



**TUNISIA**

**THE PLACE TO DO BUSINESS**

**Ambassador Mohamed MEZGHANI**



- FOREIGN **DIRECT** INVESTMENT OPPORTUNITIES





# SUMMARY

- FDI in **Tunisia** : Key Figures
  - Major Assets of **Tunisia**
  - Opportunities in High Value Activities
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# SUMMARY

- **FDI in Tunisia : Key Figures**
- Major Assets of Tunisia
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**FDI key figures**

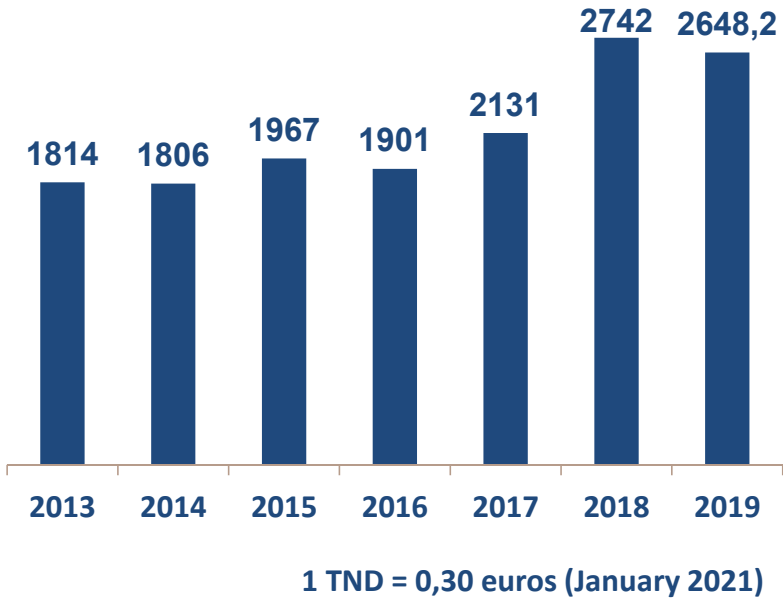
**Stock of FDI**

**+ 3 600**  
Foreign companies

**28 183 MTND**

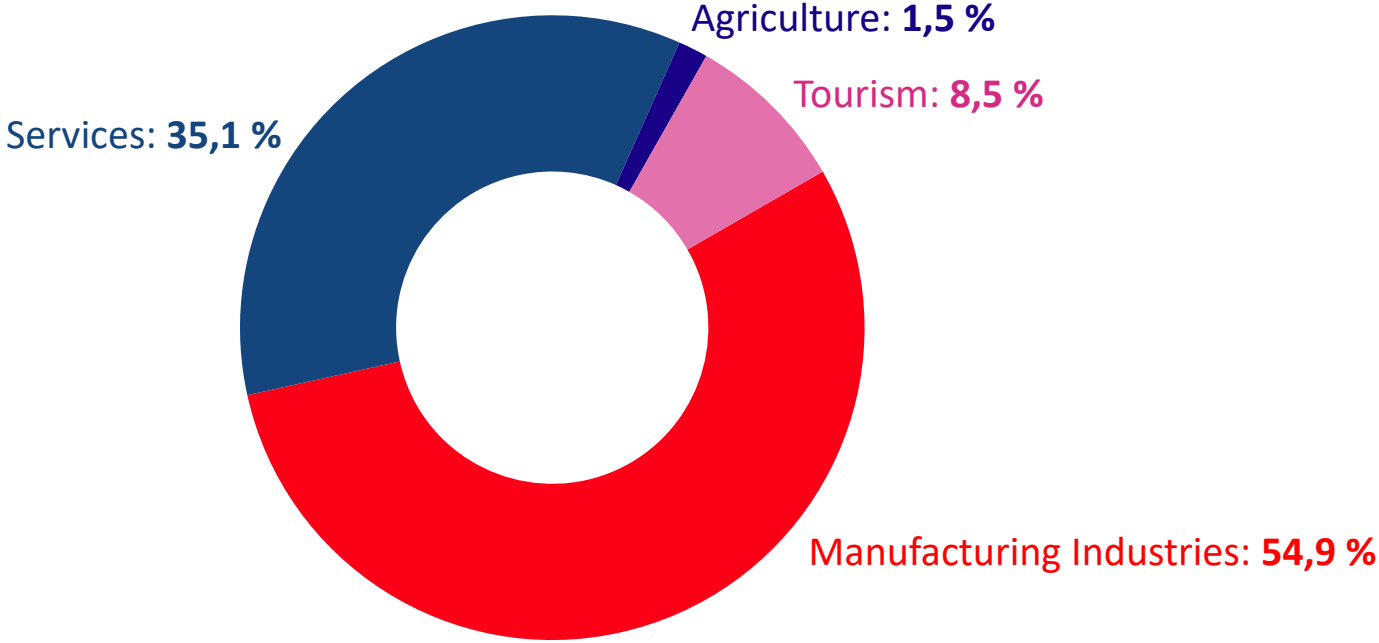
**+ 407 000 jobs**

**Growing FDI flows**



**Almost 75% of foreign companies are wholly exporting**

## Sectorial Distribution of FDIs



The evolution of FDI in the manufacturing sector is driven by the mechanical, electrical and electronics industry and automotive components

## International Actors operating in TUNISIA



INVEST IN TUNISIA



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# Major Assets

1  
2  
3  
4

**Proximity & Free Access to Major Markets**

**Pool of International Level Talent at competitive cost**

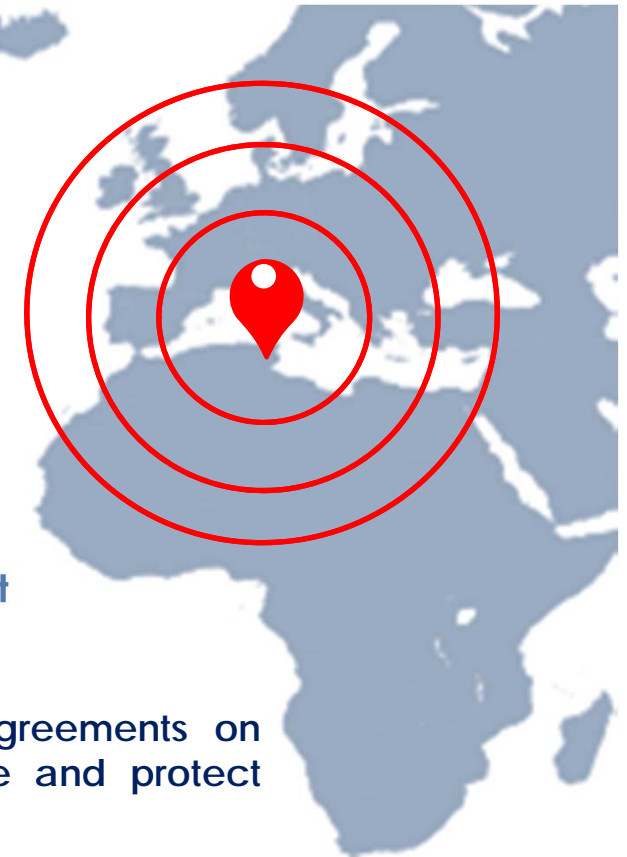
**World-Class Infrastructure**

**A Friendly Business Environment**

## Proximity and Free Access

- ✓ A geostrategic position in the Med Area at just an hour flight to Europe and less than three hours flight from Middle East Cities
- ✓ An advanced partner status with the European Union with a Deep and Comprehensive Free Trade Agreement (DCFTA) in Progress
- ✓ Free trade agreement with Morocco, Egypt and Jordan (AGADIR), and with Turkey
- ✓ Member of COMESA, a common Market for Eastern and Southern Africa with 625 Millions consumer
- ✓ Ongoing discussion to join The Economic Community of West African States (ECOWAS) with 325 millions consumers
- ✓ A regional and international Integration including 52 agreements on double taxation and 54 bilateral agreements to promote and protect investments

**Bilateral Investment Treaty (BIT) between Tunisia and Finland** was entered into force in 2003



# Major Assets

## 2

### Pool of International Level Talent at competitive cost



**+ 60 000** new graduates per year



**35 %** of graduates are in **engineering and ICT** fields



High levels of **multilingualism**

## 1<sup>st</sup>

Innovative Economy in North Africa – **65<sup>th</sup> Worldwide**

*(Source : Global Innovation Index 2020)*

In North Africa for Scientific & Technical Articles – **13<sup>th</sup> Worldwide**

*(Source : Global Innovation Index 2020)*

In North Africa for Expenditure on Education, % GDP – **8<sup>th</sup> Worldwide**

*(Source : Global Innovation Index 2020)*

## 2

### Pool of International Level Talent at competitive cost

#### A confirmed expertise

Tunisia is ranked **1<sup>st</sup>** in North Africa in terms of “**General Expertise**” (59/119) according to “Global Talent Competitiveness Index” (2018)

#### A strong R&D Activity

Tunisia holds the **greatest concentration of researchers** among Arab and African countries with 50% of scientific publications in North Africa

#### Capacity for innovation

Tunisia is ranked **3<sup>rd</sup>** **innovative economy in Africa** (65/131) according to “Global Innovation Index” (2020)

#### Availability of a large pool of graduates

**11 000 ICT** graduates per year including **3 000 engineer** of which **75%** are in IT engineering

#### Availability of fresh graduates

**29%** Unemployment rate among Higher Education Graduates

#### Availability of managerial skills

Most of foreign companies are **100% managed by Tunisians** thanks to the availability of skills at all management levels



# Major Assets

## 3 World-Class Infrastructure



# 4

## A Friendly Business Environment

A friendly and open economy that guarantees:

- Freedom of **investment** in the majority of sectors
- Simplified **procedures** of implementation
- Freedom to **transfer** profits and capital gains
- Intellectual property's **protection**
- Ease to **import and export** with simplified customs procedures

# 4 A Friendly Business Environment

## New Investment Law (2016)

### Priority Sectors

- Investment grant up to 15% of the investment cost with a maximum ceiling of 1MDT.
- Subsidy of employer's contribution for the first 3 years

### Projects of National Interest

- Deduction of profits from the corporate tax base within 10 years
- Investment grant within one third of the investment cost and with a ceiling of 30 million MD
- Contribution to the expenses resulting from infrastructure works

### Regional Development

- Investment grant between 15% (area 1) and 30% (area 2) with a maximum amount of 1.5M TND (area 1) and 3M TND (area 2)
- Total payment of employers' social contribution by the state between 5 and 10 years
- Total deduction of corporate tax between 5 and 10 years

1 TND = 0,30 euros (January 2021)

- **Hiring foreign managerial staff** within a limit of **30%** of the total number of managerial staff until the end of the third year.

Major Assets

# 4

## A Friendly Business Environment

**START  
UP  
ACT** 

A 100 M € Start-up Fund aims to make Tunisia a **Startup-Nation** at the crossroads of the southern shore of the Mediterranean, the MENA region and Africa.

- 30 measures designed to simplify administrative procedures and facilitate access to funding for start-up companies.

Winner of :

The most innovative and high-impact project  
Category: Enabling Environment

World Summit on the Information Society Forum (WSIS) – 2020

Ranked :

23<sup>rd</sup> best worldwide Visa Program to attract Start-ups  
1<sup>st</sup> in North Africa and Middle East

Startups Without Borders (SWIBO) - 2020





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- **Opportunities in High Value Activities**


**Opportunities  
in HV Activities**

- 1 Digital Sector**
- 2 Mechanical and Electrical industries
- 3 Pharmaceutical Industry
- 4 Agribusiness Sector



**Digital Sector**

**Key figures**

**3 Billions €**  
ICT turnover

More than **7%**  
Average annual growth rate and  
7,5% of the National GDP

**Over 1 800**  
Companies

**12%** of which  
have **100%** foreign  
capitalization

**52%**  
Share of innovative exporting  
companies

Nearly **80 000**  
Direct jobs



# A Confirmed IT Destination

## Digital Sector

The Tunisian digital industry is fully engaged in emerging technologies

A.I	
IoT	
AR/VR	
Blockchain	
BIG DATA	

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Opportunities  
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**MEE Industries**

**Key figures**

**+ 1000  
Companies**

**+ 600 companies**  
with foreign participation

**+ 440**  
Totally Exporting Companies

**1<sup>st</sup> Exporting  
Sector**

**7<sup>th</sup> supplier of EU for  
Electrical Machinery**

**TOP 3 Producer of  
Automotive  
Components in Africa**

## A Reference Site for Automotive Components

The actors of the Tunisian automotive industry are engaged in Fundamental Transformation

### Electric Mobility

Telematics



Connected antennas



Firmware over the Air



### Connected Mobility



Wiring  
Audi Q6 E-TRON

Electric motors  
modules

E-Mobility


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Pharmaceutical Industry

Key figures

**164 Millions €**  
of exports

**+ 120 Companies**  
+ 33 in the production of  
medicines

**+ 5 000 graduates**  
annually (36% of whom are  
doctors and pharmacists)

**18**  
training institutions dedicated  
to the sector needs

**2%**  
Contribution to GDP

**+ 9 000 jobs**

## Promising Niches

- Production of generic medications
- Vaccines and medications production based on biotechnology
- Pharmaceutical flavours industry
- Paramedical industry
- Pharmaceutical packaging industry
- Pharmaceutical glassware industry
- R&D outsourcing
- Biotechnology

### key Players of the pharmaceutical industry in Tunisia




Opportunities  
in HV Activities

- 1 Digital Sector
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**Agribusiness Sector**

**Key figures**

**1<sup>st</sup> Country with recognition of the BIO EU equivalence**

**95% Potential for converting hectares of olive groves into organic farming**

**80% Share of Tunisian BIO production for export**

**+ 1 000 Companies  
+120 Foreign Participation**

**370K ha Organic surfaces in Tunisia**

**+75 000 Direct jobs**

## Strengths of the Sector



**World exporter of Dates**

**World exporter of Olive Oil**

**A synergy between Research centers and companies**

**Competitive labour costs**

**Specific investment incentive scheme**

**Diversified and cross-sector investment incentive system for all domains of the economy**

## Promising Niches

- Organic products
- Packaging and olive oil bottling
- Packaging and semi-preserves of fruits and vegetables
- Frozen products
- Cooked and semi-cooked dishes
- Canned products (tomatoes, sardines, harissa, ...) and semi-preserves
- Processed seafood products and development of blue fish products
- Fish and shellfish farming
- Dried tomatoes
- Essential oils ...

## Other Investment Opportunities



**AEROSPACE**



**RENEWABLE ENERGY**



**TEXTILE AND APPAREL**



**MEDICAL TOURISM**



**INFRASTRUCTURE PROJECTS**



**ENVIRONMENT: WASTE TREATMENT**

## Tunisia .. a pleasant living environment



### Internationally reputed **educational system**

- 10 French education institution
- Access to Canadian, Britain, American, and Italian education systems



### Developed **healthcare services**

- 2<sup>nd</sup> African destination for medical tourism (after South Africa)
- 26 doctors for 1 000 inhabitant



### A unique **cultural heritage**

- 8 Tunisian sites recognized by UNESCO as a World Heritage Site



### Mediterranean **climate** and a diverse nature

- 250 sunny days per year
- More than 1 400 km of beaches and diverse landscapes
- Average temperature: 18,1°



### Emancipation of individual **liberties**

- 1st African and Arab country regarding press freedom and civil liberties
- 1st African and Muslim country regarding gender equality



### One of the least expensive **cost of living**

- Tunis is the least expensive city in Africa and Mediterranean basin for expatriates



# TRADE

FURTHER OPPORTUNITIES TO BE  
EXPLOITED







# TUNISIA: AN OPEN COUNTRY

- ❖ Free Access to 75 markets / 1.3 billion consumers
- The Tunisian-UE Free Trade and Partnership Agreement
- Tunisia-EFTA Free Trade Agreement
- Agadir Free Trade Agreement: Egypt, Jordan, Morocco and Tunisia
- COMESA Free Zone Agreement: 20 African countries / 600 million consumers.



## Export:

# A Major Driver of The Tunisian Economy

- Exporting companies: 7000
- Exported Products : 6000
- Export destinations : 160





**THANK YOU!**  
FOR YOUR ATTENTION



Email Tunisian Embassy Vienna :  
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