

Ten key points about Tunisia

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- 4 > *Considerable natural potential*
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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.