

IOA — 2019 — ACBR

AFRICA COUNTRY BENCHMARK REPORT



Tunisia Profile



Railcars of ore await shipment as part of Tunisia's export industry that includes agricultural products as well as mining. Manufacturing is also well established, but the tourism sector has been an important economic boost.

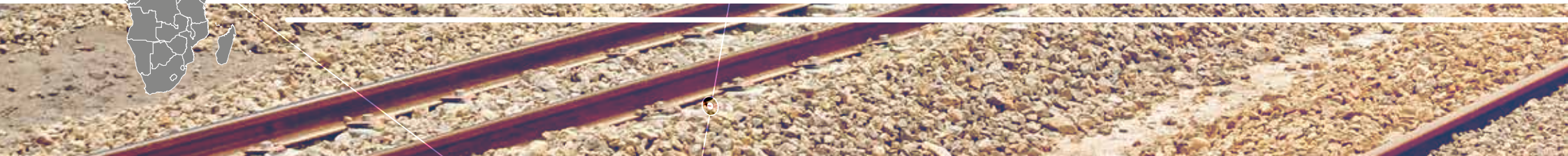




Image courtesy of Dennis Jarvis



TUNISIA

#6

TUNISIA



OVERVIEW ANALYSIS

Tunisia's diversified market economy has become a regional success story. However, political and not economic issues prompted the 2011 revolution that led to the ousting of dictator Zine el Abidine Ben Ali and initiated the Arab Spring movement. The Islamic State of Iraq and the Levant's (ISIL) terror attacks against tourism targets were economic setbacks. Tourism had rebounded by 2018. A united government was formed in 2016, led by Beji Caid Essebsi, the first president elected under the country's 2014 constitution. Tunisia rose by one position in ACBR 2019 to cement its status within the top 10. The previous ranking of 7th has been improved to 6th place. Tunisia performed well in all ACBR 2019 quadrants, securing locations in the top 10 in all.

KEY OPPORTUNITIES

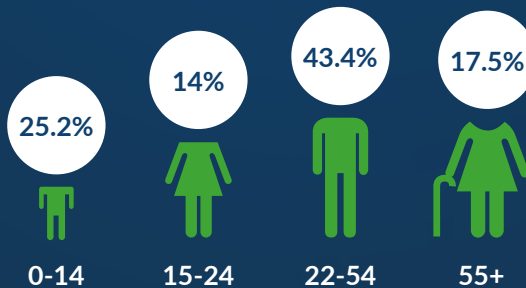
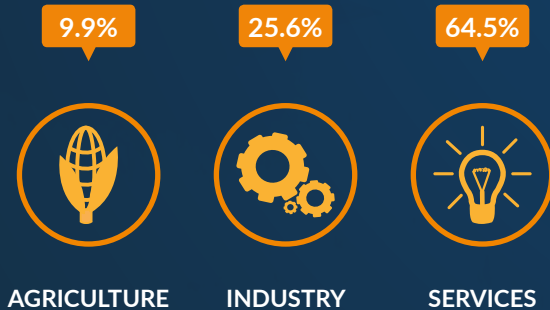
- A resilient and resurgent economy is based on established trade links
- The lucrative tourism sector is again performing well
- Led by automotive production, the manufacturing sector is growing

KEY CONCERNS

- Tunisia's neighbour, Libya, is a failed state and a security problem
- Tunisians are unhappy with continuing government corruption
- ISIL terrorism is a continuing threat to security and the economy

COUNTRY HIGHLIGHTS

PREDOMINANT RELIGION Islam	PREDOMINANT LANGUAGE Arabic	POPULATION WITHOUT ELECTRICITY 0% (#1) ▲ ¹	LITERACY RATE 81.8% (#13) ▬	PRIMARY ELECTRICITY SOURCE Gas
IMPORT/EXPORT Machinery/ Machinery	EXTERNAL DEBT US\$ 31.43 billion (#7) ▬	ACTIVE CONFLICT Yes	LAND SIZE 163,610 km ² (#35)	INTERNET PENETRATION 50.9% (#5) ▬



Term:
31/12/2014 - present
5 years (2 term limit)

Political Party:
Tunisia's Call

Recent Electoral Information:
21/12/2014
1 731 529 Votes
55.7%
Voter turnout: 64.6%



President
Beji Caid Essebsi

CONTRIBUTIONS TO GDP BY SECTOR

POPULATION AGE BREAKDOWN

NATIONAL GOVERNANCE

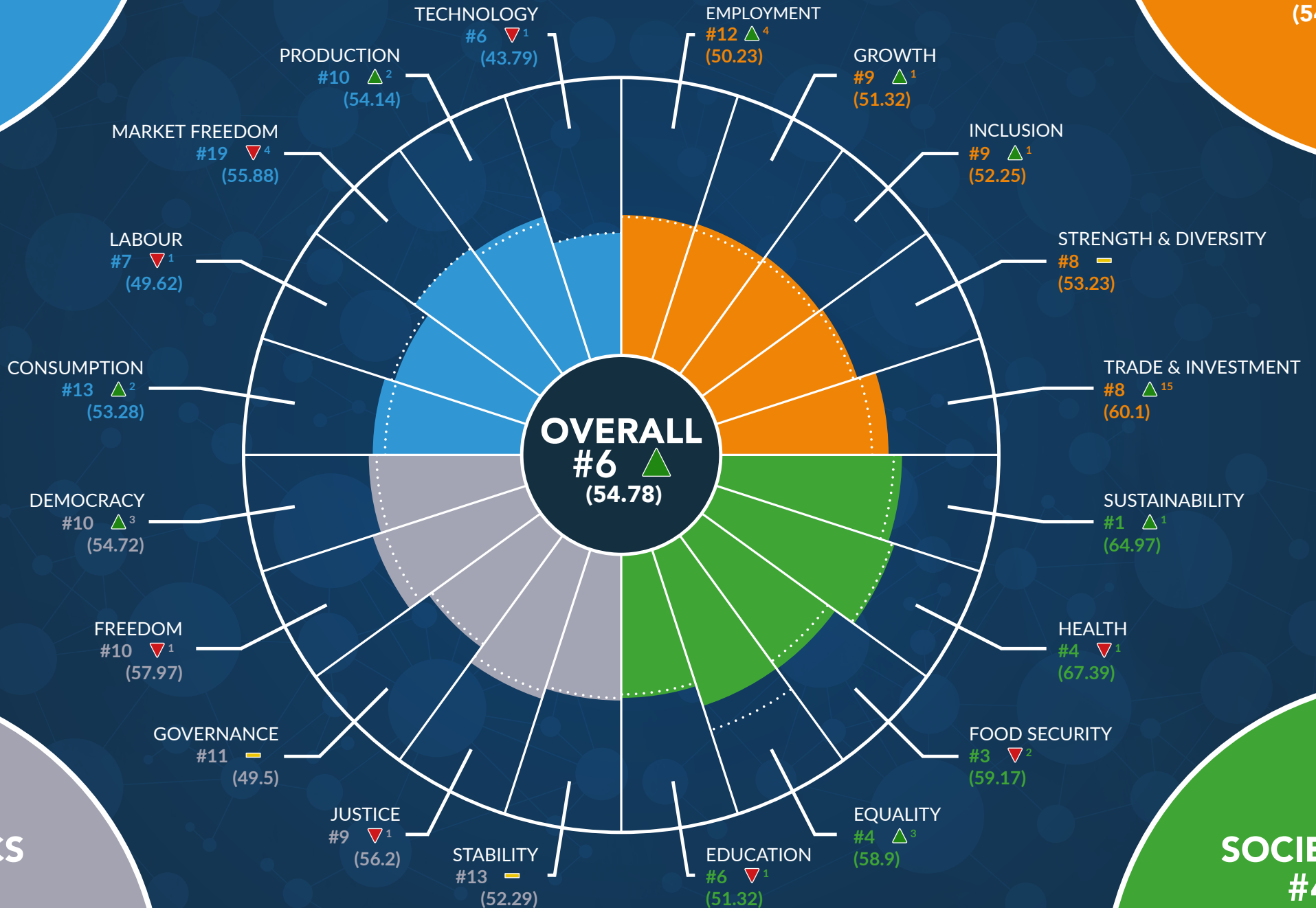
BUSINESS

#8
(51.34)

TUNISIA PERFORMANCE OVERVIEW

ECONOMICS

#7 
(54.07)



POLITICS

▼¹ #10
(54.14)

SOCIETY

▼¹ #4
(59.59)

▲ Increase from 2017

▼ Decrease from 2017

▬ No change

..... 2017 Score

TUNISIA BUSINESS ANALYSIS



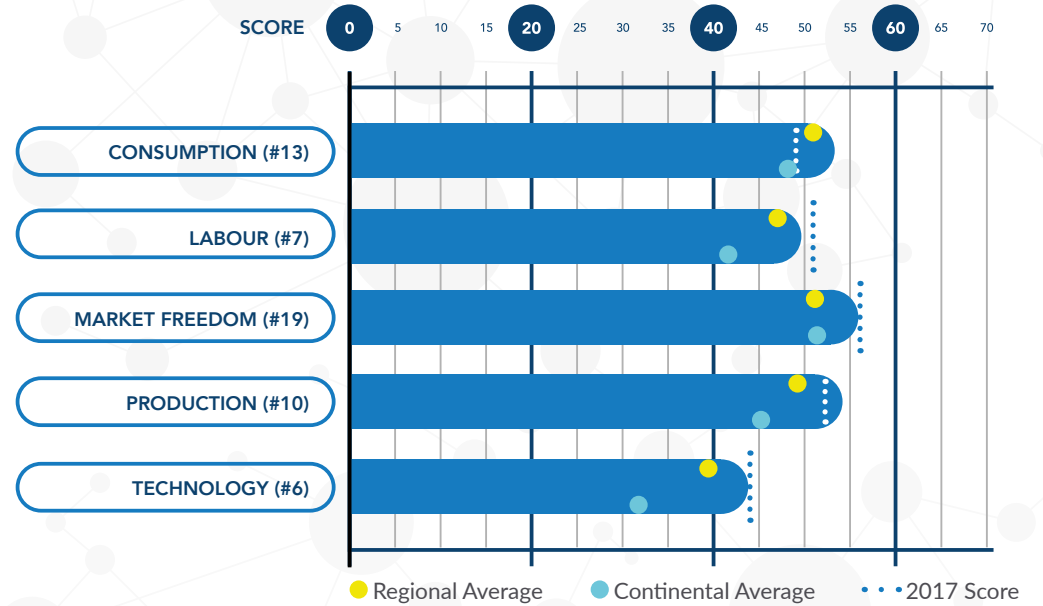
BUSINESS OVERVIEW

Tunisia's industrial sector is growing through automotive and car parts manufacturing. Some oil production and significant phosphates extraction lead the extractives industry. Tunisia's financial sector is one of Northern Africa's most sophisticated, both in local capacity and through the number of international banks that operate out of Tunis. Agriculture is limited by Tunisia's desert interior lands but thrives where irrigation is possible. The country's winemakers have been at work for 2,000 years, and the industry is expanding their export markets through marketing efforts. Marketing has also been key to reviving tourism. The tourism sector was hard hit by 2015 ISIL attacks on tourist beaches. However, by 2018, the sector has been revived in terms of visitors

and revenues. Security measures that have been put into place to protect visitors account for tourists' return.

The Tunisian Investment Law that came into effect in 2017 provides a redefined legal framework for investors. The law removes layers of authorisations required to get permits and sets actual calendar deadlines by which officials are required to grant authorisations, thus reducing both inefficiency and corruption. In the Business quadrant, Tunisia's position did not change from the previous period of review, remaining in the Top 10, by way of 8th place. A stable business environment was a major contributor to high indicator scores.

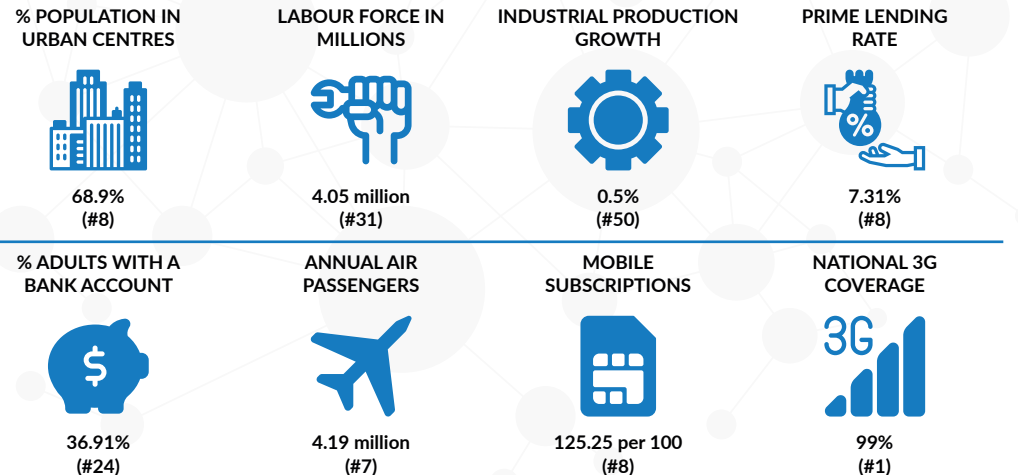
BUSINESS SCORES & RANKINGS



BUSINESS DATA COMMENTARY

<p>Tunisia data availability 100%</p>	REGIONAL AVERAGE 87.69%	AFRICAN AVERAGE 77.78%	CONTINENTAL RANK #1
	The highest of all quadrants, Tunisia's current score for business data availability is a perfect 100%, thus ranking 1 st continentally along with 9 other countries. This high score far exceeds both the regional average for Northern Africa, currently at 87.69%, as well as the continental average of 77.78%. In partnership with the African Development Bank, the National Institute of Statistics in Tunisia has managed to amass a comprehensive array of indicators capable of guiding commerce.		

BUSINESS STATISTICS



TUNISIA ECONOMIC ANALYSIS



ECONOMIC OVERVIEW

Tunisia belongs to only one trade bloc, the Arab Maghreb Union, because of close trade ties with Europe. The European Union (EU) provides 73% of Tunisia's imports - primarily chemicals, equipment, foodstuffs, machinery and textiles - while also purchasing 75% of Tunisia's exports. These exports consist of agricultural products, clothing, electrical equipment, extractives (like phosphates) and semi-finished textiles. Tunisian exports in 2017 were worth US\$ 13.8 billion, falling well short of imports worth US\$ 19 billion. Taking advantage of lower Tunisian labour costs, makers of automotive parts have these assembled in Tunisia for the EU and Middle Eastern markets.

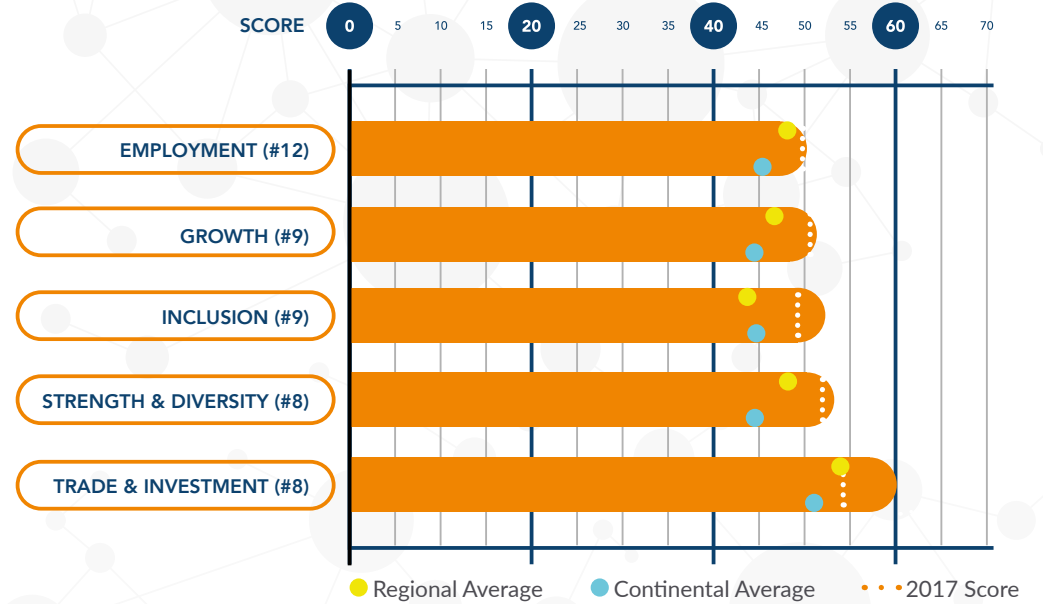
Another advantage added to Tunisia's enjoyment of long contacts with European

markets is the country's location on the Mediterranean Sea, which offers quick sea transport north to Europe and east into the Middle East. Tunisia has five major seaports. The country is connected by 15,000 km of paved roads, 357 km of which are expressways. Most flights of the country's flagship airline Air Tunisia travel north into the EU. The communications infrastructure is also good Tunisia has a robust mobile phone industry. Half of Tunisians use the internet, and internet access is available in all parts of the country. Tunisia climbed three ranks in the Economics quadrant. From 10th place in the last survey, its economy has risen to 7th place. Industry and transportation sector performance contributed to higher indicator scores.

ECONOMIC DATA COMMENTARY

<p>Tunisia data availability 99.15%</p>	<p>REGIONAL AVERAGE 88.38%</p>	<p>AFRICAN AVERAGE 77.78%</p>	<p>CONTINENTAL RANK #7</p>
	<p>Following closely from the previous quadrant, Tunisia scores a near perfect 99.15% for economic data availability, thus ranking 7th continentally along with 3 other countries. This too stands far above the respective regional and continental averages of 88.38% and 77.78%. Once again, the Tunisia data portal sponsored by the African Development Bank provides comprehensive coverage of key macroeconomic indicators. However, political instability and burdensome regulations currently prove challenging for Tunisia.</p>		

ECONOMIC SCORES & RANKINGS



ECONOMIC STATISTICS

<p>GDP PER CAPITA</p> <p>US\$ 12,000 (#9)</p>	<p>UNEMPLOYMENT RATE</p> <p>15.2% (#46)</p>	<p>TRADE BLOC MEMBERSHIP</p> <p>AMU</p>	<p>INFLATION RATE</p> <p>4.5% (#25)</p>
<p>GDP AT PPP</p> <p>US\$ 135.4 billion (#11)</p>	<p>CURRENCY AND GOLD RESERVES</p> <p>US\$ 5.58 billion (#11)</p>	<p>FDI NET INFLOWS</p> <p>US\$ 695 million (#18)</p>	<p>BUDGET SURPLUS (+) OR DEFICIT (-)</p> <p>-4.8% (#32)</p>

TUNISIA POLITICAL ANALYSIS



POLITICAL OVERVIEW

Under a constitution approved in 2014, President Essebsi was elected in the October of that year. The country is a republic – headed by a president as head of state and a prime minister, currently Youssef Chahed, as head of government – and is a representative democracy with a parliament. A secular state, even so, Tunisia requires that the president “shall be Islam” under the constitution. The country’s post-revolutionary progressiveness is manifested by the percentage of women seated in parliament: 31% of the members of parliament are currently female. The courts follow civil law, with a legal system largely duplicating France’s. Following the 2011 revolution, the number of civil society organisations blossomed. Political parties have also multiplied in a competitive

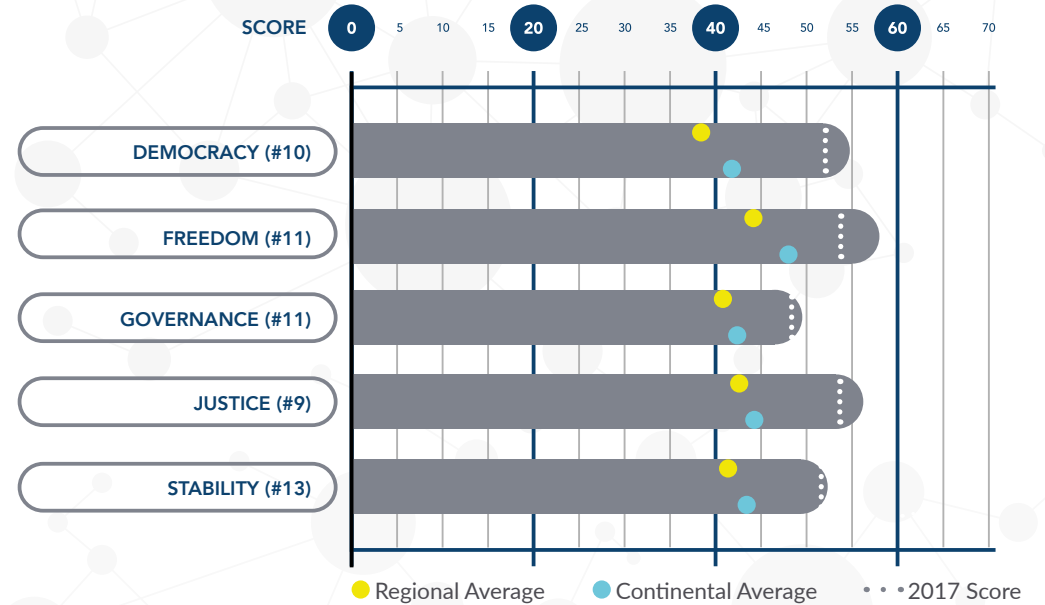
political atmosphere. About 100 political parties, many of them minor if nonetheless vocal, compete in the political arena.

The chief political opposition, the Popular Front, on the 8th anniversary of the Tunisian revolution in February 2019, released their manifesto. The Front criticised government’s economic policies, particularly the deteriorating purchasing power of the dinar (Tunisia’s currency), government indebtedness and fear that Tunisia might fall under EU domination. Although Tunisia’s score was better in the ACBR 2019 Politics quadrant than the last survey, the country fell by one rank. This was due to relatively better performance by other countries. Tunisia remains in the Top 10 of African countries politically, in 10th place.

POLITICAL DATA COMMENTARY

<p>Tunisia data availability 99.29%</p>	<p>REGIONAL AVERAGE 92.34%</p>	<p>AFRICAN AVERAGE 82.86%</p>	<p>CONTINENTAL RANK #8</p>
	<p>Echoing the previous quadrants, Tunisia attains an exceptionally high score of 99.29% for political data availability, thus ranking 8th continentally along with 3 other countries. This too compares quite favorably with the respective regional and continental averages of 92.34% and 82.86%. Despite having introduced unprecedented political rights and civil liberties following 2011’s democratic transition, Tunisia remains plagued by ongoing corruption and security threats.</p>		

POLITICAL SCORES & RANKINGS



POLITICAL STATISTICS

<p>NUMBER OF POLITICAL PARTIES</p> <p>22 (#6)</p>	<p>MILITARY EXP AS % OF GDP</p> <p>2.1% (#10)</p>	<p>REFUGEE INFLOW</p> <p>N/A (#N/A)</p>	<p>NUMBER OF RIGHTS</p> <p>45 (#37)</p>
<p>DATE OF INDEPENDENCE</p> <p>20/03/1956</p>	<p>NET OFFICIAL DEVELOPMENT ASSISTANCE</p> <p>US\$ 627 million (#28)</p>	<p>WOMEN IN PARLIAMENT</p> <p>31.3% (#12)</p>	<p>CAPITAL PUNISHMENT</p> <p>Special Cases</p>

TUNISIA SOCIETAL ANALYSIS

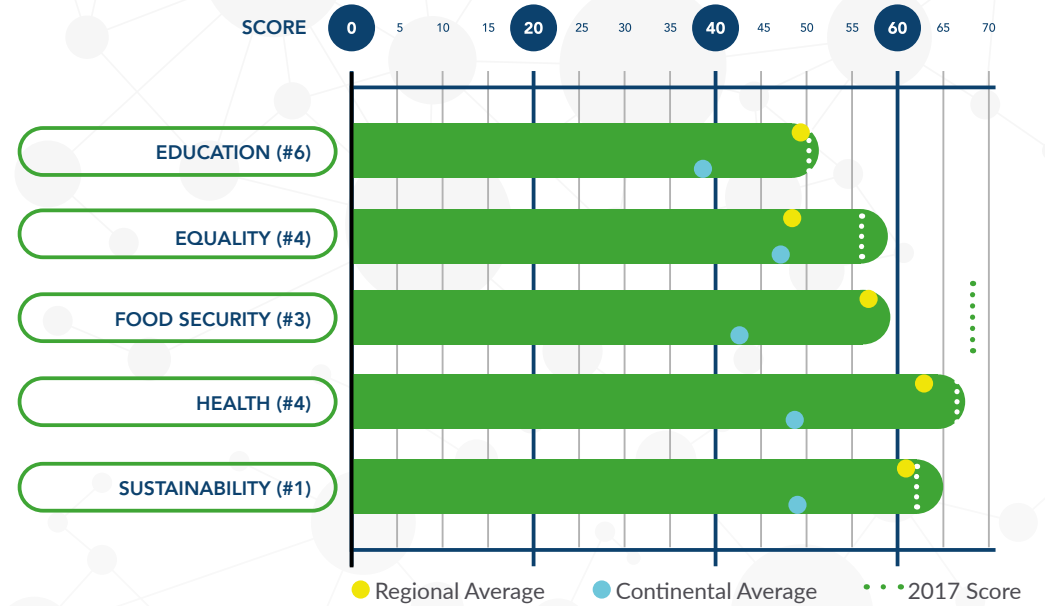


SOCIETAL OVERVIEW

The Tunisian people remain politically engaged and are leading North Africa in post-Arab Spring course corrections to ensure revolutionary achievements are cemented. The 2014 constitution has brought direction to the country by classifying the social design desired by Tunisians. Tunisian women have enjoyed full legal status since national independence in 1956, with the right to own businesses and have passports and bank accounts in their own name. These were highly advanced rights for both Africa and the Middle East at the time. Gender equality was further ensured in the 2014 constitution. However, further gender advances are required. While 90% of Tunisian men are literate, only 74% of Tunisian women who can read and write.

The prevalence of obesity – the so-called ‘disease of affluence’, which is also caused in the country by Tunisian diet and lifestyle – is high at over 27% of the population. The country manages their water resources well to ensure good sanitation for Tunisians. All urban dwellers receive clean water, and even in the desert interior, 93% of rural residents have access to this important resource. Over 97% of urban and 80% of rural inhabitants have improved sanitation. Tunisia descended one position in the Society quadrant, although its score improved slightly. The better scores of other countries accounted for the drop. However, Tunisia still holds a high position as having Africa’s 4th-best social environment.

SOCIETAL SCORES & RANKINGS



SOCIETAL DATA COMMENTARY

<p>Tunisia data availability 93.88%</p>	<p>REGIONAL AVERAGE 84.08%</p>	<p>AFRICAN AVERAGE 75.28%</p>	<p>CONTINENTAL RANK #12</p>
	<p>The lowest of all quadrants, Tunisia currently scores 93.88% for societal data availability, thus ranking 12th alongside 3 other countries. Despite being the lowest, this score nonetheless exceeds the respective regional and continental averages of 84.08% and 75.28%, thus reinforcing high overall performance. At present, some of the core development challenges confronting Tunisia are poverty, inequality and unemployment, thus requiring ongoing efforts at collaborative data collection.</p>		

SOCIETAL STATISTICS

<p>POPULATION SIZE AND GROWTH RATE</p> <p>11,403,800 at 1.01% p.a (#29) (#48)</p>	<p>LIFE EXPECTANCY</p> <p>75.7 years (#5)</p>	<p>HIV PREVALENCE</p> <p>0.1% (#46)</p>	<p>SEXUALITY TOLERANCE</p> <p>Illegal</p>
<p>ACCESS TO DRINKING WATER</p> <p>97.7% (#3)</p>	<p>HEALTH EXPENDITURE (% OF GDP)</p> <p>6.74% (#18)</p>	<p>PRIMARY EDUCATION EXPENDITURE (% OF GDP)</p> <p>N/A (#N/A)</p>	<p>SOCIAL MEDIA PENETRATION</p> <p>56% (#2)</p>

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