

Country Factsheet : Tunisia

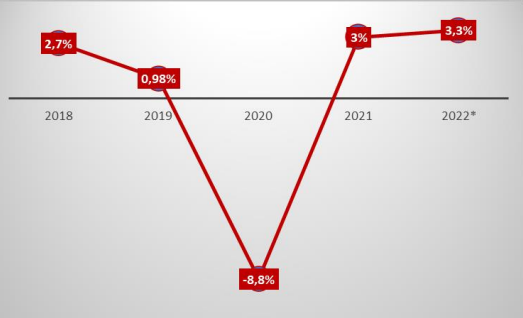
Tunisia's diverse, market-oriented economy has long been cited as a success story in Africa and the Middle East, although it faced an array of challenges following the 2011 Arab Spring revolution.

Its strengths include its proximity to Europe, Africa, and the Middle East; its free-trade agreements with the EU and much of Africa; an educated workforce; and a strong interest in attracting foreign direct investment (FDI). Kaies Said, Tunisia's president led reforms in business spectrum, characterizing it by increasing liberalization, greater integration in the global economy and stronger competitiveness combined with a new regulatory and tax incentive framework.



KEY FACTS

- Population: 12 millions (2022)
- Demographic growth: 1.1% (2020)
- Current GDP : US\$ 41.6 bn (2020)
- GDP per capita: US\$ 3521(2020)
- Life expectancy: 77 years (2019)
- Literacy rate: 79% (2014)
- Inflation: 6.6% (2022)
- FDI (Net Inflows): US\$ 592 million (2020)
- Current account: -6.1 % (2020)
- Primary export: Insulated Wire US\$ 1.99 billion (2020)
- Unemployment rate: 16.5% (2020)
- Last elections: September 2020
- GDP Growth (%) :



* Source : World Bank data, IMF, Reuters

'WHAT ARE THE MOST ATTRACTIVE INDUSTRIES?'

Attractive industries in Tunisia include agribusiness, aerospace, mechanical & electrical equipment production and offshoring.

SOME LEADING COMPANIES:

1. Tunisian Society of Refining Industries (Oil Refining)
2. Adwya (Health care)
3. Tunisia Telecoms (Telecom)
4. Air Liquide Tunisia (Basic Materials)

Tunisia's international memberships

- Tunisia is a member of:
- African Development Bank Group
 - African Union
 - Arab League
 - Union for Mediterranean
 - Group of 77 (G77)
 - African, Caribbean and Pacific Group of States (ACP)

- World Trade Organization (WTO) (observer)
- International Monetary Fund (IMF)
- United Nations (UN) various memberships
- World Federation of Trade Unions (WFTU)
- World Customs Organization (WCO)

AS A FOREIGNER, DO I NEED A WORK PERMIT?

Any foreigner, except Union du Maghreb Arabe nationals, who wishes to work in Tunisia must have an employment contract and a residence card that allows the individual to work in the country. The employment contract must be valid for at least one year and may be renewed once.



INTERESTS & CURRENCY EXCHANGE RATES

Key interest rate:	6.25%
Currency:	Tunisian Dinar
USD 1 =	2.96 TND
EUR 1 =	3.27 TND
Source: Central Bank of Tunisia, 25th March	

WHAT IS THE TAX REGIME IN TUNISIA ?

Corporate income tax rate (CIT):

- As of January 1, 2021, the normal corporate income tax rate is 15%.
- A 35% rate applies to certain banking and financial institutions, investment, insurance and telecommunications companies.
- The 35% rate is reduced to 20% for companies that list their shares on the TSE (or an alternative market) during the period 1 January 2020 through 31 December 2024
- A 50%-75% rate applies to companies operating in hydrocarbons.
- A lower rate of 10% applies to agricultural, health, handicraft, and education activities.

Withholding tax (WHT):

- **Dividends:** Dividends paid to resident individuals and non-residents are subject to a 10% WHT. The tax is final for amounts that exceed TND 10,000.
- **Interests:** Interest payments made to a resident company are subject to a 20% WHT. Interest payments made to non-residents generally are subject to a 10% WHT, unless the rate is reduced under a tax treaty.
- **Royalties:** Royalties are not defined under domestic law; the definition is provided in a relevant tax treaty. Payments made abroad are subject to a 15% WHT if there is no tax treaty with the relevant country.

Value Added Tax:

The standard rate is 19%.

Lower rates of 13% and 7% apply to specifically designated operations.

Personal income tax rate:

Personal income tax rates are progressive from 0% to 35%, plus a 1% social solidarity contribution.

WHAT ARE SOME OF THE INVESTMENT INCENTIVES OFFERED IN TUNISIA?

General Incentives:

The investment code offers guarantees to foreign investors and protection to intellectual property, as well as a preferential system for exports and offshoring services, including the following:

- Exemption from TFP (taxe à la formation professionnelle), FOPROLOS¹, registration fees, and VAT
- Tax exemption for up to 10 years for certain investments (applicable until 31 December 2020) for certain investments
- 10% tax on exports (however, *as of 2021, exporting companies will be subject to a 15% corporate income tax rate*)
- Up to 30% of a company's management may be comprised of foreigners for 3 years
- Full coverage of social and employer costs for certain investments for up to 10 years

Exchange Controls

Foreign-owned companies and branches of foreign companies may freely repatriate profits provided applicable taxes have been paid.

However, certain transfers must be approved by the Central Bank.

USEFUL LINKS / SOURCES :

1. <http://www.investintunisia.tn>
2. <https://www.bct.gov.tn>
3. [African Markets](#)
4. [World Bank](#)
5. [Deloitte guide to fiscal information](#)
6. [World Investment report](#)

1: The FOPROLOS, is a credit established in Tunisia in 1977 which allows Tunisians, in particular employees whose income is limited, to access housing in an easier way.