



Road To Tunisia


Investment Opportunities for Japan

Presented by Mr. Zied Lahbib
senior director– Invest In Tunisia Agency « FIPA »

December 21th, 2021



SUMMARY

- FDI Landscape in **Tunisia** : Key Figures
 - **assets** of Tunisia and its main **sectoral competitiveness**
 - Invest in **Tunisia** Agency Missions
- 

TUNISIA has the competitiveness to attract more Foreign Investment. It recorded **517** investment operations, with a total value of **425,5 US dollars**, creating **9,630** direct jobs, in 2020

+ 3 600
Foreign companies

9883 M US Dollars

+ 407 000 jobs

Source: FIPA-Tunisia



TUNISIA has the competitiveness to attract more Foreign Investment. It recorded:

For the 1st half year 2021 :

394
Investment
Operations

231 Million USD
Investment
Amount

7317
New Jobs

Source: FIPA-Tunisia



FDI in Tunisia : Country Profile

16 Japanese Companies

**183 Million US
Dollars**

Almost 8000 Jobs

Source: FIPA-Tunisia



SUMMARY

- FDI Landscape in Tunisia : Key Figures
- **Major assets of Tunisia and its main sectoral competitiveness**
- Invest in Tunisia Agency Missions

1

TUNISIA: The Access Point to the European and African Markets

Atouts Stratégiques

- ✓ A geostrategic position in the Med Area at just an hour flight to Europe and less than three hours flight from Middle East Cities
- ✓ An advanced partner status with the European Union with a Deep and Comprehensive Free Trade Agreement (DCFTA) in Progress
- ✓ Free trade agreement with Morocco, Egypt and Jordan (AGADIR), and with Turkey



- ✓ Member of COMESA, a common Market for Eastern and Southern Africa with **625** Millions consumer



- ✓ Ongoing discussion to join The Economic Community of West African States (ECOWAS) with **325** millions consumers



Cooperation
Japan-Tunisia-Europe-Africa
offers itself to the
Japanese companies targeting the
African market through **TUNISIA**

- ✓ Tunisia officially integrated AfCFTA in July 2020



- ✓ A regional and international Integration including **52** agreements on double taxation and **54** bilateral agreements to promote and protect investments



2 Pool of International Level Talents ...

+ 65 000 new graduates per year
16% are in ICT Fields

About **1 200** vocational training institutions in more than **370** specialties

20 000 Rank A researchers

“ The greatest concentration of researchers among Arab and African countries ”

Source: Bloomberg Innovation Index, 2020

... Positioning **TUNISIA** in the **TOP 3** Rankings

1st

- In North Africa for **Scientific & Technical Articles** – **13th** Worldwide
(Source : *Indice Mondial de l'Innovation 2020*)

2nd

en termes de

- **Number of Graduates** in Science and Engineering Worldwide
(Source : *Global Innovation Index, 2020*)
- Level of Maturity of Governments in the **Field of Artificial Intelligence** in Africa
(Source : *Government AI Readiness Index, 2019*)

3rd

- **Most innovative Economy** in Africa (Source : *Global Innovation Index, 2020, WIPO*)

3

Infrastructure to International Standards



04 ICT
ORIENTED TECHNOPOLES



19 CYBERPARKS DEDICATED
TO INNOVATIVE START-UPS



10 COMPETITIVENESS
CLUSTERS



910GB/S
BANDWIDTH CAPACITY



CLASS A SPACES
AND OFFICES



THE DOT
PLATFORM FOR THE
INNOVATION ECOSYSTEM

New Investment Law (2016) which guarantees:

- Freedom of **investment** in the majority of sectors
- Freedom to **transfer** profits and capital gains
- Simplified **procedures** of implementation
- Intellectual property's **protection**
- Ease to **import and export** with simplified customs procedures

With substantial incentives, mainly:

- Investment grant for **18 priority sectors** and for investment in **regional development areas** : % of the approved investment cost
- Investment grant based on **job creation** for 18 priority sectors and for investment in **regional development areas**: Social contribution
- **Investment grant** (1/3 of investment cost) & **exemption from corporation tax** (10 years) for Projects of National Interest
- Reduced corporate tax of 13,5% for **wholly exporting** regime
- Grant for **employee training** expenditures leading to certification of skills
- Hiring **foreign managerial staff** within a limit of 30% of the total number of managerial staff.

TUNISIA in the **Top 5** African TECH Ecosystems of the Future 2021/22 *(fDi Intelligence 2020)*

1st In the **Cost Effectiveness**
(Average wage of skilled employers, Firm rents etc)

3rd In **Human Capital** (Level of technological talent across the country)

Main sectoral competitiveness

- ✓ Automotive components
- ✓ Technical textile
- ✓ IT Services
- ✓ Agribusiness



Tunisian Automotive Ecosystem at a glance



Why Tunisia for Automotive Components?

1. A major manufacturing **hub for exports** to European, Middle East and African markets.
2. Tunisia is the **2nd Largest exporter** of automotive components in Africa.
3. Opportunities for **value chain integration** with a 40% integration rate for foreign manufacturers and suppliers.
4. Access to **cost competitive** labour and highly skilled university talent.
5. Strong competitiveness clusters and industry parks providing assistance and services to foreign investors.

Tunisia is a leading location for the Automotive sector and has already attracted world class companies such as:



Key figures

2.4 Billions €

Volume of export
(70% to 80% towards Europe)

42 %

Local integration rate

12 %

Average annual production growth

+ 280 Companies

20 nationalities
65 % are wholly exporting

4 %

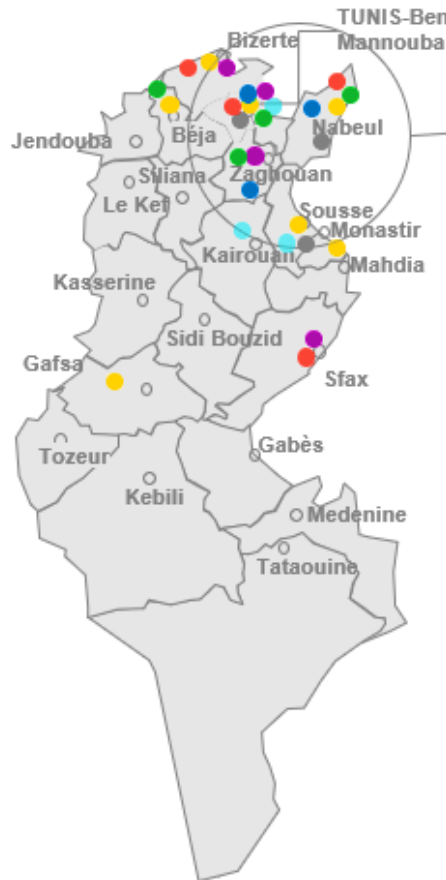
Contribution to GDP

+ 90 000 jobs

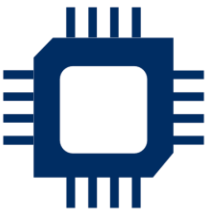
Tunisia is:

Top 3 producer of Automotive Components In Africa
Among the **10 main suppliers** of wire harnesses to the EU

Activity mapping



An automotive industry covering the entire Value Chain




Electronics

- Electronic cards
- Printed circuits
- Display systems
- Switching systems
- Control systems




Spare parts

- Shocks
- Air filters / fuel
- Batteries and accumulators




Mechanics

- Machining
- Foundry
- Surface treatment
- Press-Stamping




Plastics & Rubber

- Injection molding
- Extrusion
- Tooling and molds
- Exhaust pipes
- Painting and decorating
- Silicone injection



Design Development & industrialization

- Software & system development
- Structure calculation
- Special machinery
- Technical folders



Electrical wiring

- Electrical cables
- Wire harnesses
- Fiber optic cabling



Textile & leather

- Car cover
- Steering wheel cover
- Assembly / Stacking

Source : Tunisian Automotive Association - TAA

The actors of the Tunisian automotive industry are engaged in fundamental transformation



Electric Mobility

Telematics



Connected antennas



Firmware over the Air



Connected Mobility



Wiring
Audi Q6 E-TRON



Electric motors modules



E-Mobility

The Q6 E-Tron, Audi 100 % electric SUV, is equipped with wiring manufactured in **Tunisia**

LEONI *Tunisia*

Profile

- **Establishment** : 1977
- **Workforce** : 19,500 (2020), 50 (1977)
- **Clients** : Mercedes Benz, Audi, BMW, Continental, Delphi...




Expertise

- **Wiring of Motor Vehicles:** Engineering, Design, Development and Production

Key facts

- **"Plant of the Year"** for the year 2017
- **1 Shared Service Hub** out of 6 at group level (31 countries)

Electric car wiring

Models	Development	Challenges
		
<p>▶ Audi Q6 E-Tron</p> <p>100% electric SUV with a power of more than 400 hp and a range of over 400 Km. (In production)</p>	<p>▶ 2D wiring design based on 3D models</p> <p>▶ Design and development of production lines</p> <p>▶ Production of the cockpit wiring for the Q6 e-Troll Audit</p>	<p>▶ Guarantee the level of quality and safety requirements of the cabling that manages the ultra-sensitive battery of the model.</p>

Source(s) : Interviews with Leoni Tunisia

An **Innovation** and **R&D** oriented automotive industry



Diversified automotive activities :

ICT, engineering, Mechatronics, Mechanical testing, Chemical industry,...

CETIME: The Technical Center of Mechanical and Electrical Industries (CETIME) assist industrials in the modernization of the production methods, organization, technology improvement, quality control and human resources efficiencies development

A Technology Resource Centre CRT: to provide designing, prototyping, electronic and mechanical, virtual platform of development, PLM System

Center for Research In Microelectronics & Nanotechnology CRMN: to provide training and R&D projects for high-value technology industry in the electronics field

Technical Centre for Chemistry CTC: Where R&D projects in plastic and rubber industry are conducted in laboratories for test and analysis

An already confirmed destination for automotive R&D centres

LEONI



Amphenol®

INVEST IN **TUNISIA**

Tunisian IT Ecosystem at a glance

Why Tunisia for IT & Software?

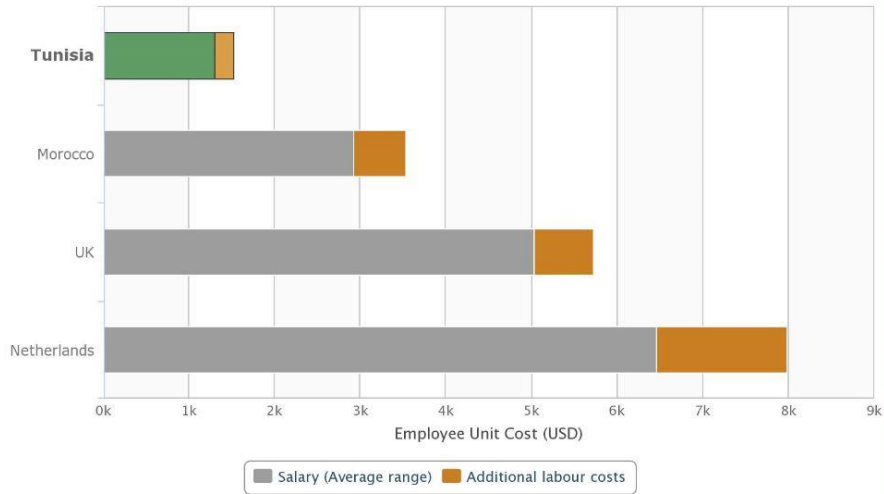
1. **Strong ICT infrastructure** with large capacity to suit investor business broadband requirements
2. Ideally **located to test new consumer** markets in MENA, Europe and Africa.
3. A location with a **high quality of life** and low costs of living.
4. Access to a **cost competitive** labour force and **highly skilled** university talent.
5. Strong **competitiveness clusters** in ITO, BO and R&D and industry parks providing assistance and services to foreign investors.
6. A **lucrative incentives** package including specific incentives for start-ups.

Tunisia is a leading location for the IT & Software sector and has already attracted world class companies such as:

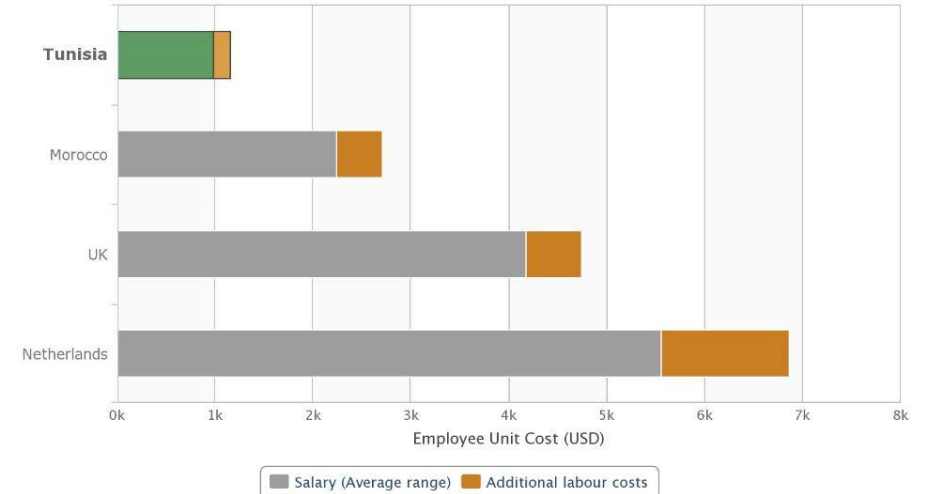


A Dedicated human resources: International Level Talent at Competitive Costs

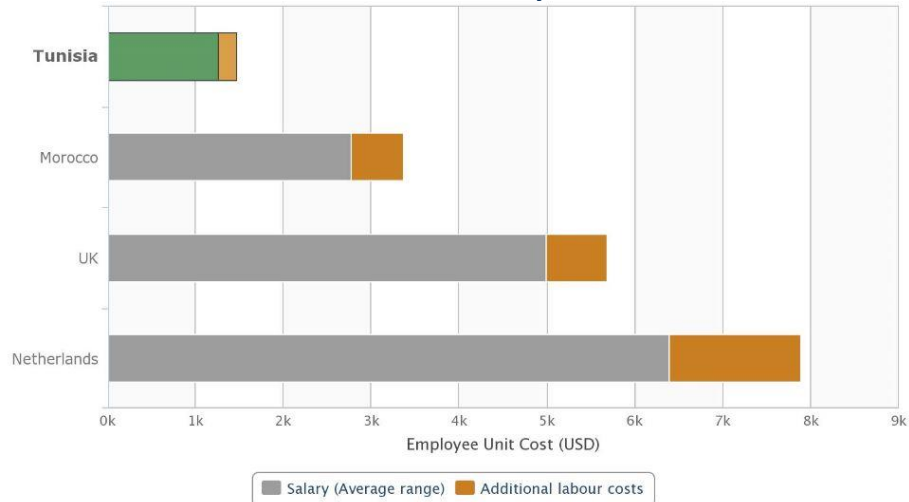
Software Development Engineer – monthly unit costs



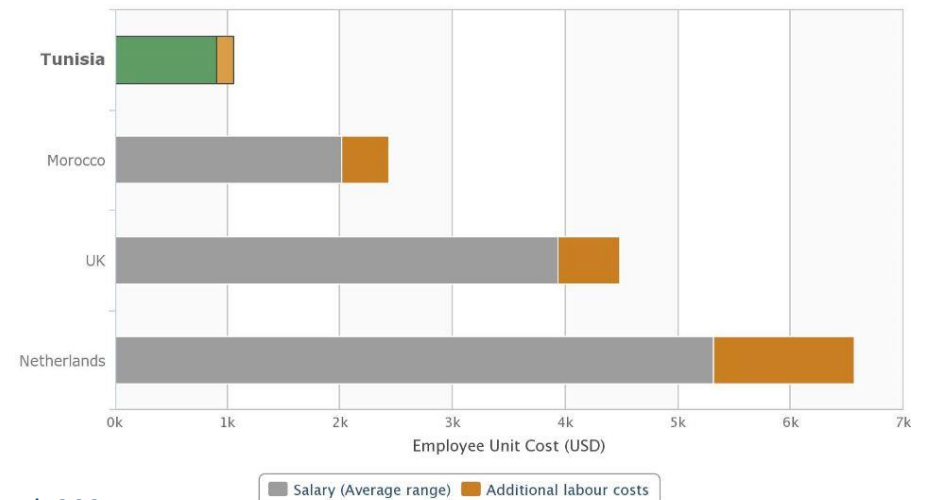
Programmer – monthly unit costs



R&D Team Leader – monthly unit costs



Web Developer – monthly unit costs



A Friendly Legal framework for startups

**START
UP
ACT** 

A 100 M € Start-up Fund aims to make Tunisia a **Startup-Nation** at the crossroads of the southern shore of the Mediterranean, the MENA region and Africa.

- 30 measures designed to simplify administrative procedures and facilitate access to funding for start-up companies.

Winner of :

The most innovative and high-impact project
Category: Enabling Environment

World Summit on the Information Society Forum (WSIS) – 2020

Ranked :

23rd best worldwide Visa Program to attract Start-ups
1st in North Africa and Middle East

Startups Without Borders (SWIBO) - 2020

Agribusiness Ecosystem

Key figures

95%

Potential for converting hectares of olive groves into organic farming

1st

Countries with recognition of the BIO EU equivalence

80%

Share of Tunisian BIO production for export

+31%

Growth of BIO volumes exported between 2016 and 2017

370K ha

Organic surfaces in Tunisia

85

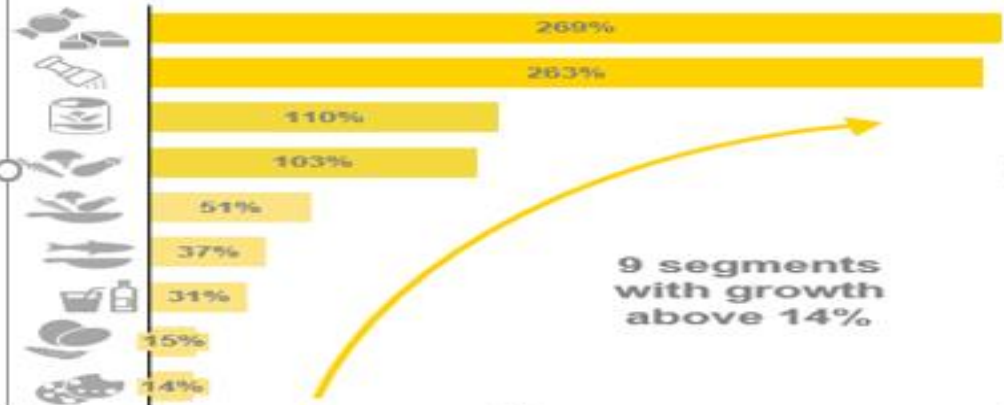
Tunisian BIO client countries spread over 5 continents

Source(s) : Executive management of Agriculture Biology, . www.agencebio.org

incentives

- **50% subsidy** on the cost of material, equipment and tools specific to organic agriculture
- **50% subsidy** on compost production equipment, recovery of organic waste
- **50% subsidy** on analysis, registration and test costs of inputs and certification / control costs
- **70% subsidy** on cost of control and certification for organic farming for 5 years
- **Suspension of customs duties and VAT** on specific inputs to organic farming

Growth of exports to Africa between 2010 and 2017



Opportunities in High Value Activities

DIGITAL



- **3** billion € ICTs Turnover
- **+ 1800** Companies
- **+7%** average Annual Growth Rate and **7,5%** of the national GDP
- **52%** Share of Innovative Exporting Companies
- Nearly **80,000** Direct Jobs

MEE INDUSTRIES



- **+ 1000** Companies
- **+600** companies with foreign participation
- **+440** wholly exporting companies

PHARMACEUTICAL



- **164** Millions € of exports
- **+ 120** Companies (+ 33 in the production of medicines)
- **+ 5 000** graduates annually
- **18** training institutions dedicated to the sector needs

AGRIBUSINESS



- **80%** share of Tunisian BIO Production for Export
- **+ 1 000** Companies (+120 foreign participation)
- **+75 000** Direct Jobs

OTHER Opportunities in High Value Activities

TEXTILE SECTOR

1200 Foreign Companies with
+ 125 000 Jobs
Nearly **6000 MTDN** to export
on average in a year

RENEWABLE ENERGY

- Tunisia focuses its production on wind energy, solar energy, bioenergy, geothermal energy
- Represents **6.6%** of total electricity generation capacity in Tunisia;
- The share of RE in Tunisia is **3%**, and is expected to rise to **30%** by 2030

MEDICAL TOURISM

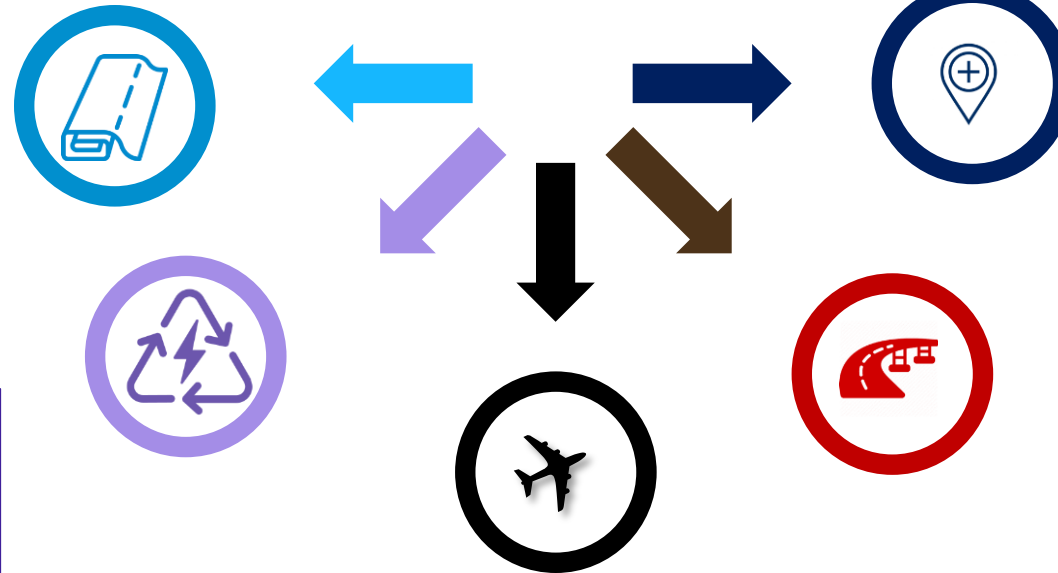
Highly developed medical services in terms of medical skills and healthcare infrastructures with international standards

INFRASTRUCTURE PROJECTS

- **+ 130** National Projects are underway across Tunisia (including 64 new road infrastructure projects)
- **1** deep water Port under construction

AEROSPACE

- Contributes to almost **3.8%** of national GDP
- **+ 80** national and international companies operating across the entire value chain
- **+ 17,000** jobs created
- A Parc dedicated exclusively to the aeronautical industry at El Mghira





SUMMARY

- FDI Landscape in Tunisia : Key Figures
- Major Assets of Tunisia
- **Invest in Tunisia Agency Missions**

WE ASSIST YOU IN TUNISIA

27

INFORMATION

- ✓ On investment opportunities in Tunisia and the main reasons why Tunisia is such an attractive site for FDIs

CONTACT

- ✓ Our approach is to present the most satisfactory Tunisian offer for companies seeking internationalization

ADVICE

- ✓ On the appropriate conditions for the success of projects, regions of operation, investment plans, financing methods...

ASSISTANCE

- ✓ To investors on exploratory visits to Tunisia and in the various phases of project implementation

SUPPORT

- ✓ To improve the sustainability of the company through personalized monitoring

THANK YOU
FOR YOUR ATTENTION



E-mail: zied.lahbib@fipa.tn