

FIPA News

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President Ben Ali places the first stone for the Sama Dubai project, «City of the Century»

President Zine El Abidine Ben Ali, along with Cheikh M'hamed Ben Rached Al Maktoum, Vice-President of the United Arab Emirates (UAE), president of the council of ministers and governor of Dubai, placed the first stone for the Sama Dubai project "*City of the Century*" on Monday 6 August in the southern *Lac* district of Tunis.

On this occasion, President Zine El Abidine Ben Ali and his guest reviewed the components of this mega investment project, which will mobilize some 14 billion dollars (almost 18 billion dinars). This reflects the high standing and credibility of Tunisia among countries with which it has close ties as well as financial and monetary institutions.

Components of the project

This new area will have an ultramodern center and towers dozens of floors high, home to both offshore company offices and headquarters as well as luxury residences with commercial mega centers and one or two leading hotels. A highlight of the initiative is a striking marina and around the yachting slips will be luxury residential buildings, tourism establishments and upscale leisure facilities like restaurants, cafes, etc.

Beyond the central area, to the south, land will be developed for luxury housing and cultural and sporting complexes, with plenty of greenery. The ultimate goal is to make Tunis a busy economic platform for regional activities and an active, prosperous upscale financial and service center, a prime site for the convention trade and medical tourism, and a crossroads between Europe, the Middle East and Africa.

Impact on growth

Construction of this area, which will last a minimum of 10 years, will after two years of technical and economic studies have generated at least 8000 to 9000 jobs. Once the area is operational, there will be 130,000 permanent jobs created directly or indirectly. Economists estimate additional GDP growth of 0.6% per annum as a result of this program, representing 10% of projections for the 11th Plan (6% of annual GDP growth).

Projects related to the overall building of this area will cover 26 million square meters, an average of 2.6 million covered square meters a year. This compares to 5 million square meters of housing a year being built at this time. This project will therefore increase by 50% national initiatives in the sector, involving a 50% increase in potential industrial production of building materials.

Source: *la presse tunisienne*

Tunisia-human development

The poverty rate has fallen to 3.8%

According to the national survey on household expenditure, consumption and living standards in 2005, the results of which were made public at the end of July in Tunis, Tunisia's poverty rate, calculated in line with prevailing international norms, fell from 4.2% in 2000 to 3.8% in 2005.

The survey, based on a sampling of 13,400 households representing all socio-professional categories, shows that the middle class constitutes 81.1% of the population at this time, compared to 77.6% in 2000.

The results of the survey show an annual increase in average expenditure by private individuals over the five year period 2000-2005 of some 6.5% in current prices and 3.8% in constant prices, compared to growth of 6.6% and 3.2% over the period 1995-2000.

The region in and around Tunis posts the highest level of average expenditure per capita (2390 dinars a year), followed by central eastern Tunisia (2084 dinars), with central western Tunisia (1138 dinars) having the lowest rate in the country.

Food expenditure alone represented 34.8% of total expenditure in 2005, followed by expenditure for housing (22.8%), an average of 414 dinars per capita, with transport coming in at 10.7% and personal care/health 10.3%. Housing expenditure, on the other hand, posted an annual change of some 7.7% in current prices.

Source : INS

Tunisian companies are increasingly going international

The Tunisian group FHA is working with an Algerian partner to establish a production plant in Algeria, where it currently sells its products under the DIXIT brand name, taking advantage of the network already in place to distribute and market these products.

By setting up a plant in Algeria, FHA has moved to industrial operations, doing business in a steadily growing market. And the Tunisian company MEDIS, which specializes in pharmaceuticals and especially generic drugs, has just bought 50% of capital in the Algerian pharmaceutical company Inpha-Medis in the form of participation in the capital increase of this company located in Annaba.

This transaction, at a cost of some 1.5 million euros, will help Medis sell part of its production of generic drugs in Algeria, a major importer of pharmaceutical products.

This is representative of the trend among Tunisian companies to take on a Maghreb dimension and secure major market shares in the region.

The *Tunisie Profilés Aluminium* (TPR) group, for example, is listed on the stock market, specializing in the manufacture of aluminum sections by an extrusion process and surface treatment by anodization or lacquering using a heat process. It plans to develop its operations in the Maghreb and has set up business in two nearby markets with strong potential: Algeria and Libya.

With an investment of 55 million Tunisian dinars (31 million euros), this Tunisian company will have two plants in operation by the end of 2008, near Algiers and Tripoli.

Source: Audinet

Tunisia -Employment

New performance indicators

Job offers took a remarkable turn over the first half of 2007, with job and independent work offices recording 79,227 jobs on offer compared to 75,772 over the same period the year before, an increase estimated at some 4.6 % and permanent job operations up 4%, mainly in the manufacturing and services sectors.

Job and independent work offices also intervened in the hiring of 10,346 graduates of higher education, compared to 8895 over the same period in 2006, an increase of 16.3%, aside from programs to promote employment by helping job seekers.

Over this same period, the national job fund 21-21 fostered 54,632 initiatives to create or adapt jobs, bringing the total number of beneficiaries of programs to aid employment since the outset through the end of last June to 713,512, 76,380 of whom were graduates of higher education.

The Tunisian Solidarity Bank approved financing for 2911 projects at a global cost of more than 31,480,000 dinars over the period April to June 2007 and it is expected that these initiatives will create 5460 jobs.

87% of approvals over this period involved financing to set up new activities and 13% provided financing to expand activities already under way.

Overall micro credit granted over the above-mentioned period came to 20,030 loans. There are currently 259 associations authorized to handle micro credit, with 247,462 loans granted since the start up of this system for an amount of almost 200 million dinars.

Source : Audinet

More and more services are being opened to foreigners

Consulting firms that assist in setting up new businesses have been added to the list of services covered by the investment incentives code, which allows for free investment and various advantages for foreign investors.

This occurred after other services such as technical platforms for call centers (since June 2006), management and operation of port maritime facilities, services for yachting tourism, and firms specialized in studies, management and assistance to investors.

Tunisia - hydrocarbons

Granting of a new license for « Tozeur South »

Mr. Afif Chelbi, Minister of Industry, Energy and Small/Businesses, chaired a meeting on Thursday 5 July 2007 at departmental headquarters to sign an agreement granting a hydrocarbons exploration license called «Tozeur South» to a Canadian company «Rigo Oil Company Limited» and the Tunisian oil activities company ETAP.

This license involves an area of 4380 km² in the governorates of Tozeur and Kebili in southern Tunisia.

Activities over the initial period of four years involve drilling of an exploratory well at a cost of some 8 million dollars to be financed by the Canadian company «Rigo Oil Company Limited».

Source: La Presse