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Global Agricultural Information Network

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## Tunisia

### Exporter Guide

### 2012 Tunisia Exporter Guide

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**Report Highlights:**

In 2012, Tunisia's trade environment improved slightly with rising per capita incomes and an expanding modern retail sector that offers good opportunities for U.S. companies in the mid-term. However, current political instability may fuel sporadic trade and commercial disruptions in the near term. This Exporter Guide Report provides an update of all sections, including the political and economic situation, agricultural trade data and local business and government contacts.

**Post:**  
Tunis

**Author Defined:**  
**Section I: Market Overview**

### **1.1 Political and Economic Situation**

In 2011, Tunisia underwent a historic revolution that spread to several Arab countries and changed the landscape of the Middle East and North African region. The so-called “Jasmine Revolution” was sparked by the immolation of an unemployed young man in Sidi Bouzid protesting his longtime unemployment and his humiliation in public by a local police woman with the uprisings ultimately leading to the toppling of the Ben Ali regime. The military, which had not played any role in Tunisian politics, remained neutral during the revolution and restored security and protected public properties. On October 2011, the Tunisians participated to the first fair and democratic elections in their history to elect 217 members of the Constitutional Assembly whose major task will be to draft a new Constitution. The Islamic party Ennahda won 89 seats, making it the largest bloc in the assembly while the secular and conservative parties controlled the rest of the seats. Ennahda declared its commitment to tolerance, freedom and pluralism, which was seen by international observers as a positive sign.

Today the Tunisian economy is slowly recovering after the post revolution political instability with an improved environment for business following a GDP decrease of 1.8% in 2011. New foreign direct investment in the country rose 24 percent for the first ten months of 2012, close to its level in the same period of 2010. The government predicts economic growth of 3.5 percent this year and 4.5% in 2013. However this growth is insufficient to cope with youth unemployment, which is officially estimated at 17 percent and was a major source of the discontent that fuelled the revolution.

While the government in place promised significant liberalization measures, the role and the intervention of the state in the economy remained important and expected to continue in the short term, especially in the agricultural sector. Several key state trading enterprises will continue to play important role in agricultural trade and marketing and the prices of basic commodities will continue to be controlled by the government. A new investment law that would strengthen protections given to investors and make procedures easier is under preparation and will be released in early 2013.

Tunisia is a net importer of agricultural and food products with an agricultural policy aimed at reaching self-sufficiency and reducing imports. Over the seven months of 2012, the trade deficit widened 53.9% compared to the same period of 2011. Geographically, bilateral trade exchange was in deficit, especially with China and with some EU countries such as Spain, Italy and Germany. However, Tunisia had a trade account surplus with Libya and France. In 2011, U.S. agricultural exports to Tunisia reached a record high at \$311 million, with corn oil, oilseeds, coarse grain, and wheat exports accounting for the bulk of these exports. Tunisia’s agricultural exports to the United States in 2011 were stable at around \$86 million of which \$74 million consisted of olive oil. Tunisian olive oil exports are primarily shipped to the U.S. with a preferential access under the framework of the GSP. For 2011, the USA ranked as the second largest destination (after the EU market) for the Tunisian olive oil exports absorbing about 25 percent of Tunisia's olive oil exports.

TOTAL TRADE (\$Million)	US Exports	US Imports	Balance
2011	588	352	+235
2010	571	406	+165
2009	502	325	+177

Data Source: U.S. Census Bureau, Foreign Trade Statistics

## 1.2 Key demographic developments and their impact on consumer buying habits

Tunisia's purchasing power parity (PPP) of \$9,415 (2011, WB estimate) is one of the highest in North Africa and is projected to rise to \$10,933 by 2014. Two-thirds of the population lives in urban cities and nearly one-fifth is living in the Greater Tunis Metropolitan area. Tunisia has a relatively large middle class representing 80 percent of the entire population and enjoying a relatively good social welfare, with ready access to education and health services. Women enjoy equal status to men and make up a sizeable part of the work force. Food items account for about 35 percent of household overall expenditures and spending on these items is growing by 6.6 percent annually. Urban households spend nearly 65 percent more than rural households.

Advantages	Challenges
Improved strategic linkages between the United States and Tunisia, and recent Tunisia's positive steps towards political and economic reform	Political instability may remain and may fuel disruption of trade and economic activities
It has the highest disposable income in North Africa and a large middle class.	Price-conscious buyers make it difficult for US exporters to compete in this market
Major European tourist destination requiring consistent high quality food supply.	Lack of direct shipping lines from the U.S. to Tunisia main ports resulting in a long transit times and higher costs
Expanding modern retail food distribution channels such as supermarkets and hypermarkets that sell imported food products	Heavy French orientation of a large segment of the Tunisian agribusiness establishment
Imported products are generally highly recognized among consumers and institutional services for quality and safety	Relatively small market

The typical Tunisian diet relies on staples such as couscous, a famous dish in North Africa made from durum wheat, meat, fish or chicken, along with various vegetables. Pasta and olive oil are also popular as Tunisian cuisine is, to a certain extent, influenced by the Italian cuisine. Seafood is a mainstay of the Tunisian diet. Candies and sweets are also popular.

## Section II: Exporter Business Tips

Doing business in Tunisia very often needs agents/distributors that are crucial to introducing new products into the Tunisian market. Both commission agents and distributors may represent foreign businesses. The official language is Arabic, and the second language is French. Although Tunisian businessmen perceive U.S. agricultural products to be of high quality, many are reluctant to pay substantial quality premiums, as price remains the most determining factor. Therefore companies embarking on doing business in Tunisia should be prepared for relatively demanding price negotiations.

Food standards are in general similar to those prevailing in developed countries as Tunisia is heavily relying on Codex Alimentarius standards when setting its own food safety measures. According to the Consumer Protection Law of 1992, Arabic has to be one of the languages used for product labeling (decree # 2003-1718) while the measuring system in use is the international metric system. If pork meat, pork fat, beef fat or alcohol is one of the ingredients it should be clearly mentioned on the label. Labeling is also mandatory for all foods and food ingredients containing biotechnology.

The Tunisian currency, the Dinar, is not fully convertible. The banking system is strictly supervised by the Central Bank of Tunisia, which has several restrictions on capital outflows. However, the Dinar is convertible for trade and investment transactions. The Government of Tunisia is carrying out reforms aimed at the full convertibility by 2014, but this is unlikely to happen at that time. During the period January-November 2012, the value of the Tunisian Dinar remained declined vis-à-vis the U.S. dollar at 1.56 TND/\$US.

Business etiquette is quite similar to western countries. The Tunisian weekend is Saturday and Sunday. During fasting in the holy month of Ramadan, the workday is shorter and it is advisable to be concise and to avoid lengthy meetings. When invited into someone's home, it is common for guests to bring a small gift as a token of appreciation. Commercial advertising is well developed in Tunisia with TV and newspapers providing the main venue for ads. Posters, lotteries and sponsorship of event are also very common. Tunisians, especially those with high income, like to buy brands/trademarks with 'westernized look' advertized in foreign satellite TV commercials and foreign newspapers.

The majority of food products imported to Tunisia are subject to technical quality control procedures prior to customs clearance and the issuance of a document called 'Autorisation de Mise à la Consommation' (AMC). In general, products submitted to the technical check are the imported products intended for sale in their current state and for final consumption. However, products free from the procedures of the technical check include raw materials, semi-finished materials intended for the professional use of the importer in the framework of his industrial, agricultural, craft or touristic activity, and also imported samples. The list of the products concerned by the technical control is regularly published in departmental orders and establishes three distinct modalities:

1. List A includes all goods submitted to a systematic control i.e. a conformity assessment with or without sampling for further laboratory testing to be undertaken at each shipment regardless of whether the product has or has not been tested in the past. This list includes virtually all processed agricultural products.
2. List B includes products submitted to the so-called certification regime whereby customs clearance is granted for goods accompanied by a certificate issued by the country of origin and stating that those goods are in compliance with international standards. Agricultural products are not among products subject to the certification regime.

3. List C includes products submitted to a conformity assessment with the conditions defined by a GOT-sanctioned specifications book (Cahier des charges). Agricultural products submitted to 'cahier des charges' are mostly bulk and intermediate agricultural products.

### **Section III: Market Sector Structure and Trends**

Although Tunisia remains mostly a bulk market for U.S. wheat and coarse grain, especially during drought years, many export opportunities exist for U.S. consumer-oriented food products and beverages. There are several factors that make Tunisia's consumer-product market increasingly attractive to U.S. exporters:

**Expanding modern retail food outlets:** The retail sector in Tunisia has seen significant changes in the last ten years fuelled by the expansion of modern distribution outlets, supermarket and hypermarkets. Although the traditional distribution network, based on over 250,000 neighborhood grocery shops, continues to dominate the Tunisian market, modern distribution channels are growing rapidly. It currently represents 18% of the Tunisian retail sector with a national goal to increase the level to 50% by 2016. Since the opening of the first French hypermarket Carrefour in 2001, two new international brands were introduced into the market (Champion and Casino) while the main state supermarket chain "Magasin General" was fully privatized in 2007. Currently, there are roughly 220 modern food retail outlets: 2 hypermarkets, 150 supermarkets and 100 'Superettes' (self-service food outlets with area less than 500 sq. m). Fresh fruit and vegetables, as well as, fishery products are also sold in local out-door markets "souk".

**Franchising:** After a long opposition to franchising, the GOT is encouraging investment in this area to help create new jobs and technology transfer. In August 2009, the Tunisian government approved legislation defining franchising for the first time. Before the approval of this law, franchises permission to open and operate on a franchise was accorded in case-by-case basis. In August 2010, the Tunisian government issued a ministerial decrees outlining contract provisions and publishing a sectoral list in which franchises would need no prior authorization to operate in Tunisia. Franchises on this list will be able to operate like any other foreign business in Tunisia, while the franchises that are not on the sectoral list, such as the food franchises, must obtain an approval to operate. The U.S. franchises are currently under-represented in Tunisia. This may represent a good opportunity for U.S. companies to enter and benefit from this fast growing market. It is worth noting that after the revolution, several franchise shops opened in Tunis including mainly European and French food franchises.

**Growing middle-class:** Roughly 80 percent of Tunisian consumers are considered middle class and thus have significant purchasing power. According to the latest survey by the National Statistics Institute's (INS) conducted in 2005, Tunisians spend on food nearly 6.3 billion TD a year (about \$5 billion), mainly to purchase staples like bread, pasta, semolina, cooking oil and dairy products. Other items that used to be considered luxury goods, such as salty and sweet snacks, fruit juices or fresh fruits are increasingly popular. Tunisia's growing young population is also adding to this factor. In fact, youth population group represents a large part (55 percent of the total population is under the age of 30) and is more open to western-style food products. In addition, there are about 6 million tourists who visit Tunisia annually and offer opportunity of selling high processed food products.

## The food processing sector

The food processing sector accounts for about 1,066 enterprises producing for a value of \$6,000 million and contributing with a value added of 1,316 million \$ in 2008. The food processing sector demand for imported high-value ingredients is steadily increasing, with more sophisticated products licensed by multinational food companies such as Nestle and Danone. Agricultural and food imports by the food processing sector in 2009 were estimated at \$1,814 million compared to \$937 million in 2002. Cereals and products, oils and sugar derivatives account on average for 80 percent of Tunisia food imports. The Hotel and Restaurant Industry (HRI) is not perceived as a separate market, for most hotels and restaurants source their food needs either through annual tenders or use the same distribution channels used by households. In addition to domestic customers, this sector caters to more than 6 million tourists visiting Tunisia each year. High-end hotels do import spirits, wines and specialty cheese either directly or via import companies.

The following table shows the number of food processing companies broken down by sub-sectors. For each sub-sector there are off-shore companies whose operations are geared toward export and on-shore companies, i.e. those working mainly for the domestic market.

Activity	Off-shore companies	On-shore companies	Total
Oils and fats industries	14	312	326
Fruits and vegetables industries	17	45	62
Cold storages facilities	56	81	137
Seafood industries	39	37	76
Cereals and derivatives industries	4	234	238
Beverage industries	8	51	59
Dairy industries	-	37	37
Sugar and confectionary industries	2	24	26
Meat industries	1	24	25
Other food processing industries	21	59	80
<b>Total</b>	<b>162</b>	<b>904</b>	<b>1066</b>

Source: Tunisia Industry Promotion Agency-June 2008

## Section IV: Best high-value product prospects

As mentioned earlier, owing to an expanding middle-class and the consequent change of both consumption patterns and distribution channels, the Tunisian market is evolving in a way creating real export opportunities for value-added consumer-oriented products (COP). The consumer-oriented products that have good prospects to perform best in the Tunisian market include: Tree nuts, dried fruits, cookies, sauces, condiments and mixed seasoning and breakfast cereals.

Apart from food products, there is also a good market opportunity for U.S. agricultural equipment in

Tunisia, particularly in grain storage where Tunisia experiences frequently significant shortages. Also, there are a good opportunities for U.S. suppliers of concrete and portable grain silos as well as elevators exist in Tunisia.

The best approach to enter the market for new exporters is to identify a suitable importer, i.e., an importer with proven experience in handling the targeted products. U.S. exporters are encouraged to check the credentials of the importer. Another alternative is to contact major retailers directly, as some of them have subsidiaries dealing with local and international procurement. Through various activities, the USDA/FAS office in Tunisia is able to help in matching new-to-market exporters with appropriate potential business partners or to conduct specially tailored inquiries for U.S. companies seeking export opportunities in this emerging market.

## **Section V: Key Contacts and Information Sources**

The Office of Agricultural Affairs (OAA) at the American Embassy in Tunis is the main contact for USDA activities in Tunisia. It provides trade servicing and market intelligence. Services offered by OAA include market briefings, lists of importers, setting up agendas and meetings.

### **US Embassy/ USDA-Foreign Agricultural Service Contacts**

#### **Sarah Hanson, Regional Agricultural Attaché (Resides in Rabat, Morocco)**

E-mail: [Agrabat@usda.gov](mailto:Agrabat@usda.gov)

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Fax : 212 53 776 5493

### **Other Contacts:**

#### **Directorate General for Veterinary services (DGSV)**

Ministry of Agriculture, Environment and Hydraulic Resources  
30, rue Alain Savary, 1002, Tunis, Tunisia

Phone: 216 71 786 833

E-mail: : [mag@ministeres.tn](mailto:mag@ministeres.tn)

#### **Directorate General for Agricultural Production (DGPA)**

Ministry of Agriculture, Environment and Hydraulic Resources  
30, rue Alain Savary, 1002, Tunis, Tunisia

Phone: 216 71 786 833

E-mail: : [mag@ministeres.tn](mailto:mag@ministeres.tn)

#### **Directorate General for Crop Protection and Quality of Agricultural Products (DGPCQPA)**

Ministry of Agriculture, Environment and Hydraulic Resources  
30, rue Alain Savary, 1002, Tunis, Tunisia

Phone: 216 71 786 833

E-mail: : [mag@ministeres.tn](mailto:mag@ministeres.tn)

#### **Directorate of Quality and Consumer Protection (DQPC)**

Ministry of Commerce

Address: 37, av. Keireddine Pacha, 1002 Tunis  
Phone: (216) 71 890-070 / 890 337  
e-mail: [mcmr@ministeres.tn](mailto:mcmr@ministeres.tn)

**National Agency of the Sanitary and Environmental Control of Products (ANCSEP)**

Ministry of Public Health

Adresse : Appt. Idriss - 3ème Etage - Bloc N°9 - Cité Elmhiri - Berges du Lac - 2045 Tunis

Phone : +216 71 960 222

e-mail : [thouraya.attia@ms.tn](mailto:thouraya.attia@ms.tn)

**Institut National de Normalisation et de Propriété Industrielle (INNORPI)**

Standards setting and intellectual property enforcement authority

BP 23 - 1012 Tunis Belvédère

Phone: 216 71 785 922

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**The Packaging Technical Centre (PACKTEC)**

Address : Cité El Khadra, par la rue Alain SAVARY. BP 64 .1003 Tunis.

Tel. : +216 71 772 755

Fax. : +216 71 773 300

Email : [Packtec@packtec-tunisia.com](mailto:Packtec@packtec-tunisia.com)

**Other relevant websites**

- [www.cepex.nat.tn](http://www.cepex.nat.tn): The website of the Cepex (Export promotion agency) which has the full list of has le list of the domestic and international trade shows of interest for Tunisian businessmen
- [www.Tunisie-commerce.com](http://www.Tunisie-commerce.com): A directory of trade Tunisian companies
- <http://www.tunisianindustry.nat.tn>: the website of the Industry promotion agency
- [www.bct.gov.tn](http://www.bct.gov.tn): The website of the Tunisian Central bank
- [www.smg.com.tn](http://www.smg.com.tn): the website of the leading Tunisian retailer: Magasin General
- [www.TunisiaOnline.com](http://www.TunisiaOnline.com): a digital gateway to news and information resources on Tunisia, Tunisia's history, government, culture and environment.

Table A: Key Trade & Demographic Information

Agricultural Imports From All Countries (\$mil) / US Market Share (%) 2011	2407	13 percent
Consumer Food Imports From All Countries (\$mil) / US Market Share (%) 2011	1189	1%
Total Population (millions)/ Annual Growth Rate (%), 2008	10,326	1.18 percent
Urban Population (millions)/ Annual Growth Rate (%), 2004	6490	1.83 percent
Number of Major Metropolitan Areas	1	
Size of the Middle Class (millions)/ Growth rate, 2004	8	
Per capita Gross Domestic Product (U.S. Dollars), 2011	4,351 (equivalent US dollars at current prices)	
Unemployment rate (%)	18 (2011)	
Per capita Food Expenditures (U.S. Dollars), 2005	519	
Percent of female population Employed	25.4	
Exchange Rate	1.56 TD for \$ 1.0	

Table B. Tunisia agricultural imports

Tunisia Imports	Imports from the World \$Million			Imports from the U.S. \$Million			U.S Market Share (%)		
	2009	2010	2011	2009	2010	2011	2009	2010	2011
Wheat	316	486	501	9	29	17	2.8	6	3
Barley	12	90	62	0	17	0	0	18	0
Corn	127	197	240	12	40	109	9.4	20	45
Soybean oil	119	147	200	19	8	0	10	7	0
Soybean meal	82	32	13	7	0	0	0	0	0
Soybean	108	143	234	93	118	117	86	82	50
Milk and derivatives	33	35	41	0.8	4	7	0.03	11	17
Potatoes	37	14	21	0	0	0.1	0	0	0
Tea	18	18	12	0.05	0	0	0	0	0

Sugar	133	205	303	0.2	1.4	2.1	0	0.6	0.6
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**Source: Institut National des Statistiques (INS)+ BICO**