

Republic of Tunisia



Figure 1 - Map of Tunisia

Capital: Tunis

Other Commercial Centers: Sfax, Sousse, Bizerte

Location: Mediterranean country at the crossroads of Europe, Africa, and the Middle East

Population: 10,432,500 (July 2009 est.)

Land Area: 156,000 sq km

GDP Per Capita: \$3,775 (2009)

Language: Arabic is the official language, however, French is widely spoken in the business community and the use of English is increasing.

Market Overview

Tunisia's economy is a regional model and platform vis-à-vis Europe, Africa and the Maghreb:

- Tunisia has a free trade agreement in goods with the European Union, a free trade agreement with Libya, and is a member of many other regional trade agreements (AGADIR);
- Prudent policies and structural reforms have delivered sustainable growth without creating major imbalances in the economy;
- Real GDP growth accelerated to average 5% between 2004 and 2008 and was estimated at 3% in 2009;
- Current Account deficit was estimated at 3.1% and inflation rate was around 3.7% in 2009;
- The 2009 World Economic Forum Africa Competitiveness Report rated Tunisia as best in Africa.
- Tunisia was ranked least corrupt and best business climate in the Maghreb in 2009-2010 (Transparency International and World Bank indexes)
- Tunisia has good infrastructure and port facilities and good air/sea links with Europe and neighboring countries.

Bilateral Commercial Relationship

Strong ties between the United States and Tunisia are built in part on good business relationships, including:

- A Trade and Investment Framework Agreement (TIFA) signed in 2002;
- U.S. Foreign Direct Investment (FDI) flows of \$94.3 million in 2008, totaling \$1.04 billion since 1994;
- Over 70 U.S. firms currently operating in Tunisia, which as of 2008, were creating 18,500 jobs;
- In 2008, US exports to Tunisia were \$502.52 million (mainly oil seeds, machinery/parts, animal/vegetable fats) and Tunisia's exports to the US were \$643.99 million (mainly crude oil, olive oil, Agricultural products, Apparel). In 2009, exports and imports between the two countries decreased by 30%, mostly due to oil prices and competition from Eastern Europe on wheat.

Market Opportunities

Investors come to Tunisia because of relatively low-cost, skilled labor, the access Tunisia has to the EU market and other Maghreb markets, and investment incentives provided by the Tunisian government. In view of this, here are some best prospects for U.S. investment and exports:

Investment Opportunities; best prospects for US investment:

- Hydrocarbons
- Power generation, Renewable Energy (solar and wind)
- Export-oriented sectors such as call centers, electronics, aeronautics, automotive parts and textile manufacturing

Trade Opportunities; best prospects for US Exports:

- Telecommunications equipment and services
- Commodities
- Electrical power systems
- Aircraft/airport ground support
- Automotive parts/services and equipment
- Architecture/construction and engineering services
- Pollution control equipment
- Franchises

African Development Bank

Focusing on poverty reduction through infrastructure, education and environment

- Project infrastructure opportunities through Bank-approved loans with the private sector arm of the Bank
- Consultant and goods and services opportunities directly with the Bank through registration on the DACON list
- Consultant and goods and services opportunities through Bank financed loans and grants with member countries

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