

**EMBASSY OF INDIA
TUNIS**

No. TUN/201/1/2014

April 17, 2015

MONTHLY ECONOMIC AND COMMERCIAL REPORT

Reporting Month and Year: **March2015**

Name of the Country: **TUNISIA**

Trade with India (month-wise & annual)

2014	Month-wise Export US\$ M	Month-wise Import US\$ M
January	21.05	10.74
February	21.60	4.04
March	24.23	11.80
April	34.50	9.93
May	19.47	10.59
June	29.07	11.45
July	23.62	24.51
August	19.0	9.25
September	24.4	13.2
October	28.48	13.64
November	18.5	14
December	20.0	15.3
Total	283.92	148.45

2015	Month-wise Export US\$ M	Month-wise Import US\$ M
January	17.4	3.2
February	27.5	12.9
March	16.5	3.3
Total	61.4	19.4

(Source: National Institute of Statistics, Tunis)

Trade Data - Annual (US\$ million)

Year	2009	2010	2011	2012	2013	2014	2015 (1st trimester)
India's exports	222.25	280.16	351.62	380.94	313.11	283.92	61.4
India's Imports	236.17	304.07	143.96	181.70	85.77	148.45	19.4
Total	458.4	584.2	495.6	562.6	398.9	432.37	80.8

(Source: National Institute of Statistics, Tunis)

1. Important International Trade Fairs/Exhibitions in Tunisia. Report on recent such fairs/exhibitions, including details of Indian participation & response.

- (i) Embassy of India, Tunis in coordination with Tunisian Union for Trade, Industry and Handicrafts (UTICA) organized a Catalogue Show of Indian companies at the UTICA premises on 17-18 March 2015. The Show was inaugurated by her Excellency Ambassador of India to Tunisia Ms. Nagma M. Mallick on 17 March 2015 in the presence of Tunisian business community and media. Catalogues of

more than 140 Indian companies in diverse fields were on display at the Show. The two day Show attracted a large number of businessmen who collected catalogues of their choice.

- (ii) SIEI expo 2015 for electrical and electronics industries was held in the capital Tunis from 4 to 7 March 2015.
- (iii) MEDIBAT 2015: 13th edition of the Mediterranean Building Exhibition “MEDIBAT 2015” was held in Sfax from 4 to 7 March 2015.

2. Important Trade & Investment activities by other countries in Tunisia, and Analysis of export performance of competing countries

- (i) The Chamber of Commerce and Industry of the Centre in Sousse held meeting with a delegation of Ivorian businessmen on 4 February who came to explore investment opportunities.
- (ii) A World Bank (WB) high level delegation led by Managing Director and Chief Operating Officer Sri Mulyani Indrawati visited Tunisia on March 17-19.

3. Analysis of Global exports & imports of Tunisia and other micro-economic indicators

- (i) According to the National Institute of Statistics, the **inflation** rate remained steady in March compared to February, standing at 5.7% up from 5.5% in January due to the steady pace of increase in prices.
- (ii) Tunisia's **trade balance** deficit dropped by 25.4% in the first quarter of 2015, the equivalent of US\$ 440 million to US\$ 1,286.4 m from US\$1,726.3 M in the same period in 2014, according to latest statistics from the Trade Ministry.
- (iii) Consumer Price Index **CPI** in Tunisia decreased to 124.75 Index Points in March of 2015 from 124.88 Index Points in February of 2015.
- (iv) Number of tourists down in Q1 of 2015: Some 35,403 tourists visited the Governorate of Tozeur in the first quarter of the 2015, against 40,048 tourists in the same period in 2014, according to statistics from the regional tourism authority in Tozeur. The number of overnight stays recorded until last March also dropped (63,749) against 68,846 overnight stays in the same period in 2014.

4. Market prospects in respect of major items of Indian export interest

See paragraph 9.

5. Trade Enquiries from India and Trade Enquiries from Tunisia

- i) Number of Trade Enquiries from India: 14
- ii) Number of Trade Enquiries from Tunisia: 1

6. Trade complaints received during the Month, and follow up action on earlier complaints

None.

- 7. Indian investment in Tunisia (company wise and sector wise), and performance of existing Indian Subsidiaries / Joint Ventures/ Collaborations, if any, in Tunisia**
&
8. Status of ongoing major investments by Indian PSU's / Pvt. Sector in Tunisia and proposed Indian investments in Tunisia

A US\$450 million India-Tunisia joint venture company, "Tunisian-Indian Fertilizer SA (TIFERT S.A) for manufacturing phosphoric acid was launched during 2006. This plant with a capacity of 360,000 tons per annum is the only Indian investment in Tunisia. In this joint venture, the Tunisian partners are (i) GroupeChimiqueTunisien (GCT) & (ii) Compagnie des Phosphates de Gafsa (CPG) while the Indian partners are (i) the Coromandel Fertilizer Ltd. (CFL) and (ii) the Gujarat State Fertilizer & Chemicals (GSFC). Tunisian companies hold 35% of equity capital each and the Indian companies hold 15% each. The entire production is to be transported to India to be shared equally by the two Indian partners. This joint venture has been operational since May 2013 and several shipments have already reached India.

9. Analysis of Investment opportunities in Tunisia

Tunisian Government provides many incentives to promote foreign investment in Tunisia. Therefore, more than 3,000 foreign companies operate in Tunisia in diverse sectors. The Government has primarily encouraged export-oriented FDI in key industrial sectors, such as call centers, electronics, aerospace and aeronautics, automotive parts, and textile/apparel manufacturing. Foreign participation is allowed in the privatization program of state-owned or state-controlled enterprises. This has attracted a significant share of Tunisia's FDI in recent years. The privatization programme has taken place mainly in telecommunications, banking, insurance, manufacturing, and fuel distribution. Overall foreign investment flows for 2013 surpassed \$1.2 billion, primarily in the form of foreign direct investment (FDI) with less than 10% in portfolio. France with US\$123 million topped the list in 2013 in terms of foreign investment in Tunisia. Germany was second (\$ 38.4 million) followed by Italy (\$ 37.1 million). Foreign investment flow reached US\$ 159 m at the end of February of 2015.

10. Status of Trade and investment related issues taken up by the Mission with the Government of Tunisia

Mission has taken up with Tunisian authorities at various levels, decline in the production of phosphate by India-Tunisia joint venture company, "Tunisian-Indian Fertilizer SA (TIFERT S.A) for manufacturing phosphoric acid due to labour strike in the plant and also non delivery of raw material from the mines to the plant.

11. Major international tenders issued & bids invited in Tunisia
None.

12. Aid / Assistance received by Tunisia from other countries / international agencies, funding organizations etc.

- (i) Italy decided to convert 25-million euro of the Tunisian debt that is about US\$ 27 million into development and investment projects, a source of the Foreign Ministry said to TAP.

- (ii) The European Bank for Reconstruction and Development (EBRD) granted the "Banque de Tunisie (BT)" a loan worth US\$ 30 million to support micro, small and medium enterprises (MSMEs) in Tunisia.

13. Commercial, Economic and Political Report of Tunisia

- (i) A delegation from Tunisia took part in the 30th edition of AAHAR 2015-the International Food and Hospitality Fair held from March 10 to 14 in New Delhi, according to an Exports Promotion Centre (CEPEX) press release. Tunisia's participation focuses on two appreciated and value-added products, namely dates and olive oil, the same source noted, adding that Tunisia's exports of these two products edged up in the past three months to US\$ 1.8 million on average for dates and US\$ 0.1 for olive oil. AAHAR is the largest fair on food and hospitality sector in India with over 768 exhibitors from 18 countries such as Austria, Canada, France, Spain, Turkey, Germany, Malaysia, etc.
- (ii) In its quarterly updated country risk and business environment, the French Insurance Company for Foreign Trade (COFACE), upgraded Tunisia's country risk assessments to B accompanied by a positive watch, despite the country's difficult juncture. Tunisia's growth is set to pick up in 2015 (+3%) rising half a point compared with 2014, supported by expansion in agricultural production and a strengthening in the economic activity in the industrial sector, COFACE indicates in its note. The group estimates, in a statement, that « in 2015, Tunisia's business climate has been improved by the end of the political transition, which is unlikely to be jeopardised by the threat of terrorist attacks. » It described as « good news », Tunisia's positioning whose « B » assessment is now accompanied by a positive watch. Besides, « the country will also benefit significantly from the improvement of the international economic environment, including low oil prices and the recovery in Europe, its main export destination, the group noted. However, COFACE believes that tourism is likely to suffer from the short-term security risk.

Pending References from the Mission

None.

14. Monthly expenditure of the Commercial Budget

March 2015: Rs. 271,168

**(Shakeel Ahmed)
SS/HOC**