

The logo consists of a red circle containing a white crescent and star, a symbol associated with Tunisia.

TUNISIA 2020

ROAD TO INCLUSION SUSTAINABILITY AND EFFICIENCY

Tunis – 29 & 30 November 2016

Executive summary & Projects



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

Key takeaways on the new Government of Tunisia

CHARACTERISTICS

- ✓ **Second government** of the Second Republic since the 2014 elections
- ✓ Government of **National Unity** (6 political parties, unions, independents)
 - ✓ Broadly backed by the Parliament (80+% approval rating on the confidence vote)
- ✓ The **youngest Head of Government** in the History of Tunisia (41 years old), among the ten youngest active Heads of Government in the world
- ✓ **8 women** in a 40-member cabinet

OBJECTIVES & ACHIEVEMENTS

- ✓ Accelerating the pace of reforms, **gearing up for growth and economic development**, since it took office on August, 27th, 2016
 - ✓ **Investment Code enacted** and voted by the Parliament
 - ✓ Publication of the decrees regulating **Renewable Energy**
- ✓ Putting in place an **Economic Emergency Law**, providing **fast-track procedures** (maximum 3 months) for projects considered of national interest by a Council of 4 Ministers

Tunisia 2020

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% people 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

1

Speed up the implementation of good governance & fight against corruption

2

From a low-cost economy to an economic hub

- ✓ Develop a diversified economy with high employment content
- ✓ Promote **Investment** & Improve **business climate**
- ✓ Improve **export** capacities & further **integration** into the world **economy**
- ✓ Promote **digital economy** as a vector of development

3

Human development & social inclusion

- ✓ Improve living conditions
- ✓ Enhance the **efficiency** of **social policies**
- ✓ Boost complementarity between **Education System'** components
- ✓ Strengthen the spirit of **citizenship** among youth

4

Fulfilling the ambitions of the regions

- ✓ Strengthen the **capacities of the regions** and enhance their **attractiveness**
- ✓ Improve living conditions at the local and **regional levels**
- ✓ Reduce **disparities** and **interconnect the regions**
- ✓ Implement the principle of **positive discrimination**
- ✓ Improve and adapt the **regional development funding system**
- ✓ Build the framework of **decentralization**

5

Green economy a driver of sustainable development

- ✓ Guarantee food security
- ✓ Manage land use planning fairly and respectfully of **ecological balances**
- ✓ **Optimize natural resources** management
- ✓ Protect the **environment**
- ✓ Use **clean** production and consumption **methods**
- ✓ **Mitigate** the risks of natural and technological disasters

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

2. The New Investment Code

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

Five Important Points of the New Code

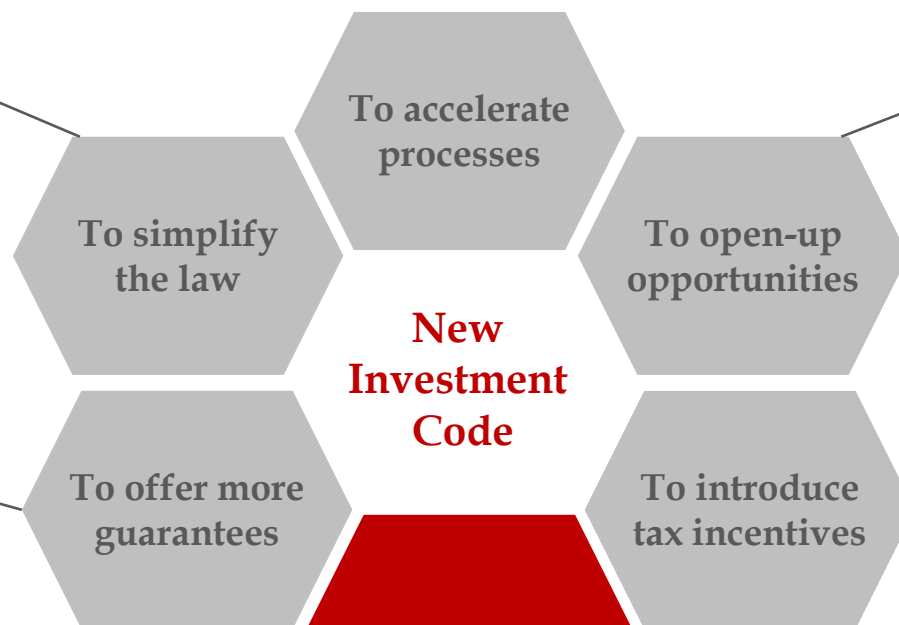
- ✓ From 75 to 25 articles
- ✓ From 33 to 3 implementing decrees
- ✓ **Immediate implementation:** finalized decrees

- ✓ **Single privileged interlocutor:** *Tunisian Investment Authority*
- ✓ **Fast Track** for all important projects
- ✓ **Deadlines** set for every process
- ✓ **Traceability:** tracking for every administrative file

- ✓ **End of authorizations:** gradual program
- ✓ **Open recruitment** of foreign competencies
- ✓ **Access to real estate** for investment

- ✓ **Guarantees** respecting international standards
- ✓ Dispute resolution : **conciliation** and **arbitrage**
- ✓ **Intellectual property** protection

- ✓ **A tax framework** more competitive than other countries
- ✓ **Incentive system** based on national priorities: employment, value addition, regional development, sustainable development

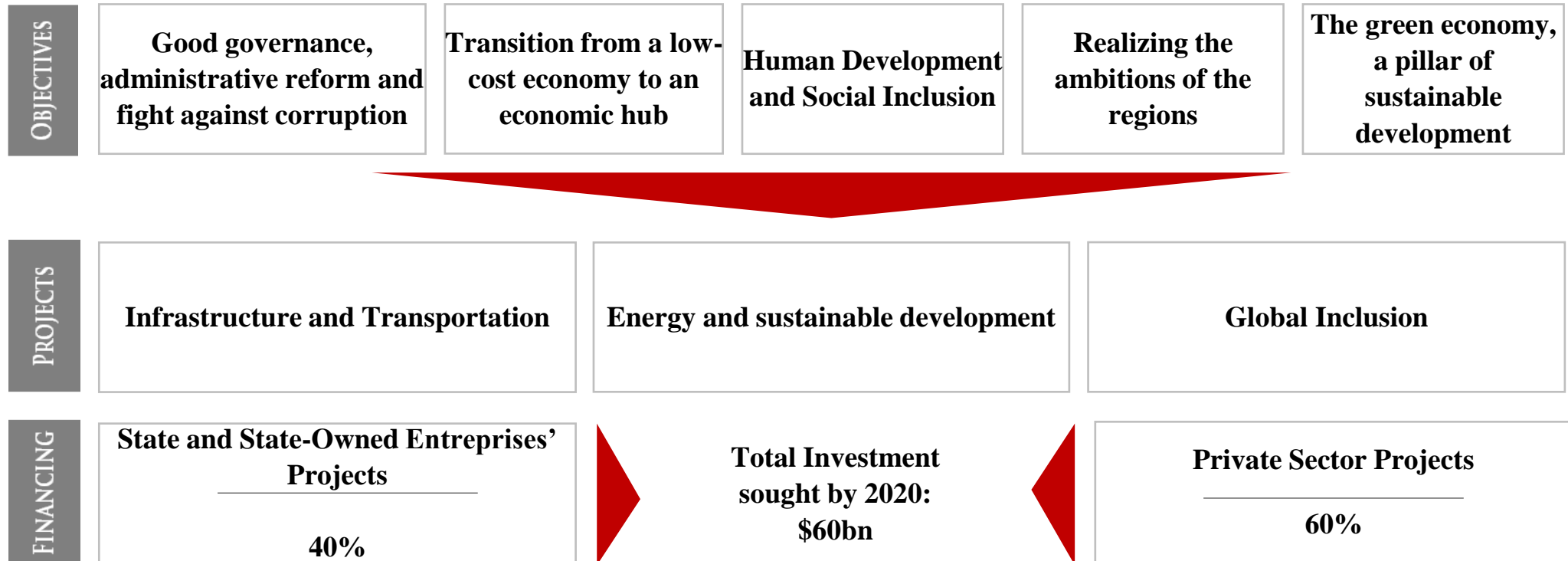


Figures about the Investment Code

- | | |
|---|--|
| 1 | Tax exemption up to 10 years, 10% tax on exports |
| 2 | Open recruitment of foreign competencies, up to 30% of executives |
| 3 | Financial incentives up to 50% of the invested amount |
| 4 | Full coverage of social and employer costs for some investments |

3. 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



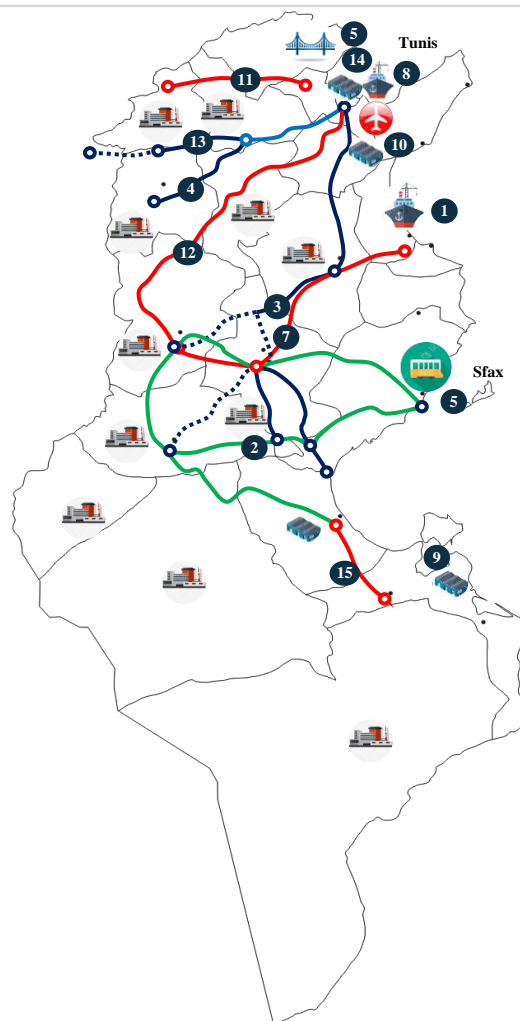
New Highway



New Express Roads



Future Highway




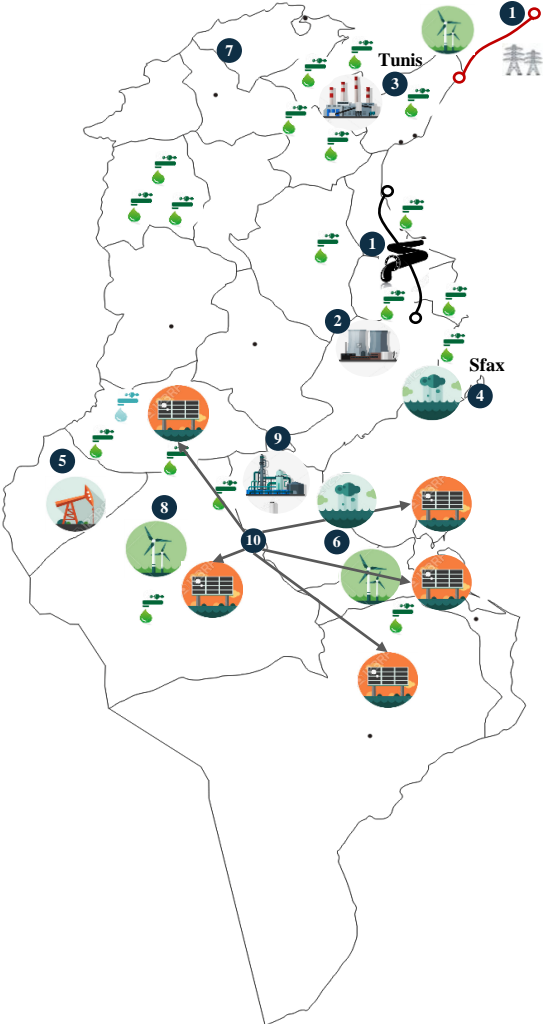









PROJECT NAME

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	Zaghuan 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

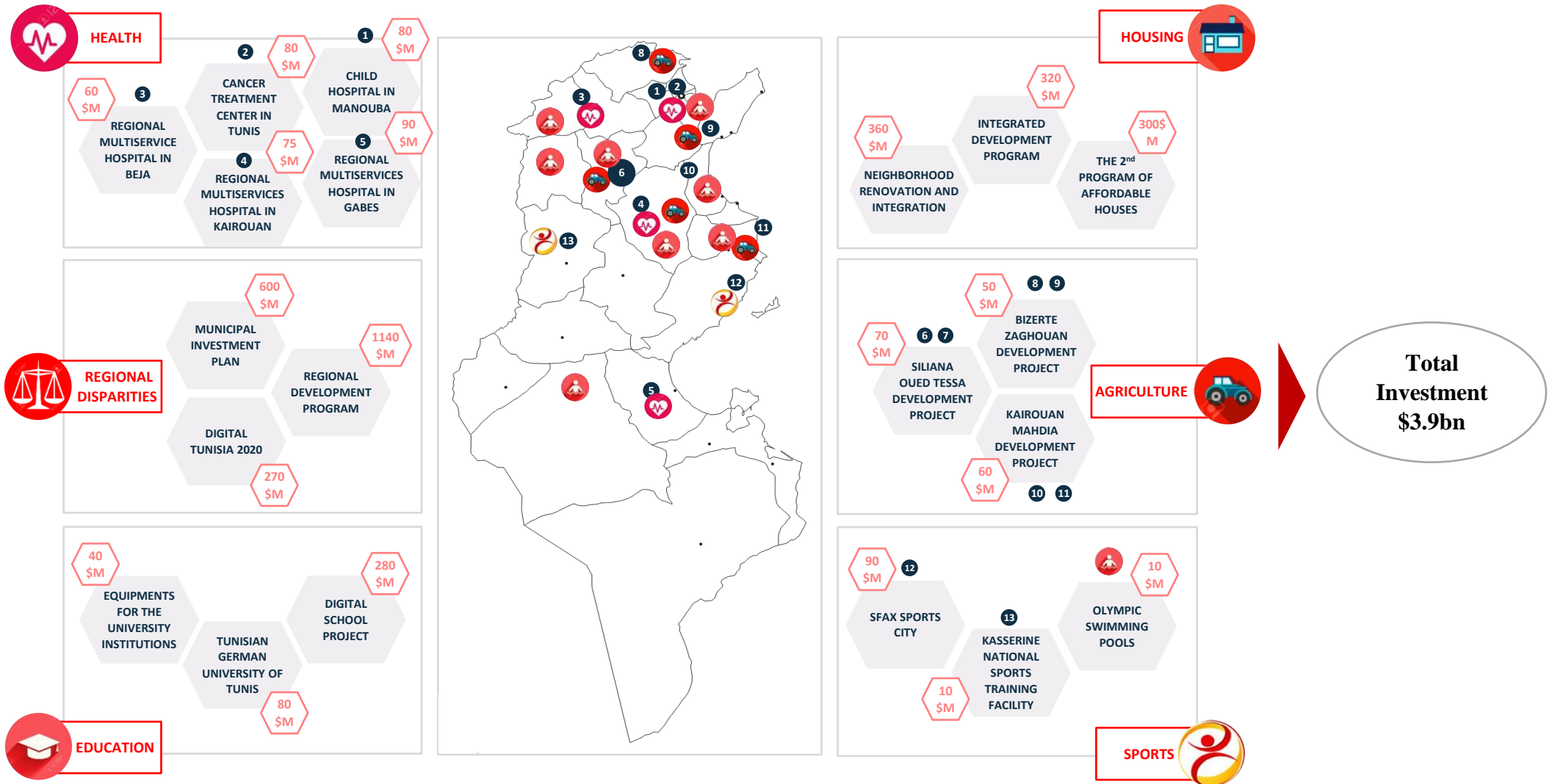
**Total
Investment
\$4bn**

Energy and Sustainable Development Projects

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

Total Investment
\$2.4bn

Global Inclusion Projects



4. International Conference

29 & 30 November 2016

International Conference 29 & 30 November 2016

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1 500	participants
70	countries
2 days	of B2B meetings
50	speakers
150	personalities
100	Public and private projects
10 B \$	of investment opportunities

Economic, Political & Institutional and Media impact

- ✓ **Economic Impact:**
Convincing International investors and decisions makers of a positive dynamic
- ✓ **Political & Institutional Impact**
Political meetings, road shows in 9 cities, international lobbying
- ✓ **Media Impact:**
International message of dynamism and determination

Political, Institutional and private sector audience

- ✓ **Support of international community**
Support of friendly countries, International Institutions (World Bank) and other institutions
- ✓ **Potential investors and partners** depending on project category
Sovereign funds, institutional investors and institutions, infrastructure investors, investment funds, large corporates, associations and NGO

Structuring projects : publics, private and PPP

- ✓ More than 100 projects to be presented for a total investment of 10 billion dollars.

Matchmaking and handholding

- ✓ The conference brings donors/investment funds with local investors, international investors and high level politicians. A program will be **tailored to each investor**, and a **handholding tiger team** will be available for follow on visits and post conference support

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