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**THE TEXTILE INDUSTRY
IN TUNISIA**

presented by

The Government of Tunisia

1/ The views and opinions expressed in this paper are those of the Government and do not necessarily reflect the views of the secretariat of UNIDO.

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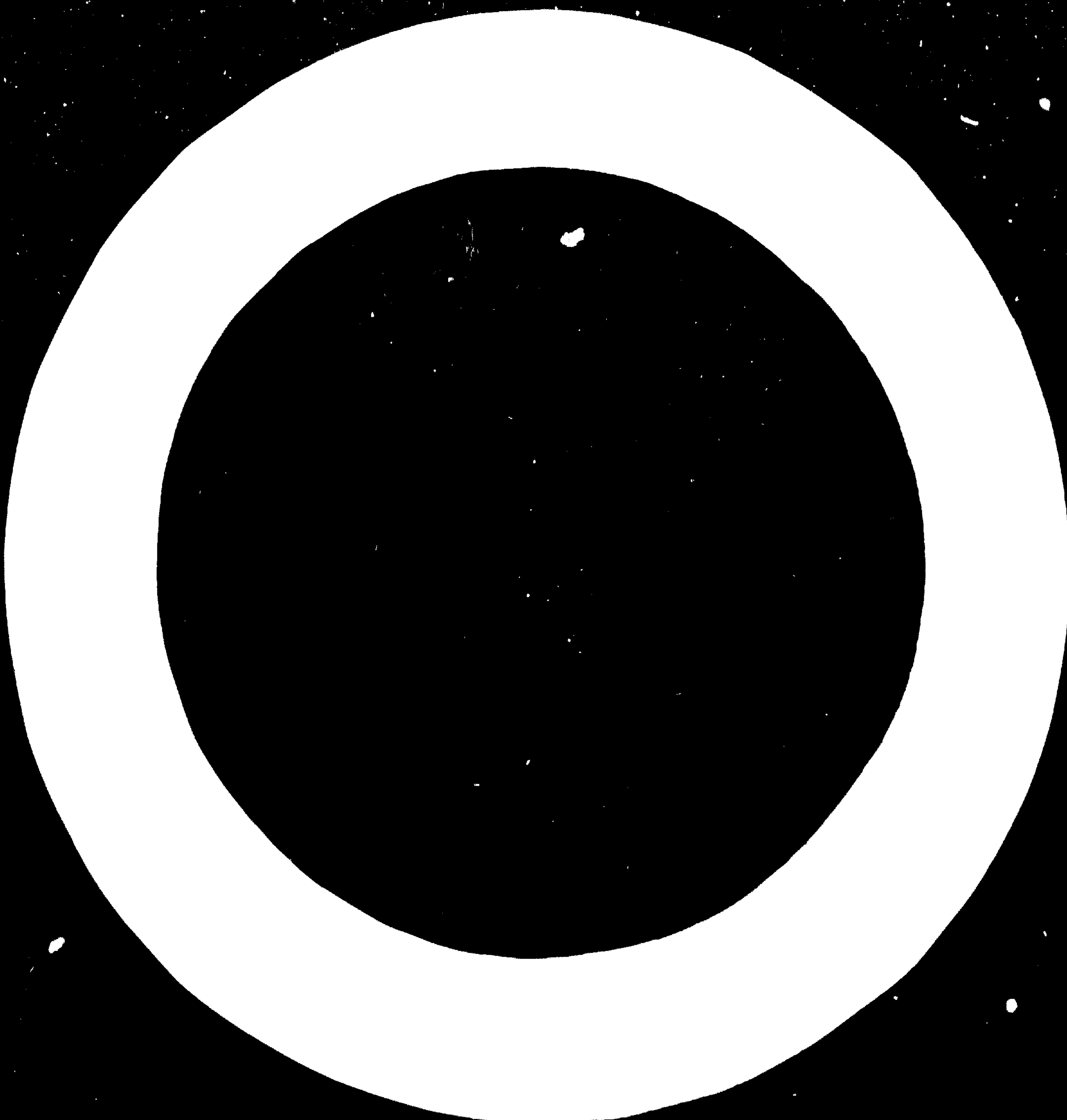

NOTE

The information contained in this document gives not more than a brief outline of the present situation of the textile industry in Tunisia. The document by no means provides a complete description of Tunisia's industrial potential in this sector or of the sector's development.

The main purpose of this note is therefore merely to provide participants in the Promotion Week with an over-all picture of the textile industry, so that they may be able to identify the spheres in which co-operation with the Tunisian parties concerned might be of interest.

Naturally, any further information desired will be made available to those concerned by the Tunisian authorities and firms.

THE TEXTILE INDUSTRY IN TUNISIA

I. INTRODUCTION

1. The purpose of the Investment Promotion Week for Industry is to achieve contrete results in each branch of Tunisian industry in which direct contact has been established between foreign firms and Tunisian firms or project promoters.

2. The main objective of the contacts to be established in the textile industry sector is to determine the possibilities for collaboration between a group of existing Tunisian textile firms and foreign firms from whose experience, know-how and knowledge of international market requirements the former could benefit. This collaboration may take various forms, ranging from assistance in the identification of new industrial projects capable of promoting the integration of the Tunisian textile industry to the development of sub-contracting orders for job-work, or to the installation by the foreign firm of production units directed exclusively towards export.

3. The purpose of this note is first and foremost to supply the foreign participant with a few items of basic information on the industry as it exists, so that he may be able to acquaint himself with the essential data concerning the sector and thus to determine the direction and scope of his contacts with his Tunisian partners.

II. GENERAL INFORMATION

4. In 1968, Tunisian production covered 90 per cent of the demand for cotton articles and 50 per cent of the demand for wool products.

5. Owing to the increase in local production, imports of textiles and garments dropped from 14,000,000 dinars in 1961 to approximately 3,000,000 dinars in 1968.

6. At the end of 1968, equipment in use for the various stages of manufacturing (spinning, weaving, finishing, ready-made articles, haberdashery) could be broken down as follows:

(i) Spinning

(a) For cotton and assimilated products, installed production capacity is 4,600 tonnes.

The main industries existing at present are the following:

- Cotton spinning-mill at Sousse: SOGITEX (32,800 spindles);
- Carding and spinning-mill at Monastir: SOGITEX (2,444 spindles);
- Carding and spinning-mill at Sidi Amor: (540 spindles);
- Carding and spinning-mill at Tunis: SOTUMATEX (265 spindles).

(b) For wool and assimilated products, production capacity is 950 tonnes (coarse counts) and 410 tonnes (medium and fine counts), with approximately 2,000 spindles.

The following industries exist at present:

- Spinning-mill for combed wool (being installed) at Najeb and Ayoun (620 tonnes per annum);
- Factory at Monastir: SOGITEX (260 tonnes per annum);
- Spinning and weaving mill: Sidi Amor ben Salem (150 tonnes per annum).

(ii) Weaving

(a) For cotton and assimilated products, production capacity is 9,625 tonnes with 1,383 looms.

The following industries xist at present:

- SOGITEX: 983 looms

To this should be added about 15 firms with approximately 400 looms.

(b) For wool:

- Cloth for garments (1,500,000 m carded cloth
  (600,000 m combed or fine carded cloth;
- Blankets: (250,000 items per annum.

(iii) Finishing

(a) For cotton and assimilated products: industries existing at present:

- Central finishing plant at Bir-Kossaa (near Tunis)

The plant, which came into operation in 1966, is equipped for:

- Bleaching and dyeing
- Printing
- Finishing

Production capacity (1967): 35,000,000 m.

Actual production (1967): 21,250,000 m.

(b) For wool:

- Factory of the M.T.E.I. (Manufacture Tunisienne d'Exploitation Industrielle)
- Capacity: 2 million m.

(iv) <u>Haberdashery</u>

This sector, which is entirely private, consists of approximately 42 firms, 6 of which produce hosiery.

Capacity: 2,360 tonnes for haberdashery
125 tonnes for hosiery

The existing equipment is capable of producing a very wide range of articles of varying quality, from both cotton and wool or from synthetic fibres.

The existing factories are capable of meeting market requirements almost entirely.

(v) <u>Ready-made articles</u>

There are approximately 250 firms manufacturing ready-made articles, of which:

- 8 have between 20 and 200 machines.
- 240 have between 10 and 20 machines.

III. TUNISIAN MARKET REQUIREMENTS AND DEVELOPMENT PROSPECTS

7. <u>Cotton and Rayon Staple Yarn</u>

Resources			Utilization		
	1967	1972		1967	1972
Production	3,850	9,340	Consumption	7,464	9,540
Imports	3,440	200			
Stock depreciation	174				
TOTAL	7,464	9,540		7,464	9,540

8. Cotton and Rayon Staple Cloth

Resources	1967	1972	Utilization	1967	1972
Production	7,130	9,000	Consumption	8,519	9,000
Imports	1,266		Exports	677	
Stock depreciation	800				
TOTAL	9,196	9,000		9,196	9,000

9. Woollen and Assimilated Yarn

Resources	1967	1972	Utilization	1967	1972
Yarn for weaving clothing			Consumption	720 t	980
- production	343	980			
- imports	377				
TOTAL	720 t				
Yarn for haberdashery			Consumption	520 t	620
- production	0	620			
- imports	520				
TOTAL	520 t				
Yarn for handicrafts			Consumption	876 t	910
- production	641	910			
- imports	235				
TOTAL	876 t				

IV. CONCLUSION AND PROPOSALS FOR COLLABORATION

Importance of sub-contracting

10. Until now, the textile industry has been concerned first and foremost with meeting domestic needs and the investments made between 1962 and 1968 as well as the new projects envisaged in the 1965/72 Development Plan have been directed primarily towards achieving that end.

11. Indeed, three main projects for the setting up of new units have been included in the 1965/72 Development Plan:

- Spinning-mill for combed or carded cotton, haberdashery quality;
- Spinning-mill for pure polyester or polyester/cotton mixture (estimated investment: 342,000 D.);
- Spinning-mill for cotton and rayon staple (investment: 1,383,000 D.)

These projects are under way, as their financing has been secured.

12. The objectives, which included decreasing dependence on outside sources, the permanent creation of employment and the diversification of national production, have all been achieved; it is their very achievement which opens up new possibilities.

The concrete and immediate possibilities afforded by this branch to foreign firms lie particularly in the realm of sub-contracting and job-work.

13. Tunisian firms in the branches of

- haberdashery
- ready-made garments
- finishing of cotton and assimilated cloths

are most desirous of discussing with the representatives of foreign firms the possibilities of carrying out job-work on order. In such cases, Tunisian firms agree to a technical control of production undertaken by the factory; in this connexion it should be mentioned that, for ordinary qualifications, the level of labour costs is considerably lower than European salary levels (e.g. hourly wages of approximately 0.135 D.). Another advantage is that transport between Europe and Tunisia is both easy and fast.

14. With regard to the installation of foreign firms whose production is directed exclusively towards export, Tunisia offers a large number of advantages: facilitation of all administrative questions; a customs officer is placed at the disposal of the firm under the authority of the Textile Board; for each installation, a protocol of agreement, under which the factory enjoys conditions similar to those of a free zone, is signed between the foreign firm and the Tunisian Government; the following transfer guarantees are granted to non-resident investors: "Approved investment, made in convertible currency by non-residents, enjoys the guarantee (1) of unlimited transfer of profits derived from investment in the industrial sector, (2) of unlimited retransfer of the product of liquidation or sale pertaining to investment in the industrial sector". (Guide for the Investor in Tunisia).

Lastly, Tunisian firms in this sector and the officials of the administrative body which regulates the textile industry would like to be informed of any ideas or initiatives concerning new projects which have not yet been studied or estimated and which could be studied jointly either during or after the Investment Promotion Week.

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