



# Press Kit



# Tunisia

## share performances



Investing in the future  
The Carthage Investment Forum  
June 24-25 2009, Hammamet, Tunisia  
11<sup>th</sup> edition

## **I - Tunisia: economic and competitive site**

Tunisia has adopted since the late 80s, an economic model helping to strengthen the competitiveness of its industrial base and seeking to sustain the attractiveness of the site. The model, which is based on encouraging investment in light industries (textiles, electrical and electronics industries ...) and in services as well as in exports promotion, has facilitated the gradual opening of Tunisian economy and its progressive integration in the global economy.

During this period, and with a growth rate of around 5%, Tunisia even anticipated the signature of the Association Agreement with the European Union, in 1995, and diversified its exports with a relatively low labour cost. It has also established a series of reforms to boost investment in general and foreign investment in particular. The enforcement of the Free Trade Area with the European Union starting on 1st January 2008 has also led to a significant strengthening of the attractiveness of the site and therefore to an inflow of FDI during the past year, particularly in sectors with high value added where cost competitiveness is not the major decisive factor. These sectors include those of engineering, ICT-related services and the generic sector of mechanical, electrical and electronics industry. The attractiveness of Tunisia has also significantly strengthened during the last period in the field of aeronautical components and of related niches namely boosted by the dynamics experienced in airline industry as a whole all over the world.

The package of reforms implemented during the last decade aimed to develop the strengths of Tunisian production mechanisms, namely through building a knowledge-based economy, stimulating the labour market, financing investment with a particular focus on SMEs, which make up most of the local industrial fabric, improving vocational training as well as devoting special attention to infrastructure (roads and highways, telecommunications and airport infrastructures) as the catalyst for competitiveness and attractiveness of Tunisia.

Production has been boosted by the upgrading scheme of industrial units which allowed involved companies to improve their capacity and productivity, increasing hence their competitiveness and enabling them to face international competition and to consider partnerships with foreign companies with more confidence.

Thus private enterprises are at the heart of this policy which supports Tunisia's competitiveness while the various reforms have yielded good results at the level of the sector's contribution thereto. The private sector represents at present more than 58% of investments, contributing to over 72% of GDP, to 85% of exports and to 90% of newly created jobs. According to the forecasts for 2011, the private sector would participate by up to 60% of total investment, around 75.4% of GDP, 90% of exports and 93% of job creation. Aware of the essential role to be played by the private sector in its development process, Tunisia has recently pursued reforms to stimulate greater private initiative. Such reforms include:

The law on economic initiative that aims to bring together the best conditions to ensure the success and sustainability of the production process, as well as to provide those who come up with new ideas or specific skills to create their own projects.

The law on concessions which aims at encouraging the private sector to support the effort of the State in terms of basic infrastructure and community equipment.

Various laws on vocational training and higher education that are designed to make the education system meet specific requirements in compliance with the labour market's expectations.

The promulgation of a new Customs Code in force since 2009 to further simplify clearance procedures in order to facilitate trade and movement of goods.

These reforms are likely to strengthen the attractiveness of the Tunisian site as a favourite

destination for investment and to improve the image of our country which has achieved a high investment level for more than fifteen years and this is confirmed by the laudable scores which have been allocated by specialized international agencies

Furthermore, improving business environment in its various components, as a determining factor in the prosperity and resilience of a company, was undoubtedly one of the greatest characteristics of the commitment of State on the path of economic liberalization and the establishment of a propitious environment that would lead to the emergence of competitive economic activities with high value added.

The outbreak of the economic crisis during the summer 2008 confirmed that the Tunisian economy was rather resilient and that it the capacity to withstand exogenous shocks. However, to ensure the support and sustainability of businesses, including off-shore companies, which are experiencing a contraction in their activity due to the deterioration of the global economic situation, Tunisian authorities have introduced a series of measures to preserve jobs and stimulate the activities of these companies, especially those operating for export.

Similarly, specific measures have been implemented to ensure a macro-economic growth dynamics that is similar to that recorded in previous years. These measures namely include a consistent reduction of interest rates and a public investment program that would ultimately support domestic consumption.

## II - The Carthage Investment Forum: concept and thematic

The Carthage Investment Forum is a yearly event organized by FIPA-Tunisia under the auspices of the Ministry of Development and International Cooperation. The Forum is expecting you this year on the **24th and 25th of June, 2009** at "Le ROYAL Hammamet" hotel in the tourist area of "Yasmine Hammamet" at 60 km from Tunis.

This 11th edition emphasizes the maturity of this event, which has become a key event on the southern bank of the Mediterranean in the field of international investment.

The Carthage Investment Forum is taking place this year in a particular context mainly characterized by a world crisis, the impacts of which are unprecedented in contemporary world history. The financial crisis announces a significant contraction of the world economic activity and a greater concern among the major operators as for the choice of the destination for their international expansion.

Against this background, the Carthage Investment Forum will highlight the assets of Tunisia as an investment site, where the crisis, far from representing a threat, is an opportunity to emphasize the competitive assets of the country, which are regularly noted by specialized international institutions and to demonstrate the benefits of a the Tunisian destination as a resilient location.

This 11th edition will hence highlight the great responsiveness of the Tunisian authorities as well as the supporting measures which were implemented in favor of foreign companies' activities operating in Tunisia. A panel will be dedicated to this theme to deal with the resilience factors of Tunisian economy and with the Tunisian authority's intention to ensure the best conditions for business development and namely that of foreign companies which chose Tunisia for their expansion projects.

Besides, this 11th edition will focus on new sectors considered as catalysts for Tunisia's attractiveness by the year 2016. The present economic backdrop cannot affect the legitimate ambition of the Tunisian site to assert its position as a growth innovation pole in the Euro – Mediterranean zone.

The 1st sectorial panel will be dedicated to the dynamics of mechanical electric and electronic industry. This sector has proved to be performing in exports and showed a large capacity to grow at an international level in a very competitive field of activity. It will also highlight the development of a sector which significantly reinforced its attractiveness, namely that of aeronautical parts manufacturers. To this end, the activities of GITAS, an association which gathers among others, companies in the aerospace sector operating in Tunisia, will be a case study during this panel.

As for the 2nd sectorial panel, it will focus on Tunisia's off shoring activities and will namely show how the Tunisian site was able to build a consistent network of shared services centers, Research and Development Units and other production structures, the basic capital of which is human intelligence. Therefore, it will pay particular attention to the significant and constant progress of the infrastructure devoted to these fields of activity as well as to the quality of human resources available in Tunisia, hence showing the capacity of the country to assert itself as a regional hub for services related to ICT.

The last sectorial panel will focus on the reinforcement of Tunisian attractiveness in the field of health-related services and of well being tourism activities. The objective of Tunisia

is to become a major regional destination in the future. To this end, Tunisia, which is a pioneer in this sector at the regional level, is elaborating an ambitious action plan in order to become a pole for the export of health services by the year 2016.

Besides, considering the sharpness of the problems resulting from the food crisis in the world and Tunisia's concern to play a paramount and durable role in the activities related to this issue, the Carthage Investment Forum will devote a particular attention to innovating factors in agriculture and agribusiness industry in a parallel event.

You are therefore invited to discover the components of these sectors' attractiveness and to come and share their performance in terms of competitiveness and productivity together with experts as well as investors operating in these fields.

Besides, a particular attention was paid in the tentative schedule to inter-companies meetings, which will be organized according to a preliminary identification of the Tunisian offer in this field, thus facilitating the participation to the Forum by providing access to concrete partnership opportunities.

For all these reasons, the Forum promises to be original, and innovating while optimizing your stay in Tunisia, a country renowned for its openness and legendary hospitality.

**III - Program**

**Wednesday 24<sup>th</sup> June 2009**

6:00 pm - 7:30 pm	<p><b>Opening ceremony chaired by H.E. Mohamed GHANNOUCHI, the Prime Minister</b></p> <p><b>Guest of honour:</b> Mr. Jean-Claude GAUDIN, Senator - Mayor of Marseille</p> <p><b>Speakers:</b> Mr. Mohamed Nouri JOUINI, Minister of Development and International Cooperation                  Mr. Hédi JILANI, President of the Tunisian Union of Industry, Trade and Handicraft, UTICA</p> <p><b>Chairman of the Forum:</b> Mr. Mohamed BEN SEDRINE, Executive Board Member of the Tunisian Union of Industry, Trade and Handicrafts, UTICA.  <b>Official opening:</b> H.E. Mohamed GHANNOUCHI, the Prime Minister</p>
7:00 pm - 7:30 pm	Awards ceremony
7:30 pm	Presentation of the second day session by the Chairman of the Forum.
8:30 pm	Buffet reception

**Thursday 25<sup>th</sup> June 2009**

8:30 am - 12:30 pm	<p><b>THEMATIC PANELS</b>  <b>New catalysts for Tunisia's attractiveness by the year 2016</b></p>
8:30 am - 9:30 am	<p><b>Panel A</b>  <b>Tunisia's attractiveness and the international crisis</b></p> <p><b>Themes:</b></p> <ul style="list-style-type: none"> <li>• Resilience factors of the Tunisian economy</li> <li>• Government measures to support companies through the downturn</li> <li>• How the crisis is an opportunity for Tunisia</li> </ul> <p><b>Guest of honour:</b> Mr. Mohamed Nouri JOUINI, Minister of Development and International Cooperation</p> <p><b>Speakers:</b> Mrs. Ritva REINIKKA, Chief economist, MENA Region, World Bank                  Mr. Anthony O'SULLIVAN, Head of Private Sector Development Department at the OECD</p> <p><b>Moderator:</b> Mr. Radhi MEDDEB, CEO of Comete Engineering</p>
9:30 am - 10:20 am	<p><b>Panel B</b>  <b>Tunisia: an industrial hub with high added value</b></p> <p><b>Themes:</b></p> <ul style="list-style-type: none"> <li>• The mechanical, electric and electronic industry sector in Tunisia: a high tech dynamics</li> <li>• Birth of an aviation park in Tunisia</li> </ul> <p><b>Guest of honour:</b> Mr. Afif CHELBI, Minister of Industry, Energy and SME's</p> <p><b>Speakers:</b> Mr. Raphael SELITO, Manager of Electropartner Tunisia                  Mr. Philippe CUSSONET, General Manager of SEA LATELEC; President of GITAS" the Tunisian Aerospace Industries Association"</p> <p><b>Moderator:</b> Mr. Hassen ZARGOUNI, General Manager of Sigma Conseil</p>

10:20 am - 10:50 am	Coffee break	
10:50 am - 11:40 am	<p style="text-align: center;"><b>Panel C</b>  <b>Tunisia: a Euromed offshoring destination</b></p> <p><b>Themes:</b></p> <ul style="list-style-type: none"> <li>• Human resources meeting investors' requirements</li> <li>• A constantly improving dedicated infrastructure</li> </ul> <p><b>Guest of honour:</b> Mr. EL HADJ Gley, Minister of Communication Technologies</p> <p><b>Speakers:</b> Mr. M.J JEON, General Manager , LG Electronics Tunisia          Mr. Sami SMAOUI , General Manager, Maghreb Region HP          Mr. François ANORGA, Director, Groupe Safran</p> <p><b>Moderator:</b> Dr. Mondher BEN AYED, CEO of TMI</p>	
11:40 am - 12:30 pm	<p style="text-align: center;"><b>Panel D</b>  <b>Health service activities in Tunisia: a qualitative boom</b></p> <p><b>Themes :</b></p> <ul style="list-style-type: none"> <li>• The development of a real know-how in health-related services</li> <li>• A reinforced attractiveness in well being tourism</li> </ul> <p><b>Guest of honour:</b> Mr. Mondher ZENAIDI, Minister of Public Health</p> <p><b>Speakers:</b> Dr. Boubaker ZAKHAMA, President of the National Employers' Federation of the Private Sanitary Institutions          Dr. Jean Louis POIROUX, President and Founder of the "SPAS Cinq mondes".          Mr. Laurent PICHOT, Manager of the Hydrotherapy Institute "Saint Joseph ", Thonon Les Bains</p> <p><b>Moderator:</b> Pr. Nabiha GUEDDANA, President Director General of the National Board for Family and Population</p>	
1:00 pm - 2:30 pm	Lunch	
3:00 pm - 7:00 pm	<b>B2B MULTISECTORAL MEETINGS</b>	<p><b>Parallel event</b>  <i>Innovation ways in agriculture and agribusiness industry</i></p>

**Friday 26<sup>th</sup> June, 2009**

9:00 am	Second session of B2B multisectoral meetings
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#### IV- Parallel Event program

Thursday June 25 <sup>th</sup> 2009	
<b>Innovation ways in agriculture and agribusiness industry</b>	
<b>Guest of honour : Mr. Abdessalem MANSOUR</b> , Minister of Agriculture and Hydraulic Resources <b>Moderator : Mr. Abdelaziz MOUGOU</b> , President of IRSEA (Agronomy research and higher education institute) and President of CIHEAM	
03.00 pm	Address by <b>Mr. Abdessalem MANSOUR</b> , Minister of Agriculture and Hydraulic Resources
03.15 pm	Speech by Mr. <b>Mohamed Chokri AYACHI</b> , Director General of APIA on « Agriculture Partnership in Tunisia and investment opportunities »
03.25 pm	Speech by Mr. <b>Hmed ZAKARIA</b> Director General of Food Industries at the Ministry of Industry, Energy and SMEs « The new strategy for the promotion of agribusiness industry in Tunisia »
03.35 pm	Speech by Mr. <b>Abdelhakim KHALDI</b> , Chief Executive Officer of OTD, on «The win-win partnership with the Office of public Lands (OTD) »
03.40 pm	Speech by Mr. <b>Bertrand HERVIEU</b> , Secretary General of CIHEAM, on « The place of Tunisian agriculture in the Mediterranean Basin and its complementary role with countries of southern Europe »
03.50 pm	Testimony: - <b>Mr. Jacques CARON</b> , for the French Tunisian company « Alem Land » (production of fruit crops) - <b>Mr. David PICCAVER</b> , company AZUR (production of salad crops)
04.00 - 07.00 pm	B2B Meetings

## **V- Tunisia's attractiveness and the international crisis**

### ***The Tunisian site facing the global financial crisis***

The outbreak of the global financial crisis demonstrated the relevance of the choices made by Tunisia aiming at developing the economy and attracting foreign investments, namely the most productive ones. The characteristics of Tunisia related to its economic growth dynamics especially during the last decade, to the consistency of implemented macroeconomic policies, to the stability and soundness of the financial system and cautious mechanisms of the monetary policy enabled the Tunisian economy to resist shocks including exogenous ones.

Additionally, the Tunisian strategy for economic development, characterized by a pragmatic approach in terms of financial liberalization and the sake of maintaining macroeconomic stability has enabled the economy to gain a relative capacity for resilience and resistance to these shocks.

Despite the instability of the global economy, Tunisia is pursuing its desire to diversify its economy and build an economy based on knowledge and on activities involving an intensive use of high technology.

### ***Anticipation: a key to reinforcing Tunisian attractiveness***

Moreover, the intensification of structural reforms, particularly through upgrading production mechanisms and constantly developing human resources, aims at anticipating the needs in terms of skills and at creating an environment that is increasingly favourable to business for both domestic and foreign investors operating from the Tunisian site.

All of these measures are closely related to the ambition of building a firm foundation for Tunisian economy in the world's largest market, the EU, coupled with the commitment of Tunisia to diversify the origin of its economic partners, particularly in the new international growth engine.

Despite the drawbacks of the global financial crisis, forecasts for 2009 predict that economic growth should continue to be at around 4%.

Besides, a regular monitoring of the international environment is carried out in order to anticipate future developments and to forecast the timing and magnitude of a possible contagion, while assessing its potential impact to respond effectively by taking the appropriate measures.

### ***Concrete measures to prevent the adverse effects of the economic situation***

Furthermore, to ensure support to business, including foreign companies operating in Tunisia which could experience a contraction in their activity due to the deteriorating global economic conditions, a package of measures were set up to preserve employment positions and stimulate the activities of these companies, especially those relating to export.

Among these measures, the Tunisian State will take in charge two points of credit interest rates for loans granted to exporting companies if the latter suffer from a decline in business or a delay in the recovery of their dues as well as a state subsidy of 50% to employers' contribution to social security scheme over the period in which the company because of a decline in its business activity has to resort to employees' lay-offs.

Similarly, a Memorandum of Understanding between the Central Bank of Tunisia and six off-shore banks was signed to set up a renewable credit line of EUR 100 million for non-resident companies, in order to support their expansion and investment projects in Tunisia.

In the same vein, the reduction in coverage of currency exchange risks for funding lines in foreign currency has as main objective the mobilization of foreign exchange resources to compensate for the non-recourse to the international financial market. In order to help companies finance their working an amount of about EUR 14 million has been mobilized

through the Société Tunisienne de Garantie (national bond company) for export pre-financing. All these measures underline the willingness of Tunisian authorities to ensure the best conditions for the development of activities of companies operating in Tunisia.

This shows the strong belief of the Tunisian site that the opening to the outside is the best way to achieve the objectives aiming at a global and resilient development favourable to the integration of foreign companies to growth dynamics which will prove to be profitable in not only to the hosting site but also to the companies operating there.

## **VI- Tunisia: an industrial hub with high value added**

### ***Mechanics, electricity and electronics in Tunisia: a rapidly growing sector***

With a strong presence in Tunisia, IMEE (mechanical, electrical and electronics industry) includes 900 companies and around 100 000 employees. With 20% of the labour force, IMEE is also the second industrial sector in Tunisia after textiles and clothing.

Since the early 1990s, the sector has undergone important changes. The technological progress that characterized investment accelerated considerably in recent years particularly in the development of the production of electronic components and precision engineering.

Thus, the sector's production has doubled over the past five years reaching more than 4.6 billion Euros in 2008. The electric industry alone covers 54% of this production. As for the value added, it grew steadily during this period with an average annual rate of 18%.

Investments in the sector grew with an average annual rate of 15% maintaining an exceptional growth rate of 31% in electric and electronics industry.

#### **Mechanical, electrical and electronic industry in numbers**

- 900 companies (10 employees and over) employ about 100 000 people
- 40 % are totally exporting
- 42 % have foreign partners or a 100 % foreign capital

### ***Mechanical, electrical and electronics industr : an exporting sector***

Exports of IMEE sector have more than doubled over the last 5 years, reaching 3.5 billion Euros in 2008.

The European Union, one of the most competitive markets in the world, remains the favourite destination of the sector's products. For example, France, Germany and Spain are the first European customers of Tunisia.

***Tunisia is ranked among the top 10 suppliers of cable harnesses in the European Union.***

### ***Mechanical, electrical and electronics industry in Tunisia: Strong foreign presence and win-win, partnerships***

The foreign settlement is strong in the area of IMEE. France is the leading investor country, followed by Italy and Germany. Several operators worldwide have subsidiaries in Tunisia but the country is also very attractive for small and medium-sized foreign companies whose activities show very positive results which led to increase the size of their projects. Also, the liberal legislative framework allowed foreign companies to establish strong partnerships to develop their activities in Tunisia.

As a result, the number of companies working in partnership now exceeds 380 companies with 220 companies in electrical industry and 160 in mechanical industry.

The built partnerships hence represent an opportunity for development in adjacent markets. This is the case today in many sectors, including wiring harnesses, automotive and aerospace components, foundry and machining, metal construction and electrical products.

## Mechanical, electrical and electronics industry: a confirmed know-how

### ***Mechanical, electrical and electronics industry : a confirmed Know-how***

Tunisia has a skilled labour that is young, experienced and with a flexibility strongly appreciated by local and foreign companies.

Each year, nearly 600 engineers and more than 1600 senior technicians graduate from schools, institutes and multipurpose training centres operating in Tunisia.

An upgrade program has been set up since 1995 and has since proven its worth in helping innovative companies to have access to tangible and intangible investments. The fact that several international groups established development centres in Tunisia tends to show the positioning of the sector in niches with high value added.

#### ***"What we found in Tunisia:***

- ***Highly qualified engineers, managers and technicians***
- ***performing import-export logistics (a truck leaving Tunis on Saturday arrives in Marseille on Monday)***
- ***a « controlled » wage inflation (about 5% per year)***
- ***A network of local suppliers in many fields of expertise (tools, equipment, subcontracting, services, etc.).***
- ***Simplified customs procedures."***

*Mr. Gaby LOPEZ, Director  
ZODIAC  
Automotive Tunisia*

The sector enjoys the professional and technological support of CETIM (The technical centre of electrical and mechanical industry), of FEDELEC (the National Federation of Electricity) and of the FNM (National Federation of Mechanics).

### ***Aerospace industry: A true potential***

With more than 40 companies currently in operation, the airline industry in Tunisia is a real potential to seize by companies seeking a better performance.

These companies, French for most of them, are active in major trades associated with aeronautics and surface treatment - machining and precision engineering - metalwork, sheet metal cutting and assembly - engineering and consultancy firms - electronics - Foundry - Plastics - aircraft maintenance - aerospace wiring - and production of aeronautical systems.

The decision of Airbus, through its subsidiary AEROLIA, to create a park specializing in aircraft subassemblies is one more evidence of Tunisia's assets and expertise in industry on the one hand and of the potential for development currently featured by the aeronautics industry on the other hand.

Therefore, comforted by this growing reputation in France and Europe, and by its own willingness to further consolidate the airline industry in the country, Tunisia intends to clearly position itself at the regional and international level thanks to the actions of GITAS (Association of Tunisian Aeronautics and Space Industries).

### ***Industry and engineering: a growing synergy***

Along with the positive developments of investment in the production of mechanical, electrical and electronics industries, Tunisia intends to position itself as a regional centre for excellence in industrial engineering.

This ambition is now nourished by the fact that many companies already have competence centres dedicated to their business. This is the example of the French - Italian ST Microelectronics and the French company Sagem, which each have a centre that employs several hundred Tunisian engineers and managers. It is also the case of the German company Siemens, the Japanese firm Yamaichi Electronics and the French company ACTIELEC.

Other companies are currently setting up engineering centres in Tunisia through local partners. This is the case of the French SAFRAN GROUP SOPRA Midi-Pyrenees, which has

selected two leading companies in Tunisia namely TELNET and MEDSOFT to develop projects in the field of engineering for the aviation sector.

**These major corporate groups trust Tunisia:**

ACTIELEC, AEROLIA, ANJOU ELECTRONIQUE, ASTEEL, BOSCH, CEGELEC, CONVERGIE, DONCASTER CABLES, DRAXLMAIER, EUROCAST, FITELEC, FUBA PRINTED CIRCUITS, GEC ALSTHOM, GENERAL ELECTRIC, GROUPE ACTIA, GROUPE COFIDUR, GROUPE SAFRAN, HAIER, INTRAM BARWELL LIMITED, JOHNSON CONTROLS, KASCHKE, KBE ELEKTROTECHNIK, LACROIX ELECTRONIQUE, LATECOERE, LEAR CORPORATION, LEONI AG, MENTOR, OPTelec, PHILIPS, RADIALL, SAGEM, SIEMENS, SOCOMEC, SOMFY, SOPHON VERTRIEB, SYLVANIA, THOMSON, VALEO, VOSSLOH SCHWABE, WECO WES, YAMAICHI ELECTRONICS, YAZAKI, YURA CORPORATION, ZODIAC, ...

## VII- Tunisia: a Euromed Offshoring destination

### ***ICT in Tunisia: a continually successful sector***

The sector of communication technologies is a priority sector in Tunisia. It is one of the most dynamic sectors and among those whose growth rate is highest (17.8% in 2008).

It is growing significantly, and currently contributes by 10% to GDP against only 2.5% in 2002.

It benefits from a significant investment of about 6 300 million Tunisian Dinars for the period 2007-2011 as against only 430 million Tunisian Dinars during the period 1992-1996.

The total flow of foreign direct investment in this sector has so far reached more than 2.4 billion Euros and around 40 expansion and new projects were made in 2008 in partnership with foreign investors.

### **ICT sector in numbers**

- 400 software and computing service companies (SSII).
- 300 systems integrators.
- 450 distributors and dealers.
- 12 internet providers.
- 8 development centers serving multinationals.
- 170 shared services centers
- From 3 000 to 4 000 new jobs created every year.

*According to the latest edition of the **Global Information Technology Report 2008-2009** published by the Davos Economic Forum, Tunisia ranks first in Africa and 38<sup>th</sup> out of 134 countries based on the **Networked Readiness Index**. This index measures the preparedness of a nation to participate in and benefit from ICT development. Tunisia is thus ahead of several European countries such as Italy, Greece or Poland and Asian countries such as China or India.*

### ***Offshoring in Tunisia: a confirmed competitiveness***

Tunisia undoubtedly enjoys competitive advantages, and therefore becomes an acknowledged destination for competence in the provision of quality services in the field of service offshoring.

Indeed, the existence of a pool of Tunisian software and computing service companies (SSII) that are dynamic and outward-looking and more than 170 shared service centres identified in 2008 as against only 14 in 2002 is one more evidence of the attractiveness of the Tunisian site.

***«Thanks to its major assets, Tunisia allows shared services centers to save 20 % in operating costs as compared to Morocco or Rumania. »***  
*Knowledge Economy and Attractiveness of Tunisia in FDIs, Ernst & Young, 2007*

Several European groups and even American companies, namely operating in the sectors of call centres with high employability level and of software development as well as telecommunication such as ST Microelectronics, Alcatel, Sagem, ARCHIMED GROUP, Alcatel, Siemens have already trusted the Tunisian site and have benefited from the offered technological facilities and established their production and development units in the country where they can operate in research and development, engineering and other high-end operations.

### **Offshoring in Tunisia: an array of benefits**

Low labour cost, inexpensive rentals as well as high qualification of graduates position Tunisia favourably among its competitors.

Indeed, Tunisian expertise is particularly appraised on a global scale since Tunisian engineers are qualified, trilingual and foremost graduate from excellent engineering schools with high competencies.

Its legislative and regulatory framework provides effective guarantees to foreign investors: total freedom of investment and possible ownership of 100% of capital, free repatriation of dividends and profits generated by capital transfer, freedom of exchange in respect of current transactions with the possibility to operate with bank accounts held abroad etc.

Other advantages are granted in the form of total exemption from taxes and duties on imports of equipment plus a full exemption from taxation on the profits during the first ten years of activity.

Specific financial advantages are granted to the sector of ICT & service offshoring in order to attract more foreign capital; these include:

- Exemption from VAT on ICT training
- Priority funding of ICT projects (SICAR Fund ...)
- State subsidy covering 70% of skilled labour training cost ...

If Tunisia is attracting more investors, it is thanks to modern facilities in vein with relocating offshoring activities to a sound economic and social stability confirmed by international ratings, not to mention its proximity to Europe and the availability of a culturally and linguistically very attractive environment.

### **These major corporate groups trust Tunisia:**

**MICROSOFT, ST MICROELECTRONICS, ALCATEL, LUCENT, ERICSSON SIEMENS, HUAWEI TECHNOLOGIES, SAGEM, TELEPERFORMANCE, STERIA, STONE SOFT, STREAM, TRANSCOM, GENSYM, SOPRA, COLUMBUS IT, HAYS, ADP, HR ACCESS, CISCO, ZTE, DIVONA TELECOM, GL TRADE, BULL, GRUPPO COS, MEZZO, STREAM, IMPACT CONTACT, TRANSCOM, 3 SUISSSES, SELLBYTEL**

*« The service sector in Tunisia offers an excellent opportunity to companies of our size: skilled personnel for a competitive cost, good communication means and ideal working conditions. Our experience Tunisia is definitely positive. »*  
*M. René BUSHLER, CEO,*

## VIII - Health service activities in Tunisia: a qualitative boom

### *The health sector: a meteoric rise*

In terms of health indicators, Tunisia was ranked 53rd out of 195 countries in the "2009 Quality of Life Index" developed by "International Living", an observer of the quality of life in the world.

In the field of health tourism it is currently ranked 2nd on the African continent after South Africa and hence ranks ahead of several Mediterranean countries.

It is also ranked as the 2nd seawater spa destination in the world after France with 160 000 curistas received each year.

**A performance that reflects the good shape of the health sector in Tunisia where the volume of exports reached about 230 million U.S. \$ in 2007**

### *Health facilities: a pleasant stay for foreign patients in Tunisia*

With such modern medical and sanitary facilities the country will not fail achieving this goal! The public sector represents a capacity of almost 17 500 beds distributed in:

- 2 108 basic health care centres,
- 176 district hospitals
- 32 regional hospitals
- 29 hospitals
- 6 semi public polyclinics.

Private health facilities perform as well:

- 104 private clinics, most of which being ISO certified, have a capacity of about 2 750 beds with high-performance equipments
- 110 radiologists
- 4 979 private medical practices
- 1 533 dental practices
- 93 medical transport services ...
- 160 analytical labs

**Tunisia has one of the most sophisticated health facilities which are in compliance with international standards and which offers a perspective of sustainable development.**

With regard to recovery and re-education in Tunisia, there are:

- 20 re-education centres
- 4 spa centres
- 41 health spas.
- 

And many foreign pharmaceutical companies who are confident in Tunisia's competence: Aventis Pharma, Pfizer, Bristol Myers Squibb - UPSA, ELY LILLY, JOHNSON - CILAG...

### *The medical and paramedical staff: an acknowledged competence at the regional and international level*

The 4 universities of medicine, The Pharmacy faculty, the Dentistry faculty, the 4 higher institutes of science and health technology as well as 26 nursing schools are fully involved in training the most competent and most prestigious medical staff that is prepared to use medical engineering and new technology.

**An outstanding Tunisian medical staff consisting of 11,400 doctors, 41,000 paramedics and 3,052 pharmacists offering excellent quality services.**

### ***Other attractiveness factors***

Tunisia, aware of the need for integrating the health sector into an international environment, aims to further improve offered health services to make them more competitive and efficient.

In this perspective, it certainly presents several advantages, the most important of which are:

- Geographical proximity, about 2 hours flight from the major European and African cities to which Tunisia is connected by several daily flights,
- Tunisian commitment to major international agreements (WTO, EU ...) thereby acting in compliance with the rules of multilateral trade and services exchange while protecting intellectual and industrial property rights...
- A medical practice that is in line with European standards in the field of medical care,
- The development in number, technology as well as in human resources of private clinics throughout the territory,
- The diversity of proposed specialties: geriatrics, plastic surgery, cardiovascular surgery, neurosurgery, ophthalmology ...
- Availability of pharmaceutical products to meet growing needs (generics, biopharmaceuticals, herbal ...) and therapeutic tests,
- Diversification and adaptation of training in niche markets and cooperation with most prestigious European centres.
- Along with these advantages, rates remain undeniably among the most competitive and most attractive ...

### ***Tunisia: an export pool by the year 2016***

**Tunisia aims at consolidating its present international position and at being a major regional destination in the field of health.**

2009 is characterized by an ambitious challenge for the future: prepare Tunisia to become a centre for export of health services by the year 2016 through, inter alia:

- Creating a structure dedicated to the promotion of exports and investment in the sector to assist developers in making their projects,
- Creating a Medical City housing medical and health projects for export,
- Intensifying partnerships between on the one hand public and private units and on the other hand foreign specialized units with the aim of boosting exports of medical services (as with the French Tunisian Meetings of thalassotherapy and hydrotherapy)
- Encouraging the sector of medical convalescence by hosting foreign health tourists and offering accommodation to the elderly for long term stays in Tunisia, while ensuring their compliance with international standards
- Increasing the budget allocated to health for the year 2009 of around 8.6%, reflecting the determination to further strengthen the position of Tunisia in the area.

## **IX- Parallel event: Innovation Ways in Agriculture and Agribusiness Industry**

### ***Agriculture in Tunisia: an old tradition***

Tunisia, formerly known as "the granary of Rome," was a treasure of wealth to the Romans. They practiced the cultivation of cereals and sheep and horse rearing. Since then, Tunisia has remained an agricultural country.

Contributing by 14% to the GDP and mobilizing 16% of the active labour force, agriculture made its way through in the national economy. Its potential of 10 million hectares of agricultural area, including 5 million hectares of cropland, 4.5 billion m<sup>3</sup> of water resources and 480 thousand hectares of irrigated areas predisposes this sector to become competitive and to offer quality products.

Faced with the coming economic globalization, Tunisian agriculture is likely to face major challenges such as ensuring food security and natural resources sustainability, complying with international quality standards, improving performance and positioning Tunisian products on the external market. To cope with these issues and to remain in tune with the global economy, Tunisia has opted for an open trade policy by adhering to several international

#### ***Major Tunisian agricultural products in numbers***

- 165 000 tons of olive oil
- 145 000 tons of dates
- 240 000 tons of citrus fruit
- 770 000 tons of tomatoes
- 305 000 tons of potatoes

conventions with the WTO and GATT, and by concluding several bilateral and multilateral agreements with the EU, EFTA, North African countries.... These agreements have facilitated the exchange of agricultural products and improved the competitiveness of our products in foreign markets.

The incentive framework of financial and tax advantages offers private investors ,whether Tunisian or foreign, a favourable environment supported by specific assets, available fertile land, skilled human resources and a microclimate in some areas that is ideal for growing early and off season crops.

### ***The agricultural sector in Tunisia: Amazing investment and export opportunities!***

The availability of private land and public domains, an environment providing opportunities for diversification of agricultural production and a Mediterranean coastline of 1,350 km with high output in fish, are assets to encourage private investment in Tunisia and to develop exports of farm and fish produces.

### ***Fruit produce***

The fruit orchard has more than 2,000,000 ha of agricultural land in Tunisia, the most important fruit crops being in the centre. The olive tree is cultivated throughout the country, grapes and citrus mainly in the north, almonds, dates and figs in the southern half.

***Olive oil:*** Tunisia ranked second worldwide in the area after Spain with 1.6 million ha or nearly 19% of global area devoted to olive trees. Olive production reached an annual average of 850,000 tons, that of olive oil 165,000 tons, which represents almost 47% of food exports and 5.5% of total exports of the country.

***Tunisia is the 2nd largest exporter of olive oil after the European Union***

### ***Citrus fruits :***

The average annual production reached 240,000 tons, of which about 120,000 tons of Maltese oranges. Maltese oranges exports constitute over 99% of exports of citrus fruit and are directed primarily to Europe.

### **Dates:**

The area planted with date palms currently covers 40,000 ha, of which 16 000 ha in traditional oasis. Production reaches an annual average of 145,000 tons including 70,000 tons for export.

## **Early crops**

**Apricots:** Kairouan region ranks first in production of apricots, with an average of 40% of national production. The rest is divided among the regions of Gabes, Gafsa, Beja and Kasserine. Tunisian apricots are marketed from late April and the bulk of exports were conducted between May and June.

**Grenades:** they were produced between September and December with a wide range of varieties. There are over 15 varieties that are as tasty as each other with an average sugar rate of 150g / l and a juice between 75 and 80%. The region of Gabes in the South produces about 25% of national production (65 thousand tons).

### ***The world-known delights of Tunisia***

#### ***Les délices mondialement connues de la Tunisie***

- *Olive oil*
- *Deglet Ennour Dates*
- *Tunisian Maltese oranges*
- *Seafood*

### **Peaches:**

With an area of 25 500 ha, the production of peaches increased by 10% in 2008 reaching 105 000 tons. Peach produce has experienced an evolution thanks to the introduction of new early and late species (flat variety of China and others).

## **Vegetable produce**

**Tomatoes:** Tunisia produces an average of 770,000 tons per year. The objectives of the State set the output at 850,000 tons in 2009, including 590,000 tons intended for processing, namely in tomato concentrate.

This increase in production requires an increase in yield through improved farming techniques and plant protection.

**Potatoes:** Potato production is on average around 305,000 tons per year. This product comes mainly from the north of Tunisia, including the region of Cap Bon. The average annual exports of potatoes are 2,050 tons mostly between January and February. Tunisia enjoys a privileged access to European markets for a quota of 16,800 tons of potatoes with total exemption from customs duties which provides valuable opportunities for the development of a production that can meet the expectations of the European market.

**Artichokes:** The Tunisian artichoke production is estimated at 19,000 tons over an area of 2,250 ha. The characteristics of the Tunisian product represent an opportunity for better returns.

### **Aromatic and medicinal plants:**

Tunisian Essential oils are known on the international market especially in Europe and the USA. The main essential oils produced in Tunisia are: neroli, rosemary, white sage, marjoram and citrus essences.

***Tunisia is the first exporter of neroli and the second largest exporter of rosemary oil after Morocco.***

Aromatic and medicinal plants cultivated in Tunisia produce over 2,000 tons of raw materials in the form of leaves, flowers, fruits, seeds and roots. Partnership projects in organic aromatic and medicinal plants were created with an investment exceeding 25.8 MTND. The production is fully intended for export.

### ***Organic farming:***

Organic farming has experienced over the last five years an important development in Tunisia. Tunisian agricultural areas are very favourable to the development of this sector. Organic agriculture covers 220,000 hectares. The products are mainly olive oil, jojoba oil, almonds, dates, potatoes, artichokes, eggplant and products derived from aromatic and medicinal plants.

### ***The fisheries sector:***

Fish produce accounts for 8% of the of agricultural production value in Tunisia. It generates about 50,000 direct jobs and provides annual exports exceeding US \$150 million.

The exports volume of sea products in Tunisia is about 20,000 tons per year consisting mainly of cephalopods (octopus and cuttlefish) and crustaceans (lobsters, shrimps and prawns).

The north coast of Tunisia is well suited to intensive aquaculture of sea fish species thanks to water quality with a production capacity of around 15 thousand tons.

### ***Agricultural partnerships in Tunisia***

- Foreign investment in agriculture and fishing is carried out in partnership through the creation of companies with foreign participation.
- Foreign investors may own up to 66% of the capital (100% in agribusiness). Agricultural land is leased and cannot be subject to contribution to capital.
- Foreign investors enjoy the freedom to repatriate capital and profits.
- Foreign investors enjoy the same benefits granted to Tunisian project developers.
- Agricultural investments do not require prior authorization; they must be simply reported to the Agricultural Investment Promotion Agency (APIA).
- Investments in the field of fisheries are subject to authorization by the relevant Ministry. Agricultural partnerships can take other forms such as contracts for specific cultures.

### ***Agriculture in Tunisia: main fiscal and financial advantages***

- Investment premiums ranging between 7% and 40% of the investment are granted depending on the project (grant 7 to 25% for projects in agribusiness)
- Bonuses are granted for specific priority components such as :
  - Organic agriculture: 30%
  - Fishing in northern Tunisia: 30%
  - Water saving: 40%
- Agriculture is not subject to VAT
- VAT exemption for equipment purchased in the local market
- Exemption from customs duties for imported equipment which has no equivalent on the local market
- Deduction of capital participation and its increase in the tax base
- For totally exporting companies:
  - The possibility of selling 30% of production on the local market,
  - The possibility to freely hire upon simple request 4 field managers or supervisors of foreign nationality.

### ***Agri-food business: an emblematic sector in Tunisian industry***

Agri-food business has a prominent place in Tunisian Industry.

In recent years, this area experiences strong dynamics and a major progress aimed at developing a diversified and competitive industry.

Thus, agribusiness industry is among the first industrial activities of the country in terms of investment, with 23% of the total amount invested in manufacturing and an increase of 25% since 2004.

The sector is also second in terms of production and value added. Production has increased by over 40% since 2004. The rate of value added remained however constant during the past five years with a value of 27% of production.

#### **Agribusiness industry in numbers...**

- Nearly 1,000 enterprises (10 jobs or more)
- More than 150 are totally exporting
- More than 150 million Euros invested
- 5.6 billion Euros worth production in 2008
- 63 000 jobs 23% of which are provided by totally exporting

### ***Agri -food business: an export-oriented sector***

In addition to a local market progression, Tunisian food products interest international customers.

Indeed, the location of Tunisia, at the junction of the eastern basin and the western basin of the Mediterranean separated by the Strait of Sicily and at 140 km from the European continent, is a key determinant of Tunisian competitiveness in an industry where food transport time is of paramount importance.

The European Union remains the main market with Italy as the first customer (42% of exports), followed by Spain (14%) and France (13%).

In total, exports of agri-food industry grew by over 30% during the last 4 years to reach in 2008 the value of 854 million Euros.

### ***Agri-food business: an innovating sector***

Tunisia has a young and experienced labour force with an ability to learn quickly.

More than 450 engineers and 770 technicians graduate each year from schools, institutes, universities and training centres.

Companies in the sector are increasingly moving towards innovation and some of them have already integrated biotechnology applications in their production system.

Tunisia now has more than 60 laboratories and 270 research units specializing in life science and biotechnology.

And to further promote and accelerate innovation in building links between businesses, universities and research centres, a technology park dedicated entirely to food industry has been created in the North (Bizerte) in partnership with multiple organizations. It covers 45 hectares and its main objectives are to promote innovation, to bring new technologies, to create innovative projects with high added value, to create new jobs and to increase the competitiveness of Tunisian companies.

In addition, an upgrading program adopted by the State, has enabled the sector to engage in a new dynamics based on innovation, cost and quality control through a complementary action between the material investment (equipment) and intangible investments (training, certification ...).

The sector enjoys the professional support of the Technical Centre of Food (CTAA), the Institute of Nutrition & Food Technology and accredited analytical laboratories.

### ***Agri-food business: an exclusively win-win partnership***

The liberal legislative framework has allowed foreign firms to establish strong partnerships for development in Tunisia. To date, more than 100 companies are operating in financial partnership of which 26 are have a 100% foreign capital.

***« Le partenariat entre Danone et la Société Tunisienne d'Industrie Alimentaire (STIAL) est exemplaire. Danone apporte son savoir-faire technique et marketing, la STIAL l'approvisionnement, la connaissance du terrain, la distribution ».***  
*M. Mohamed MEDDEB, Président de STIAL DANONE Tunisie*

Moreover, major foreign corporate groups have opted for a technical partnership with Tunisian leading companies in the sector.

**These major corporate groups trust Tunisia:**

**ALSA, COCA-COLA, CANDIA, CHAMBOURCY, CRISTAL, CRISTALINE, DANONE, EMMI, FROMAGERIE BEL, GROUPE EVEN, GROUPE SODIAL, GROUPE LACTALIS, HEINZ, HEINEKEN, KNORR, KRAFT, JUTA, LASSONDE, LA VACHE QUI RIT, LESIEUR, MAÏZENA, MAMIE-NOVA, MINUTE MAID, NESTLE, NABISCO, ORANGINA, PRESIDENT, PRINCE, RED BULL, ROUGEMONT, TANG, UNITED-BISCUITS, UNILEVER, YOPLAIT...**

## **X- Tunisia's rankings**

### ***World Economic Forum- Competitiveness Report 2008-2009: Tunisia's leading position comforted in North Africa and in Africa***

The 2008-2009 Davos World Forum Global Competitiveness Report ranked the Tunisian economy at the top in North Africa and in the African continent and 36th on the world scale, out of a total of 134 rated economies.

The Report this year based the ranking on 12 pillars of competitiveness. The pillars include: Institutions, Infrastructure, Macroeconomic Stability, Health and Primary Education, Higher Education and Training, Goods Market Efficiency, Labour Market Efficiency, Financial Market Sophistication, Technological Readiness, Market Size, Business Sophistication and Innovation.

Under this report, Tunisia performs well at a regional level by ranking ahead of such Arab countries as Bahrain (37th), Oman (38th), Jordan (48th), Morocco (73rd), Algeria (99th), Egypt (81st), Libya (91st) and Syria (78th). Tunisia has even ranked better than some countries members of the European Union such as Portugal (43rd), Italy (49th) and Greece (67th).

By pillar, Tunisia has ranked 22nd for the institutions. The country's remarkable performance is its ranking under the headings of handling of public money (2nd), public trust in politicians (14th) and transparency in governmental decision making (15th).

Other good scores: Tunisia ranks 27th in health and primary education, 27th in higher education and training and 30th in goods market efficiency. With the latest ranking, Tunisia improves its score by one point compared with the previous years.

Under the theme "business sophistication", Tunisia ranks second in Africa, after South Africa, 3rd in the Arab world, after the United Arab Emirates and Kuwait, and 40th on a global level.

### ***Once again, Tunisia scores first according to the Global Enabling Trade Report 2008***

The World Economic Forum (WEF) has just made public for the first time the Global Enabling Trade Report 2008. Tunisia is ranked 49th out of 118 countries, leaving all the listed African and North African countries behind.

The Enabling Trade Index used in the report measures the factors, the policies and the services that simplify the free movement of goods through the frontiers and until their destination.

The index focuses on the factors encouraging trade in four fields, namely:

- 1) Market access,
- 2) Customs administration,
- 3) Transport and communication infrastructure,
- 4) Commercial background.

### ***Tunisia earns 15 places according to the annual report by « Doing Business 2009 »***

Tunisia ranks 73rd in the annual report "Doing Business 2009" jointly issued by the World Bank and the International Finance Corporation (SFI) about the business environment.

With this new ranking, Tunisia has moved up 15 places from the 88th to the 73rd rank on a world scale over a total of 181 rated countries.

At the regional level, Tunisia is ranked 1st in North Africa and 3rd in the African continent.

The report which provides rankings of countries depending on the ease of doing business is based on four criteria:

- The regulatory framework (number of necessary procedures for starting a business or registering a commercial property),
- The time limits and fees associated with debt collection, with a collective procedure or with an international sale of goods,
- The legal protection of property (protection of investors from abuses by the company's board of directors and of assets that can be used as securities),
- The flexibility of the labour market.

The report highlights the impact of the new reforms recently engaged by Tunisia which resulted in improving the business environment and easing business doing. This was achieved mainly thanks to the new law addressing economic initiative.

#### ***According to UNCTAD Report, FDI's Attractiveness Performance is Improving in Tunisia***

According to the World Investment Report 2008, which is issued every year by the United Nations Conference on Trade and Development (UNCTAD), Tunisia attracted US\$ 1 618 million worth FDI's in 2007 as against US\$ 3 312 in 2006.

The report says Tunisia's performance in attracting FDI's (measured by the FDI performance index\*) has improved since the country has moved from the 81st position in 2005 to the 42nd position in 2007 in world ranking.

#### ***The Sunday Times ranks Tunisia as one of the Best Investment Spots***

The British prestigious weekly newspaper The Sunday Times has recently cited Tunisia among the best places for investment in these times of financial crisis.

Six countries were quoted by the weekly newspaper: Tunisia, Morocco, Jordan, Lebanon, the Sultanate of Oman and Qatar. This ranking was elaborated following the performance and financial results over the past twelve months. The Sunday Times article is based on the classification of the index provider MSCI World, a well known stock market index covering the whole world.

The MSCI World has been calculated since 1969 and offers investors a reference index for their management. It is computed by the Morgan Stanley Capital international and measures the performance of more than 1 500 stocks traded in 23 developed countries

In these times of financial crisis, the MSCI index emphasizes the position of Tunisia and Morocco as real exceptions on the African continent and advises promoters and funds to invest in these countries.

#### ***Tunisia: Second Best Manager in the World***

The world Economic Forum (WEF) has just published the good governance ranking according to the results of a survey based on 12 pillars and conducted among 10 thousand businessmen all over the world. Once again, Tunisia has had an outstanding performance.

Tunisia ranked 2nd under the headings of handling of public money, 14th for public trust in politicians, 15th in transparency in governmental decision making, 22nd for the quality of its institutions, 27th in health, primary education, higher education and training and 52nd in terms of technological aptitudes. ....Other institutions such as the World Bank and the IMF are similarly impressed by Tunisia's performance. In its 2007 report about good governance and fight against corruption, it appears that this scourge (corruption) "can only be found in some exceptional cases" in Tunisia.

#### ***Tunisia: 59<sup>th</sup> in world economy and 7<sup>th</sup> Arab country according to the "Capital Access Index"***

Tunisia is ranked 59th in world economy and is the 7th Arab country according to the « Capital Access Index » prepared annually by the Milken Institute.

The Milken Institute Capital Access Index scores the ability of entrepreneurs to gain access to financial capital. It is also intended to measure the degree of openness of a country in providing access without discrimination to capital for launching projects.

The index is based on seven subcomponents including business climate, banking and financial systems, the degree of market global progress, financing alternatives and international financing.

### ***ICT ranking: Tunisia still ahead of Italy, Greece and Poland***

According to the Davos world report on information and communication technology (ICT 2008-2009), Tunisia is ranked first in North Africa as well as Africa and 38th worldwide out of a total of 134 countries based on the Networked Readiness Index. The index measures the preparedness of a nation to participate in and benefit from ICT development. Tunisia is hence ahead of several European countries such as Italy, Greece and Poland and Asian countries such as China or India.

### ***Tunisia ranks first in North Africa for logistics performance***

Tunisia was ranked first throughout the North African area in a report by the World Bank on the logistics performance index (IPL) and the 60th worldwide, out of 150 countries.

Logistics Performance Index (LPI) is the simple average of the countries' scores on the seven key dimensions: This index is an average of the countries scores on several key dimensions: clearance processes by Customs and other border control agencies, quality of infrastructure, organization of maritime transport, Ability to track and trace shipments "tracking", domestic logistics costs and timeliness of shipments in reaching destination..

At the African level, Tunisia is ahead of Morocco (94th), Egypt (97th) and Algeria (140th). The report, entitled "Connecting to compete: trade logistics in the global economy," recommends to increase the capacity to establish links between companies, suppliers and consumers in a world where predictability and reliability are becoming more important than costs.

### ***Tunisia at the top of Arab countries "where it is pleasant to live"***

Tunisia ranked at the top of Arab countries where it is pleasant to live according to an annual ranking released by International Living, an observer of quality of life in the world. Tunisia scored 56 points out of 100 and is classified 26th out of 194 ranked countries.

France ranks first (80 points), closely followed by Switzerland (79 points), the United States (78 points), Luxembourg (77 points) and Australia (76 points).

In the Arab world, Tunisia ranks first, followed by Morocco (55 points), Lebanon (54 points), Bahrain (51 points) as well as Egypt and Syria (50 points).

The ranking is established according to an index based on a series of scores assigned according to weighed indicators related to the cost of living, economy, environment, culture, entertainment, freedoms, health, infrastructures, risks and security as well as climate.

### ***Global stability Index: Tunisia, the second most stable country in Africa***

According to the global stability index published by « Vision of Humanity », Tunisia ranks among the countries enjoying a high degree of peace and stability in the world. While ranking 47th, it is ahead of several European countries such as the United Kingdom, Cyprus and Greece.

The report based its analysis on the situation of peace and stability in 140 countries in the world according to several criteria such as the democratic functioning, security degree for foreigners, corruption level, government efficiency, population cohesion and integration, the relationships with the international community, investment climate, the country's involvement in armed conflicts and military budgets.

***Tunis, one of the cheapest cities***

The Tunisian capital and its suburbs offer a quality of life that is rare in Africa. However, Life is cheaper there than elsewhere as shown by the statistics established by Mercer HRC, a British consulting firm expert in human resources.

In the top most expensive cities in the world, Tunis only appears in the 133rd position over 144. In other words, Tunis is the cheapest city in Africa and the Arab world.

## **XI - Foreign Investment Performance in 2008**

In 2008, Tunisia has managed to achieve positive results in attracting foreign investment notwithstanding the difficulties experienced by the world economy during the same year as a result of the world financial crisis. Indeed, the volume of foreign investments attracted in the year 2008 reached 3 597.2 M TND in 2008, against 2 158 M TND in 2007, representing a growth rate of 66.7 %. This growth included all sectors. The achievements have exceeded the objectives of the XI Plan which provided for 1 500 M TND.

Thanks to these investments over 16 thousand jobs were created and nearly 200 foreign companies started their operations mostly in the manufacturing sector (173 companies) including 92 in textile & clothing, 33 in mechanical & electric industry and 15 in various industries. 23 new companies were created in the service sector, in addition to expanding production capacity of more than 140 foreign companies operating in Tunisia in line with the development of their activities.

### ***FDI Distribution by sector***

The distribution by sector of foreign direct investments (FDI) , which reached 3,398.7 M TND shows that energy ranks first with 1 933.9 M TND, or 57 % of total direct investment, followed in second place by manufacturing industries that have polarized 642 M TND against the 486 M TND recorded in 2007. These investments mainly concerned the chemical sector (216 M TND), miscellaneous industries (105 M TND), building materials (105 M TND) and engineering industries (102 M TND).

As for FDI in the services sector (excluding tourism), they reached 604.5 M TND including 150 M TND from the privatization of 60% of the capital of the Tunisian - Kuwaiti Development Bank (BTKD) and 132 from privatizing 35% of the insurance company STAR. In the field of tourism, investments reached 198.6 M TND in particular from the acquisition by the Libyan company Layco of Tunisian tourist establishments and the start of the Tunis Sports City project.

### ***Main Characteristics of FDI inflows in 2008***

- Major evolution of FID inflows volume reaching 3 597 M TND as against 2 158 M TND en 2007 .This evolution covers all sectors.
- FDI contribution of about 23.3 % to the gross fixed capital formation (GFCF) and of 38 % in private investment.
- FDI represented more than 7 % GDP.
- Creation of more than 16 thousand new jobs which represents 20 % of all the newly created jobs at a national scale.
- 200 new foreign companies started their production and 140 foreign companies established in our country expanded their production capacity because of the development of their activities which reflects confidence in the business climate and the positive economic results achieved by these companies in Tunisia.
- It is also important to mention the participation of some foreign companies (Benetton) to the impetus of Tunisian private investment in the context of subcontracting in inland areas.
- Interest of foreign investors in the implementation of important projects in inland areas that have undergone major changes in infrastructure, particularly in the governorates of Kairouan, Kef, Gafsa, Beja, Jendouba, Kasserine and Siliana.

- Arrival of a number of foreign firms from new (non-traditional) countries to settle in Tunisia.
- Achievement of major projects within the framework of partnership agreements in the sectors of new technology and research - development with world renowned companies in the field.

### ***Foreign Investment in Inland Regions in 2008***

The number of companies with foreign participation which went into production in inland areas has reached 30 companies, representing over 15% of total number of foreign which went into production in 2008, including 11 companies in the governorate of Zaghuan, 6 in Béja governorate, 4 in the governorate of Kairouan and 3 in that of Siliana.

Thus, there are overall 364 firms foreign firms located in inland areas, generating nearly 39 000 jobs.

In the last period a significant number of major projects settled in inland areas. These include:

- The project of the German company Kromberg & Schubert (governorate of Beja) in automotive electricity: 25 million dinars, and 1 430 newly created jobs.
- The project of the German company Draxlmaier in Siliana, in electric industry: 70 M TND employing 1 074 workers.
- The project of the Korean company Yura, in electric industry in Kairouan: 7.5 M TND and 1 350 newly created jobs.
- The project of the Swiss company Chama II in safety shoes (governorate of Kairouan): Investments so far reached 10 M TND (over the planned 100 M TND).
- The project of the Italian company New Fashion in textile industry in the governorate of Jendouba: 1.5 M TND and 160 jobs.
- The project of the Japanese Sumitomo (Electric industry) in the governorate of Jendouba: 42 M TND of which 5 M TND already invested and presently employing 80 workers.
- The project of the Gafsa, Japanese Yazaki, (Electric industry) in the governorate of: 45 M TND, which went into production in rented premises and which employs at present 270 workers.

### ***FDI Origin in 2008***

The European Union countries were the main source of FDI inflows to Tunisia in 2008, with 2 515.7 M TND that is 47 % of total FDI. Britain ranks first with 1 080 M TND of which 825.6 M TND in the energy sector and 195 million TND in the manufacturing sector, followed by France with 563.6 M TND of which 339 M TND in the financial sector and 162 M TND in manufacturing. These countries are successively followed by Italy, Sweden and Spain.

Arab investment has amounted to over 281.8 M TND mainly from Libya (137.5 M TND), United Arab Emirates (80 M TND), Jordan (34 M TND) and Kuwait (14 M TND).

Investment from the United States of America has reached 195 M TND including 177 M TND in the energy sector.

Worth mentioning are also Canadian investments which amount to 155 M TND entirely in oil industry, and Turkish investments which reached 189 M TND for the Enfidha airport construction works.

### ***Objectives for the Year 2009***

In the context of the current global economic situation particularly in the European sphere which represents the major source of foreign investment in Tunisia and considering economic forecasts predicting recession of direct investment in the world, the objective of FDI attraction the year 2009 was set within the limits of 2000 M TND.

The planned target amount was defined in the light of declared investment intentions by foreigners and which amounted to 2 070 M TND in 2008 as well as in view of the important projects that are at an advanced stage of implementation and preparation and which are subject to a continuous follow up in order to afford all favorable conditions for their realization.

Besides, Tunisia enjoys a growing interest of foreign investors because of the competitive advantages featured by our country in many activities such as the aerospace sector that will benefit from the creation of its own industrial cluster to carry out a number of important projects, as well as in service offshoring in fields using information and communication technology.

FDI inflows by sector in 2009 are distributed as follows:

<b>Sector</b>	<b>Million Dinars</b>
Energy	1100
Manufacturing Industry	450
Tourism	150
Services	100
Agriculture	20
Portfolio	180
<b>Total</b>	<b>2000</b>

### ***Foreign Companies Operating in Tunisia***

The total number of foreign companies operating in Tunisia in late 2008 amounted to nearly 3 000 companies which created over 303 thousand jobs.

2 324 of these companies operate in the manufacturing sector, 347 in services, 158 in tourism, 79 in agriculture and 58 in energy.

With regard to the distribution of these firms by nationality, France ranks first with 1 212 businesses and 108 thousand jobs, Italy is in the 2nd place with 672 companies, followed by Germany with 265 companies, Belgium with 208 companies and Arab countries with 214 companies.

Companies from the European Union accounted for 88 % of the total and 54 % of the stock of non-energy investments.

**Evolution of FDI Inflows by Sector**

<b>In million TND</b>	<b>2002</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>
Foreign Direct Investment	1 167.3	751.9	795.9	1 015.7	4 402.9	2 070.8	3 398.7
Energy	427.5	315.9	274.1	385.8	940.3	1359.0	1933.9
Other sectors (non - energy)	739.8	436	521.8	629.9	3462.6	711.8	1 464.8
Manufacturing Industry	255.4	282.6	311.8	374.9	347.4	485.7	641.6
Miscellaneous Industries	23.6	27.8	33.6	22.9	34.5	16.6	105.1
Agro food Industry	25.8	28.2	13.4	14.3	17.5	39.4	15.1
BMCGI*	43.6	69	89.2	110.4	46.7	40.2	104.8
Mechanical electrical and electronics Ind.	78.8	77.0	81.6	142	93.8	148.6	102.1
Chemistry and Plastics	12.9	11.1	18.4	11.2	35.5	124.3	231.2
Textile	64	59.1	69.1	61.6	71.8	90.3	50.3
Shoes and Leather	9.6	10.4	6.6	12.5	47.6	26.2	33
Services	473.9	149.4	200	248.1	3 101.1	218.4	803.1
Tourism	21.9	18.8	22.1	16.8	18.3	72	198.6
Other Services	452	130.6	177.9	231.3	3082.8	146.4	604.5
Agriculture	10.5	4	10	6.9	14.1	7.7	20.1
Portfolio	23.8	36.9	62.6	72.5	158.8	87.1	198.5
<b>Total</b>	<b>1 191.1</b>	<b>788.8</b>	<b>858.5</b>	<b>1 088.2</b>	<b>4 561.7</b>	<b>2 157.9</b>	<b>3 597.2</b>
Of Which Privatization	435.7	0	0	146.2	2972	110.2	282

\*Building material ceramics and glass industry

**Companies with foreign participation in Tunisia until the end of 2008**

Sector	Nbr of Companies		Investment in 1 000 TND		Employment positions	
	Exclusively exporting	Total	Exclusively exporting	Total	Exclusively exporting	Total
<b>Manufacturing Ind.</b>	<b>1 946</b>	<b>2 324</b>	<b>2 588 466</b>	<b>6 019 883</b>	<b>225 703</b>	<b>260 672</b>
Miscellaneous Ind.	109	153	47 200	128 989	3 584	5 301
Plastics Ind.	80	103	160 608	205 979	6 319	7 280
AFI	78	136	158 233	555 840	5 309	11 454
BMCGI	27	74	23 319	1 679 870	865	7 271
Mechanical Ind.	169	247	314 829	614 388	7 252	12 440
Electricity						
Electronics	203	233	680 698	827 482	49 092	51 976
Chemistry	23	62	58 154	595 739	952	5 045
Pharmaceutical Ind	9	27	57 898	212 683	1 583	3 994
Textile and Clothing	1 087	1 124	882 693	993 479	126 517	131 597
Leather and shoes	161	165	204 834	205 434	24 230	24 314
<b>Agriculture</b>	<b>15</b>	<b>79</b>	<b>79040</b>	<b>242611</b>	<b>790</b>	<b>1800</b>
<b>Services</b>	<b>230</b>	<b>347</b>	<b>48973</b>	<b>4252635</b>	<b>9933</b>	<b>20 608</b>
<b>Tourism</b>	<b>0</b>	<b>158</b>	<b>0</b>	<b>1581346</b>	<b>0</b>	<b>16 562</b>
<b>Total</b>	<b>2 191</b>	<b>2 908</b>	<b>2 716 479</b>	<b>12 096 475</b>	<b>236 426</b>	<b>299 642</b>
100% foreign	1 379	1 513	1 642 520	4 794 441	163 372	172 464
Mixed	812	1 395	1 073 959	7 302 034	73 054	127 178
<b>Energy</b>	<b>0</b>	<b>58</b>	<b>0</b>	<b>17 377 372</b>	<b>0</b>	<b>3 500</b>
<b>Total</b>	<b>2 191</b>	<b>2 966</b>	<b>2 716 479</b>	<b>29 473 847</b>	<b>236 426</b>	<b>303 142</b>

**Foreign Companies: Distribution by Nationality (Non - energy /as of end 2008)**

Country	Nbr of Companies	Jobs	Investment in million TND
France	1 212	107 951	1 479.7
Italy	672	54 052	111.6
Germany	264	43 024	459.6
Belgium	208	22 120	233.9
Luxembourg	53	12 865	98.0
Netherlands	76	12 094	294.3
Spain	56	3 746	517.4
Portugal	47	3 496	787.5
Great Britain	86	11 132	383 .6
<b>E.U. Countries</b>	<b>2 577</b>	<b>256 788</b>	<b>6 543.0</b>
Arab Countries	214	29 455	5 252.7
Switzerland	77	12 610	149.0
USA	72	11 399	214.2
Asian Countries	25	2 964	68.8

**Foreign Companies: Distribution by Region (Non - energy /as of end 2008)**

<b>Governorate</b>	<b>Nbr</b>	<b>(%)</b>	<b>Jobs</b>	<b>(%)</b>	<b>Investment in 1000 TND</b>	<b>(%)</b>
Tunis	343	11.8	31 365	10.5	5 120 812	42.3
Ariana	198	6.8	12 785	4.3	192 404	1.6
Manouba	95	3.3	8 817	2.9	128 285	1.1
Ben Arous	290	10	33 002	11	813 031	6.7
Bizerte	234	8	37 623	12.6	622 480	5.1
Nabeul	449	15.4	46 186	15.4	857 667	7.1
Sousse	373	12.8	33 873	11.3	957 036	7.9
Monastir	401	13.8	42 321	14.1	752 272	6.2
Mahdia	50	1.7	4 598	1.5	150 469	1.2
Sfax	111	3.8	9 997	3.3	181 836	1.5
<b>Coastal Regions</b>	<b>2 545</b>	<b>87.5</b>	<b>260 667</b>	<b>87</b>	<b>9 776 292</b>	<b>80.8</b>
Zaghouan	134	4.6	16 787	5.6	645 206	5.3
Bejà	32	1.1	3 361	1.1	100 454	0.8
Jendouba	22	0.8	1 078	0.4	94981	0.8
El Kef	5	0.2	561	0.2	3 403	0
Siliana	19	0.7	2 901	1	39 299	0.3
Kasserine	4	0.1	530	0.2	148 974	1.2
Kairouan	38	1.3	5 469	1.8	215 812	1.8
Sidi Bouzid	10	0.3	777	0.3	50 452	0.4
Gafsa	4	0.1	229	0.1	26 481	0.2
Tozeur	19	0.7	1 256	0.4	41 784	0.3
Kebili	7	0.2	223	0.1	12 758	0.1
Medenine	50	1.7	3 960	1.3	443 301	3.7
Gabès	20	0.7	1 943	0.6	497 278	4.1
Tataouine	0	0	0	0	0	0
<b>Inland Regions</b>	<b>364</b>	<b>12.5</b>	<b>39075</b>	<b>13</b>	<b>2320183</b>	<b>19.2</b>
<b>Total</b>	<b>2 908</b>	<b>100</b>	<b>299 642</b>	<b>100</b>	<b>12 096 475</b>	<b>100</b>

### **Press Contact**

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Mr. Chokri Mahjoub – Ministry of Development and International Cooperation

### **Useful Information**

- All the journalists are kindly requested to wear the “Press” badges all through the Forum.
- For press photos and TV interviews, a FIPA stand is held in the hall to serve as background.
- Copies of PowerPoint presentations and speeches will not be systematically available.
- The Forum language is English. For any translation of a specific word related to the Forum, you are kindly requested to get in touch with the press contacts.

*Thank you for your attendance*