



TUNISIA 2020

ROAD TO INCLUSION SUSTAINABILITY AND EFFICIENCY

Tunis – 29 & 30 November 2016

Executive summary

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Tunisia 2020

1

The New Development
Plan 2016–2020

2

Public & Private
Projects

Good
governance,
administrative
reform and
fight against
corruption

Transition
from a low-
cost economy
to an
economic hub

Human
Development
and Social
inclusion

Realizing the
ambitions of
the regions

The green
economy, a
pillar of
sustainable
development

1. The New Development Plan

Development Plan Overall Framework

CHARACTERISTICS

- ✓ First development Plan of the Second Republic
- ✓ Participative approach at the different stages of the Plan (26 000 participants)
- ✓ **Positive discrimination among regions**, guiding principle for the arbitration task (70% of projects value to the 50% peoples of Tunisia living in less developed regions by RDI)

OBJECTIVES

- ✓ Implement the New Vision of Tunisia set by the **Orientation paper**
- ✓ Establish the **new development model** that combines :
 - ❑ Efficiency
 - ❑ Fairness
 - ❑ Sustainability

Towards a New Development Model



Recent Reforms

Banking Law

- ✓ Establish a modern banking system
- ✓ Boost confidence in the banking system
- ✓ Preserve financial stability and protect against financial and economic crises

Public-Private Partnership (PPP)

- ✓ Diversify financial resources to develop infrastructure and boost investment
- ✓ Enhance the private sector's role in the economy

Tax System

- ✓ Introduce a modern tax system
- ✓ Introduce new tax incentives
- ✓ Reduce public debt

Competition Law

- ✓ Regulate market concentration
- ✓ Challenge monopolistic practices
- ✓ Regulate price and advertising display
- ✓ Establish the competition authority

Renewable Energy

- ✓ Enhance sustainability
- ✓ Attract private investors
- ✓ Allow exportation of renewable energy
- ✓ Organize a national plan for electricity generated by renewable sources

Anti-Terrorism

- ✓ Reinforce Anti-Terrorism measures
- ✓ Restore investor and consumer confidence

Upcoming Reforms

A New Vision For Economic and Social Development

Consolidate Macroeconomic Stability

Fiscal Policy

- ✓ Prioritize capital spending
- ✓ Reduce public debt

Monetary Policy

- ✓ Contain inflation

Exchange Rate Policy

- ✓ Withstand important shocks

Reform Public Institutions

Civil Service Reform

- ✓ Improve public service efficiency
- ✓ Introduce a Special status for Senior Public Servants
- ✓ Act against corruption
- ✓ Contain the wage bill

Energy Subsidy Reform

- ✓ Strengthen the social safety net

State-Owned-Enterprises (SOEs) Reform

- ✓ Improve governance
- ✓ Strengthen public financial management and transparency
- ✓ Boost revenues
- ✓ Reduce fiscal risks

Promote Financial Intermediation

Banking Law

- ✓ Establish a modern banking system
- ✓ Strengthen the banking system resilience

Central Bank of Tunisia Plan

- ✓ Introduce internal risk rating system

Financial inclusion

- ✓ Strengthen financing or microfinancing for SMEs
- ✓ Develop private credit bureaus
- ✓ Revise the law on excessive lending rates

Improve Business Climate

New Investment Code

- ✓ Improve business environment
- ✓ Reduce barriers to entry
- ✓ Protect investors rights
- ✓ Simplify taxes and business formalities

Labor Market Reforms

- ✓ Build a national employment strategy
- ✓ Reform vocational training

Other reforms

- ✓ Remove long-standing structural obstacles to private sector development

New Investment Code Outlines

A New Code to Foster Investment

Market Access

- ✓ Remove structural obstacles
- ✓ Reduce the specification note revision
- ✓ Shorten authorization delays
- ✓ Ability to recruit an increasing number of executive staff

Guarantees and Obligations

- ✓ Facilitate dividend repatriation
- ✓ Indicate refusal reasons
- ✓ Property Law
- ✓ Arbitrage procedures

Encouraging Investment Mechanism and Structure

Investment incentives

- ✓ Specific aids (60% granted at 40% of investment cost and the rest upon completion)
- ✓ Tax exemption (up to 10 years)
- ✓ Needed external infrastructure built and financed by the State

Public Structures

- ✓ Higher Council of Investment
- ✓ Tunisian Authority of Investment
- ✓ Tunisian Investment Fund

Macroeconomic Overview

(% At constant prices)	2011-2015
GDP growth	1.5
Private consumption Growth	3.7
Public consumption Growth	4.2
Investment Growth	- 2.9

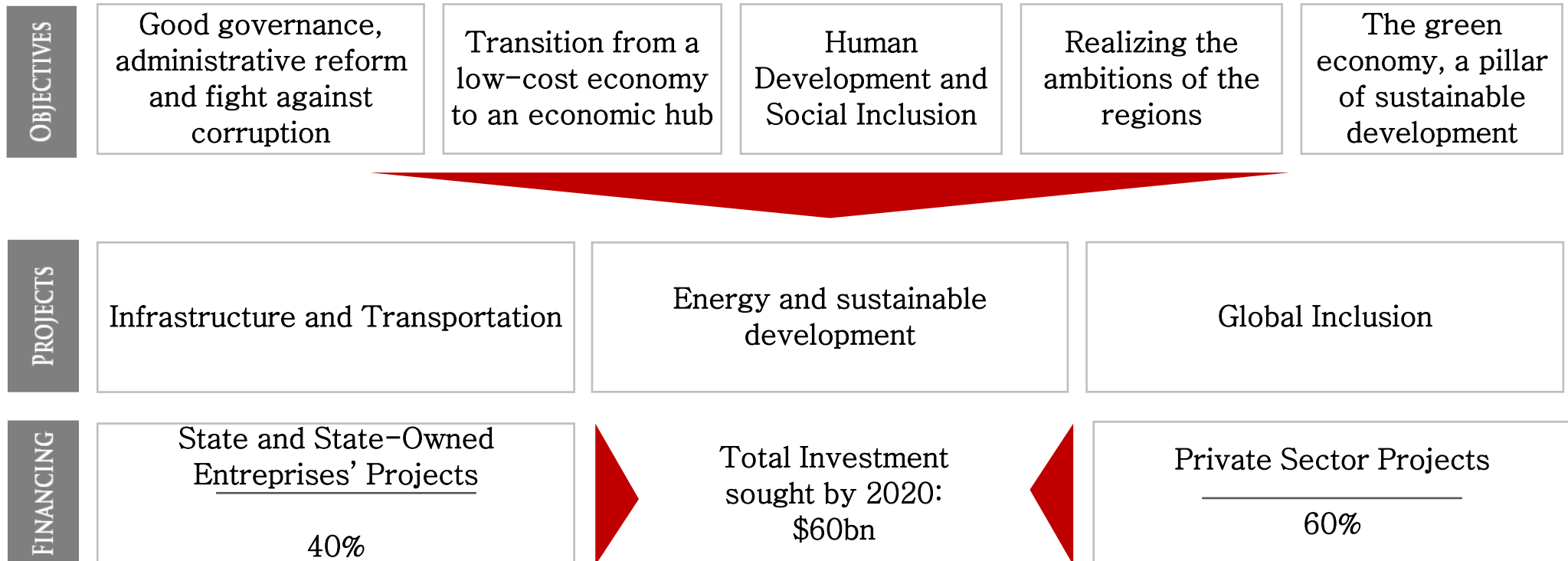
2016-2020
4.0
3.8
2.9
9.0

	2015
Income per Capita (in Dinar)	8 070
Savings rate (% GNAI)	12.5
Current account deficit (% of GDP)	8.9
Inflation rate (Average annual rate)	4.9

2020
12 520
18.6
5.2
3.5

2. Public & Private Projects

Public & Private Investment



Infrastructure and Transportation Projects

PROJECT TYPE



Port Construction / Revamping



Logistic Zone Projects



Industrial Area Projects



Bridge Project



Metro Project



Planned Railway



Old Highway



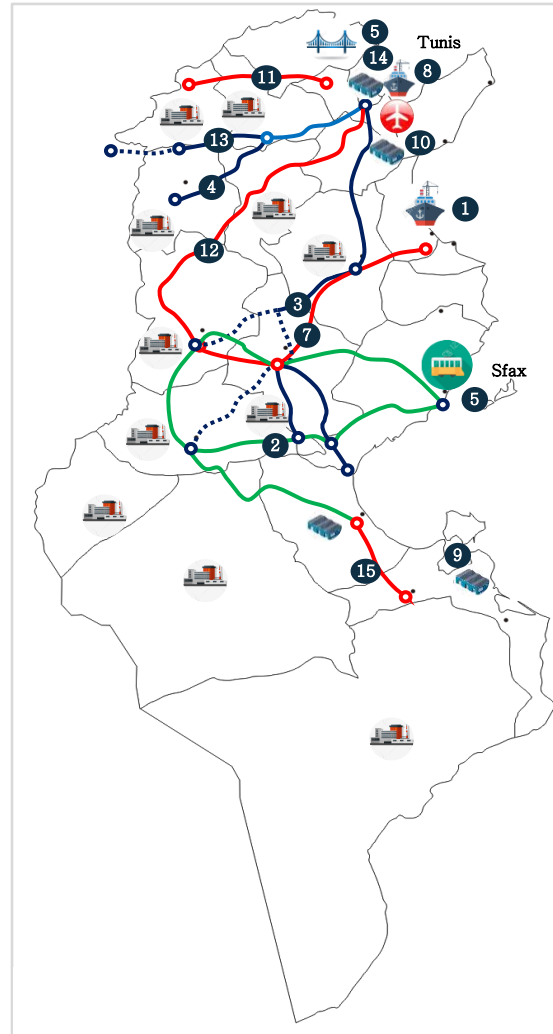
New Highway



New Express Roads



Future Highway



PROJECT NAME

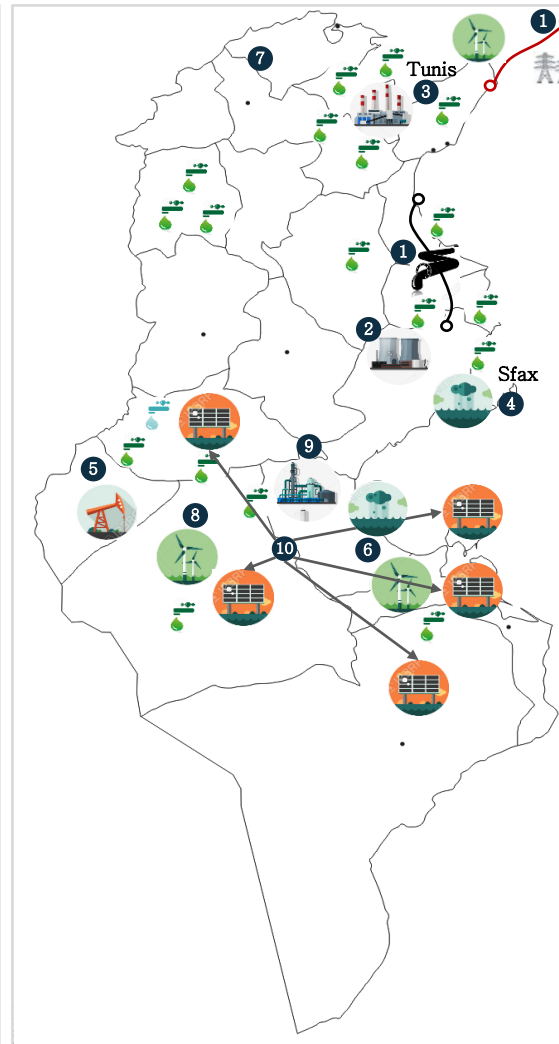
COST(\$M)

1	Enfidha Deep Water Port, First phase	1000
2	Kasserine, Sidi Bouzid and Gafsa a1 Highway	550
3	Tunis-Kairouan-Sidi Bouzid-Kasserine-Gafsa A1 Highway	500
4	Le Kef A3 Highway	320
5	Sfax Metro Project	270
6	Bizerte Bridge Project	250
7	Sousse-Kasserine Railway Line	170
8	Rades Deep Water Port Terminal Extension	140
9	Zarzis Logistic Zone	140
10	Zaghouan Logistic Zone	140
11	Mateur-Tabarka Railway Line	140
12	Tunis-Kasserine Railway Line	120
13	Jandouba-Bousalem A3 Highway	120
14	Radès Logistic Zone	100
15	Gabès-Medenine Railway Line	100

Total
Investment
\$4bn

Energy and Sustainable Development Projects

PROJECT TYPE	
	Steam Combined Cycle Plant
	Combined Cycle Power Plant
	Technical Acid Production Plant
	Wind Power Plant
	Solar Power Plant
	Seawater Desalination Plant
	Phosphate Field
	Power Interconnection Project
	Oil Pipe Line Project
	Green Economy Program (Sanitation and Sewage)



PROJECT NAME	COST(\$M)
1 Tunisia-Italy electricity Interconnection	680
2 Sekhira Steam Combined Cycle Plant	310
3 Ben Arous Combined Cycle Plant	310
4 Sfax Seawater Desalination Plant	300
5 Nafta-Tozeur Phosphate Field	170
6 Ktef Wind Power Plant	120
7 Menzel Abderrahman Wind Power Plant	120
8 Tbagha Wind Power Plant	110
9 Gabès Desalination Plant	100
9 Gabès Technical Acid Production Plant	90
10 Solar Power Plants	70

Total Investment
\$2.4bn

Global Inclusion Projects

