



**REPUBLIC OF TUNISIA**

# FOREIGN DIRECT INVESTMENT IN AGRICULTURAL SECTOR

Ankara 19/12/2013

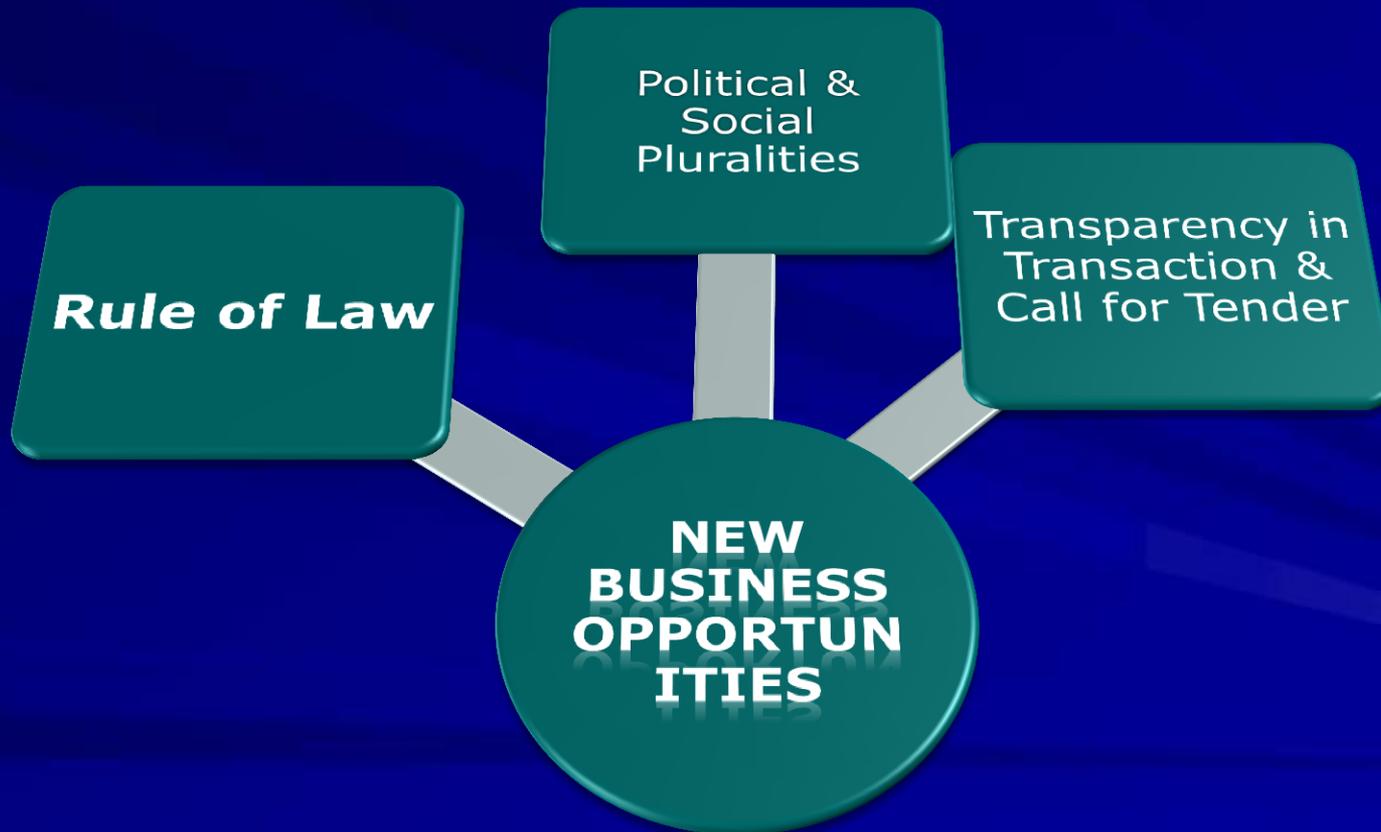
**AGRICULTURAL INVESTMENT PROMOTION AGENCY**

# Communication plan

- Foreign Direct investment in Tunisia
- Presentation of agricultural sector in Tunisia
- Foreign Direct Investment in agricultural sector**
- Operating conditions and investment incentives
- APIA mission and activities

# FOREIGN DIRECT INVESTMENT IN TUNISIA

# .WHAT MAKES TUNISIA ATTRACTIVE FOR FDI



# Tunisia historical and new assets

- A natural advantage, a strategic position in the mediterranean
- A free trade agreement with EU
- Tunisia became privileged partner of European union
- Arab mediterranean agreement AGADIR
- Free trade agreement with Turkey

# Tunisian historical and new assets

**Free trade area between the border regions with Algeria and libya**

**Daily air connections to European capitals**

**Daily shipping links with the main European ports**

# EDUCATED POPULATION

- 97% of youth enrollment
- 70.000 new graduates /year
- Quality of education system:  
Rang of Tunisia/148 countries:71

Why we suppose that  
tunisia will be more  
attractive

# Reforms initiated during the transition period

- Strengthening institutional dimension to anchor good governance
- Strengthening development action in the regions to reduce regional disparities
- Supporting the social sectors to reduce social tensions
- Improving the functioning of the economy to ensure growth sustainability

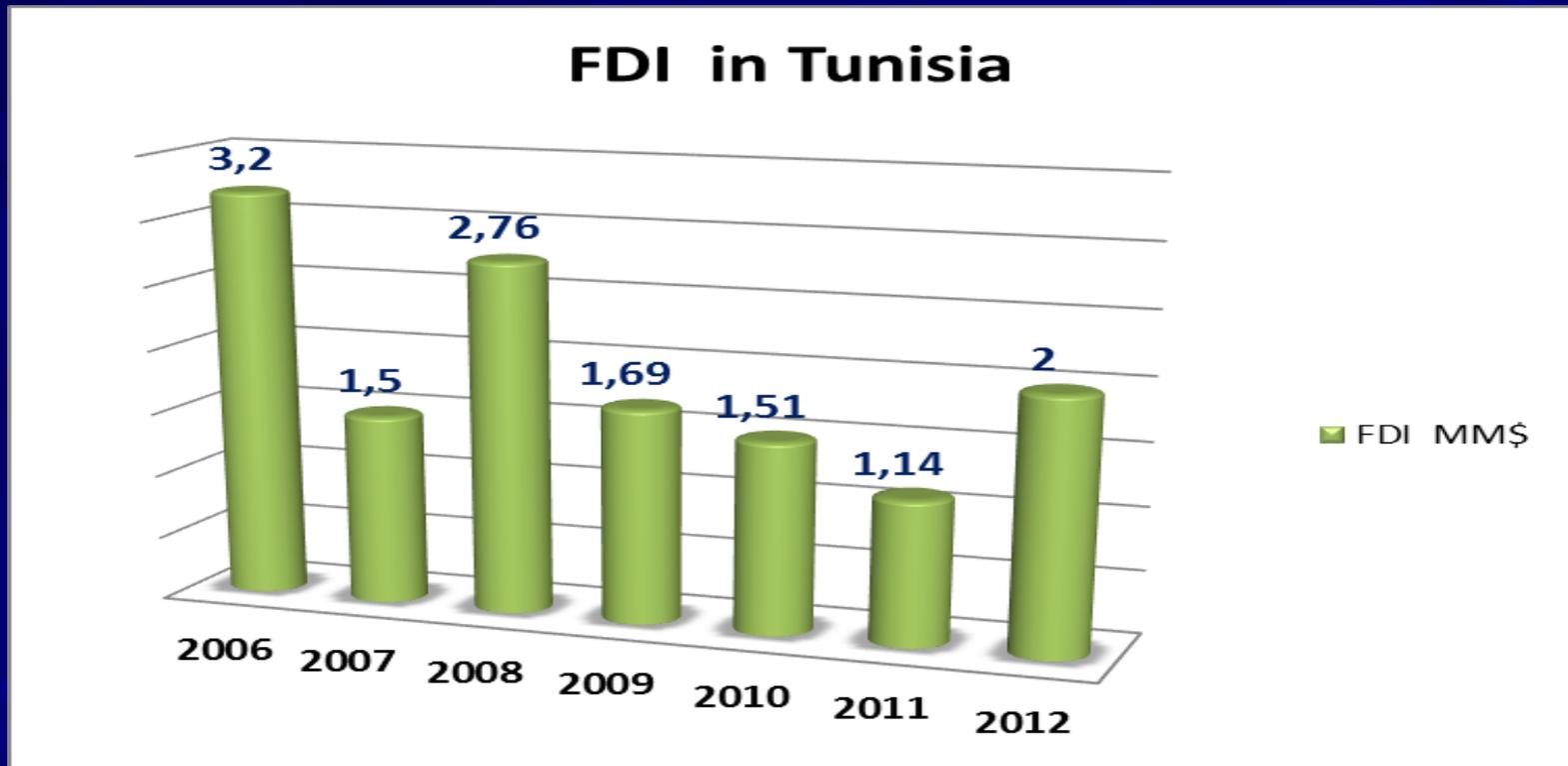
# Reforms to ease business and attract more FDIs

- Revision of investment incentives code
- Regulation of partnership between public and private sectors
- Revision of the tax system
- Reforms in the financial sector , education and training system

# Fdi growth in Tunisia

| <b>YEAR</b> | <b>FDI MM (USD)</b> |
|-------------|---------------------|
| <b>2012</b> | <b>2</b>            |
| <b>2011</b> | <b>1,14</b>         |
| <b>2010</b> | <b>1,51</b>         |
| <b>2009</b> | <b>1,69</b>         |
| <b>2008</b> | <b>2,76</b>         |
| <b>2007</b> | <b>1,5</b>          |
| <b>2006</b> | <b>3,2</b>          |
|             |                     |

# FDI GROWTH ( billion USD)



# FDI (2010-2012)

| YEAR            | 2010  | 2011  | 2012            |
|-----------------|-------|-------|-----------------|
| FDI (Billion\$) | 1,51  | 1,14  | 2               |
| Rate (%)        | -     | -24   | 75<br>27 (2010) |
| Employment      | 15239 | 10180 | 10263           |
| GDP/FDI (%)     | 3     | 2,9   | 3,1             |

# FDI FLOWS/SECTOR (TND)

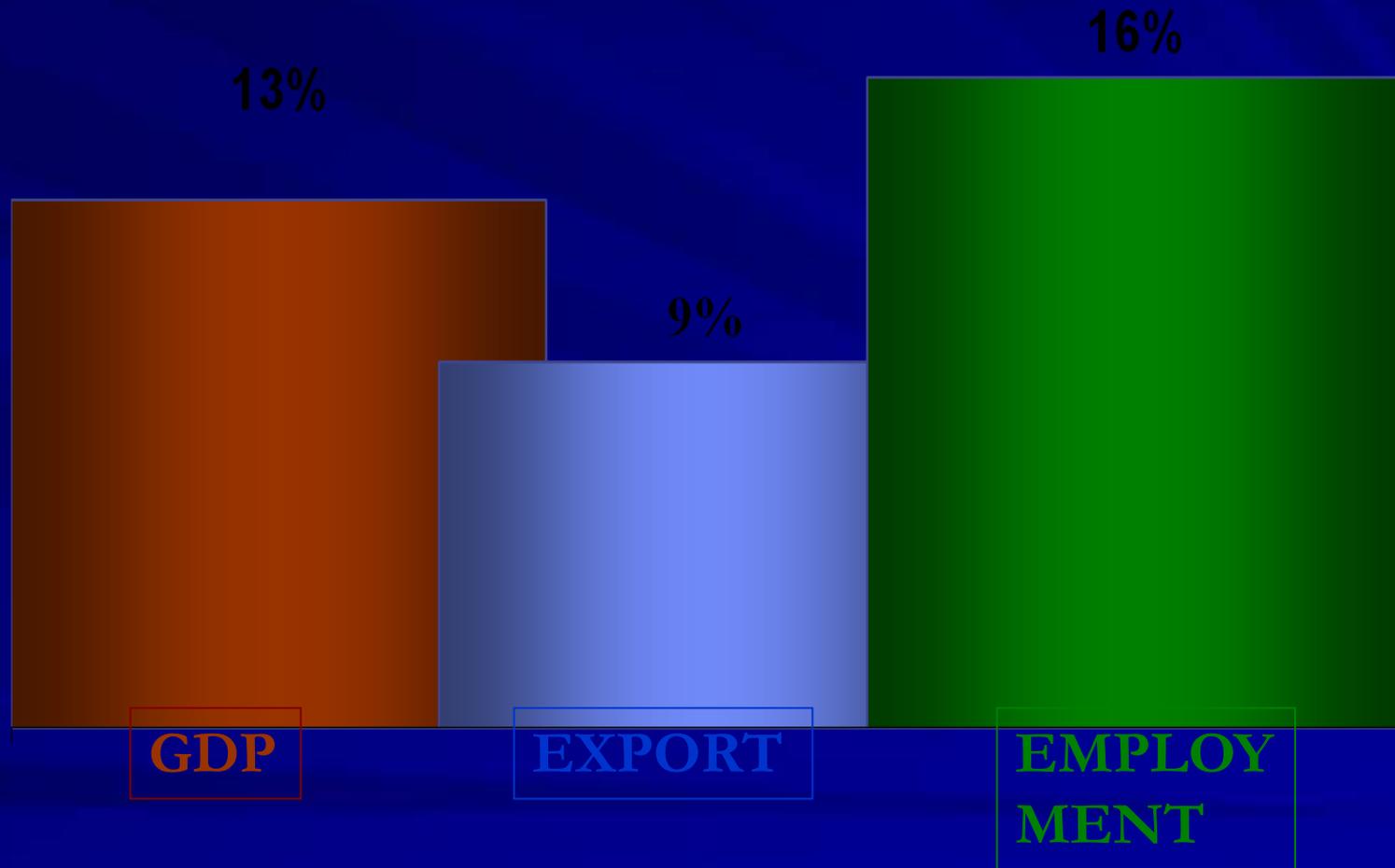
| year                 | 2007  | 2008   | 2009   | 2010   | 2011   | 2012 |
|----------------------|-------|--------|--------|--------|--------|------|
| Industry             | 485,7 | 641,6  | 771,6  | 573,6  | 330,6  |      |
| Energy               | 1359  | 1933,9 | 1233,5 | 1317,1 | 1063,4 |      |
| Tourism and building | 72    | 198,6  | 85,5   | 95     | 22,9   |      |
| Agriculture          | 7,7   | 20,1   | 16,9   | 2,8    | 25     | 17   |
| Services             | 146,4 | 604,5  | 171,2  | 176,5  | 196,7  |      |
| Total IDE            | 2071  | 3398   | 2278   | 2165   | 1615   | 3000 |

# TUNISIAN AGRICULTURAL SECTOR

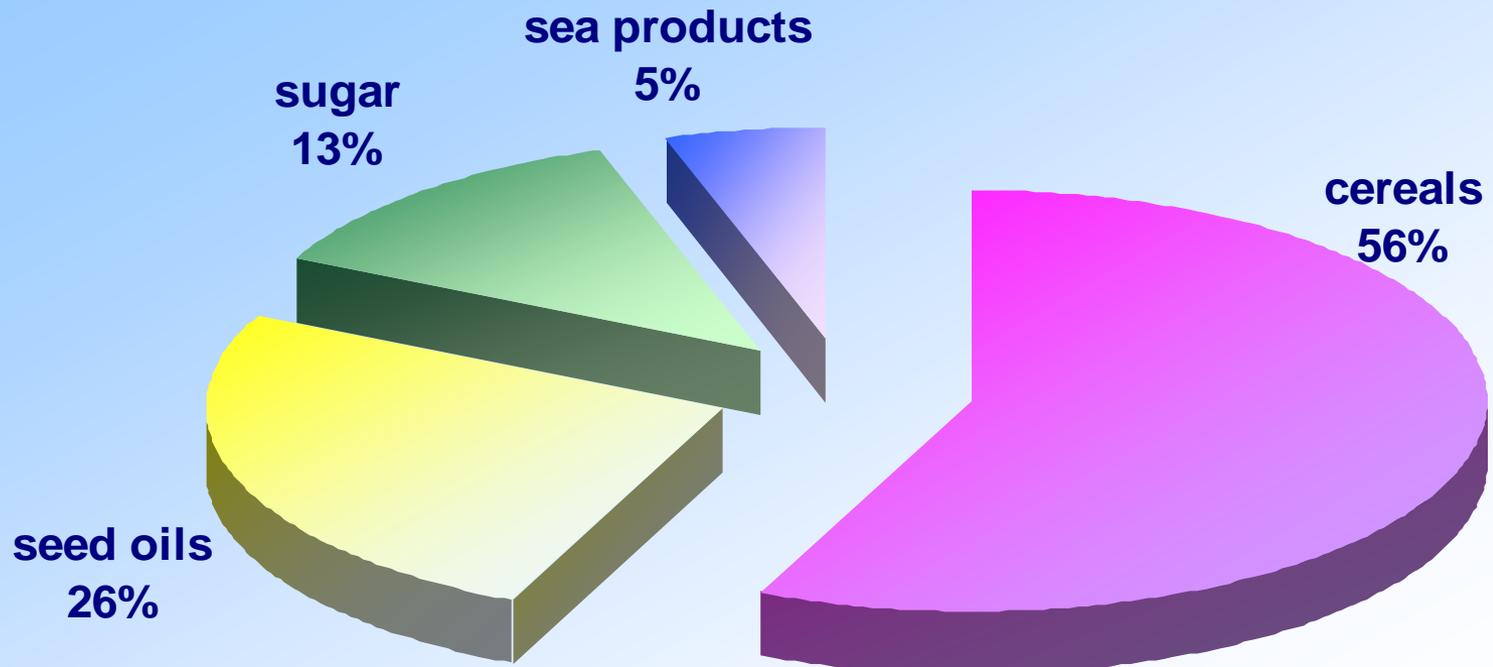
# AGRICULTURE IN TUNISIA

|                                |                                   |
|--------------------------------|-----------------------------------|
| <b>TOTAL AGRICULTURAL AREA</b> | <b>10 millions ha</b>             |
| <b>ARABLE LAND</b>             | <b>5 millions ha</b>              |
| -1/3 cereals                   |                                   |
| -1/3 olive growing             |                                   |
| -1/3 horticulture et others    |                                   |
| <b>IRRIGATED LAND</b>          | <b>400 .000 ha</b>                |
| <b>HYDRAULIC RESOURCES</b>     | <b>4,5 billions m<sup>3</sup></b> |
| <b>FARMERS NUMBER</b>          | <b>516 000</b>                    |

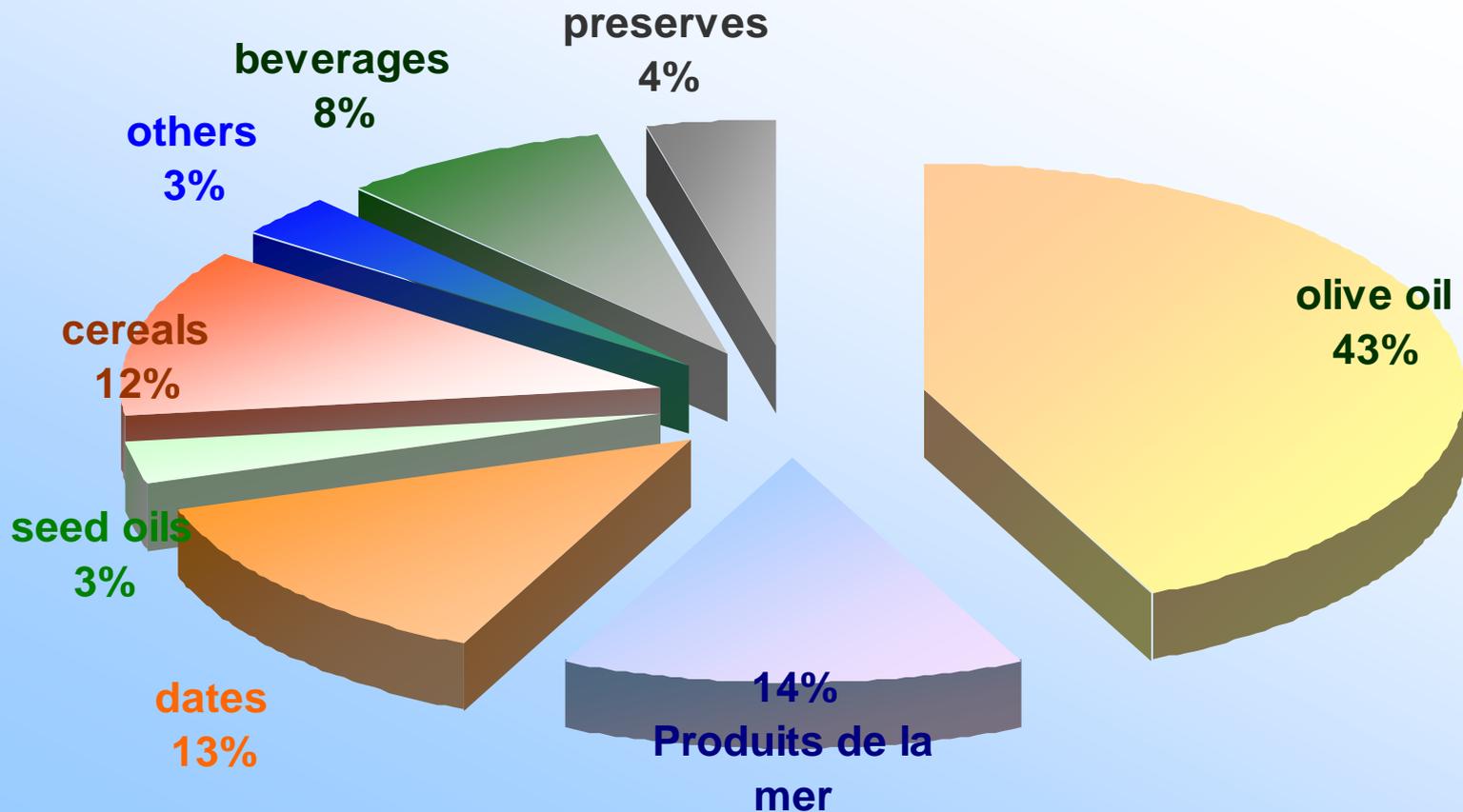
# AGRICULTURAL PRODUCTION STRUCTURE



# Main agricultural products imported

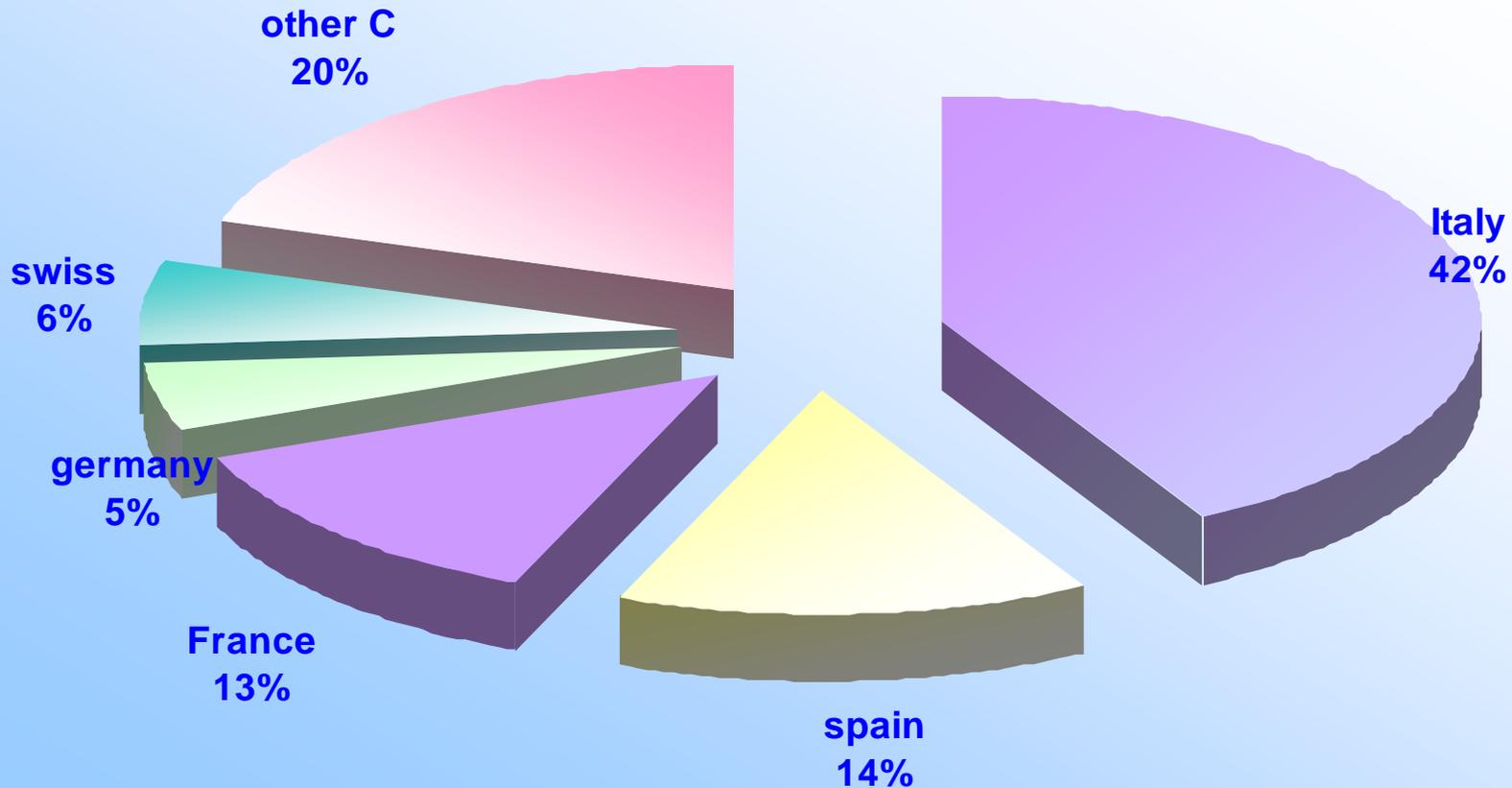


# Main agricultural products exported



# Agriculture and Agri-food exportation

## By country



# FDI IN AGRICULTURAL SECTOR

# STRATEGY TO ATTRACT FDI

Faithful to its tradition, Tunisia followed a wise pragmatic approach in attracting FDI in order to:

- Stimulate the economic growth
- transfer technology
- create jobs
- enhance development
- foster competitiveness

# STRATEGY TO ATTRACT FDI

The selected agricultural sectors for attracting FDI, are those on which Tunisia enjoys comparative advantages and of a high added value and belonging to high technological fields

# Selected Agricultural fields

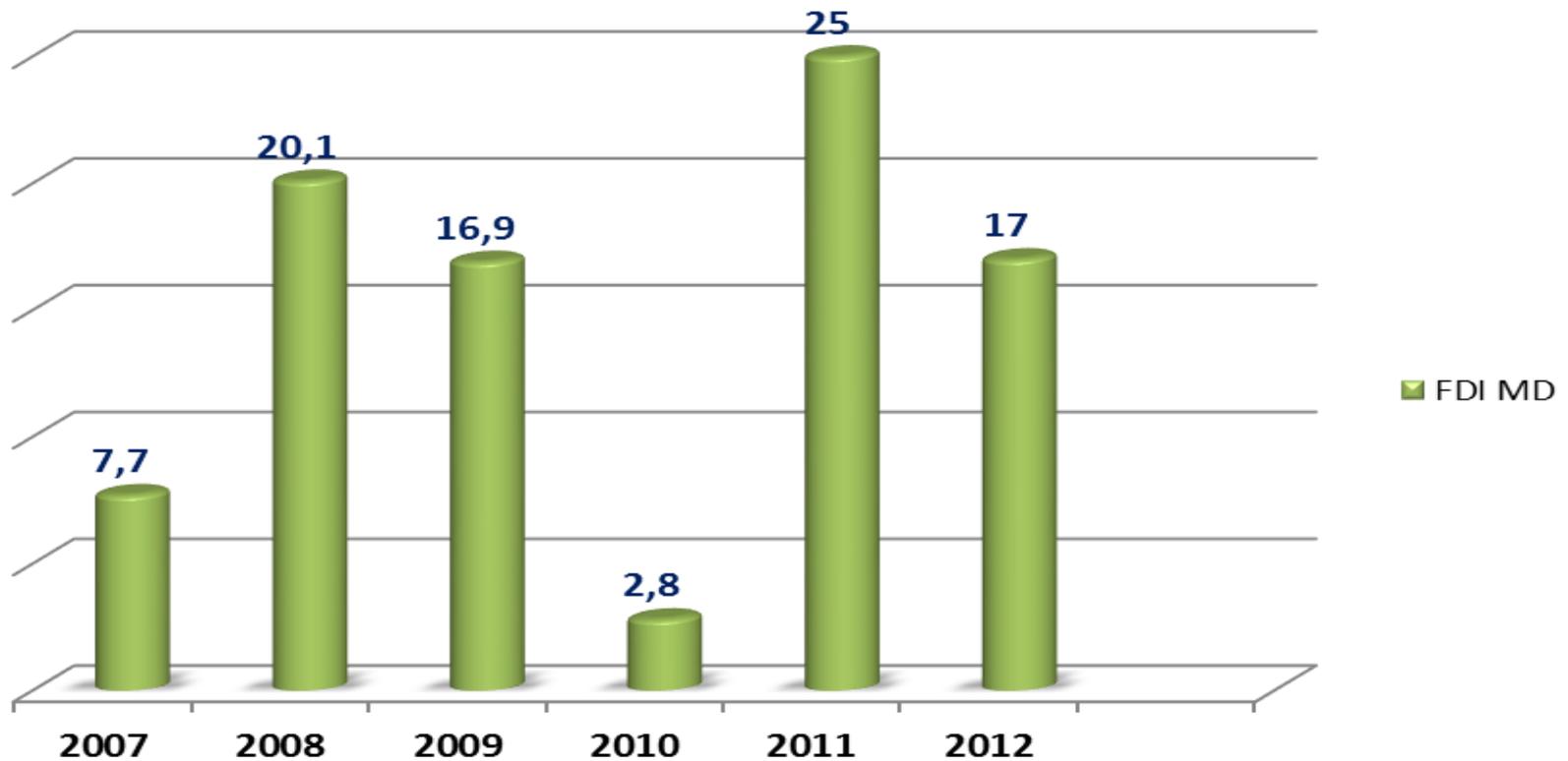
- Geothermy
- Early fruit
- Organic products
- Olive oil bottling
- Preserved vegetables and fruits
- Seeds
- Cereals

# Openness and integration of Tunisian economy

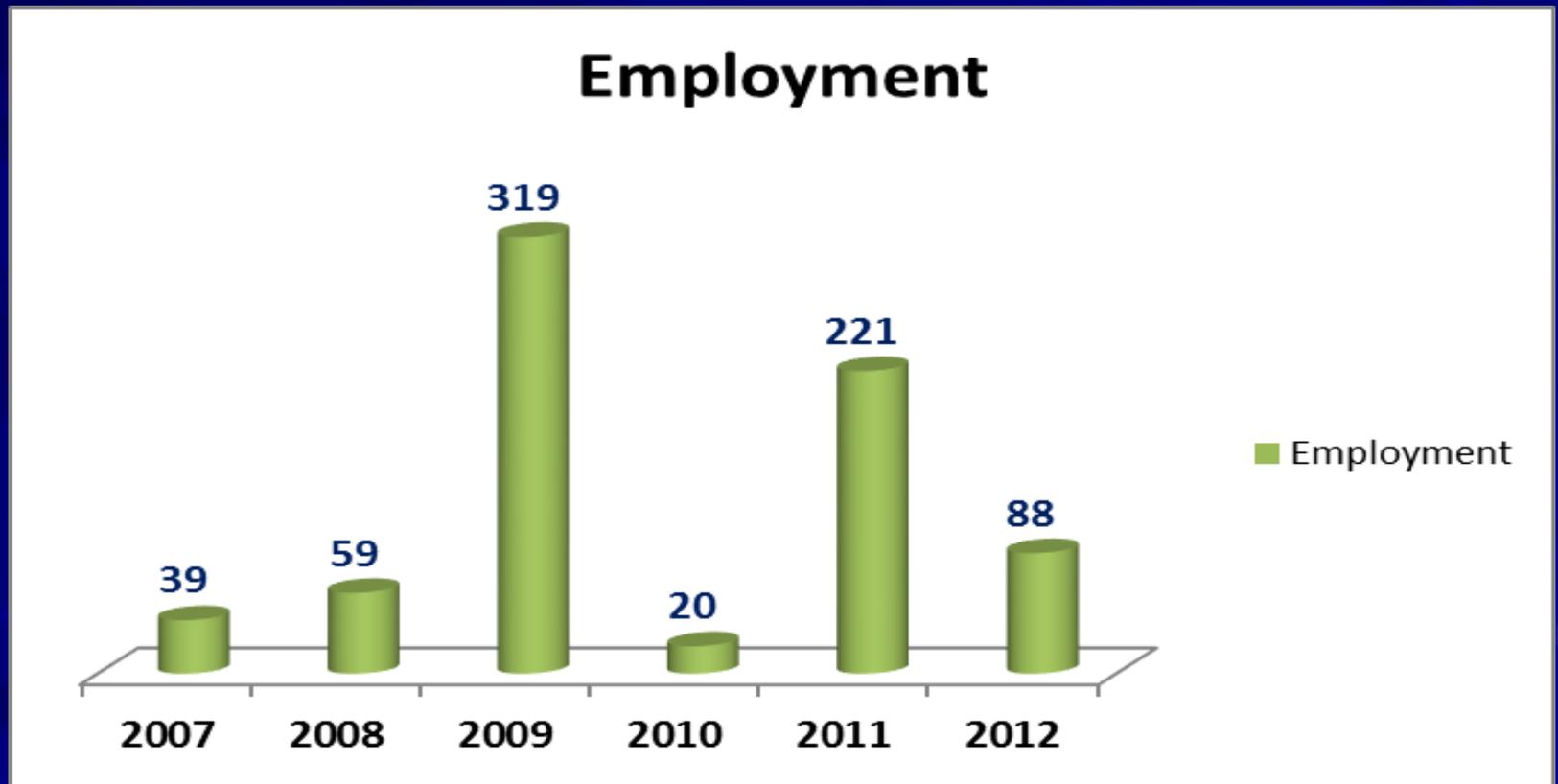
- Member to the GATT accords in 1990
- Member to the WTO since 1995
- Association agreement with the European Union signed in 1995
- Arab free trade zone since 1998
- Bilateral free trade agreement with Marocco, Libya, Algeria, Jordan,,,
- Strategic country partner of Turkey

# FDI FLOW IN AGRICULTURAL SECTOR

**FDI Flows in Agricultural sector**



# EMPLOYMENT



# FDI FLOW/COUNTRY

| COUNTRY       | FDI (million TD) |
|---------------|------------------|
| Italy         | 38,68            |
| Spain         | 37,4             |
| France        | 25,37            |
| Germany       | 9,195            |
| Holland       | 9,190            |
| Saudia arabia | 6,790            |
| UAE           | 4,460            |
| Belgium       | 4,330            |
| Marocco       | 2,530            |
| Austrich      | 2,092            |
| Greece        | 0,670            |
| Libya         | 0,540            |

# FDI in agricultural sector (2013)

- Companies number: 95
- Total FDI: 144,2MTD
- Employment: 756
- COMCEC countries FDI: 14,32 MTD

INCENTIVES AND MECHANISMS  
TO  
INVESTMENT IN PARTNERSHIP

# Incentives and mechanisms to investment in partnership



Foreigner investors are free to repatriate profits and the capital



Foreigner investor is treated on the same manner as the tunisian one



Totally exporting companies have the possibility to sell **30%** of their production on local market without duties and taxes



Totally exporting company hire freely 4 foreign technicians .

# Financial Incentives

Study grant : 1 % of the investment amount with a ceiling of 5.000 TD

Investment grant : between 7 and 40 %

Organig operating mode: 30%

Specific grants for water saving equipments, installation of anti hail nets, mécanisation etc...



# Financial incentives

➤ Grants from **7 to 25%** for agri-food projects

➤ Aquaculture projects :

✓ Investment grants : **7 %**

✓ Study grant **40 %** of study cost with a ceiling of **40.000 TD**



# Fiscal Incentives

- Deduction of income and profits for 10 years
- Exemption from the value added tax on equipment manufactured locally
- Exemption from duties and taxes applied on equipment imported that's not manufactured locally

# PARTNERSHIP INVESTMENT

- Exporting fields : Géothermy, early fruit, organic products, olive oil bottling, Aromatic and medicinal plants, preserved vegetables and fruits...
- Local marked oriented products: cereals, meat, milk, gardening crops etc....

# PARTNERSHIP INVESTMENT

- Operating conditions of farmlands in partnership projects:
- Companies with foreign participation can lease agricultural lands
- Foreigner participation on Kapital: up to **66%**

# The Tunisian Case

To sum up, i would say that:

- The Tunisian experience in the field of attracting FDI, transfer of technology and know how can be considered as a good example to other countries seeking for FDI, we are ready to share it
- In order to develop FDI in agricultural sector, some suggestions:

# The Tunisian Case

- An organism under the authority of COMCEC, the mission is to:
  - Help COMCEC members countries to develop their investment climate
  - Realize studies for COMCEC members countries in order to show the investment opportunities
  - multiplying the meetings, partnership days, participation on economic

# The Tunisian Case

Manifestations between the business men of COMCEC member countries

- Create a fund to accompany agricultural investors to invest in the COMCEC members countries.

# APIA MISSION AND ACTIVITIES

APIA IS A PUBLIC INSTITUTION THAT DEPENDS ON AGRICULTURAL MINISTRY, IT'S MISSION CONSIST ON PRIVATE INVESTMENT PROMOTION AND AGRICULTURE AND FISHING MODERNIZING

**DELIVERY OF FINANCIAL AND FISCAL ADVANTAGES**

**IDENTIFICATION OF INVESTMENT OPPORTUNITIES AND PROJECT IDEAS**

**HELPING PROMOTERS GATHERING THEIR DOSSIER OF INVESTMENT**

**RELATIONSHIP CONTACTS BETWEEN FOREIGNER AND TUNISIAN INVESTORS**

**ORGANISATION OF ECONOMIC MANIFESTATIONS, SEMINARS AND PARTNERSHIP DAYS**

**TRAINING OF YOUNG AGRICULTURAL PROMOTERS**

*For supplementary informations  
please consult*

[www.apia.com.tn](http://www.apia.com.tn)

# Thank you

