



Ministère de l'Industrie
des Mines et de l'Énergie



STRATÉGIE INDUSTRIELLE ET D'INNOVATION HORIZON 2035

Industrial and Technological
Infrastructure General Direction
DGIIT

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The Ministry of Industry, Mines and Energy (MIME), *with the financial assistance of the AfDB*, has just completed the formulation of *the Industrial and Innovation Strategy 2035 for Tunisia*, which aims at long-term objectives of inclusive growth, ensuring social-economic and territorial cohesion .

Two major challenges of the Tunisian economy

01

Boost economic growth with the aim of improving the standard of living of the population, increasing employment and reducing the development gap between Tunisian regions.

02

Improve the competitiveness of companies based on innovation and technology, as well as develop their presence in foreign markets, while moving towards a clean environmental economy based on renewable energy sources.



On this basis, the MIME has determined the guidelines for the development of the *Industrial and Innovation Strategy for 2035*

2. TUNISIAN INDUSTRIAL SECTOR STRUCTURE



The Tunisian industrial structure is made up of Very Small Enterprises and Small and Medium Enterprises (SMEs) with low innovation capacity. 95% of companies are of limited size (less than 10 employees).

TUNISIAN INDUSTRIAL SECTOR STRUCTURE



84.283

Companies in
total



771.032

jobs

- Companies with less than 10 employees are assimilated to the **informal sector**
Important to restructure the informal sector
- Only 5,344 companies with a workforce equal to or greater than 10 employees, of which 44% are exporters.

TERRITORIAL DISTRIBUTION OF INDUSTRIAL ACTIVITIES



- North East : 49,31% (Tunis = 18,61% of companies)
- Center East : 24,77%
- North West : 7,58%

80% of industries are located in the 11 coastal governorates

2. TUNISIAN INDUSTRIAL STRUCTURE: PROMISING INDUSTRIAL SECTORS

ELECTRICAL AND ELECTRONIC INDUSTRIES

 Jobs 97.256

 Companies 339

 Promising segments:

- Electrical distribution and control equipment
- Components for electronic devices
- Medical devices and instruments
- Domestic appliances and household appliances
- Fiber optic cables and their connectors
- Electrical and electronic components for electric vehicles
- Electronic components for the building
- Photovoltaic cells and panels
- **Electrical and electronic equipment for Africa (growing markets)**

MECHANICAL AND METALLURGICAL INDUSTRIES

 Jobs 46.889

 Companies 635

 Promising segments:

- Cast iron parts and metal tubes
- Mechatronics
- Precision engineering
- Waste recycling (circular economy)
- Mechanical and metallurgical products

CHEMICAL AND PHARMACEUTICAL INDUSTRIES

 Jobs 5.400

 Companies 500

 Promising segments:

- Cosmetics and personal care products
- Ethylene polymer films
- Resins, polymers and other related products
- Paper/cardboard packaging
- Medications

TEXTILE AND CLOTHING INDUSTRIES

 Jobs 163.000

 Companies 1.597

 Promising segments:

- Jeans, sportswear (including swimwear), workwear and other warp and weft products
- Technical textiles
- Fast-fashion

LEATHER AND FOOTWEAR INDUSTRY

 Jobs 24.500

 Companies 225

 Promising segments:

- Footwear and component parts
- Leather goods

FOOD INDUSTRY

 Jobs 75.100

 Companies 1.082

 Promising segments:

- Olive oil and its derivatives
- Fresh and dried dates
- Edibles from the sea and their preserves
- Fat industry products
- Sugar and sweets
- Unprepared pasta and couscous
- Aromatic and medicinal plants

BUILDING MATERIALS, CERAMICS AND GLASS INDUSTRY

 Jobs 27.800

 Companies 414

 Promising segments:

- Technical ceramics
- ornamental stones
- Eco-materials



2. TUNISIAN INDUSTRIAL STRUCTURE: PROMISING INDUSTRIAL SERVICES



INFORMATION AND COMMUNICATION TECHNOLOGY SERVICES



The **ICT** sector is one of the fastest growing activities. The growth potential is long-term with **interesting export prospects**. At the same time, this sector has a significant knock-on effect on the rest of the economy, while enabling productivity gains for a large number of other sectors. Within this sector, 3 areas offer strong potential:

- eLearning
- Digital Health
- Cybersecurity



TECHNICAL SERVICES FOR COMPANIES / ENGINEERING

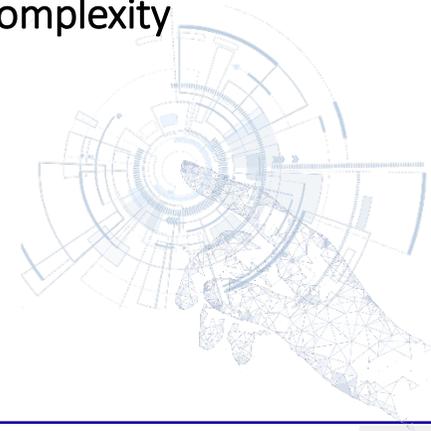


- **Engineering, research and technical consulting services** capitalize on **proven needs in certain outlets** (such as health, automotive and aeronautics industries) and on the **demand induced by digital transformation**.
- Competitiveness factors are mainly based on the **qualifications of Tunisian engineers** and the cultural, linguistic and geographical **proximity to European and African markets**.

STRENGTHS



- *Active private sector, dynamic opened entrepreneurs*
- Manufacturers familiar with partnerships and international markets,
- *Strategic geographical position between two continents: Africa and Europe*
- Competitive human resources
- *Ability to adapt and react to technological developments*
- Advantageous production costs and short delivery times
- Ability to position itself in industries with high AV and more advanced technological complexity
- *Rich and experienced support ecosystem*



Opportunities



GEOECONOMIC LOCATION VERY FAVORABLE TO TRADE AND FOREIGN INVESTMENT

- Globalization of the economy and value chains.
- Growing sophistication of European markets.
- *Growing demand from African markets for quality industrial products and processes.*
- *Geographical and cultural proximity to the European Union and Africa (Libya, Maghreb, Middle East, sub-Saharan Africa).*
- Quality/costs of human resources.
- International research and innovation programs (Horizon Europe, etc.).

POSSIBILITIES FOR ENHANCEMENT OF LOCAL RESOURCES AND DEVELOPMENT OF THE DOMESTIC MARKET

Greater vertical integration of existing activities.

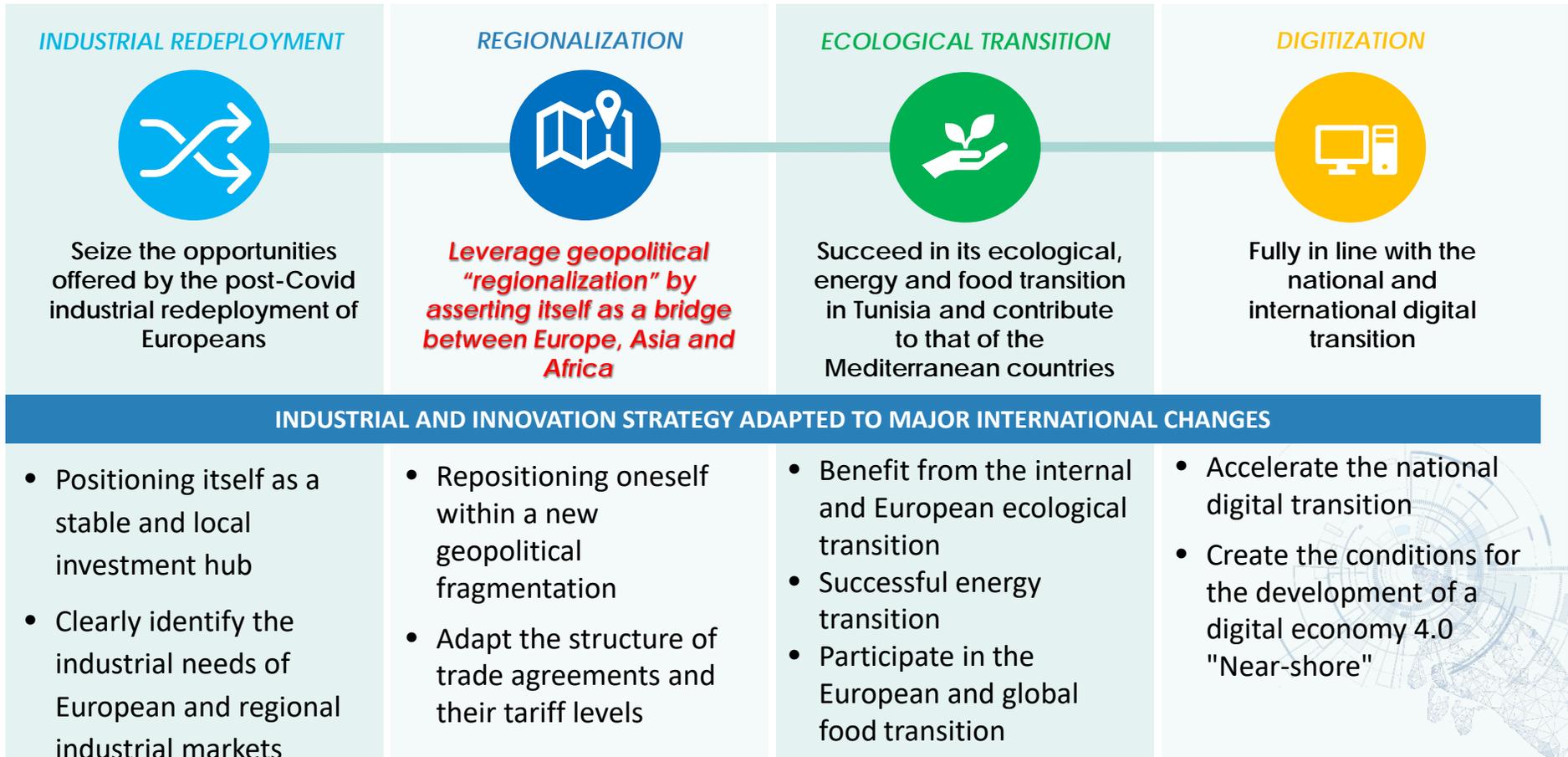
(Re)conquest of certain segments of the domestic market.

Revival and regeneration of the industrial fabric.



3. STRATEGY: MAIN CHALLENGES

The context in which the Tunisian economy and industry find themselves after COVID-19 raises the need to position themselves in relation to trends in the international environment and to **adapt to major changes** in the context. This presupposes an industrial strategy making it possible, among other things, to:



3. STRATEGY: Benchmark of Industrial and Innovation Strategies



Based on an adequate identification of its main obstacles to development, each country has determined its industrial and innovation policies according to national priorities.

KEY PRIORITIES OF BENCHMARK COUNTRIES

Portugal

Promotion of innovative entrepreneurship (STARTUP Portugal) to achieve the revitalization of the industrial fabric, exploit the skills of qualified human resources, promotion of FDI, R&I, competitiveness of SMEs

Czech Republic

Development of a higher-tech industry by attracting investment in R&D and development of Industry 4.0 through **Artificial Intelligence**, digitalization of the economy and public services; while emphasizing public-private collaboration

Poland

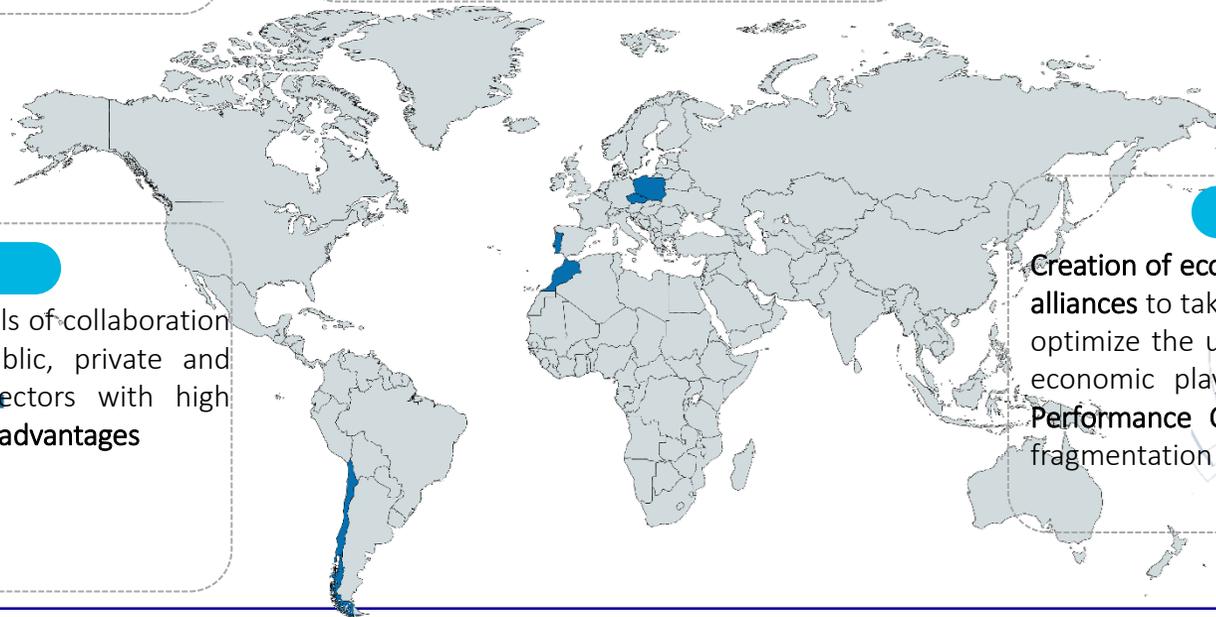
Creation of the Future Industry Platform: Integration of all stakeholders interested in Industry 4.0 to accelerate the **digital transformation** of Polish industry for the creation of new comparative advantages towards a "reindustrialization"

Chili

Strategic Programs: Models of collaboration of agents from the public, private and university sectors on sectors with high potential for comparative advantages

Morocco

Creation of ecosystems by building **strategic alliances** to take advantage of **synergies** and optimize the use of common resources by economic players in the same sector – **Performance Contracts**. Reduction of the fragmentation of the industrial structure

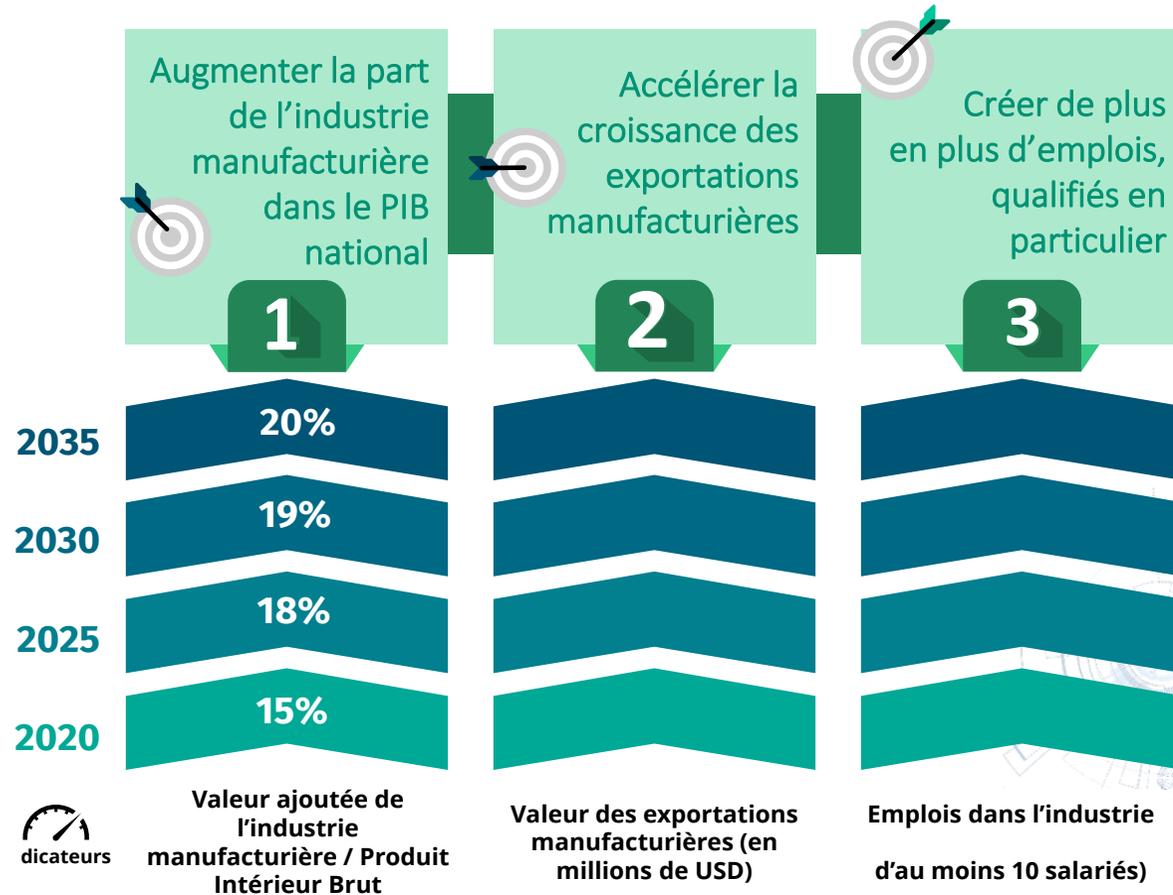


3. STRATEGY: VISION AND GOALS

The new strategy is based on a vision of contributing to solid, inclusive and sustainable growth, through continuous adaptation to the needs of the country and international markets.

 **VISION** : «a competitive and technologically advanced industry for solid, inclusive and sustainable growth»

The vision of the strategy translates into:



3. STRATEGY: Strategic Levers



LEVER A

Establish a favorable and **attractive business environment**
Gradually trigger a **recovery in investment** and therefore in employment and exports.



LEVER B&C

- Encourage **innovation**
- Giving new impetus to the **internationalization** of companies
- Deliver industry **growth surpluses** in the medium term (from 2025)



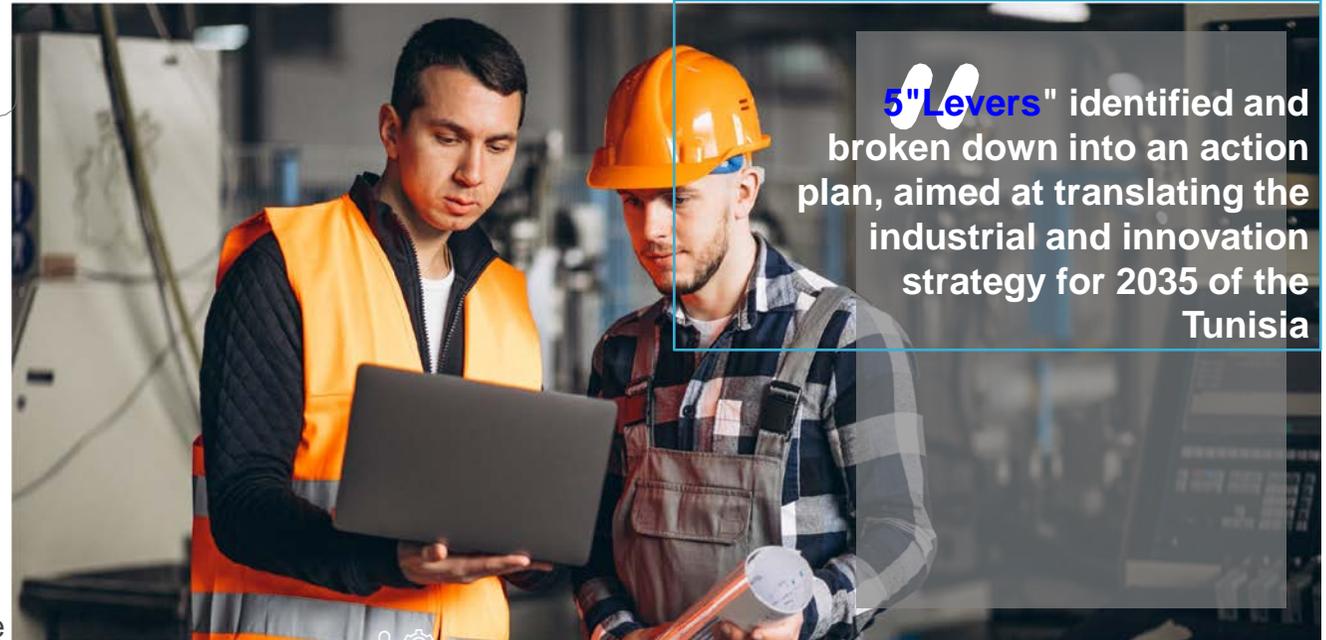
LEVER D

- **Develop** real centers of excellence between 2025 and 2035.
- Strengthen new **vertical specializations**.



LEVER E

- Restore the **image of the country**.
- Enhance the **attractiveness of Tunisia** to amplify the benefits from actions A, B, C and D.



5 "Levers" identified and broken down into an action plan, aimed at translating the industrial and innovation strategy for 2035 of the Tunisia

The implementation of the 2035 Strategy and the actions resulting from it will be carried out in close consultation with the stakeholders in a permanent Public-Private Dialogue



LEVER A

Establish an environment conducive to the development of investments and economic activities



République tunisienne
MINISTÈRE DE L'INDUSTRIE,
DES MINES ET DE
L'ÉNERGIE



In-depth reforms will be implemented to recreate:

- National taxation favorable to **industrial investment**
- **Good economic governance**
- **Rationalization** and **simplification** of the role of the State
- **Healthy competition** between economic players
- Access to **finance for SMEs**
- **High-performance fundamental services to industry, particularly in the areas of logistics and land.**

AXIS 1. Encourage investment through a national tax incentive and a new approach to regional industrial development

- A.1 Put in place a tax system that is lastingly favorable to industrial investment and exports
- A.2 Encourage and facilitate industrial investment in all regions of the country for the production of goods for foreign markets and the national market

AXIS 2. Rationalize and simplify the role of the State and regulations

- A.3 Clarify the organization of the State and simplify regulations and procedures;
- A.4 Accelerate the digitalization of administrative and tax services;
- A.5 Simplify the institutional organization of the sector by consolidating the number of agencies and structures intervening in the industrial sector;
- A.6 Adapt the statutes of public or para-public technical support institutions for more flexibility and agility for the benefit of industrialists

AXIS 3. Ensuring healthy competition in the internal market

- A.7 Extend the policy of openness and competition to all economic and social activities to encourage investment and innovation
- A.8 Implement a strategy for the gradual formalization of enterprises in the informal sector
- A.9 Accelerate the elimination of commodity subsidies

AXIS 4. Facilitate SME access to financing

- A.10 Improving access to financing for industrial SMEs

AXIS 5. Develop efficient logistics services and industrial zones

- A.11 Develop logistics infrastructure and services to reduce logistics costs in the country's external and internal markets
- A.12 Upgrade industrial zones (Z.I.) and modernize their management and business services

It is necessary to ensure that companies have the resources essential to innovation through **four priorities**:

- **Human resources development**
- **Support for high-potential projects**, clusters and collaborative projects
- **The digital transformation**
- **The ecological transition.**

AXIS 1. Constantly develop human resources

B.1 Adapt the qualitative training offer to the skills needs of companies

AXIS 2. Support high-potential and collaborative innovation

B.2 Improving the effectiveness of innovation support systems

B.3 Consolidate and rationalize discretionary support mechanisms for innovation

B.4 Develop the demand for innovation at the level of public procurement (State and companies)

B.5 Extend the possibilities of innovation protection

B.6 Improve the management, governance and performance of the technopolitan system

AXIS 3. Ensuring healthy competition in the internal market

B.7 Supporting the digital transition of Tunisian industry

AXIS 4. Promote the development of a green industry

B.8 Promote the production of goods and services that preserve the country's ecological systems and make it possible to seize the opportunities offered by the promotion of "green industry"





This momentum must therefore focus on **4 priorities**:

- The development of **closer collaborations with the Maghreb, Europe and Africa**
- Accompaniment to prospecting and **support for the establishment of companies on external growth markets**
- Support for **collaborative export projects**
- Support for **new projects of Foreign Direct Investment**.

AXIS 1. Evolve and exploit free trade agreements with Europe and Africa

- C.1** Put in place an appropriate policy to exploit the new orientations of the EU, to source from production centers close to Europe, and to develop new trade and investment agreements towards African markets

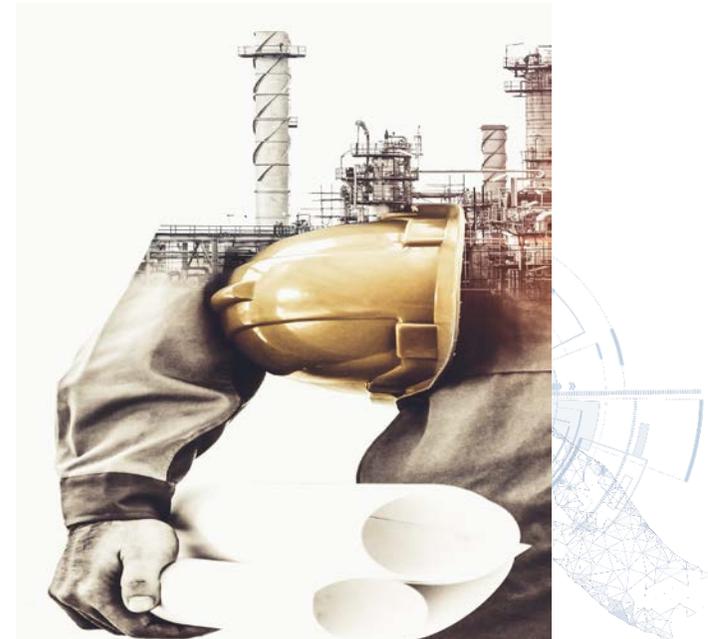
AXIS 2. Further promote exports and establishments in foreign markets

- C.2** Encourage and support exports and establishments in high-potential markets in Europe and Africa

- C.3** Support collaborative export projects

AXIS 3. Support new Foreign Direct Investment projects

- C.4** Promote Foreign Direct Investments (FDI) contributing to the achievement of the new industrial development strategy





LEVER D

Develop New Vertical Specializations

Horizontal policies will be combined with vertical specialization policies concentrating a certain number of means on sectors/activities of strategic importance for Tunisia. 3 main types of sectors/activities are likely to be developed:

- the “**promising niches**”,
- the “**sectors of excellence**”,
- opportunities for **recapturing the domestic market and regional specializations.**

AXIS 1. Encourage the development of the industry in promising niches

- D.1** Facilitate industrial specialization initiatives in promising niches

AXIS 2. Develop collaborative projects in sectors of excellence

- D.2** Grant specific support to the development of a limited number of sectors (industrial activities) deemed to have high growth potential and which arouse great interest from operators

AXIS 3. Develop opportunities for competitive reconquest of the domestic market and regional specializations

- D.3** Develop opportunities for competitive reconquest of the internal market
- D.4** Develop regional specializations with strong local roots



LEVER E

Developing an Attractive Image of Tunisia

1. Establish a **MARCOM** team, a **MARCOM committee** and a **network of Ambassadors**

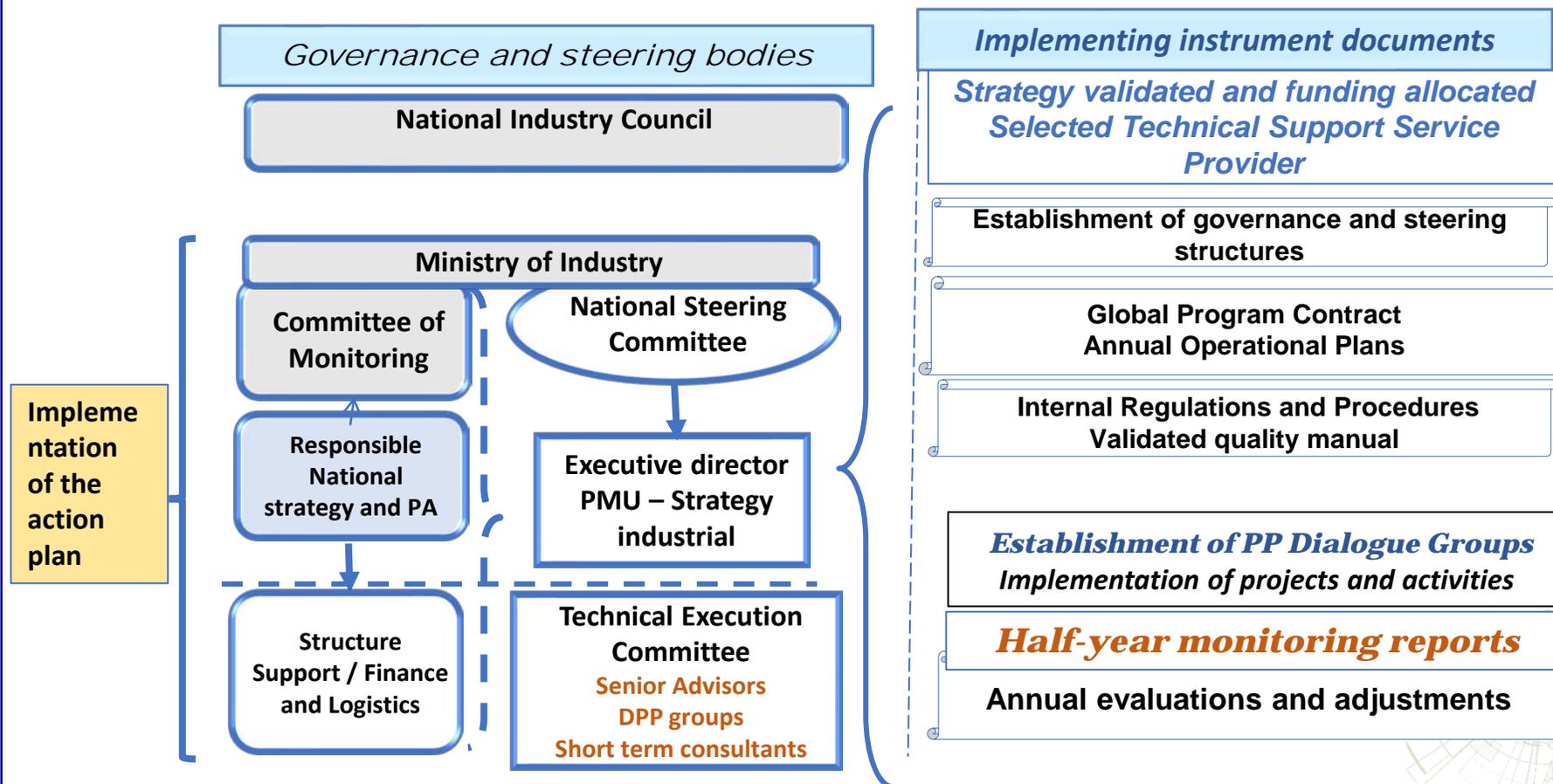
2. Coherence and **align the promotion plans** of API, FIPA and TIA with the proposed strategy and prepare coordinated plans between the institutions concerned

3. Implement **support functions** (website, communication charter, media coverage)

4. Prepare **events** and **communication media** to **support** the implementation of action plans and initiatives included in the strategy

5. Develop **distinctive marketing plans** attractive to investors for territories targeted for recovery and industrial deployment

Governance and implementation of the strategy and action plan



Conclusion : The Messages



01. Tunisia is investing in infrastructure and networks to facilitate access to your markets,
02. Tunisia relies on its industrial sectors, to accelerate your development,
03. Tunisia places innovation at the heart of its strategy, to accelerate your growth,
04. Tunisia has a pool of skills, a large training offer and invests in gray matter, to offer you the best talents.





Thank you for your attention

Nada LACHAAL

Directrice Générale de l'Infrastructure Industrielle et
Technologique

Mail: nada.elachaal@tunisia.gov.tn

<http://www.tunisieindustrie.gov.tn/si2035.html>

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Entreprendre ensemble***

