 4.5 %. Significant economic reforms have also sustained economic stability: reduction of the tax burden; reduction of import tariffs; control of budget deficits; and relaxing of exchange control regulations.

2 *A tense social climate*

The social climate has been hugely affected by the economic crisis. The trade unions are increasingly active and regularly appeal for national strikes. Their main demand is for an increase in salaries. The disparities between salaries are the biggest in the world. Even though the abolition of Apartheid put an

end to political and legal segregation in South Africa, it did not put an end to economic and social segregation. Despite the voluntarist policies of different governments, the country has had to confront record levels of poverty and unemployment. The immediate cause of poverty is inequality in different areas of society, for example, access to private property, financial resources, education, etc.

3 *Robust legal and financial infrastructure*

South Africa's financial system is robust and well regulated, and its banking sector is ranked in the top 10 in the world. **The Reserve Bank**, the central South African bank, is independent of the government. The Johannesburg Stock Exchange is in the top 20 stock exchanges in the world in terms of capitalisation. Legislation relating to commerce, work and maritime affairs is very developed, with specific laws on competition, copyright, patents, commercial labels and conflicts, which are in accordance with international standards and agreements. Independent courts ensure that rights and commercial obligations are respected.

4 *Highly-developed logistical and transport infrastructure*

South Africa's road, rail, harbour and airport infrastructures are highly developed and constitutes one of the cogs of commercial and industrial activity. **Transnet**, the country's main transport operator, manages 176 million tonnes of rail freight, 2.8 million tonnes of road freight and 194 million tonnes of shipping freight each year, in addition to transporting 6.1 million passengers by air. South Africa has the longest road network on the continent with 7 200km of road in total, as well as 11 airports, of which 3 are international (O R Tambo International Airport in Johannesburg, Cape Town International Airport, Durban International Airport). The national airline, South African Airways, serves 700 destinations. The country's main ports are Cape Town, Durban, Port Elizabeth, East London, Richards Bay and Saldanha Bay.

5 *Numerous natural resources*

South Africa is the world's largest producer of platinum, the second largest producer of gold (after China), and one of the largest producers of diamonds and carbon. In the last few years, the South African mining companies have become international corporations. Two of the largest global mining companies are based in South Africa: **BHP Billiton** and **Anglo American**. The agricultural sector is also highly-developed, allowing South Africa to meet its domestic requirements for the majority of the main agricultural products.

6 *Economy orientated towards Africa*

South Africa is ideally situated to offer access to the 14 countries of the **Southern African Development Community**, the islands off the East coast, and even the Gulf countries and India, which have been strongly represented in South Africa for a long time. The country is a central location for transits between Latin America and the economies of South Asia and the Far East. The main maritime routes pass along its coasts and its seven commercial ports constitute the most complete, best equipped and most efficient network in Africa.

7 Business-friendly environment

The 2009 study by the World Bank on the business climate (**Doing Business**) places South Africa in 32nd place out of a possible 181 countries included in the study and second in Africa behind Mauritius.

Energy costs are among the lowest in the world, the price of telecommunications is falling and the taxation system for businesses is generous compared to that of other developed and developing countries. Finally, South Africa is one of the least expensive countries in which to live and work, largely because of its exchange rate.

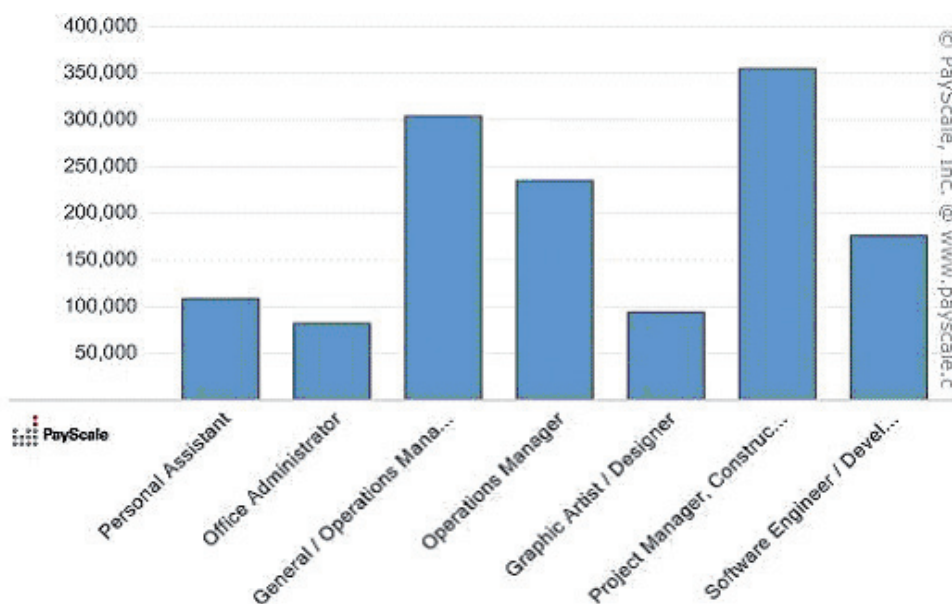
It is to be noted that South Africa was placed 44th out of 130 countries (ahead of Italy and India) in the global competition index set up by the **World Economic Forum** in 2007/2008. The competition law of 1998 has fundamentally reformed the government system, which is now well-developed and regulated in line with the best international practices.

8 A qualified and competitive workforce

According to a study carried out by **Careers 24** in 2008, the average monthly salary in South Africa is 16 586 Rands (€1 487). Women earn 13 692 Rands (€1 228) per month, whilst men earn 19 912 Rands (€1 785). South Africa is competitive in terms of the salaries paid to qualified employees which are generally lower than their equivalents in developed countries. On the other hand, the poor salary levels have their downside as they can lead to a brain drain.

In the areas of information technology and telecommunications, salaries are higher than the average salary and can reach up to 19 435 Rands (€1 742) per month.

Workers in the mining sector have the highest average salary - 25 487 Rands (€2 285), followed by foresters - 23 832 Rands (€2 137), and those working in the energy sector - 22 973 Rands (€2 060).



Country: South Africa | Currency: ZAR | Updated: 4 Oct 2009 | Individuals Reporting: 29,270

This chart displays Median Salary by Job for Country: South Africa. Get your own personalized salary report in just five minutes by filling out our simple survey.

Nevertheless, it is important to note that this is only an average and that there are many unqualified individuals who are unemployed.

9 Numerous expanding sectors

South Africa is a noted destination for commerce and investment, having met the demands of global commerce and international investors. Numerous lucrative opportunities are available in all sectors, particularly agro-industry, car manufacture, fishing, banking and financial services, mining, chemical, housing, textiles, tourism and telecommunications.

10 Country open to the rest of the world

Since signing the General Agreement on Tariffs and Trade (GATT) in 1994, South Africa has become a major player in international commercial exchanges, and has implemented a series of commercial reforms. Access to the market has been improved by a number of agreements, mostly with the European Union and the **Southern African Development Community**. The country has established ties with African, Asian and Latin American markets. The alliance between India, Brazil and South Africa aims to increase commercial exchanges between the three countries, with South Africa becoming a key commercial and investment partner for China. Economic and commercial relations between China and South Africa have been reinforced since the institution of formal diplomatic relations in 1998. South Africa is the main commercial partner of China in Africa: bilateral relations represented a total of 40 billion Rands (€3.6 billion) in 2005 with South African exports increasing from 7.85 million Rands (€0.7 million) in 1996 to 8.5 billion Rands (€0.76 billion) in 2005.

Code of conduct

How to act during your first meeting.

In South Africa, the first meeting is decisive in building a trusting relationship between you and your interlocutor. To greet people a handshake suffices, although women often prefer a simple nod of the head. Avoid hugging and kissing as this is reserved for close friends and family. Similarly, it is important to know that there is no exchange of gifts in business meetings. Even if South Africans do not need to build long-term personal relations before doing business, it is nevertheless important to be punctual. Be aware that the inhabitants of Johannesburg are more punctual than those of the coastal towns. After the introductions, the negotiation phase is also subject to some precise rules. Try not to show off to your interlocutor: creating sophisticated presentations will turn out to be pointless, because they won't impress South Africans. It is very impolite to interrupt a South African. Also, avoid being aggressive; remain compliant during the course of the negotiation. Note that this requires patience: the decision-making process can seem long. However, if you have been clear on the deadlines from the outset, you should not hesitate to chase them up.

Ten key points about Botswana

- 1 > *Political and economic stability*
 - 2 > *Liberal investment policies*
 - 3 > *Access to the market*
 - 4 > *High quality work relations*
 - 5 > *Commercial opportunities*
 - 6 > *Investments in infrastructure*
 - 7 > *Natural resources*
 - 8 > *Competitivity*
 - 9 > *Quality of life*
 - 10 > *Economic diversification*
- + > **Code of Conduct / How to act during your first meeting**

1 *Political and economic stability*

Botswana's economic progress since its independence has made it one of Africa's success stories. This poor, principally agricultural country was transformed by the diamond industry into one of the richest nations in Africa with a revenue of \$3 300 per inhabitant. Governmental policies for the future embrace economic diversification outside the diamond sector, promotion of tourism, manufacturing activity orientated towards exports and financial services, amongst others. Economic and fiscal measures have maintained growth and low inflation since Botswana's independence. Real elections take place at regular intervals. Botswana has thus become a pillar of economic stability in the region.

2 *Liberal investment policies*

Botswana offers a secure environment for foreign capital, thanks to liberal and flexible investment policies. There is no restriction in terms of property, investment size, origin of capital, marketing products or training methods. Botswana was recently awarded grade A2 by Moody's and A by Standard & Poor's. The government

actively encourages the development of the private sector via an attractive fiscal regime, the abolition of exchange control and a range of measures congenial to investment (exemption from tax for importing industrial materials, duty-free access for countries in the Southern Africa Customs Union (SACU): Botswana, Namibia, Lesotho, South Africa, Swaziland. Products made in Botswana can enter the European market without being subject to either tax or quotas).

3 Access to the market

Botswana is ideally placed to be a cross-border financial services centre in Africa and beyond. The political and economic stability of the country, the maturity of the banking and finance sectors, the quality of its communication infrastructure and geographical position (bordering the southern part of the continent) make it an excellent location in every respect. The capital, Gaborone, is less than an hour by plane from Johannesburg in South Africa.

4 Good quality working relations

Botswana has a young, educated, motivated and mainly English-speaking workforce, and the country has excellent industrial relations without confrontational trade unions. A legal authority has recently been established in order to ensure that industrial disturbances are dealt with impartially. Salary levels are reasonable.

AVERAGE MONTHLY SALARY BY SECTOR (Pula)	
A. Citizens	Pula (1 € = 9.85675 Botswana Pula)
Private and Parastatal	3,158
Agriculture	735
Mining & Quarrying	7,113
Manufacturing	1,617
Water & Electricity	7,943
Construction	1,456
Wholesale & Retail Trade	1,940
Hotels & Restaurants	1,171
Transport & Communications	4,973
Finance & Insurance	9,245
Real Est.& Business Activities	5,368
Education	5,933
Health & Social Work	4,526
Other Community Activities	2,144
Local Government	3,183
Central Government	4,322
B. Non-Citizens	
Private & Parastatal	8,882
Local Government	11,158
Central Government	9,506

Source - Statistics year book 2008

5 *Commercial opportunities*

Botswana is seeking to diversify its economy by decreasing its dependence on minerals which represent a third of its GDP. Foreign investment is welcome in the country (Botswana abolished exchange controls in 1999). Corporation tax is low (15 %), and there are no restrictions on foreign shareholding in local businesses.

The expanding sectors in the country are:

- > Agriculture
- > Commerce/Transport
- > Diamonds
- > Mines & Minerals
- > Transport & communication
- > Construction
- > Banking and insurance
- > Hotels and restaurants
- > Tourism

Botswana was the seventh most reforming country in the world in 2008 according to Doing Business 2009.

6 *Investments in infrastructure*

Telecommunications and the transmission of electronic data are already well established, and in the process of being improved in order to develop international capacity and connectivity. Substantial investment has been made in economic infrastructure. The Mmamabula Energy Project is the largest untapped coal reserve in the SADC (Southern African Development Community). There is enough coal to produce 3600 MW for 40 years and provide 12 million tonnes of coal per year) and works are currently in progress to export energy to South Africa and meet domestic demand.

7 *Natural resources*

Diamonds are by far the main source of revenue for Botswana. The combined profits from three diamond mines amount to 77% of export profits and 45% of GDP. Other minerals like copper, nickel and gold also contribute significantly to the wealth of the country, as well as sodium carbonate, salt and coal.

8 *Competitiveness*

Important changes were made to the tax regime in Botswana in the 1990s in order to attract domestic and foreign investment and improve the competitiveness of the country. The government is currently planning new measures in this endeavour, notably a new strategy for direct foreign investments and development of exports. The parliament of Botswana has recently adopted a privatisation plan for previously state-owned companies and a competitive programme aiming to support the diversification of the economy. Currently, the companies being privatised are Botswana Telecommunications Corporation, Air Botswana, Botswana Power Corporation (BPC), Water Utilities Corporation (WUC), etc. These privatisations are taking place in various different ways: franchises, concessions, sale of assets, joint ventures, etc.

9 *Quality of life*

Botswana is a cosmopolitan and peaceful country where racial harmony reigns. The public and private education systems are excellent and the quality of tourism and health infrastructure is high.

10 *Economic diversification in agriculture*

Numerous initiatives have been taken in order to develop the agricultural sector. The national NAMPAADD programme for the exploitation of arable land and the dairy industry aims to help investors adopt and implement technologies improving the efficiency and productivity of agriculture. Irrigation is in the process of being improved in order to increase yields and meet domestic food demand. Agricultural cooperatives are being set up, and diploma training courses in agriculture have been proposed by the Botswana Agriculture Institute.

Code of Conduct

How to act during your first meeting.

Cultural customs

Greetings

Once you know your interlocutor a bit better, the relationship becomes more informal and it is usual to ask the well-being of family, children, etc. The manner of greeting depends on the region. In the north of the country, for example, the youngest members of a meeting must be the first to greet the rest.

Timetables and deadlines

Punctuality is very important in commerce. Nevertheless, in their personal lives, Botswana run on African time. Deadlines are often pushed back, so you must allow for extra time when planning a project.

Good partnership

In Botswana, the government encourages partnerships with foreign investors and promotes the sharing of skills with local personnel. Locals think that franchises offer better services.

How to negotiate

Developing mutual trust and a common understanding with local partners is a long, drawn-out job.

Botswanians know how to listen to and understand the needs of their interlocutor and understand when this relationship is mutual.

Botswanians like consensus in order to reach win-win situations.

Pitfalls to avoid

It is very important to remain discrete and humble during commercial success. Boasting about business successes can be insulting to your interlocutor. You have to take an interest in Botswanaian culture in order to be accepted and to secure trusting relationships that take so long to build.

Offering gifts

This is a delicate subject. Offering gifts to public figures can be misinterpreted and understood as willing corruption. It is the same in the private sector. Generally, it is recommended not to offer gifts unless you know your interlocutor personally. Branded gifts produced by your company (t-shirts, pens, etc.) are promotional items and, as such, can be offered and accepted without any problems.

The behaviour of local employees

Local employees take their work seriously without putting themselves under undue stress. In Botswana, you have to know how to take your time and appreciate everything that arises from professional life.

Languages

The official languages are Setswana and English, but the language used in business is English. The official documents of the government are in these two languages. It is not necessary to speak Setswana to do business in Botswana but having a basic understanding enables you to be better accepted by local partners and shows a desire to integrate.

10 key points about Cameroon

- 1 > *Exceptional geographical and human potential*
 - 2 > *Energy, ore, precious metal and gem enriched subsoil*
 - 3 > *Economic motor of Central Africa*
 - 4 > *Stable political situation*
 - 5 > *Increase in public investment*
 - 6 > *National currency tied to the Euro*
 - 7 > *Legal framework conducive to business development*
 - 8 > *Attractive tax regime*
 - 9 > *Young population*
 - 10 > *Unexploited tourist potential*
- + > **Code of Conduct / How to act during your first meeting.**

1 *Exceptional geographical and human potential*

Cameroon is a country with an area of 475 000 km², located in the heart of Africa with an Atlantic coastline. The official languages are French and English. Its main cities are Yaoundé, Douala, Bafoussam, Limbé, Nkongsamba, Garoua and Maroua. Its population is estimated at over 18 million and life expectancy is around 50. The youth are well-educated, especially in colleges and universities. The Polytechnic School of Yaoundé, the **Medicine Faculty at the University of Yaoundé I** and the **Catholic University of Central Africa** figure among the best colleges and universities in Africa. The country also has thousands of students educated in American and European countries.

2 *Energy, ore, precious metal and gem enriched subsoil*

Cameroon has a rich subsoil, containing oil, diamonds, gold, iron, etc. It also has one of the largest forests in Africa. It contains tree species including *iroko*, *tali*, *ilinga*, mahogany and *bété*. Several large rivers cross the country where several hydroelectric power stations have been built. To meet the high current demand, the country has commissioned the construction of new thermal power plants (KRIBI and LIMBE).

3 *Economic motor of Central Africa*

By virtue of its geographical position, its population and its natural resources, Cameroon is the engine of the Central African Economic and Monetary Community (CAEMC). Its GDP is the highest of any country in the CAEMC, amounting to €16.3 billion in 2008, the national average in Africa being €0.85 billion. CAEMC aims to integrate economies by facilitating the movement of goods and people between the Central African Republic, the Congo, Gabon, Equatorial Guinea and Chad. Cameroon's average rate of inflation is around 4 % and its growth rate is 3.3 % (2007). Its main sources of revenue are oil (50.5 %) and wood (13.3 %). Cameroon's top commercial partner is France.

4 *Stable political situation*

Cameroon is a stable country where the political tensions that arose post-independence have been brought under control. The party in power is working to develop a culture of peace, by including people from all factions in the national construction effort, and a culture of transparency, by creating the National Anti-Corruption Commission, the National Agency of Financial Investigation and adhering to the Extraction Industries Transparency Initiative. It is to be noted that Paul Biya has been in power since 1982, and that Cameroon is placed just 141st out of 180 on the Corruption Perception Index produced by **Transparency International**.

5 *An increase in public investment*

Cameroon was classified as a **HIPC** (Heavily Indebted Poor Country) at the end of 2006 and obtained significant relief from its external debt via substitution mechanisms such as the HIPC funds (BIRD) and the C2D contracts (France). Since then, numerous projects to revamp the road network have been commissioned across the country, agricultural projects have been implemented and important investments have been planned: the hydroelectric dam (MEMVE'ELE) on the River Ntem, the LOM PANGAR and NACHTIGAL dams on the River Sanaga, the construction of a deep-water port at KRIBI, the 270 km GAROUA-BOULAI-NGAOUNDERE road, etc. Cameroon also has 12 fibre-optic cables running along the CHAD-CAMEROON oil pipeline and 14 exit points are in the process of being activated.

6 *National currency tied to the Euro*

Cameroon's national currency benefits from being tied to the Euro. One Euro is equal to 655.957 CFA francs. The risks of foreign exchange losses are thus zero for EU countries with the exception of the UK. To this significant benefit is added that of belonging to the CFA zone which covers, in addition to the CAEMC countries, Benin, Burkina Faso, the Ivory Coast, Mali, Niger, Togo and Senegal. The CAEMC zone has a central bank and a banking commission which regulates the banking sector, in terms of liquid money. It gave rise to a rate band of 7% to 13%.

7 *Legal framework conducive to business development*

In order to become an emerging country, Cameroon is working to create an appealing business environment with an attractive legal framework.

Cameroon is thus part of l'**Organisation pour Harmonisation en Afrique du Droit des Affaires** (Ohada) and as such its corporate and accounting law are common to sixteen other countries in Francophone Africa and have similarities with French regulation.

8 *Attractive tax regime*

Cameroon is equipped with an Investment Charter which establishes privileged tax regimes for SMEs and strategic companies. It has signed a double taxation agreement with France. Corporation tax is 38.5 % and dividends are taxed up to 16.5 %. Tax on human capital is reasonable with the average employer's contribution within the rate band of 19 to 23 %. Attractive tax provisions exist for those companies who want to raise capital by becoming publicly listed on the stock exchange (**Douala Stock Exchange**).

9 *Young population*

The population of Cameroon is one of the youngest in the region, with 60 % under the age of 30. The literacy rate is 80 % which is one of the highest in the region. Educated in the numerous State or private universities or even in Europe, they make a high quality workforce. All the more so as a greater number of foreign educated students are choosing to return to the country. Save for the managing and financial directors, it is not necessary to call on expatriates to staff a local office.

10 *Unexploited tourist potential*

Officially Cameroon has 120 tourist sites and two sites of natural beauty classified as world heritage sites. Nevertheless, the country is still barely open to tourists and there is precious little hotel infrastructure. Given that French and English are the two official languages in administration, there is unexploited potential in this area.

Code of Conduct

How to act during your first meeting.

Those left cold by football quickly change their minds before they move to Cameroon. The country is represented on the international stage by the Indomitable Lions. Do not look wide-eyed and vacant at the mention of Roger Milla. Cameroon's leading light led his team to the quarter finals of the 1990 World Cup. In sum, make sure you have a solid football knowledge base and follow the news because the Indomitable Lions are the number one discussion point in the country. When you meet someone, after having shaken his hand in greeting, start by talking about sport. You will already have his attention.

Concerning negotiation itself: stay calm, take your time and don't rush your interlocutor. You will have to find levers to exert pressure for certain proposals to be accepted. It is also important to conduct the negotiation with precision throughout, making sure not to neglect any detail and to finalise the contract at the end of the discussion. You must also define in the contract the *modus operandi* for changing clauses. And be careful, the local concept of time is flexible. Some Cameroonians are not punctual and it is not unusual for meetings to be cancelled. In this case there is no use digging your heels in; better just to organise another meeting.

10 key points about the Ivory Coast

The Ivory Coast is located in West Africa, bordered by Ghana to the East, Burkina Faso and Mali to the North, Guinea and Liberia to the West and the Atlantic Ocean (Gulf of Guinea) to the South, with a coastline that stretches 600km. The country's area is 322 463 km². Its warm tropical climate is characterised by four seasons: two dry seasons (a long one from December to March and a short one from August to September) and two rainy seasons (a long one from April to July and a short one from October to November). Despite the regular postponement of presidential

elections, the Ivory Coast received 352 million dollars worth of foreign investment in 2008, which represents a 5% growth from 2007. France remains the main foreign investor of the country, but it is facing increasing competition from China. Many opportunities are offered through three business portfolios: partnership, privatisation and outsource of public projects to the private sector. These possibilities are to be showcased in different sectors: agriculture, agro-industry, mining and energy, tourism, transport, telecommunications and other services.

- 1 > *Modern infrastructure*
 - 2 > *An important dynamic financial centre in West Africa*
 - 3 > *Expanding sectors*
 - 4 > *Qualified workforce*
 - 5 > *Privileged geographical situation*
 - 6 > *Promising internal market*
 - 7 > *Innovative and a particularly appealing consular framework*
 - 8 > *Constantly improving institutional business environment*
 - 9 > *Bold policy to protect, guarantee and actively promote private investment*
 - 10 > *Progressive return to a peaceful socio-political situation conducive to private investment*
- +** > **Code of Conduct / How to act during your first meeting.**

1 *Modern infrastructure*

- > A port network (Abidjan and San Pédro) dominated by **Abidjan**, the main transit and transshipment port in West and Central Africa;
- > Rapidly expanding airport network;
- > Dense and evolving telecommunications network
- > Highly developed economic capital (Abidjan) with little regional competition: tap water fit for drinking, long avenues, several bridges
- > One of the most competitive telecom sectors in Africa

2 *An important financial centre in West Africa*

The Ivory Coast offers a complete range of banking and financial institutions in both the private sector and the public sector, of which some are regional and local branches of international institutions:

- > Development banks: the Conseil de l'entente, the African Development Bank (ADB), temporarily relocated to Tunis, and the World Bank;
- > Commercial banks;
- > Insurance companies;
- > Mutual funds and agricultural funds;
- > the Bourse Régionale des Valeurs Mobilières (BRVM) and the Conseil Régional de l'Épargne et des Marchés Financiers (CREPMF).

3 *Expanding sectors*

Agriculture, which accounted for 28% of the GDP in 2008 and around 80% of the working population, remains the top expanding sector. Current government policy consists of diversifying the economy to combine arable and pastoral farming and logging. It is encouraging the production of rice, natural rubber and cane sugar as well as the development of the extraction industry.

Some specialists predict that its mining and oil production will be able to supplant some of the revenue from agriculture in the years ahead. In 2008, average oil production was estimated at 57 700 barrels per day, annual electricity production at 5 305 million kWz and annual natural gas production at 1 247 million cubic metres. As regards telecommunications, the telephone network is developed but is still functioning below capacity. Recently, the big multinationals have regained interest in the region, as is demonstrated by their subsidiaries based in Abidjan in the sectors of transport and financial services.

4 *Qualified workforce*

Particular attention should be accorded to the quality of human resources. The Ivorian education system is well-known for the development of elitist establishments whose alumni represent the spearhead of the country's largest businesses. The current unemployment rate is estimated at 40% which has brought with it a relative decline in the cost of labour.

5 *Privileged geographical situation*

Bordering five countries, two of which are landlocked with 600 km of coastline, and as the economic leader of the West African Economic and Monetary Union, the Ivory Coast is inherently open to commerce and international investment. It provides privileged access to 60 million consumers in the WAEMU and to more than 200 million in the CEDEAO.

6 *Promising internal market*

With the highest GDP per capita of any country in Africa (1 800 USD), the Ivory Coast is initiating a post-crisis reconstruction characterised by big investment and development projects in both the public and private sectors. The internal market, initially considered limited and disorganised, has seen reforms both regionally (UEMOA) and globally (OMC) which facilitate exchanges and the promotion of investment.

7 *Innovative and a particularly appealing consular framework*

The Centre for the Promotion of Investments in the Ivory Coast (CEPICI) has been created and placed under the authority and guardianship of the Prime Minister in order to promote private investment and encourage the reinforcement of all economic activities that can contribute to the development of the Ivory Coast.

The National Bureau of Technical Studies and Development (BNETD) creates private and public development projects (technical, economic and environmental studies), guarantees the supervision of projects, in terms of implementation and exploitation, and advises the government on questions of development.

The Ivory Coast Chamber of Commerce and Industry (CCI-CI) serves as a platform for dialogue between the economic operators of the commercial industry and service sectors. To this effect, the Chamber informs companies on the regulation in force and any changes to it, advises on the means of economic development, helps ensure that businesses are represented on different committees and advisory bodies to present the views of the private sector, organises trips abroad for Ivorian businessmen and welcomes and oversees the visits of foreign businessmen to the Ivory Coast.

8 *Constantly improving institutional business environment*

This environment is characterised by the formalisation of:

- > An investment code;
- > A general tax code;
- > A general customs code;
- > A flexible work code;
- > A mining code;
- > A logging code;
- > A water code;
- > An environment code which demands a Study on Environmental Impact (EIE) for every investment project with significant environmental impact.

9 *A bold policy to protect, guarantee and actively promote private investment*

- > The Ivory Coast provides a one stop shop to set up a company and implements a policy allowing greater protection of investments and a programme of public works on the road network that opens up the country to the sub-region.
- > The Ivory Coast has signed bilateral agreements with France, Germany, Belgium, Norway, Canada, the UK, Italy, Switzerland, the USA and China to attract foreign investors.
- > An appealing investment code offers important guarantees to investors: it enshrines the principle of free transfer outside the Ivory Coast of any revenue generated by investment, including, if necessary, liquidation surplus. The code authorises both administrative and arbitral legal appeals, provided that the investor deems them fit to invoke to sort out conflicts arising from its application. It also allows for an administrative appeal before a commission specially created for this purpose, namely the National Commission for the Promotion of Investments (COM-INVEST), whose mission it is to ensure that the arrangements defined by the code are respected within the stated deadlines.
- > The privatisation of the Abidjan – Ouagadougou railway line has opened up the country and improved its logistical performance.

10 *Progressive return to a peaceful socio-political situation conducive to private investment*

The socio-political crisis of September 2002 was concluded with the Ouagadougou Accord, signed in 2007. The identification of the population and the establishment of electoral lists are in progress for the presidential elections planned for the 29th November 2009. This election, postponed several times already, is the last obstacle to a complete return to business in the Ivory Coast, which has been the window into West Africa for some time.

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Be careful not to put too much faith in available economic publications and statistics which may not be recent or based on accurate sources.

It is strongly recommended to research partnerships with local entrepreneurs. This opens doors to the political class, who are very influential in business, and also intervenes to protect different partners in business relations.

A good knowledge of communal associations and consular networks will enable you to develop business relations and better determine the evolution of the economic and social climate, enabling you to make strategic decisions as a result.

In contractual relations and as far as possible, it is recommended to go to arbitration. La Cour Commune de Justice et d'Arbitrage (C.C.J.A.) of the Organisation pour l'Harmonisation en Afrique du Droit des Affaires (O.H.A.D.A), based in the Ivory Coast, encourages this course of action.

Ten key points about Egypt

- 1 > *Improving macroeconomic stability*
- 2 > *Large, qualified and competitive workforce*
- 3 > *Great consumer potential*
- 4 > *Developed infrastructure*
- 5 > *Attractive tax system*
- 6 > *Privileged access to key global markets*
- 7 > *Expanding sectors*
- 8 > *Diversified economy*
- 9 > *Climate of reform and investment*
- 10 > *Political stability and individual security*

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1 *Improving macroeconomic stability*

Egypt's GDP grew by 7.3% in 2007 and 2008, which is above average for Middle-Eastern and North African countries. It is also a few points above the global average, and should remain positive in 2009 despite the global economic crisis at 3.5 %. Among the most dynamic sectors are tourism, new communication and information technologies, construction, industry and transport.

2 *A large, qualified and competitive workforce*

Egypt has a solid reputation as a regional exporter of labour, but this substantial human potential is steadily transforming into a qualified workforce for internal employment.

Some of the key sectors of the Egyptian economy, such as information and communication technologies, **financial services** and tourism, are big employers of this qualified workforce. The salary levels in these sectors are significantly lower than in neighbouring countries and, in many cases, lower than in comparable countries around the world. A new national apprenticeship programme trains workers in 500 000 new positions in industry.

3 *Great consumer potential*

The very size of the population, as well as the doubling of its revenue per capita in six years (€701 in 2000/2001 and €2 271 in 2006/2007), has transformed Egypt into a large consumer market, as the arrival of dozens of big public global brands (Zara, Zegna, Cerrutti, Massimo Dutti, H & M, Sphera, Rolex, Carrefour, Mont Blanc) and the rapid increase in retail trade in the last two years attest. The fact that 56.5 % of the Egyptian population is aged between 15 and 60 has also encouraged investment.

4 *Developed infrastructure*

Egypt boasts a vast network of world-class infrastructure. Three independent mobile phone networks cover almost 100 % of the inhabited regions. More than 8 % of the world's freight passes through the Suez Canal each year. Every household equipped with a telephone line has low-bandwidth Internet access at the same tariff as local communication. High-bandwidth Internet is widely available in downtown areas. The country's 14 ports (Alexandria, Sokhna, Port Said, Damietta, Suez, Safaga) are available to importers as well as exporters, while a rapidly expanding airport network in the process of being modernised provides transportation for passengers and freight. A total of \$400 million has been invested, partly from the World Bank, into the Cairo Airport Company (CAC), to build Terminal 3 which was inaugurated in 2008 and officially opened to the public on the 27th April 2009. Other projects are taking shape around the airport, such as a luxury hotel near the terminal and the extension of the metro line.

5 *Attractive tax regime*

The Egyptian tax rates are competitive, and the recently revised tax code is easy to master. Tax is fixed at 20 % both for companies and for individuals and fiscal controls are carried out by random inspection. Furthermore, the biggest professional taxpayers are dealt with separately by a highly competent tax bureau.

6 *Privileged access to the key world markets*

The Euro-Egyptian Cooperation Accord signed on 25th June 2001, established a commercial agreement based on reciprocal liberalisation of industry and agriculture. Goods made in Egypt, from off-the-peg clothes to furniture to farm-produce, benefit from privileged access to EU markets.

Export companies based in Egypt also benefit from privileged access to the Arab world (thanks to the Arab free trade zone, ZALE), to Eastern and Southern Africa (COMESA) and to the signatories of the **Agadir agreement** (signed in 2004, which created an Arab free trade zone currently incorporating Egypt, Jordan, Morocco and Tunisia). Egypt has also signed free trade agreements with the European Free Trade Association (Switzerland, Norway, Liechtenstein and Iceland), and Turkey.

7 *Expanding sectors*

Tourism is increasing rapidly and represents a large source of foreign money for the country. This sector provided \$11 billion worth of revenue in 2008; an increase of 16 % on the preceding year. Global economic

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stagnation has not been an obstacle to the influx of tourists: the number of tourist visits grew by 15.3 % in 2008, which represents a total of 12.8 million people.

The information and communication technology sector is also dynamic. Investments reached 14.7 billion Egyptian Pounds in 2006/2007 (€1.86 billion), with a growth rate of close to 53 %. The **World Economic Forum** (WEF) Global Information Technology Report named Egypt the 'winning country' for having the highest rate of return for the period 2001 to 2007.

8 *Diversified economy*

The Egyptian economy is amongst the most diversified in the Middle East and North Africa. Industry represents 32 % of GDP, services 54 %, and agriculture 14 %. Industry is the sector under the most rapid development, and in fields as diverse as chemicals, food processing, spinning and weaving, off-the-peg clothes, and construction and engineering materials.

9 *Climate of reform and investment*

Egypt was the first Arab and African country to sign the OECD Declaration on International Investment and Multinational Companies. Direct foreign investments more than doubled between 2006 and 2008; they totalled \$13.2 billion in 2008 (€9 billion). In 2001, the Egyptian Central Bank gave total independence to the banks and the National Investment Bank has had more and more power to stimulate economic growth.

A government E-Registration programme, which aims to promote Egyptian and foreign investment, was launched by the government. There is also a new project from the **General Authority for Investment** (GAFI).

10 *Political stability and individual security*

Whilst war and instability unfortunately continue to form part of the regional landscape, Egypt is peaceful. Appealing economic measures which have attracted corporate investment are guaranteed by the country's political stability.

What is more, the crime rate in Egypt is low compared to any other country in the world by all the usual criteria and Cairo is one of the safest metropolises in the world; a decisive factor for the long-term expatriation of high-potential staff.

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Don't be offended by lateness because the majority of people are: the Egyptians are rarely on time despite the fact that business hours are very rigid. It is strongly advised to have a representative who speaks Arabic to understand certain practices and avoid certain errors. For example, the offering of gifts can often be wrongly interpreted. One thing to remember above all: never cross your legs at a business meeting or in any other formal situation. This is considered disrespectful and impolite.

10 key points about Mauritius

- 1 > *Strong and diversified economy*
- 2 > *New evolving sectors*
- 3 > *Social and political stability*
- 4 > *Educated and bilingual workforce*
- 5 > *Environment conducive to business*
- 6 > *Privileged access to international markets*
- 7 > *Modern, reliable infrastructure*
- 8 > *Complete forward-looking legal framework*
- 9 > *Growing international operations and financial centre*
- 10 > *Safe and pleasant place to live and work*

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1 *Strong and diversified economy*

In only three decades, Mauritius has gone from being an economy essentially based on sugar to one with a diversified base, particularly orientated towards the service sector. The growth rate of the country, with a population of 1.3 million, is one of the highest in Africa, especially considering that it is not an oil exporter: the economy grew by an average of 4% between 2000 and 2007. GDP per capita was close to €4 000 in 2007. The traditional growth sectors of tourism and manufacturing remain powerful, but numerous other opportunities have also emerged.

2 *New evolving sectors*

Mauritius is aiming to become a centre of excellence in Africa in the following areas: education, medicine, communication and information technology and advisory services.

3 *Social and political stability*

Mauritius has benefited from political stability since its foundation as an independent nation in 1968. The government is democratically elected every five years, and successive administrations have all demonstrated their commitment to a market economy favouring a spirit of enterprise and foreign investment. A melting pot of some of the most ancient civilisations in the world, Mauritius is a rare example of social harmony and multiculturalism.

4 *Educated and bilingual workforce*

Mauritius has the highest proportion of educated people in Africa, and benefits from the strong commitment to free education dating back to the early 80s. The country has an educated and rigorous workforce, fluent in French and English and, for many, a third language as well. Mauritius also has qualified professionals, graduates of renowned institutions across the world and professional organisations of high repute. Amongst them are chartered accountants, financial analysts, business lawyers, tax specialists, business consultants, IT engineers and architects. The government recently adopted legislation encouraging young foreign professionals to come and work in the country. The average monthly salary is between \$500 and \$1000 (€342 to €684). At the end of each year, a bonus is systematically awarded to employees. It is equivalent to one month's pay.

5 *Environment conducive to business*

Mauritius has a long commercial tradition, having been a major trading post of the East India Company. Today, a foreign investor can move in, set up a company and be operational in just three days. The country has the best ranking of any country in Africa according to the indicators of **Doing Business 2010** and it is amongst the best in the world; ranked 17th out of 183, compared to 24th in 2009. The country has one of the most generous fiscal regimes in the world: tax on individuals and businesses is standardised at just 15%, and dividends are not taxable. Furthermore, there are no exchange controls.

6 *Privileged access to international markets*

Mauritius has preferential access to markets containing hundreds of millions of consumers: the European Union by means of the **Cotonou accord**; the USA by virtue of the **Africa Growth and Opportunity Act**; and the countries of southern and eastern Africa via the common market of southern and eastern Africa and the Southern African Development Community.

7 *Modern and reliable infrastructure*

Mauritius has a highly developed internal and external communications network, an extensive and well-maintained road network, a modern and efficient port capable of receiving ships of up to 100 metres in length, direct air and sea links with several cities around the world, broadband connectivity, reliable mobile and landline telephone networks, carriers for express courier and freight, industrial parks and well-equipped companies.

8 *Complete forward-looking legal framework*

The legal framework for commerce in Mauritius accords with best practices in terms of transparency, governance and ethics. The government has implemented anti-terror and anti-laundering legislation and the laws governing business have been simplified. Public authorities have a supporting role in several sectors and a regulatory role in other specific domains.

9 *Growing international operations and financial centre*

Mauritius is increasingly renowned as a secure and well-regulated jurisdiction, inviting international business and offering interesting opportunities in terms of structuring international companies and minimising tax. With its educated and bilingual workforce, location in a relatively practical time zone (3 hours ahead of France) and inexpensive telecommunications services, the country has become a popular destination for outsourcing business services.

10 *Secure and pleasant place to live and work*

Mauritius is unique. It allies economic growth to a magnificent tropical environment, while remaining a secure country with low crime. Medical services meet international standards, as do schools and universities. Foreigners can acquire real estate in Mauritius by means of two special regimes, and permanent residents benefit from the same rights as natives for the acquisition of real estate.

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Cultural tradition

Although the majority of the population is of Indian origin, Mauritius has a multicultural population, which also includes people of Chinese, French and African ancestry. All the great cultures and great civilisations of the world live there together in harmony. The Franco-Mauritians – of French origin – dominate the commercial sectors.

The official language is English but French and Creole are the most widely spoken languages. The legal system combines English law and the French Civil Code.

Indian culture is predominant although the younger generation is more inclined to Westernisation. Regarding greetings, nearly everyone shakes hands out of politeness; some Indian women prefer a simple verbal greeting instead.

Civil servants can be reluctant to receive gifts: this is synonymous with corruption. Laws against corruption are very strict and the Independent Commission Against Corruption (ICAC) exercises considerable power. It is preferable to organise lunches and dinners during which an official exchange of gifts can take place.

Mauritians often arrive late to meetings. Approvals of decisions can also be delayed. In the private sector, employees respect deadlines and are more punctual.

Formal relations can quickly become friendly. Mauritians are for the most part very welcoming and their smile is legendary. They see foreigners as opportunities rather than threats.

The attitude of local personnel

In general, office workers are competent and reliable in both the public and private sectors. It is not always necessary to employ expatriates. However, expatriates are recommended at the start of commercial negotiations.

Traps to avoid

- Don't have unrealistic expectations
- Don't rush anything
- Don't offer gifts without first evaluating the situation
- Find a local partner to support you at the beginning of commercial negotiations

How to negotiate?

Mauritians are, for the most part, trustworthy, especially in the business community. However, this culture of honesty is often lacking within SMEs, for whom short-term profit tends to take priority.

It is important to take things slowly, especially at the start.

Confidentiality is a problem because Mauritius is a small island where everyone knows each other. It is thus safer to sign a confidentiality agreement.

Having the right partner

It is not obligatory to have a Mauritian partner to do business in Mauritius. In practice, however, many foreign investors prefer to work with a Mauritian partner to start with and become independent later on. It is useful to have good contacts on several levels for your company to progress and for your presence to be known locally. It is much easier to obtain government approval with the support of local people especially if the project is politically sensitive.

Ten key points about Libya

- 1 > *Considerable natural potential*
- 2 > *Promising human potential*
- 3 > *Country returning to the world stage*
- 4 > *Economic indicators on the rise*
- 5 > *Oil: engine of the Libyan economy*
- 6 > *Increased foreign presence on the energy market*
- 7 > *First fruits of economic modernisation*
- 8 > *Support for a vast investment programme*
- 9 > *WTO candidacy*
- 10 > *Aim to bring infrastructure up to standard*

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1 *Considerable natural potential*

A member of the **Organisation of the Petroleum Exporting Countries (OPEC)**, Libya is the second largest exporter of crude oil on the continent after Nigeria and before Algeria, with 41.5% of the continent's proven reserves. Tripoli, which produces 1.7 million barrels per day, aims to increase its production to 3 million barrels per day between now and 2012. For some years, Libya has also wanted to double its efforts on the extraction of gas, which has lain unexploited for decades. The country has the second largest reserves in North Africa, with nearly 1 400 billion cubic metres of gas. The **National Oil Company (NOC)** has launched four invitations to tender between 2005 and 2007, the last of which dealt exclusively with gas, putting 41 plots on the market with a surface area of 72 500 square kilometres.

2 *Promising human potential*

The population of Libya was estimated at 6.17 million in 2008. Between 2007 and 2015, the population should increase by more than 1 million. The ports of **Tripoli**, the capital (2 million inhabitants in 2003), and **Benghazi** (650 600 inhabitants) are the two main urban areas. More than half the population is concentrated in these two cities. GDP per capita was €6 210 in 2007, which makes it one of the richest countries in Africa.

The statistics indicate that Libya has reached an important milestone with a total rate of school attendance of % in 2006. Despite this, education and training have yet to reach international standards.

3 *A country returning to the world stage*

The UN Security Council and the EU finally lifted sanctions on Libya in September 2003 after having suspended them in April 1999. All the embargos have now been lifted. The removal of Libya from the American blacklist of terrorist states on 15th May 2006, the settlement of the Bulgarian nurses fiasco in July 2007 and the reparations for the victims of air bombings awarded at the end of 2008 have marked the reintegration of Libya into the international community. It has normalised relations with the EU and has also triggered negotiations with the EU and the USA towards a Fast Track free exchange agreement, **Trade and Investment Framework Agreements (TIFA)**.

4 *Economic indicators on the rise*

The return of Libya to the world stage since 2003 brought about an acceleration in economic growth: 5.6% for 2003, 3.9% for 2004, 4.3% for 2005 and 7.3% for 2008 after virtual stagnation of GDP in 2001 (€38.3 billion). Libya runs a trade surplus, with oil prices at historic highs in the last few years. Thanks to exports, the balance of trade has reached €2.3 billion, or 23.9% of GDP.

In its 2007 report on Libya, the IMF highlighted the solid base of the Libyan economy, which contributes to its economic and financial stability.

5 *Oil: engine of the Libyan economy*

Oil production of 1.7M barrels per day in 2007 and 2008 in Libya has made the country one of the richest in Africa (GDP per capita reaching 10 200 USD in 2007).

The IMF has highlighted the exponential growth of Libyan GDP (56.1 billion USD in 2007), which ran at 5.8% in 2007 and 7.3% in 2008. Even if this growth is primarily fed by oil, in 2007, for the first time, other sectors outstripped overall economic growth with a figure of 9.6% in 2007 against 5.6% for the oil sector.

6 *Increased foreign presence on the energy market*

With the oil rigs back in action, after having been more or less maintained during the era of international embargos, the foreign oil companies are returning in force. Libya is a very competitive market now, with more than 45 foreign companies compared to only 10 some years earlier. In the gas sector, the major countries are placing their markers: **Libya is within touching distance of Europe, which consumes a lot of gas.** In 1999, when the UN and European sanctions were lifted, the Libyan state oil company, the **National Oil Company (NOC)**, and the Italian oil and gas group ENI, which has operated in the country for 50 years, began the construction of the **Greenstream submarine gas pipeline**, which has been operational since 2004. In May 2005, Shell obtained gas exploration rights in the gulf of Syrte of an area of 20 000 square kilometres. Two years later, BP obtained identical rights of an area of 54 000 square kilometres.

7 *First fruits of economic modernisation*

The encouragement of the private sector and the market economy, the privatisation of public enterprises, the establishment of a stock exchange as well as the decision to become a member of the World Trade Organisation (WTO) and cooperation with the IMF, constitute the main points of reform enacted as part of this economic policy. Libya also wants to increase the movement of trade in the country and the appeal to foreign investment.

Imports are no longer confined to the State. The representation bureau, subject to decree 8 of 9th January 2005, plans the delivery of an order with the name, profession and postal address of the courier. The company must pay a registration tax of 25.00 EUR. This accords the investment project a 5 year licence, with the possibility of a 3 year extension. This law also enables partnerships between Libyans and foreigners (with no limitation on foreign participation, except those concluded with State-owned companies and the banking sector). Ultimately, foreign investment projects are free from the main legal obligations that govern the activities of Libyan companies. Efforts have also been made to improve the performance of public administration by instilling a culture of respect for deadlines.

A one stop shop has been created by the **Libyan Foreign Investment Board**. It provides numerous services to facilitate the establishment of foreign companies.

8 *Support for a vast investment programme*

The investment budget, which came into effect on 1st January 2008 (€18.8 billion), targets urban infrastructure, transport, housing and social spending (health, education and training). An investment project traditionally takes the form of a joint venture with the obligatory participation of a Libyan partner. The native partner can be an investment fund, a businessman or the government. In the hydrocarbon sector, four rounds of public bids for exploration fields have introduced forty foreign operators from around the world to the market and enabled the revival of investments in 2007 and 2008. This will maintain the production of hydrocarbons and increase it from 1.7 to 3 M barrels per day by 2013, which will require investments totalling 30 billion USD.

9 WTO Candidacy

Since 2003, numerous legislative measures have been taken in order to align the economic environment with the requirements of the WTO, whose General Council accepted Libya's application on 27th July 2004. Negotiations are ongoing. The new measures facilitate the implementation of economic liberalisation and partial privatisation of the Libyan public sector.

10 Aim to bring infrastructure up to standard

The 2008-2012 Plan accords large infrastructure projects a provisional budget of 100 billion Libyan Dinars (€51.3 billion) over five years, or more than 60% of the State budget. Added to this is the investment budget of €15.2 billion in 2008 (€12 billion in 2007). The country wants to improve infrastructure, transport (air and land), telecommunications (extension of landline and GSM networks) and electricity supply (increase of generating capacity from 4 500 MW to 10 000 MW by 2020).

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Do not ignore the following advice. A first business meeting always starts with a handshake. To start the discussion and establish a relation of mutual trust, it is useful to talk about the news or even the weather. Libyans are naturally hospitable and have a habit of mixing trust and friendship in their business relations. Even if a negotiation is not concluded, mutual trust that was established will most probably last and may even serve for other negotiations. Be careful nonetheless to find the right intermediary and to have evidence of his credibility. It is thus important to do some research and take the time to find the right person.

10 key points about Morocco

- 1 > *First class geopolitical location*
- 2 > *Qualified human resources*
- 3 > *Constantly improving national indicators*
- 4 > *Growing GDP*
- 5 > *Open economy*
- 6 > *Competitive infrastructure platform*
- 7 > *Free investments*
- 8 > *Appealing legal framework*
- 9 > *Investors pampered*
- 10 > *Country orientated towards sub-Saharan Africa*

+ **Code of Conduct / How to act during your first meeting.**

1 *First class geopolitical location*

Morocco's close proximity with Europe (14 kilometres from Spain), strengthened by the various dense and structured communication and trade networks, makes Morocco the natural junction between Europe and Africa. Furthermore, its membership of the **MENA zone** - Middle East/ North Africa – anchors Morocco amongst the other countries of the Mediterranean basin and makes it the crossroads of Arab, Andalucian and Western civilisations.

2 *Qualified human resources*

With a population of 30 million, over half under the age of 25, and a rapidly expanding elite (educated in the best universities and engineering colleges), Morocco has good human resources capable of working in several languages: French as the business language, Arabic as the official language and English and Spanish are frequently used. Businesses are guaranteed qualified and available teams.

3 *Constantly improving national indicators*

Recent macroeconomic policy has enabled the foundations of the Moroccan economy to be consolidated, the budget deficit to be kept to an average of 3.7% of GDP (excluding privatisation) and the top and base rates of inflation at 2% and 1.9% respectively during the period between 2000 and 2008. In addition, the increased focus on social reforms and the improvement of public and urban infrastructure have improved the general standard of living and contributed to the increase in GDP to above €85.5 billion, equivalent to €2 735 per capita.

4 *Growing GDP*

The emergence of new activities and the consolidation of the economic diversification process in Morocco have reinforced the tertiary sector which accounts for around 50 % of GDP, whereas the primary sector (agriculture, fishing, livestock) and the secondary sector (manufacturing, energy, mining, public works) represent 13 % and 37 % of the total respectively. GDP per capita, which had increased by 1% on average in the 1990s, increased by an average of 3.5% each year between 2000 and 2008.

5 *Open economy*

Morocco, a member of the WTO, has concluded customs agreements with the majority of its partners (EU countries – Mediterranean countries – USA - Arab countries - Turkey) which can be seen through the progressive dismantling of customs laws for the majority of trades as of 2012. Morocco was the first country to benefit from a friendly agreement with the EU, making it a privileged partner; the closest step to becoming a partner member. Other financial measures have been adopted such as a conversion system encouraging the financing of foreign investment financed in foreign currencies. The system allows foreign investors to carry out investment transactions in Morocco, to transfer the income therefrom and to transfer the proceeds of the liquidation or sale of their investments, all without delay.

6 *Competitive infrastructure platform*

An offshoring strategy has been implemented with integrated platforms for professions dedicated to offshoring in response to the demand from economic operators (**casanearshore**, **technopolis**, **oujdanearshore** ...). **Tanger Med**, a new cutting edge port, has just been opened on the Mediterranean coast. A second Tanger Med is currently under construction to deal with the growing demand from intercontinental shipping traffic and the demand from investors looking for areas of industrial subcontracting orientated towards the trades relating to the Moroccan export industry.

7 *Free investments*

Investment in Morocco is completely free, whatever the nationality of the investor and the sector invested in. The only restrictions concern certain regulated sectors such as banking, insurance and audiovisuals.

8 *Appealing legal framework*

Big reforms have been introduced to implement an appealing framework for investment in Morocco. For example, an investment charter was introduced accompanied by a contractual regime allowing important investors to sign investment agreements and contracts with the State in order to benefit from certain advantages (in terms of the basis for property tax, the cost of training as well as tax and customs benefits for imports).

9 *Investors pampered*

- > the guarantee of business legislation and exchange controls in total harmony with that of the EU with no restrictions
- > the existence of several specialised administrative and technical welcome platforms, organised into an offshore or onshore network;
- > active support from the authorities through regional investment centres, genuine one-stop shops designed to orientate, help and support the investor during the beginning stages of a business set-up.
- > a first class banking network, within a financial market operating to the highest European standards, including a body of expert accountants working according to international standards
- > the legal possibility for investors to choose to settle disputes by means of an arbitration system instead of local judicial proceedings

10 *Country orientated towards Sub-Saharan Africa*

Morocco has implemented concerted policies to open the country to Sub-Saharan Africa, deploying consistent efforts in the fields of diplomacy and business in order to export its capital and know-how. Thus for ten years now several Moroccan groups have consolidated their presence in the main countries of Francophone Africa such as Mauritania, Senegal, the Ivory Coast, Gabon, Cameroon and Equatorial Guinea.

Code of Conduct

How to act during your first meeting.

In Moroccan culture, handshakes are very important and are seen as a sign of respect – bows are reserved for the Royal Family. However, a handshake is not always enough: if you meet a friend or relative whom you haven't seen for a long time, a hug is acceptable. Between a man and a woman, though, a handshake is more commonplace. Moroccans are renowned for their hospitality and are thus accustomed to offering and receiving gifts. Nevertheless, offering a gift in a business environment can be misinterpreted.

The business language is French. All official documents and all meetings are in French except legal documents and those published by administrative bodies. Speaking Arabic facilitates daily life and helps you to integrate.

Punctuality is not a quality shared by all Moroccans. It is not rare for a meeting to take place an hour late or postponed until the next day five minutes before it is scheduled to begin. 'Inchallah' translates locally as 'I'll do my best but I do not act alone. So the delay might be longer if God wills it.'

Within the company, some key rules of conduct must be respected with regard to planning work. On Friday at midday employees can leave the office to pray for 2 hours. The weekend consists of one day only; Sunday. These rules are all the more important to respect because it is not necessary to employ expatriates – only multinational companies in Morocco do that now – since the quality of the work done by Moroccan employees is recognised in numerous industrial sectors. Furthermore, many directors and executives are educated abroad in Universities and engineering schools, etc.

10 Key Points about Senegal

- 1 > *A fast-growing economy*
- 2 > *A booming financial environment*
- 3 > *A tax legislation focused on the promotion of investments*
- 4 > *A competitive labour cost and high quality human resources*
- 5 > *Standardised accountancy law*
- 6 > *A free market economy*
- 7 > *Standardised business law*
- 8 > *An internationally recognised democratic tradition*
- 9 > *The initiation and regulation of large-scale reforms*
- 10 > *An ambitious development strategy*

+ **Code of Conduct / how to act during your first meeting.**

1 *A fast-growing economy*

Over the past few years, the Gross Domestic Product (GDP) has endured a stable growth rate of around 6.7% in 2003 and 5% in both 2004 and 2005. However, there have been significant fluctuations during the last three years, most notably, a sudden drop to 2.5% in 2008. This decline can be seen to correspond with the economic environment and the difficult international financial circumstances at the time, for example, the increase in the cost of energy bills and the evolution of a global market of daily commodities.

The main factors for the growth of the Senegalese economy are the following:

- > the primary sector represents more than 14% of the GDP and aims to develop the agriculture sector which is currently dominated by the peanut, grain and cotton trades. Efforts are also being made to cultivate the truck farming and rice industries.
- > the secondary sector, mainly industry, represents more than 20% of the GDP despite a slow start in its development. After industry, the second driving factor for the growth of this sector is the Construction and Public Works industry.
- > the tertiary sector (comprised predominantly of telecommunications, services and tourism), has recognised a significant improvement, representing more than 60% of the GDP.

2 *A booming financial environment*

The financial sector is run under the authority of the **Conseil Régional de l'Épargne Publique et des Marchés Financiers (CREPMF)**, which ensures its regulation and surveillance; as well as two central structures, the **Bourse Régionale des Valeurs Mobilières (BRVM)**, and the Dépositaire Central/Banque de Règlement (DC/BR) who are in charge of the promotion and the development of the activities of the regional money market. The growing regional money market is on a quest for innovation with the very recent introduction of new financial instruments designed to promote the refinancing of banking jobs through the securitisation of mortgage debts within the **Union Economique Monétaire Ouest Africaine (UEMOA)**. The Senegalese financial market acts as a spearhead for the expansion of the regional money market.

This financial environment is governed by a regulatory executive community of eight West African countries belonging to the (UEMOA). The capital stock-exchange for the **Bourse Régionale des Valeurs Mobilières (BRVM)** is 60% dominated by **SONATEL** (telephone operator) and ETI (**ECOBANK TRANSNATIONAL INCORPORATED**, a Pan-African bank created as a corporation in 1985).

As far as the monetary aggregates and the banking sector are concerned, we can maintain that:

- > the base rate of the Central Bank of the Western States of Africa continued to decline in the period after the devaluation of the CFA franc in January 1994. Presently, the pension rate has decreased by 0.5% from 4.75% to 4.25%. The Central Bank aims to encourage commercial banks to lower credit costs during this economic crisis.
- > since the reorganisation of the coefficients applicable to banks on the 16th June 2005, no modifications have been made to the obligatory reserves operation. Indeed, the banking sector in Senegal and in the UEMOA remains very fluid.
- > the reform that recognised the joining of the BCEAO with the national Treasures in 2002 led to the consolidation of direct monetary aid.
- > a number of banks in Senegal have experienced a development in their fusion-absorption operations. Senegal has over fifteen more commercial, investment and development banks than merchant banks.
- > the prudential operation applicable to banks is monitored just as closely by the Banking Commissions than it is by the mandate of statutory auditors.

3 *A tax legislation focused on the promotion of investments*

- > Through the Agency for the Promotion of Investment (APIX) (who ensures the effective implementation of investment projects), the Senegalese legislator has introduced an Investment Code which offers a preferential system for investment projects.
- > With the help of APIX, investors can now benefit from a number of fiscal and customs advantages offered by the Investment Code, including exemption from customs and the suspension of VAT during the high investment period (normally no longer than three years).
- > In addition, society could benefit from: a 50% reduction on taxable profit of up to 40% of certified investments over a period of 5 years; exemption from the Contribution Forfaitaire à la Charge de l'Employeur (CFCE) over a period of 5 to 8 years following the number of jobs created; and the possibility of ending fixed-term contracts for a limited period of 5 years.
- > The legislator plans to reduce the tax burden on the competitiveness of Senegalese businesses by reducing corporation tax from 35% to 25%. In addition, discussions are underway to reduce payroll tax. A tax rate will be added to VAT at the community scale of the **Union économique et monétaire ouest africaine**.

4 *A competitive labour cost and high quality human resources*

- > Since its independence, Senegal has proven its competency by implementing systems of higher education and vocational training. Education is provided in the following fields: business; economy; finance; science; and technology.
- > This higher education and professional training policy has contributed considerably to the development of human resources and has led to the allocation of a qualified personnel to manage competitive costs of businesses and economic operators in Senegal.
- > The number of students in higher education is estimated at around 120 000 to 150 000 students in five public universities (Dakar, St-Louis, Thiès, Bambey and Ziguinchor and around forty higher education institutes).
- > The cost of labour is based on the guaranteed minimum wage, fixed at an hourly rate of 209.10 CFA francs (0.32 Euro) in operation since 1996, as well as the guaranteed agriculture minimum wage fixed at an hourly rate of 182.95 CFA (0.28 Euro).

5 *Standardised accountancy law*

The standardisation of accountancy law at a regional level and a determination from the accounting profession to guarantee the high-quality of financial information provided, are vital in securing and perpetuating investments in Senegal. Professional ethics is the topic of discussion amongst a number of work groups. Whether to assist investors in the foundation of companies (in the fields of legal and fiscal assistance), in certified public accountancy or in strategic orientation, Senegal benefits from a number of renowned consultancy and public accountancy firms.

6 *A free market economy*

- > 51% of Senegal's exports are within the African continent, of which 47% are to the countries of the Communauté Économique des États de l'Afrique de l'Ouest (CEDEAO). Around 30% of exports are to the European Union. Concerning access into the market economy of developed countries other than those belonging to the European Union, the current national production system is conscious of the need to adapt to the world demand by aligning its weak production costs with those of emerging markets. Asia and the Americas represent 10.4% and 1.7% of all exports in 2007 respectively, compared to 9.7% and 1.0% in 2006. The majority of Senegal's imports are from the European Union (around 50%), Asia (20%) and the CEDEAO (25%). Senegal imports manufactured food products, electrical goods, electronic products, etc., and exports cotton, petroleum products, phosphates, fish and various other manufactured products to India, the United States, Nigeria, France and England.
- > China, India, Iran and even the Gulf countries are becoming increasingly reliant on Senegal's exports. In fact, India accounts for 26.7% of Senegalese exports. An Indian bank opened a regional office in Dakar in January 2008 in order to facilitate commercial relations between the two countries. China is also a growing partner as can be seen from the China-Africa summits. Furthermore, an Africa-China buying group has been created to facilitate, on both sides, contact between Chinese and Senegalese operators.

7 *Standardised business law*

- > The movement of the Senegalese economy towards a free market economy can be seen through standardised corporate law, shared by all West African countries and the **Organisation pour l'Harmonisation en Afrique du Droit des Affaires (OHADA)**, and through its 'Actes Uniformes' concerning company commercial law and the intercompany management syndicate, general trade, simplified procedures for tax collection and exemption.
- > The international transformations in terms of business and commercial law of a regulatory framework have made a favourable impression on political decision-makers and on the public accountancy profession within the (UEMOA).

8 *An internationally recognised democratic tradition*

- > The roots of Senegal's democratic tradition can be identified in the period after the independence of many of France's colonies. The country's parliamentary system was converted from a single-party to a multi-party system which led to the implementation of a political system separating executive power from legislative power.
- > Democratic and political talks are now common-place and the political alternation, introduced in Senegal in 2000, was welcomed by the international community and became a model for political change in Africa.
- > The liberalisation of the printed press and mass media constitutes a democratic principle that everyone agrees with. Senegal has 16 daily newspapers!
- > As a result of Senegal's transition to democracy, the country has acquired the role of privileged mediator in the search for political solutions to crises within West Africa, Central Africa and elsewhere.

9 *The initiation and regulation of large-scale reforms*

- > In an attempt to ease popular concern, the public authorities, in unison with development partners, have proposed a strategic framework for the reduction of poverty designed to promote an accelerated growth based on the implementation of sectorial policies.
- > The framework for the planning and implementation of economic policy is governed by the creation pact of the **UEMOA**, in unison with the International Monetary Fund (IMF) and the World Bank, who demand the respect of the convergence criteria including the main macroeconomic aggregates (GDP, inflation rate, budget deficit, etc.).

10 *An ambitious development strategy*

The public authorities have endeavored to develop the country by initiating the following ambitious projects:

- > the strengthening of urban transport through the enforcement of road structures in Dakar and Thiès, in particular the construction of new roads and interchanges and the renovation of certain A-roads (N1, N6 and N7).
- > the construction of a 32km toll motorway between Dakar and Diamniadio to improve transport services between Dakar and the suburbs.
- > the construction of a new port and a new international airport.
- > the setting up of a development programme for electricity production.
- > the launch of the Millennium Challenge Programme for the development of agriculture in the Senegal river region at a cost of 450 million dollars.

Code of Conduct

How to act during your first meeting.

In Senegal, relations are quite courteous. Start by shaking your interlocutor's hand and speak to him in French or English. If you can speak Wolof, save it for informal occasions as it is not one of Senegal's official languages. Even if work relations appear to be fairly casual, this does not mean you should use informal language. Make sure that you are always punctual; this is an extremely important quality in the business world. The Senegalese are relatively punctual and appreciate their interlocuteurs to be so too. Do not offer presents, except to your friends, as this could be interpreted as bribery. Finally, do not talk or make any references to religion as this is perceived as a taboo subject in Senegal. The Senegalese are especially sensitive.

Ten key points about Tunisia

- 1 > *Open and modern society*
- 2 > *Diversified economy*
- 3 > *Geographical position conducive to investment*
- 4 > *Considerable natural potential*
- 5 > *Competent workforce*
- 6 > *Positive macroeconomic indicators*
- 7 > *Rise in international agreements*
- 8 > *Functional, dense and modern infrastructure*
- 9 > *Environment conducive to business*
- 10 > *One stop shop to create your company*

+ Code of Conduct / How to act during your first meeting.

1 *Open and modern society*

Tunisia provides pleasant living conditions by virtue of its historic treasures, the diversity of its leisure sites and its high quality infrastructure (shopping centres, cultural centres, healthcare, etc.). Social, economic and political stability has been recognised by the international community which presents Tunisia as a role model for other developing countries. The education system encourages the study of foreign languages and civilisations. Furthermore, the country accords women a privileged role in society by respecting the principle of equality between men and women. This principle is enshrined in Tunisian law and the constitution.

2 *Diversified economy*

The manufacturing sector represents 20% of GDP and employs 20.5% of the total workforce, while agriculture and fishing amount to 14.3% of GDP (22% of the workforce) and tourism to 15.6% of GDP.

3 Geographical location conducive to investment

Situated on the southern rim of the Mediterranean and in North Africa, Tunisia enjoys a strategic geographical location which makes it a junction between the Arab world, Africa and Europe. Less than three hours away by plane from the major cities of Europe and the Middle East, all of Tunisia falls into the GMT + 1 time zone.

4 Significant natural potential

Tunisia has several significant deposits of phosphate, zinc, lead and oil, onshore and offshore, concentrated in the south of the country. Tunisia has the world's largest phosphate deposits in Gafsa in the south-west of the country (2.4 million tonnes in 2004).

5 A competent workforce

In 2008, the Tunisian population was estimated at 10.4 million. The capital, Tunis, has a population of 2 million. Education is free and compulsory until the age of 16; primary education lasts nine years. 97.4% of children between the ages of 6 and 11 attend school. Today, one in four Tunisians continues their general education or goes into professional training. The country puts candidates of varied qualifications onto the job market: nearly 10 000 engineers, 53 % of candidates have university level education and master technological tools. It is not by chance that Paris-Dauphine University has chosen Tunisia for its first site abroad. **L'Institut Tunis Dauphine** welcomed its first students at the beginning of October 2009, reputed to be strong in maths and finance. The cost of labour is very competitive.

Annual cost of labour in the manufacturing industries (in Euros):

	Qualified workers	Superior Technicians	Engineers
Tunisia	4 392	6 267	11 613
Germany	33 141	48 556	66 496
Spain	22 386	33 655	44 608
France	24 435	37 982	55 997
Hungary	8 209	13 087	19 156
Italy	20 867	30 962	43 991
Poland	9 374	16 599	23 423
Czech Republic	8 716	13 908	19 725
Romania	3 317	7 467	12 912
Turkey	12 675	25 691	34 974

Source : Etude comparative de compétitivité pour un produit ECORYS-NEI and Business Mobility International / Based on Watson & Wyatt, Global 50 Remuneration Report, March 2004

6 *Positive macroeconomic indicators*

The growth of GDP in 2008 reached 5.1%.

Exports, which represent more than 40% of GDP, constitute one of the engines of this growth.

Furthermore, Tunisia was ranked first in Africa and 36th worldwide in terms of global competitiveness by the **World Economic Forum** 2008-2009 report ahead of countries such as Portugal (43rd) and Italy (49th).

Inflation reached 6% in 2008. Although this is worrying for Tunisia, the government's attempts to regulate high prices through monetary policy have contributed to the decrease in inflation.

In 2008, the Tunisian government reduced the outstanding public debt to 47.5% of GDP as of the end of December and reduced its budget deficit to 1.2% of GDP. However, the budget deficit could exceed 4% of GDP in 2009 because the country is going to suffer from a deceleration in growth.

7 *Rise in international agreements*

Tunisia is a founding member of the global trade organisation (member of GATT since April 1990); it signed 50 double taxation agreements with countries in Europe, North America, Asia, the Arab Union and Africa.

These agreements, integrating the Tunisian economy into the globalised market place, offer investors in the country new production and commercialisation opportunities in the different industrial sectors.

Tunisia was the first country in the South Mediterranean to sign a free trade agreement with the European Union in 1995 that aimed to abolish customs on industrial products in 2008 on the one hand and guarantee reciprocal market access for industrial products on the other.

8 *Functional, dense and modern infrastructure*

The country has a tarmac road network of 19 000 km in length, 3 motorways stretching 355 km, a motorway linking Sfax to Tripoli currently under construction, 7 international airports, 7 commercial ports, a small metro line, bus lines and a rail network of 2 256 km covering the entire country.

Tunisia has 17 power stations spread across the country. Furthermore, a transcontinental gas pipeline runs through the country, linking Algeria to Italy.

9 *Environment conducive to business*

Apart from the competitive production costs, foreign investors have significant incentives to invest such as the freedom of investment in the majority of sectors and the freedom to repatriate profits and the profit from the sale of invested capital in cash.

Furthermore, exporting businesses are exempt from tax on profits for a period of ten years. Foreign investors can obtain investment subsidies varying between 8.15% and 25% of the cost of the project in the zones of regional development.

The creation of the Code d'Incitation aux Investissements, adding to an attractive legal framework, offers foreigners a freedom to invest within a reassuring system. Tunisia is ranked 62nd out of 180 countries studied with regard to the Perception of Corruption with a score of 4.4 (Italy 4.8, France 6.9) in the 'Transparency International' rankings.

10 *One-stop shop to set up your company*

It is possible to set up a company in three days on average, with the one-stop bureau of the **Agence de Promotion de l'Industrie (API)**. The administrative procedures have been simplified to give each administrative department an office in the same building, saving time and money.

Code of Conduct

How to act during your first meeting.

Tunisians are very punctual and like their interlocutors to be punctual too. Tunisians are used to doing business with Europeans. Business in Tunisia is less formal than in Asia or the United States. This is linked to the fact that the Tunisians share the culture of the Euro zone and that most of the revenue from the tourism sector comes from Europeans.

Tunisian directors are very sensitive to developments in French politics because, aside from their education in French, the decisions taken in France have a direct impact on their relations with France and thus with Europe.

The Tunisians have an outlook that is more commercial than industrial: it is always possible to return on the terms of a contract. As fine negotiators, it is very rare that Tunisians dig their heels in even if a contract has not been finalised.