

SUMMARY

**Readjustment of the trade balance in Tunisia
in a perspective of industrialisation and coproduction
within the Euro-Mediterranean space**

The deficit of the Tunisian trade balance keeps increasing. Yet, the development of the Tunisia economy requires strong foundations regarding trade balance stability on the one hand, and the transformation of the existing industrial fabric into an ecosystem that creates value and employment, on the other hand.

In order to develop while remaining competitive on more than one industry, it is necessary to rationalise importations and to improve exportations.

The present study, called “Readjustment of the trade balance in Tunisia”, aims to identify efficient solutions to stabilise the trade balance in the long term and boost the Tunisian economy via commercial exchanges.

This study leads to four propositions:

1st PROPOSITION : **Negotiating with the countries that caused this commercial deficit, and in priority with China, Turkey and Russia**

85% of external trade is done with EU countries. This North/South trade is balanced, regarding its net impact on the trade balance.

However, the deficit with some countries like China, Turkey and Russia is huge. It is urgent to rationalise Tunisia’s importations in keeping with its international commitments. The same goes for some activities in Tunisia.

With China, it seems necessary to establish new relations in order to attract Chinese investments in Tunisia and develop operative platforms with Europe and Africa. With Turkey, it seems essential to review the trade exchange convention between the two countries to limit “unproductive” importations and reduce luxury importations. As for Russia, we need to develop and diversify exportations towards this country.



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2ND PROPOSITION : Modernising importing sectors at the origin of the commercial deficit

Over the 2010-2016 period, the sectors at the origin of 79% of the trade deficit, in average, were:

- the agribusiness sector (13% of the total commercial deficit);
- the chemistry sector (19%);
- the metal and steel sectors (18%);
- the wood and paper sectors (6%);
- the energy sector (23%).

In order to solve the deficit related to the excessive importations of these 5 sectors, two measures seem necessary:

- “bringing back” and developing in Tunisia the processing activities as an extension of importations of food products and of the agricultural production and no longer limiting ourselves to exportations of raw commodities;
- focusing FDIs on these 5 sectors and internationalising production.

3RD PROPOSITION : Strengthening exporting sectors

The export-oriented sectors with a strong growth potential are the following:

- • the textile, clothing, leather and shoes sector, for which it is necessary and possible to reinforce the value chain and to diversify production. This industry remains a privileged coproduction field with European manufacturers.
- • the mechanical and electrical sectors, for which it is necessary to renew and reinforce competitiveness by attracting major operators as targets and driving forces of the dynamic that need to be implemented.

4TH PROPOSITION : Restoring the competitiveness of the Tunisian industrial fabric

This study shows sectors and industries that are little or under-exploited. The questions regarding the consequences of technology mutations and the necessary reconfiguration or dynamisation of a few industries towards a high-added-value production must get clear answers through a strong policy and tangible actions on the field.

The automotive, aeronautics, textile, clothing, leather, shoes, chemistry, agribusiness, renewable energies and digital sectors and industries boast many investment opportunities; coproduction with European and non-European partners could help their development.
