



New TUNISIA New Democracy New Opportunities

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**Welcome message from
H.E.Mr.Farhad Khlif**

**Ambassador,
Embassy of the Republic of Tunisia**

Foreign Investment Promotion Agency (FIPA) is a public institution under the supervision of the Ministry of Economic and Finance.

FIPA is in charge of providing all the support for foreign investors, follow up and assistance with various government departments and other Tunisian companies and regional authorities.





What hasn't changed (acquired)

- Strategic geography
- The millennial history of business
- Educated and Passionate people
- An Open and welcoming country

What has changed (dynamic)

- Speech and expressions
- The political physiognomy
 - State governance
 - Business environment

Year 0

Reality I:

- Tunisia has finally get rid of its 23 years of dictatorship and of its image of a stable country thanks to its dictatorship
- Tunisia continues to run: public service, machine production, supply chain

Reality II:

- Tunisians found the taste of freedom of expression: the press, labor unions, political debate, awareness
- Emergence of multiple demands: organization, identity...
- The country must rebuild its political and social stability

Reality III:

- The image of Tunisia, as an economic example in Africa, is affected because of the current fears and uncertainties

Years 2 and 3

- Political **ambiguities** take an unexpected magnitude
 - the **transition** process has lost speed
- politicians **are called** to convince
 - violence on political background, **worried** Tunisians and their partners
- people **are concerned** about their aspirations (employment and dignity)
 - The decline in ratings puts into question the reliability of Tunisia
- The economic activity is **affected** by social demonstrations
 - foreign partners begin to **doubt** about the capacity of Tunisians to boost the slope
- Foreign companies are **confused** between business continuity and the lack of visibility
 - the image of Tunisia is **reduced** to current facts

However,

- Foreign Direct Investment has almost regained its pace in 2010
- Annual average of closures / creations equals the decade 2000-2010 avg
- Hotels experienced overbooking in high seasons
- Industrial exports have increased significantly
- Economic growth has gradually recovered
- Tunisia finds the classification of Davos after an absence of one year
- The main actors in the political scene meet to discuss the completion of the transition period .
- **Results (early 2014): New Constitution, New Government,**

Lifting of travel restrictions

Tunisia at a glance

Population: 12 millions of inhabitants, **Unemployment rate:** 15.3%

Capital city : Tunis

Official language : Arabic **Widely spoken languages:** French , English, Italian

Currency: TND, approx = 0.640 USD , 0.498 euro , 62 yen

Climate: Mediterranean (10 to 16c in Winter, 30 to 40c in summer season)

GDP: 71,379.2 TND million

Growth: **2012** **2013** **2014***
 3.6% **2.7%** **3.0%** (IMF World Economic Outlook *2014 predicts)

Income per capita: 6,596.7 TND equivalent of 5,000 US\$ in purchasing power parity

Main Partner : EU with 80% of imports and exports

Trade balance deficit: 13.4%

FDI flows: US\$ 1.0 billion

Current account deficit: 13.4%

A natural advantage... Strategic position



- Land connections with immediate neighbors
- Free trade agreements with EU, Arab countries, Turkey
- Daily air connections to European capital cities
- Daily shipping links with the main European ports (Genova, Marseille, Antwerp)

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(Updated on 25th September, 2012)

High connectivity, regional hub



High connectivity, regional hub

- Tunisia, is less than 3 hours flight from major European capital cities : Paris, Rome, London, Madrid, Brussels
- Less than 2h30 from south shore Mediterranean countries : Algeria, Morocco and Libya
- Less than 5 h from major Middle East and sub Saharan African capital cities
- Less than 24 h shipping from major European harbors (Genova, Marseille, Rotterdam, Antwerp)

Millennial history of business

**814 before J.C , First trade port in South Med.
Carthage, the most trading city in the Mediterranean.**

1972 , first country to encourage foreign investment (law 72)

1995: first southern Mediterranean country to sign a free trade agreement with the European Union.

**2011: 1st southern Mediterranean country in terms of global competitiveness.
1st south Med country in terms of laws for the encouragement of IDE**

Highly skilled and passionate people

12 million people with indicators of a large nation

Education (girls and boys) absorbed 1/3 of state budget

The highest enrollment rate in the Arab World

Education system quality

Availability of the latest technologies

Innovation capacity

Scientific research institutions quality

Largest budget is for R&D

Availability of engineers and scientists

Availability of specialised training and high-level services

Highly skilled and passionate people

97% of youth enrollment

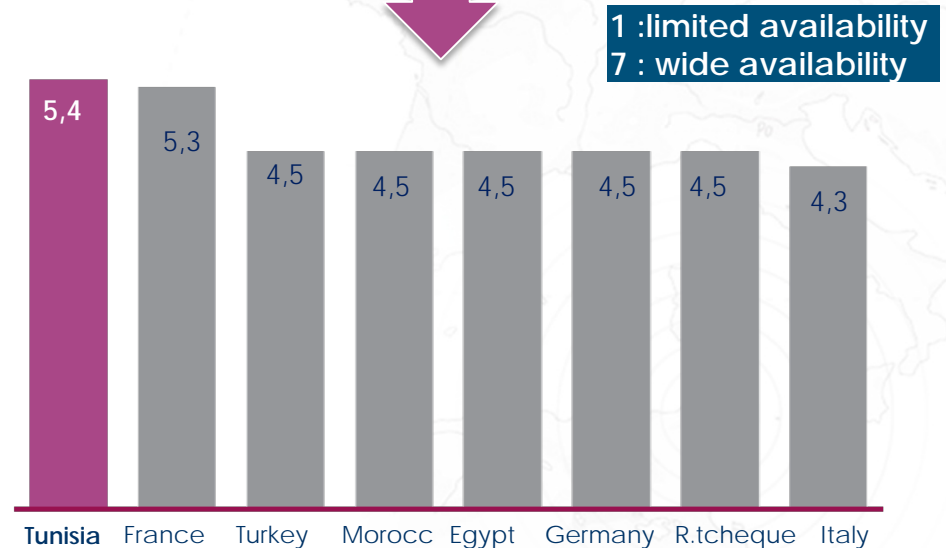
365,000 students, 61% of whom are girls

70,000 new graduates /year

33% of students are oriented towards computer science

30 R&D centers and 28,000 researchers

Scientists and engineers available in job market



Source : Rapport sur la compétitivité globale 2011-2012, WEF

48% of Tunisian people are under 25 yrs

An open and welcoming country

42 double taxation conventions

7 million tourists per year (4 to 5 mil. since the revolution)

3,100 established foreign companies including 10 Japanese

Free trade agreements with the EU, Turkey and the Arab countries

1st south Med country . « Quality of life index »
(according to Int living Mag)

1st south Med country. For its pacifist qualities (EIU)

1st Arab country for teaching foreign languages
(English , German, Italian, Spanish, Russian...)

Reliable destination for FDI

FDI inward stock

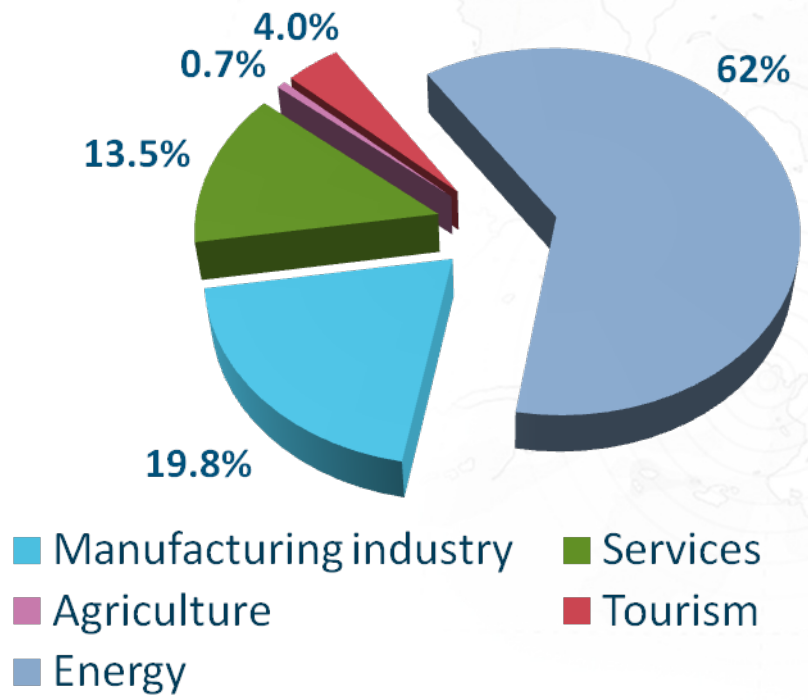
3,100 international companies

332,000 Jobs

20,000 Mil US\$

400 new since 2011

Sectoral repartition of FDI



Tunisia welcome Japanese

10 companies (since 1981)

The 10th industrial employer is
japanese

Japanese Tourists are back

2010 : 13,385 japanese visited Tunisia

2011 : 3,120 japanese visited Tunisia

2012: 8,002 japanese visited Tunisia

2013: 6,460 japanese visited Tunisia

Q1 2014 : 2,245 japanese visited Tunisia

International confirmed trust



Framework conditions and measures

What makes it concrete?

Export Pack (since 1972)

Regions Pack (since 1993)

Tax profit at the reduced rate of 10 % since 2014

Total exemption from income tax in priority areas

Total franchise from customs duties for imported equipment

Funds and incentives for investment in priority areas

Supported by state employer contributions into the social security system

Soon a new package of incentives in the spirit of Step (new code)

Framework conditions and measure

How ease it is ?

Investment is free in major sectors (authorization is the exception)

Recognized ease of business
(WB doing business report)

Dedicated structures for each
activity

FIPA, APII, APIA, ONTT, CEPEX

LTD : 2hour

SA: 12 H (+ 1 week publication)

LTD: no min capital

SA : 3.000 US\$ in shares

All the procedures under the same roof



FIPA:

Main counterpart for foreign investor Inform, prospect, assist (non profit public institution)

API: Agency for the Promotion of Industry

ONTT: Tunisian National Tourism Office

APIA: Agency for the Promotion
Agricultural Investment

CEPEX: Center for the Promotion of Exports

Technical structures dedicated for different activities

Framework conditions and measures

How much does it cost?

Beginner Engineer (diploma recognized international y) : 800 US\$

Skilled worker : 250 US\$

Senior technician : 500 US\$

An international quality of work at very competitive costs

Framework conditions and measures

What about Taxes and duties ?

ISPP: depending on the salary portion : between 0 et 35% or a package of 20%

IS : 30% in general ,
10% agriculture and fishing and 35% for the Finances and hydrocarbons

VAT : 18% in general, 6% sensitive products , 12% for products not produced locally

Customers duties : 0% to 36%

To note : the exporting company pays 10% on the profits (to life).

To note : reinvested benefit are free of tax .

BENEFITS OF INVESTMENT IN TUNISIA

Group area

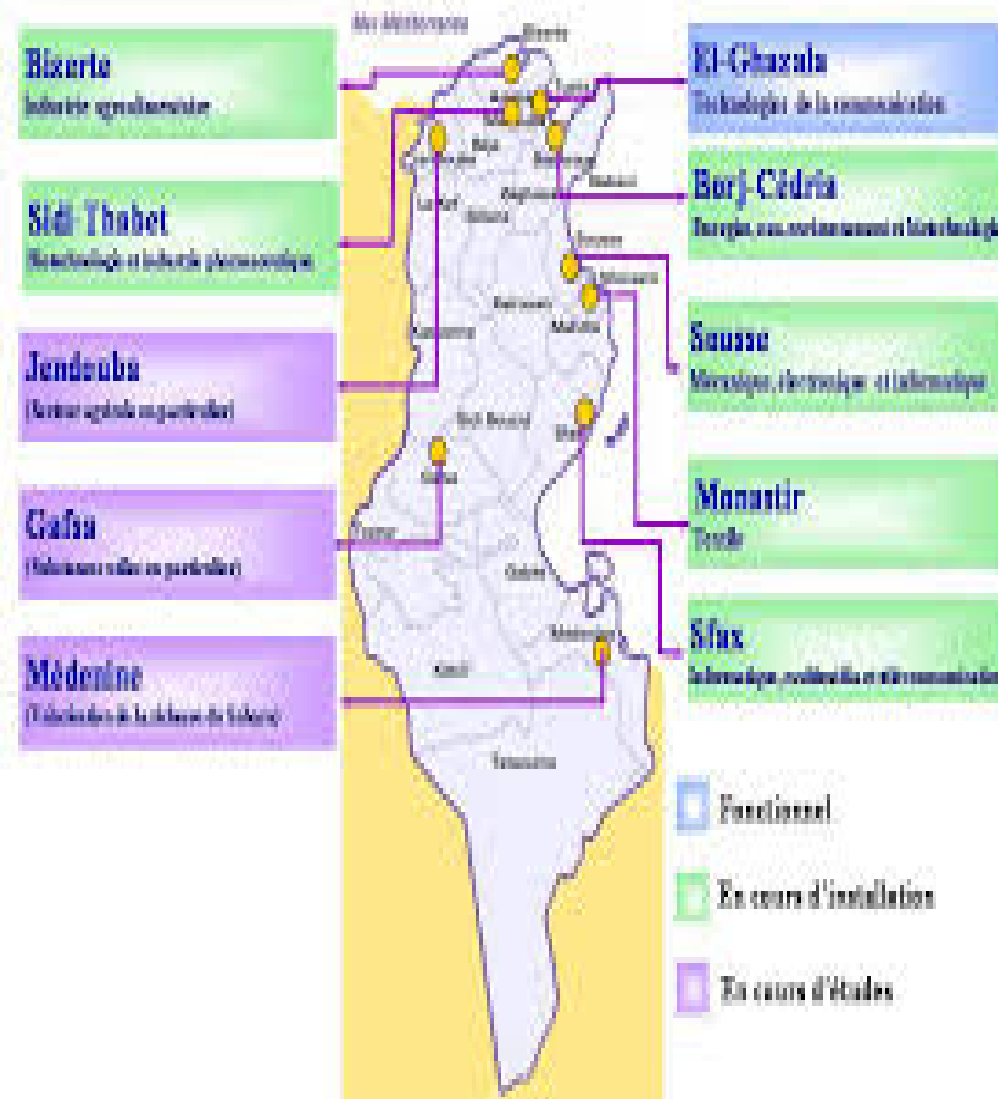


	Priority Area	2 nd Group	1 st Group
Deduction of business revenue	100% during the first 10 years, no more than 50% over another 10 years	100% for the 10 years	100% for the 5 years
Coverage of employer's to social security	100% for the first 10 years	100% for 5 years and decreasing for the following 5 years	100% for 5 years
Financial benefits in the form of subsidies	25% up to a maximum of 1.5 MTND	15% up to a maximum of 1 MTND	8% up to a maximum of 0.5 MTND
Coverage of infrastructure costs	85%	75%	25%

- 1st Group
- 2nd Group
- Priority Area
- Without encouragement

Framework conditions and measures

where to invest ?



9 existing poles of competitiveness and 14 planned

100 industrial zones and two operational competitive parks

Service facilities at competitive rental costs

9 International airports
7 commercial sea ports

チュニジアの日本企業

	Name of Company	Place	Industry	Memo
1	SE Bordnetze Tunisia (Sumitomo Electric)	Bousalem Bizerte	Wireharness	Bousalem factory open 2011
2	Yazaki Tunisia S.A.R.L.	Gafsa	Wireharness	Established2009
3	YKK Tunisia S.A.R.L.	Sousse	Fastening	Established1997
4	Carthago Power Company S.A.R.L.	Rades	Generate electric	Marubeni Corp 40%
5	Mitsubishi Corporation	Tunis	Trading	Liaison Office
6	Itochu Corporation	Tunis	Trading	Liaison Office
7	Toyota Tsusho Corporation	Tunis	Trading	Liaison Office
8	NEC Corporation	Tunis	Telecommunication	Liaison Office
9	Japan Tobacco	Tunis	Tobacco	temporary closed
10	Maruha Nichiro	Tunis	Trading	Cultivation Tuna fish
11	Tokushukai Medical Corporation	Tunis	Hospital	Check situation.
12	Yamaichi Electric	Tunis	Electric manufacture	R&D Center for Solar (PV: Photovoltaic)

Framework conditions and measures

What about the first step?

▪ FIPA your partner,
provides you with credible information on investment environment

▪ FIPA your partner,
assists you to better know Tunisia: partners, incentives, procedures

▪ FIPA your partner,
Grants you necessary after care services



**Thank You for
Your Attention**

www.investintunisia.tn



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NEW TUNISIA
NEW OPPORTUNITIES