

# TUNISIA

## Sectors of Commercial and Economic Cooperation



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# General Data

- Area: 163.610 km<sup>2</sup>
- Population: 11, 66 millions
- Capital: Tunis (2,5 mln) Largest Cities: Sfax, Sousse, Bizerte, Kairouan, Gabès
- GDP (current US\$): 46,7 Billion
- GDP - real growth rate 2022 1,6%
- GDP per capita (PPP): 10.398 US\$
- Public Debt: 80% of GDP
- Unemployment rate: 15,2%

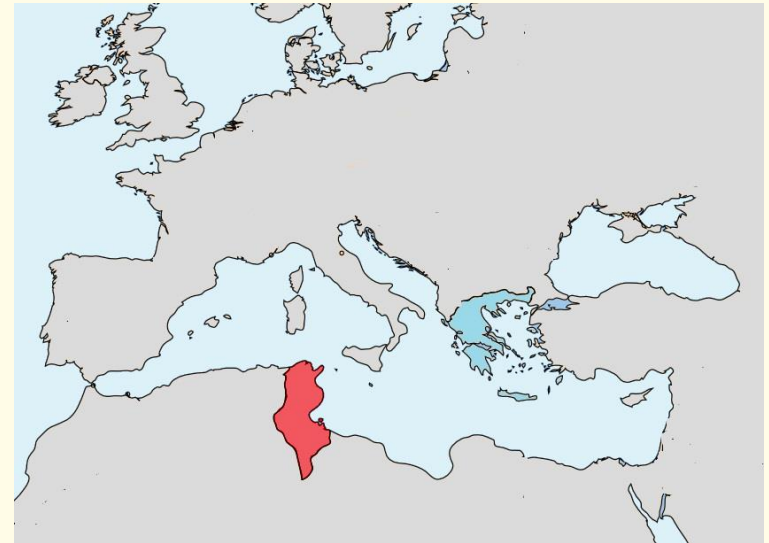


# International Trade

- EU is Tunisia's largest trading partner (France, Italy, Germany, Spain) followed by China, Algeria, USA, Turkey, Russia, Libya
- Negotiations for a Deep and Comprehensive Free Trade Area (DCFTA) between EU – Tunisia (4 rounds)
- Exports: clothing, semi-finished goods and textiles, agricultural products, mechanical goods, phosphates and chemicals, hydrocarbons, electrical equipment
- Imports: textiles, machinery and equipment, hydrocarbons, chemicals, foodstuffs

# Main Sectors of Future Commercial and Economic Cooperation

- Textile industry
- Packaging materials and machinery
- Water resources
- Renewable energy
- Agriculture
- Building materials
- Pharmaceuticals



# Textile industry

- Tunisia's textile and clothing sector is of interest to Greece mainly for the export of cotton and textiles
- New technologies in relation to textile processing
- New technologies for water use (recycling etc)
- Production of contract products or final products



# Packaging materials and machinery

- Tunisian food and cosmetics companies seek quality upgrades for their products and better packaging materials
- Packaging and bottling line, caps and bottles
- Labeling machines, fruit peeling machines  
Caps, plastic lids

# Water Resources

- Programs and tenders are announced for
  - wastewater management
  - coastal protection from erosion
  - water storage, reduction of water waste or loss
  - Seawater Desalination Plants

# Renewable Energy

- The national strategy for the energy is based on diversifying energy sources and increasing electricity production from renewable sources to 30% by 2030
- This strategy is based on the system of private power plants capable of generating electricity with a capacity of 10 MW, as well as the projects of the Tunisian Electricity and Gas Company (STEG) with a capacity of 300 MW.
- The goal is to increase production to 1,000 MW in 2025 and to 2,000 MW in 2030.



# Agriculture

- Irrigation systems
- Agricultural equipment
- Fertilizers, insecticides, pesticides disinfectants and similar products.
- Incentives for investments in agriculture by granting land for crops such as tomatoes, melons, blueberries to foreign export companies. There is already a presence of Spanish and Dutch companies



# Building Materials

- Some of our main exports to Tunisia:
- Marble
- Aluminum
- Wires and cables
- Copper pipes

# Pharmaceuticals

- Although it represents only 1.5% of gross domestic product (GDP) and has a market size of USD 681 million (in terms of sales), the pharmaceutical sector is one of the fastest growing industries in Tunisia. The market is expected to expand at a compound annual growth rate of 11.1% from 2021 to 2025 to reach USD 747 million. The government allocates a sizeable portion of its expenditures towards health spending, currently standing at 7.3% of GDP, higher than its regional neighbours such as Algeria (6.2%), Egypt (4.9%) and Morocco (5.3%).
- Cooperation and co-production with Tunisian pharmaceutical companies. The import of public health medicines in Tunisia is carried out by the Central Pharmacie (Pharmacie Centrale) following the announcement of international tenders.  
<http://www.phct.com.tn>

# Prospects for the Greek Business in Tunisia

- Means of entering the Tunisian Market: Exhibitions, International Tenders in Tunisia, Trade Missions, Visits and information about the potential partners. Personal contact and the creation of a relationship of trust.
- Participation of Greek construction companies in public tenders in sectors such as renewable energy, waste management, desalination, public works, ports, etc.
- Establishment of joint ventures with Tunisian companies targeting the African market, especially in the construction sector.
- Investments aimed at the local and international market
- Programs and projects funded by the EU and the European institutions.

# Export to Tunisia: Payments Procedure

- Tunisian law prohibits the export of foreign currency for payment of imports before presenting to the bank documents confirming the loading and dispatch of goods to the country. This is done through the carrier and Tunisian customs.
- According to Tunisian legislation, the payment of imports, with some exceptions, is made by the (irrevocable) letter of credit or Cash Against Documents procedure and it is not possible to prepay the goods, resulting in increased transaction costs and greater risk for exporters. Customs control requires an application submitted by means of an invoice, packing list and bill of lading.

# Export to Tunisia: Taxation

- If the imported products are targeted at the internal market of Tunisia, the following taxes shall be levied, depending on the product:
- VAT (usually 18%)
- FODEC which is a business tax and refers to the development of industrial competition
- A.I.R. (Avance Impot sur le Revenu) which refers to natural persons and businesses, is paid in advance, as its name indicates, and is returned/deducted, in theory, at the end of the accounting year and possibly, depending on the product, lower taxes. The A.I.R. tax amounts to 10% of the final price of the product, and after taxes and duties have been imposed, as a result of which the tax is estimated at 30% of the original price of the product.
- The consumption tax (droit de consommation) is levied on luxury goods and ranges from 10% to 700%.

# Export to Tunisia: Entry Points

- 90% of Tunisia's foreign trade is conducted by sea. Most of the inbound and outbound trade passes through Tunis' Rades port, the country's main container facility, which handled 53% of the country's container traffic in 2022.
- The port of Sfax, Tunisia's second-largest city and an important economic and industrial center, also manages limited container traffic.
- Other active ports are Sousse, Gabes, Skhira, Bizerte and Zarzis. The port of Skhira specializes in oil transportation. The ports of Bizerte and Zarzis have connected free trade zones.
- The major freight centre at Tunis-Carthage airport manages 97% of the country's air transport.

# Export to Tunisia: Distribution Networks

- The creation of a wholesale or retail network by foreigners is not allowed by Tunisian law as only Tunisian citizens can form distribution networks. Therefore, this is only possible through consortia whose creation is subject to authorisation after having considered its impact on the market and employment.
- Cooperation with domestic distributors is crucial for operating in Tunisia as they have knowledge of the local market. Since they are usually family businesses, they are skeptical of granting management. It is important that cooperation contracts are as specific as possible and if possible provide for a trial period of cooperation. With a few exceptions, exclusive distribution contracts are not allowed.



# Export to Tunisia: Advertising

- In Tunisia, the field of promotion and advertising is developed and is constantly expanding.
- The presence at trade fairs, advertising in the daily and periodical press and television, have enough effectiveness.
- The promotion of products on outdoor billboards, websites is also developed, while almost all businesses have pages on the most famous social media, which is very popular in the country.
- Also developed is the institution of sponsorships in events to ensure visibility.
- For advertising issues, the country's particular culture, social values and the avoidance of any reference to religion must be taken into account and respected.

# Export to Tunisia: Partner Reliability

- Exploring the identity and, to the extent possible, the credibility of a Tunisian company is a key condition for initiating cooperation.
- First of all a thorough search on the internet should be carried out in order to obtain as much data as possible.
- Subsequently, its existence should be investigated in communication with the competent bodies here. The API (Agence de Promotion Industrielle) maintains its base with the companies operating in Tunisia.
- The memorandum of association of the companies is submitted together with the articles of association to the commercial register Registre national des Entreprises – RNE of the Organization L'Institut National de la Normalisation et de la Propriété Industrielle (INNORPI) RNE Public (registre-entreprises.tn) and is registered in the Government Gazette. The registration of a company with a Chamber, according to Tunisian legislation, is optional.

# Exporting to Tunisia: Arbitration

- We recommend that you seek to secure any transaction as much as possible. The development of direct relationships with Tunisian businesses has proven to be more effective, with which the interested party will contact through personal contact either through a visit – participation in trade fairs or in a business mission. In the event that an investigation is required for the possibility of cooperation with companies here, it may be advisable to resort to the services of law firms as well as consulting firms.
- In case of large orders we would recommend the provision of an arbitration clause. Arbitration is an alternative way of resolving commercial disputes, without the delays and excessive formality of ordinary courts.
- Tunisia is a member of the International Center for the Settlement of Investment Disputes - ICSID and has signed the United Nations on the Recognition and Enforcement of Foreign Arbitral Awards

# Export to Tunisia: Insurance

- The European Bank for Reconstruction and Development covers the risk of non-payment for transactions with the Tunisian banks Amen Bank and Banque Tuniso-Kowetienne, so there is the possibility of reducing the cost of the transaction. The lists are updated at regular intervals.
- Piraeus Bank participates in a similar program for Tunisian imports in Greece. In case of cash against documents, Greek exporters are advised to contact the Export Credit Insurance Organization (<http://www.oaep.gr>) to discuss details of a possible agreement with Tunisian companies and to consider the possibility of insuring them for commercial and if they deem it necessary and for political risks.

# Thank You!

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