



Casa África – Business Opportunities tab

Tunisian Republic

Compared to the pre-COVID-19 crisis forecasts, GDP growth is likely to fall to between 5.5% and 6.1% in 2020, thus sending the Tunisian economy into a deep recession with a projected GDP contraction of between 3.4% and 4.0%. This loss of growth would contribute to an increase in the fiscal deficit of at least 2 percentage points in relation to the initial projections under the expected effect of a loss of fiscal revenue linked to the general contraction of economic activity. Despite the expected drop in the oil bill due to falling oil prices, the current account deficit is projected to increase by about 2.1% compared to pre-pandemic projections, due to the closure of the tourism sector and lower migrant remittances and exports. Inflation is expected to rebound in 2020 and 2021 after the 2019 decline, although it should remain contained. By 2021, the relative improvement in the macroeconomic situation will depend on economic conditions in Europe and the rest of the world.

Tunisia enjoys several strengths, such as proximity to Europe, a skilled labour force, various industries (aeronautics, chemicals, textiles), high agricultural and fishing potential, and considerable deposits of phosphates, oil and gas. The tourism industry, which includes beaches, mountains, oases, ecotourism and seawater therapies, was until 2011 an important source of growth and employment, and was expected to benefit from the steady growth in global demand for tourism services. In the face of the new global pandemic situation, the tourism sector will be affected.

More than half of Tunisia's imports come from the European Union, led by Italy, France and Germany with data from 2018. In the list of clients, these three countries continue to be the main ones, with France in first place, followed by Italy and Germany, and Spain in fourth position. The most important imports for the country are oil and its refined products and natural expenditure; also fabrics, vehicles and a wide variety of foodstuffs. With regard to exports, phosphates have traditionally been a very important sector for the country, but in recent years their production has been affected by various social protests. In addition, we can highlight clothing, crude and refined oil, olive oil and dates. The sectors of opportunity presented by the country are meat products, machinery and industrial equipment, electrical material, transport material and ICT. The renewable energy sector is also under development, so in the long term the water and energy sectors, as well as infrastructure, may also present a business opportunity.

The country has been suffering from wide social and regional disparities for years. Unemployment remains high, with large differences between coastal and inland regions, and inequalities such as these are destabilising the social climate and preventing investment and growth. Reducing them means accelerating the structural reforms launched since 2011 and introducing specific measures aimed at more inclusive growth. Public spending needs to be better prioritized and targeted to put the economy on track.

AEO: <https://www.afdb.org/en/documents/african-economic-outlook-2020>

AEO (Suplemento COVID-19): <https://www.afdb.org/en/documents/african-economic-outlook-2020-supplement>

MAEC: http://www.exteriores.gob.es/Documents/FichasPais/TUNEZ_FICHA%20PAIS.pdf

ICEX: <https://www.icex.es/icex/es/navegacion-principal/todos-nuestros-servicios/informacion-de-mercados/paises/navegacion-principal/exportar-a/sectores-de-oportunidad/index.html?idPais=TN>

ANNEX: Economic tables

Table 1: Macroeconomic indicators

	2017	2018	2019	2020 (p)
Real GDP growth	1,9	2,5	1,5	2,1
Real per capita GDP growth	0,7	1,3	0,4	1,4
Inflation	5,3	7,3	7,1	6,7
Budget balance (% GDP)	-6,0	-4,6	-3,9	-3,7
Current account (% GDP)	-10,2	-11,1	-10,0	-9,9

Source: African Development Bank, (p) predictions before the COVID-19