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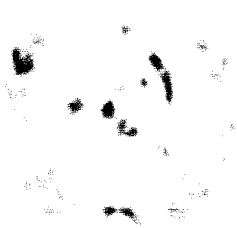
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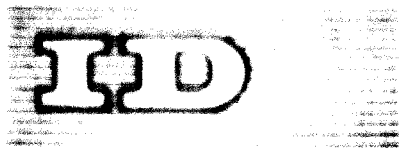
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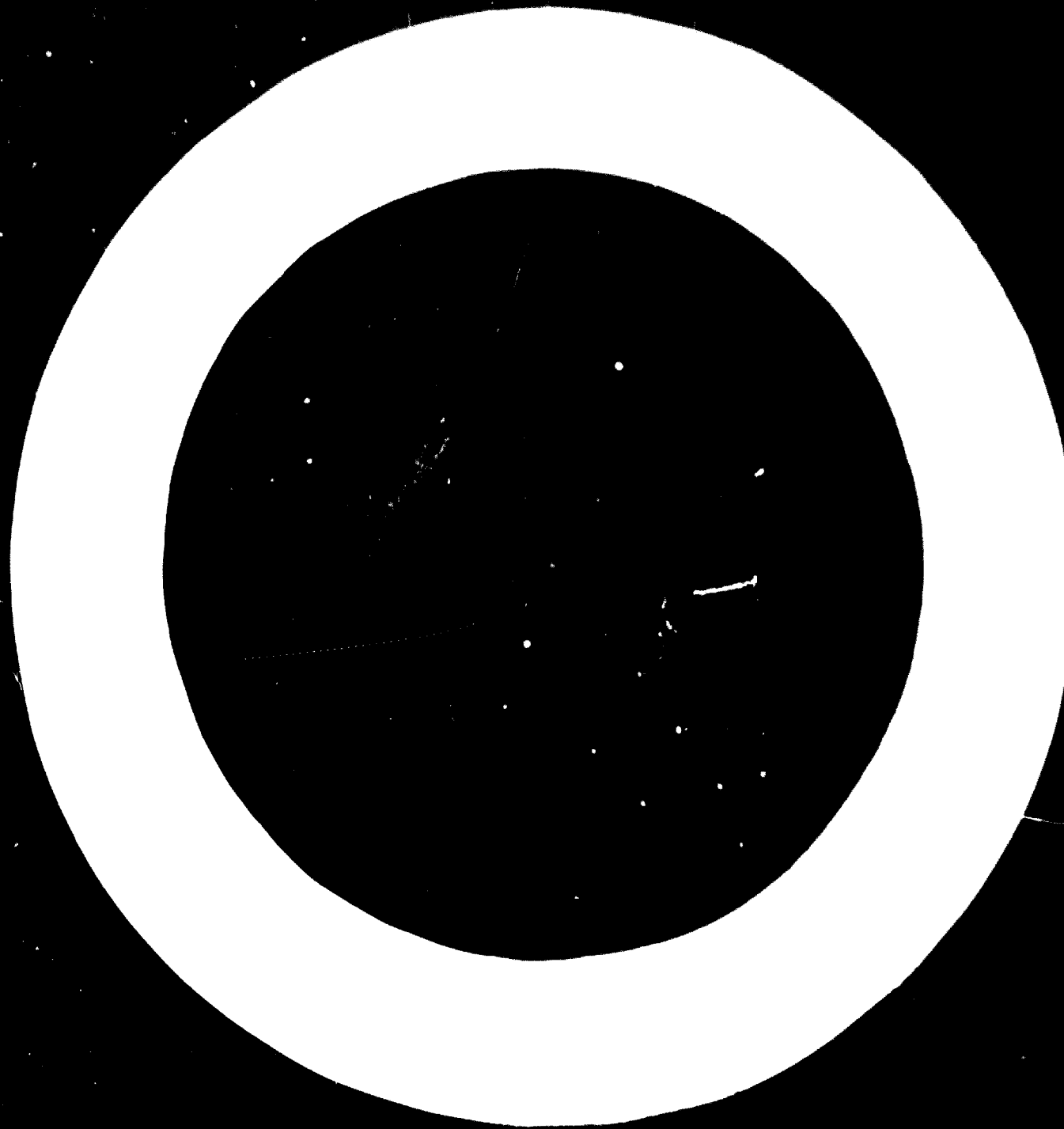
FINANCING OF PUBLIC INDUSTRIAL ENTERPRISES IN TUNISIA^{1/}

by

Mahmoud Khiary and Boussoffara Mohamed National Tunisian Cellulose Company Tunis

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

We regret that some of the pages in the microfiche copy of this report may not be up to the proper legibility standards, even though the best possible copy was used for preparing the master fiche.



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... and, if they have the will and capacity to invest, to find ... the patterns of social behaviour ...

... the state of ... after independence ... on the one hand a ... having in ... and on the other hand ... the influence ... the decision of new, modern ... Moreover, the ... and to encourage the ... of the national income.

... to face up to the ... the country must overcome if it is ... in development can only ... a modern, powerful ... The ... basis and to ... development ...

... the results are ...

... of national income from 1960 to 1968, we shall ... national income has grown ... rising from 345.8 million dinars in ... to 427.2 million dinars in 1968. The decisive factor in this increase

has undoubtedly been the large volume of investment that has been made. For
between 1960 and 1965, Tunisia invested 29.7 billion dinars; thus, in relation to
the gross domestic product (GDP), the rate of investment was 21.7 per cent.

Since 1965, investment has increased, amounting to 31.5 billion dinars from
1966 to 1968. In relation to the gross domestic product, but for the fact that the figures were
out of 20 per cent and, in relation to the gross national product at market prices
at 17 per cent.

It should be noted, however, that in the year 1968, the fixed
capital formation of the private enterprises rose steadily, to
1.1 per cent of the GDP (1.2 per cent of the GNP) (it is of interest to take the proper
amount and to compare it with the amount that the country's development)

It must be recalled that in this sphere the State has taken various measures
to encourage investment savings and to attract foreign investors:

- Tax advantages: encouragement of the reinvestment of profits (tax reductions)
- Publicity of all kinds: attraction credit granting, tax exemptions for
the first year, financial favors (with the possibility of extension up to a
period of five years, and in some cases renewable for an additional period
of five years) in respect of licences, registration fees, tax on income from
stocks and shares
- Financial benefits: a letter of indemnity enabling enterprises to secure
medium and long-term loans for equipment

Apart from these sundry benefits, to which all private enterprises as well as
public enterprises are entitled, foreign investors also receive guarantees for the
transfer of their profits and also all the guarantees offered under the bilateral
agreements for the protection of foreign capital investment that have been signed
with more than ten countries. In addition to these agreements, Tunisia subscribes
to the international agreement for the adjustment of differences in respect of
foreign investment.

These various benefits, adjustments and guarantees, which have just been
codified in the law of 20 June 1968, are granted for all the investments of the
public and private sectors, and particularly freely to investments taking the form
of direct private investments, which are usually accompanied by technicians and

... industrial investment which contributes to the growth of a country's ...
... investment and development ...
... investment ...

... investment ...
... investment ...
... investment ...
... investment ...

"The investment approved by the ... of the Director, of the ...
and the National Economy ...
... investment ...

Category A includes any investment effected with a capital contribution amounting to ...
... investment ...

Category B includes any investment effected with a capital contribution amounting to ...
... investment ...

Category C includes any investment that creates more than 50 permanent jobs and is
effected with a capital contribution amounting to more than 250,000 dinars.

Other factors are taken into consideration for classifying and evaluating, in
particular:

- Priority of the investment concerned;
- Location of enterprise;
- Kind of activity;
- Number of jobs created;
- Nature of capital investment (foreign currency - dinars);
- Value added;

Department of Industries and Commerce

Memorandum

Reference is made to the report of the Commission on the State of the Economy, 1949, which states that the Government should encourage the development of the private sector of the economy.

The Commission also states that the Government should encourage the development of the private sector of the economy, and that it should encourage the development of the private sector of the economy.

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It further states that the Government should encourage the development of the private sector of the economy, and that it should encourage the development of the private sector of the economy.

The following table shows the results of the survey conducted in the year 1954. The data is presented in the following order: Total, Male, Female, and Total. The figures are given in thousands of dollars.

Table 1. Results of the Survey, 1954

| | Total | Male | Female | Total |
|-----------|--------|-------|--------|--------|
| 1. Total | 10,000 | 5,000 | 5,000 | 10,000 |
| 2. Male | 5,000 | 5,000 | 0 | 5,000 |
| 3. Female | 5,000 | 0 | 5,000 | 5,000 |
| 4. Total | 10,000 | 5,000 | 5,000 | 10,000 |

The results of the survey show that the total number of respondents was 10,000. The male respondents numbered 5,000 and the female respondents numbered 5,000.

The survey was conducted in the year 1954 and the results are presented in the following table. The figures are given in thousands of dollars.

...the

The

The

... ..

... ..

... ..

... ..

... ..

... ..

... to have been carried out through the medium of the S.T.C. (National Tunisian ... Company) in the form of paper with a ... base, and of the S.T.C. for ... out of ...

In the ... to ... in the various sectors from ... and the ... for the next ...

| | 1967 | 1968 | 1969 | 1970 |
|-----|------|------|------|-------|
| ... | ... | ... | 93 | 21,73 |
| ... | ... | ... | ... | 10,20 |
| ... | ... | ... | 43 | 7,68 |

Notes: ... of ... development of ... effort to ... through the medium of a new ... Company ... loans by the ...

Investment Distribution of Enterprises according to their legal character

| Industries: | 1967 | 1968 | 1969 | % |
|-------------|-------|------|-------|----|
| Public | 10,04 | ... | 14,00 | 79 |
| Private | ... | ... | 17,04 | 21 |

The public enterprises' ... in the financing of the ... sectors is ... important. Thus, for ... the public enterprises' share was of the order of ... during the last ... and ... to ... of the ... for the ... period ...

II. Method of Financing:

During the execution of the last Plans, a study was made of methods of financing investment through investment (Administration - Enterprises - Households - External)

"Experience had shown, however, that a study of financing by sector was more likely to meet requirements and to adjust financing methods to the country's possibilities and financial limitations. In particular, this new policy makes it possible to give out the sectors with financing capacity (sectors whose cash-flow is larger than their investments) and to direct them towards other sectors in need of financing because their investments are larger than their cash-flow, and also to study the most appropriate conditions and methods for external financing". This new outlook is inducing the administration to study the growth of the financing capacity of the principal enterprises by means of questionnaires sent out for the purpose, and it is on the replies to these questionnaires that the sectoral capital accounts of the enterprises are drawn up by aggregation.

Let us consider, for instance, the hydrocarbons sector. A study of its financial budget reveals that the sector's needs for financing resources will be greater because of the increase in the working capital fund and the repayment schedule for the sector's debts. Taking into account all these needs and the financing resources envisaged, the capital account for the hydrocarbons sector works out as follows:

| EMPLOYMENT OF RESOURCES | Four-year Period 1969/72 | RESOURCES | Four-year Period 1969/72 |
|-------------------------|--------------------------------|---------------------|--------------------------------|
| Working capital fund | 2,500 | Own funds | 29,914 |
| F.B.C.F. | 30,000 | External investment | 21,480 |
| Debt repayments | 10,000 | Domestic investment | 5,177 |
| Financing capacity | 6,500 | | |
| | <hr/> 56,500 | | <hr/> 56,571 |

The investment mentioned is for an increase in the capacity of the refinery at Bizerta and the building of a gas pipeline for the transport of El Berma gas; studies for these projects were entrusted to the S.T.E.C.

Financing resources do not include transfers to the State, except for participation in the fifty-fifty increase in the share capital of the S.I.T.E.P. (Italo-Tunisian Petroleum Company), and for the share participation in the financing of the gas pipeline. The rest will come from the sector's own funds or from external investment.

Taking into account this financing schedule, the sector in question will have a financing capacity of some 60 million dinars.

Mining Sector

| EMPLOYMENT OF RESOURCES | Four-year Period 1965/72 | RESOURCES | Four-year Period 1969/72 |
|-------------------------------------------------|--------------------------------|---------------------|--------------------------------|
| F.B.C.F. | 30,752 | Gross savings | 16,791 |
| Working capital fund and variation of stocks | 627 | External investment | 14,291 |
| Debt repayment | 1,342 | Domestic investment | 1,737 |
| Financing capital | 90 | | |
| | <u>32,819</u> | | <u>32,819</u> |

The expected external investment is envisaged as a whole in the form of official aid. Domestic investment will be made up mainly of government grants to the Office of Mines to enable it to deal with its research programmes.

Electricity and Gas

| EMPLOYMENT OF RESOURCES | Four-Year Period 1969/72 | RESOURCES | Four-year Period 1969/72 |
|---------------------------------|--------------------------------|--------------------|--------------------------------|
| Stocks and Working capital fund | 2,000 | Own resources | 15,995 |
| F.B.C.F. | 32,530 | External financing | 15,693 |
| Debt repayment | 5,871 | Domestic financing | 3,787 |
| | <u>40,470</u> | | <u>40,470</u> |

External financing, as shown by the figures in this table, represents 50 per cent of the F.B.C.F. and the rest comes from the S.T.E.C.'s own resources and from other domestic resources (the contribution of these others is made up of their participation in the work of linking-up and of banking credits of domestic origin).

Manufacturing Industries Sector

| EMPLOYMENT OF RESOURCES | Four-Year Period 1969/72 | RESOURCES | Four-Year Period 1969/72 |
|----------------------------|--------------------------------|---------------------|--------------------------------|
| F.B.C.F. | 64,205 | Gross savings | 50,514 |
| Variation of stocks | 10,102 | External investment | 29,064 |
| Repayment of external debt | 17,740 | Domestic investment | 33,071 |
| Repayment of domestic debt | 5,847 | | |
| Financing capacity | 10,555 | | |
| | <u>112,649</u> | | <u>112,649</u> |

This table brings out requirements for the working capital fund and for the repayment of external and internal debts amounting to some 37 million dinars, and the resources provided by external and domestic investment

External resources can be broken down, according to the estimates that have been drawn up, into 7.9 million dinars in the form of public loans and 19.2 million dinars in the form of suppliers' credits. Domestic loans and the working capital fund will be financed through bank credits guaranteed by the Government.

Sectors' accounts, as we pointed out earlier, are arrived at by aggregation of the enterprises' annual budgets; the investments and the means of financing them contained in these budgets are subject to annual control by the Government and must be approved before they are carried out.

At the enterprise level, the financing plan is thus seen to be an important undertaking of the public sector, and, as an investment for 1969, of 1,025,067 dinars designed to improve output and the unit price of the product of this enterprise, whose entire production is meant for export.

| PROVIDES | | EMPLOYMENT OF RESOURCES | |
|---------------------|-----------|-------------------------|-----------|
| (in dinars) | | (in dinars) | |
| Cash flow | 572,042 | Investments | 1,025,067 |
| Increase of capital | 700,000 | Payment of public loans | 80,524 |
| Suppliers' credits | 600,000 | Surplus | 766,541 |
| | <hr/> | | <hr/> |
| | 1,872,042 | | 1,872,032 |

(a) Internal financing sources:

- (1) Funds provided by the Government
- Budget allocations

Budget allocations intended for the financing of the enterprises appear in the Budget mainly in the chapter: Office of the Secretary of State for Planning and the National Economy, under the heading "Subsidies and Participations"

(in thousand of dinars)

| | 1965 | 1966 | 1967 | 1968 | 1969-72 |
|------------------------------|-------|-------|-------|--------|---------|
| Subsidies and Participations | 6,542 | 5,230 | 1,736 | 13,703 | 49,243 |

These figures are for all the public enterprises of which the Government has a participation. They also include financial institutions, banks, industrial enterprises, etc. (including the National Bank, the National Institute, etc.)

The fund is used to finance the development of the country through the development of new capital projects, the improvement of the funds now in operation, the improvement of the infrastructure, improvements, etc. (including the improvement of the roads, the improvement of the ports, the improvement of the airports, etc.)

The creation of these public enterprises is a result of the Government's policy of development, and therefore, it is a result of the Government's policy of development.

These public enterprises are financed by the Government, and they are financed with the funds of the Government, and they are financed with the funds of the Government, and they are financed with the funds of the Government.

| <u>Enterprises</u> | <u>Assets</u> |
|-------------------------------------------|---------------|
| BANKS | 1,125 |
| INDUSTRIES | 1,125 |
| <u>Banks</u> | 1,125 |
| <u>Agriculture</u> | 1,125 |
| <u>Industries</u> | 1,125 |
| <u>Services</u> | 1,125 |
| (including financial holding for tourism) | 1,125 |
| TOTAL | 5,125 |

Out of this total the industrial sector's share amounts to 12,040 (thousand dinars) and if one deducts from this figure the grants to the National Office of Industrial and Commercial Enterprises (ONICE) (National Office of Industrial and Commercial Enterprises), the amount for government subsidies and participations is 10,000 (thousand dinars). Out of active public enterprises in the industrial sector, three only receive subsidies. These three enterprises, as shown in the table below, are the National Office of Mines, El Foukh (Menzel Bouguiba) and the El Khroumiz Company.

(in thousand of dinars)

| | | |
|---------------------------------|----------|--------------|
| El Khroumiz Company | P | 1,000 |
| El Foukh (Menzel Bouguiba) | P | 600 |
| GOVERNMENT SUBSIDIES | S | 354 |
| El Khroumiz Company | P | 350 |
| El Foukh (Menzel Bouguiba) | S | 3,500 |
| El Khroumiz Company | P | 400 |
| El Foukh (Menzel Bouguiba) | P | 700 |
| INDUSTRIAL INDUSTRIES | P | 969 |
| El Khroumiz Company | P | 163 |
| El Foukh (Menzel Bouguiba, Ltd) | P | 800 |
| El Khroumiz Company | P | 442 |
| El Foukh (Menzel Bouguiba) | S | 222 |
| TOTAL | | 9,500 |

For the same year, the industrial enterprises of the public sector are investing, in thousands of dinars:

| | |
|------------------------------------|-------|
| Manufactural and Food Industries | 957 |
| Electric Power and Water | 9,397 |
| Chemical Products | 2,661 |
| Machinery and Tools | 1,504 |
| Metals Industries | 2,964 |
| Non-metallic Industries | 1,158 |
| Chemical Industry | 2,913 |
| Textiles, Leather, Wearing Apparel | 1,237 |
| Steel, Iron and Furniture | 182 |
| Paper, Printing | 958 |
| <u>23,936</u> | |

Government Loan Companies

There are no government loan companies, but only three mixed-economy national banks, which have privileged relations with the public enterprises.

That being so, the bank structure in Tunisia takes the following form:

Except for the National Investment Company (which specializes in medium and long-term credits), all the other banks, or branches of foreign banks, of which there are twelve, are deposit banks, which may grant fixed-term loans, but for a period of not more than five years, in accordance with the restrictions imposed by the B.C.T. (Central Bank of Tunisia, which acts as an institute of issue and an exchange bank). They can likewise, notwithstanding the rule, grant long-term credits up to the amount of resources of the same duration allocated for that purpose.

Despite the efforts made in Tunisia, especially since the Tunisian Banking Law of 7 December 1967, which, in particular, defined the role of the banks in the distribution of credit, loans are often granted on no grounds but those of circumstance.

Following a study carried out by the sectoral committee on the financing of enterprises, the rapporteur made the following comment on the period 1960-67:

"Domestic bank loans, both in view of the very large volume of short-term credit that is granted, and of the insignificant participation in investment, do not seem to have such effect and are not calculated to meet the financing requirements of the enterprises, especially as it is known that a portion of the short-term credits are directed toward investment."

(ii) Special resources administered by the commercial banks

The three banks responsible for administering special funds of foreign or government origin (excepting, however, guarantee funds) are the National Agricultural Bank for agricultural loans, the B.T.B. (Société Tunisienne de Banque [Tunisian Banking Company]) and the S.N.I. for industrial credits. (This last, in which the State has a non-majority holding, administers in particular the funds

placed at its disposal by the IBRD, and its credits and participations are examined in accordance with IBRD rules; it therefore allots its credits to non-government enterprises)

Funds of government origin intended for industrial enterprises, which may be granted to industrial enterprises in the public sector.

Letter of guarantee funds

The recipient of a letter of guarantee may apply to the institution of his choice to take up the letter of guarantee granted upon the recommendation of the Investment Committee, allowing enterprises to obtain medium and long-term bank credits for the purpose of financing their investment programmes (construction, installation, equipment).

In fact, the Investment Code has not deviated from the principles behind current regulations on the terms and conditions for granting these credits: the government guarantee is recorded for loans repayable within a period ranging from five to twenty years. As a rule, repayment of loans is made in ten annual instalments starting from the end of the second year after the granting of the loan.

Employment of guarantee funds in millions of dinars for the years:

| <u>1965</u> | <u>1966</u> | <u>1967</u> |
|-------------|-------------|-------------|
| 0.11 | 0.09 | 0.06 |

If one refers to the annexed tables on special resources administered by the commercial banks, it will be seen that these funds are relatively insignificant compared with the resources represented by "government funds placed at the disposal of banks for the distribution of credit to all sectors of the economy".

We have not, however, been able to obtain a breakdown of these letter of guarantee credits, but we are in a position to give, as an indication, the figures shown on the balance-sheet of the S.B.C., with which the industrial enterprises of the public sector maintain a special relationship:

| | |
|-------------------------------------|------------------|
| Number of loans at 31.12.67 | 29 |
| Total authorized amount | 2,319,115 Dinars |
| Number of loans granted during 1967 | 3 |
| Amount authorized in 1967 | 148,000 Dinars |

Other funds of foreign origin are administered by the S.T.B. and allotted to the financing of industrial enterprises. These are the Special Renewable Fund and the Development Loan Fund (D.L.F.)

| | <u>No. of loans</u> | <u>Authorized amount</u> | <u>Number of loans granted in 1967</u> |
|------------------------|---------------------|--------------------------|----------------------------------------|
| Special Renewable Fund | 265 | 7,428,227 | 13 |
| Development Loan Fund | 239 | 2,418,139 | - |

Here again we have not been able to get hold of the breakdown in order to ascertain what portion of the funds is used for financing public enterprises; we know, however, that the S.T.B. concentrates on the financing of hotel businesses.

(iii) Funds of domestic origin

Other ways of financing public industrial enterprises are mainly through their cash flow, as follows:

| | <u>1966</u> | <u>1967</u> | <u>1968</u> |
|-----------------------|---------------|---------------|---------------|
| Amortization payments | 10,891 | 14,594 | 16,199 |
| Undistributed profits | 808 | 954 | 2,818 |
| | <u>11,699</u> | <u>15,548</u> | <u>19,017</u> |

(b) External financing sources

Tunisia receives external assistance in various forms:

(1) Donations, usually for technical assistance seminars, scholarships, aid in the form of food etc., which are often tied to loans granted by the donor countries.

(2) Loans from international organizations (and when these come from the World Bank and its affiliates, they must be matched by private investment).

(3) Government credits under bilateral agreements often tied to specific projects and imposing the hard and fast condition that the equipment for the project so financed must be bought in the creditor country.

- (4) Private credits or suppliers' credits
- (5) Foreign participations or direct investments
- (6) Transfers.

The movement of these various forms of external capital investment is shown in the following table:

(in millions of dinars)

| | 1960 | 1961 | 1962 | 1963 | 1964 | 1965 | 1966 | 1967 |
|---------------------------------------------------------------|------|------|------|------|------|------|------|------|
| Donations of capital | 15.4 | 17.2 | 8.3 | 10.5 | 7.8 | 13.2 | 8.1 | 10.6 |
| Government credits (including credits tied to projects) | - | 2.2 | 14.6 | 14.8 | 28.0 | 42.6 | 26.9 | 45.8 |
| Private credits | 7.9 | 4.5 | 5.6 | 14.1 | 14.5 | 26.3 | 28.5 | 23.3 |
| Participations or direct investments | - | - | - | - | - | 9.0 | 4.8 | 9.6 |
| Various transfers | 3.5 | 1.8 | 3.4 | -3.2 | 6.2 | -1.0 | 4.2 | 1.8 |
| | 26.8 | 25.7 | 31.9 | 41.6 | 57.5 | 90.1 | 71.5 | 87.6 |

Movement of gross external investment

1960 - 1972

| | 1960 | 1969 | 1970 | 1971 | 1972 |
|----------------------|------|------|------|------|------|
| Donations of capital | 12.2 | 13.1 | 10.5 | 10.3 | 10.0 |
| Government credits | 35.3 | 43.2 | 60.0 | 60.6 | 58.5 |
| Private credits | 24.7 | 15.3 | 20.1 | 16.1 | 15.0 |
| Direct investment | 6.7 | 9.1 | 6.9 | 5.1 | 4.4 |
| | 78.9 | 80.7 | 97.5 | 92.1 | 87.9 |

These contributions represent on the average more than 55 per cent of all investment; they reached 60 per cent of total investment in 1960 but have shown a downward trend toward 40 per cent at the end of the most recent year-period.

| | Short-term | Long-term | TOTAL |
|------------------------------|------------|-----------|-------|
| Credits of government origin | 100 | 100 | 200 |
| Credits of private origin | 100 | 100 | 200 |

If we examine the figures in table 1 we shall see that long-term credits represent 50 per cent of domestic total investment and that 50 per cent of credits from private sources represent rather a small fraction of the total investment.

Most of the private credit and medium-term credit is granted to public enterprises: 45.7 million dinars of private credit out of a total of 139.6 million dinars and 45.5 million dinars in medium-term credits out of a total of 113.6 million dinars.

These public industrial enterprises have been the recipients, directly or indirectly, of all kinds of credits:

(1) Donations: Public industrial enterprises are primarily interested in technical assistance; this is given in the form of seminars or of grants for studies on the execution of particular projects.

(2) Official international loans of the IBRD and its affiliates.

Besides its participations in the S.A.I. the IBRD has granted large long-term credits, in particular to the S.A.C.E.C. These credits are loans; the duration of which varies according to the nature of the project and in some cases may be up to thirty years, with seven years' grace.

These credits are mainly for infrastructure projects. This is the case with IDJ, whose loans are granted for a period of fifty years with ten years' grace, and at a variable rate of interest varying from 4.5 percent for small loans to 4.9 percent for large ones or granted through the agency of the Binister Government.

In this way the Binister Electricity Company has reserved, for the extension of 220 kV-voltage network, to IDJ a sum amounting to 1,200,000,000 francs for a period of twenty years at 4.5 percent.

Other long-term credits tied to projects to be carried out by public industrial enterprises are granted under bilateral agreements, and are from various countries.

The S.T.E.R., for example, has received a number of loans for the financing of investment programs for the electrification of the country. These include:

- Two German loans from the "Kreditanstalt für Wirt. Schäff. Bank" (long-term credit for building the high-voltage 150 kV power transmission line Doulette-Pader-Neckers-Itter-Natlaoui-Jermsay)

- Twenty-year loans at 4.75 percent (in an amount of 15,050,000 DM + 7,000,000 FF).

- Three Swiss loans from the "Swiss Development Bank for Third Countries", granted for a period of twelve years at 4 percent. These were, respectively, for the construction of the extension to the Doulette Power Station, to strengthen the Doulette-Menzis-Bourneuil line, and the coupling of the high-voltage line Paderrouine-Litsea, for a total of 1,200,000,000 francs.

- Two French loans (from the **Caisses Centrales de Coopération Economique** [Economic Co-operation Bank]), granted with a 90% C.E. share:

- (a) Government loan of 40,000,000 FF for credit on years at 4.5 percent;

- (b) COPACE loan of 54,000,000 FF for fifteen years at 4.5 percent.

Aid from the countries of eastern Europe for the next four-year period will reach a new high. Agreements signed with Bulgaria, Romania, Yugoslavia and Poland will affect mining projects in particular.

11. Infrastructure expenditure and standards for the calculation of such expenditure

The public enterprises and the staff of the Office of the Director of Planning who we mentioned in the letter had no precise standards for decisions on such expenditure. In some cases a decision may depend on the location of the project and the extent to which one of the basic options of the Plan (employment, profitability, exploitation) is involved.

Thus the locating of the factory at Kaweriro, in the heart of a rural area, raised the problem of water, of which the cellulose and paper industry is a large consumer. Indeed, in an attempt to prevent the factory's consumption of water from causing a downright loss of water for the region, a number of drillings were made, and handed to the State. The State likewise undertook responsibility for building the roads and for the entire infrastructure of the new industrial city created when the factory was installed there.

Often the absence of a basic infrastructure for industrialization can throttle investment, because it is not within the capacity of private or even of national banks to create undertakings out of thin air; in that case the Government sometimes loans funds abroad to meet expenditure on infrastructure through the agency of its nationalized enterprises. (This is what happened with the loans contracted by the S.P.T. for the electrification of the country, and likewise with the loans contracted by SO.M.I. for its mining projects, whose financial attainment would open the way for other forms of industrial investment).

When such expenditure goes beyond the scope of the enterprise concerned, the Government, in its investment budget, makes itself responsible for infrastructure investment.

12. Comparative advantages and disadvantages of the various methods of financing industrial enterprises of the public sector

There is an alternative to the recourse by private enterprises, for their investment financing, to Government savings resources and to funds derived from official foreign loans. The advantages are: the interest rates are not too burdensome, repayment is on a long-term basis. The disadvantages are that such funds (with

the exception of certain loans granted by the international organizations, (which call for tenders) are tied to purchases in the creditor countries that do not always offer the best quality or the most favorable price (ill-assorted and unsuitable equipment, difficulties over standardization and supply of spare parts, etc.).

Recourse to private loans, on the other hand, allows the enterprise to choose its supplier of material, and this method is more appropriate and better adapted to the investment the loans are financing. The disadvantages are that the term of the loans and the rate of interest place a very heavy financial burden on the enterprises, which have often been created out of the void, without experience and with very limited capital of their own.

Self-financing

Self-financing is usually the sign of an enterprise's vitality - showing that it is capable of financing a large part of its investments by drawing on its own profits. Unfortunately such is not the case with most public industrial enterprises, where self-financing of their investments, carried out on the basis of their cash flow, provides facilities rather than solutions, and lessens concern for profitability. Despite these disadvantages, the Government is anxious to develop self-financing, while at the same time keeping an eye on the profitability of investments and the stepping-up of productive capacity, both of which are set forth in the Plan as new requirements for the achievement of its aims.

B. FINANCIAL PLANNING AND OPERATION OF PUBLIC INDUSTRIAL ENTERPRISES

I. Introduction

Structure of public industrial enterprises and relationship with the (government) supervisory authorities.

Government action in the public industrial sector takes practical effect through the medium of enterprises which, having the same legal status as a business company, governed by commercial law, are characterized by more or less direct government control according to the size of the Government's share in the enterprise's capital and the general interest concerned. Thus the public enterprises include the

nationalized companies, industrial and commercial agencies, quasi-governmental undertakings or mixed-economy companies, and concerns in which the State holds a non-majority participation.

The principle that distinguishes these various bodies from one another as regards their legal status is as follows:

(1) Organizationally, nationalized companies and agencies are public undertakings created by law and administered under the Commercial Code, without prejudice to waivers that may be granted them by decree, whereas the other companies are administered under their articles in accordance with the law applying to joint stock companies.

(2) The second criterion that distinguishes nationalized undertakings from national agencies is that, in principle, the management of nationalized undertakings is conducted in such a way as to enable them to meet all their working costs and to contribute (as the chapter of the C. P. T. G. for instance prescribes) "to a reasonable extent" to the enlargement and modernization of its network, and that rates must be fixed accordingly. For this reason, and in principle, balancing subsidies are barred.

On the other hand, a special financial set-up exists for the agencies, namely, an operating budget drawn up every year before December 1 and submitted to the public trusteeship authorities for approval. Take, for instance, the National Office of Mines, the purpose of which is to promote research into minerals, prospecting for deposits, mining and marketing them. The law prescribes that if, at the end of the financial year, the operating account shows a shortage of income as against expenditure, this shortage will be covered, in the absence of reserve capital, by a balancing subsidy paid by the Government.

Public Trusteeship is exercised in respect of the various undertakings in the following ways:

A. For nationalized undertakings and national agencies the public trusteeship authorities must approve:

(1) All decisions and acts of the enterprise which, under law, require the approval of the ordinary general meeting of shareholders.

(2) Decisions of the board of directors regarding the general organization of the staff.

(3) The preparation of the operating budget and the capital budget.

(4) The establishment of a system for the fixing of salaries. It should be noted that a general law on administrative and supervisory measures of all public enterprises, in accordance with the law on general supervisory regulations for the state agencies, is now being prepared and will concern companies.

(5) The contracting of loans of all kinds.

(6) Establishment of, or merger with, companies or enterprises whose aim is to place them in competition with the nationalized undertakings and the national agencies.

g. Apart from control of this kind, supervision is also exercised over all the public enterprises, including the common-law companies with State participation, by a financial controller and a technical supervisor recommended by the Directorate authorities.

Both have the right to be present, in an advisory capacity, at meetings of the board of directors.

The financial controller is responsible for supervising all operations likely to have financial repercussions, directly or indirectly. As regards the agencies, he supervises the execution of the budget and ensures the flow of income. He can instigate a report to the trustees or authorities for the revision of the budget estimates, and he can also refer any decision of the board of directors that he considers out of line with the legislation of the State to the authorities.

The technical supervisor represents the State and supervises everything pertaining to technical operations. He assists the Director-General in all operations of a technical character dealing with the enterprise, and watches how these operations are carried out.

C. The Organic Law of 12 February 1965

In addition to these regular controls, the Law of 12 February 1965 makes it obligatory for every enterprise in which the State holds a participation to submit,

on 1 May of each year, its balance-sheet and profit-and-loss account for approval of the Office of the Secretary of State for Planning and the National Economy, and, before 1 October, a forecast of its operating and investment expenditures for the following year for approval by the trusteeship authorities.

These arrangements must be observed in order to enable the State to ensure that the management of the public enterprises is in conformity with the provisions of the Plan.

The act of approval of the Plan gives rise to a study and analysis by the Planning staff of the documents submitted (see Annex):

- First, to check if the enterprise's programmes have paid due regard to the provisions and decisions of the Planning staff

- In the light of the enterprise's operating results, and of an analysis of its expenditure and production activities, and its forecast profit-and-loss account, to examine the investment programme the enterprise in question proposes to carry out in terms of financial and economic profitability standards

- The Planning staff whose operational task is that, in the case of every sector, and in order to judge the financial and economic profitability of an enterprise, they make comparisons with the standards of private enterprises while at the same time bearing in mind the aims and directives of the Plan (direct and indirect effects on production, employment, balance of payments, etc.) as well as the Plan's overall investment objectives for the sector in question.

2. As regards new industrial enterprises, their establishment - like that of private enterprises - is subject to the approval of the Office of the Secretary of State for Planning and the National Economy. To secure this prior approval new enterprises must submit their projects and all the studies connected with them, so as to enable the Planning staff to ensure that these investments and their financing are in harmony with the provisions of the Plan.

ESTIMATES OF THE FINANCIAL NEEDS OF NEW ENTERPRISES
IN THE PUBLIC SECTOR

Every new project of a public industrial enterprise is the subject of market research or of a preliminary study that must be submitted for examination and recommendation by the sectoral planning committees and also by the expert technical staff of the Office of Planning and the National Economy.

This preliminary study must define:

- In the first place, the size of the project, having regard to priority domestic needs;
- and systematically, in terms of the estimated operating accounts, the attractiveness of the project, qualitatively and quantitatively.

The contribution the project will make to the national income should, in principle, be determined by comparing what will happen if the project is not carried out with what will happen if it is, so as to bring out its direct and indirect effects (increase in the value added, number of jobs created, effect on the balance of trade and the balance of payments). This is what was done, for example, in the case of the project for the erection of a paper factory for the Tunisian Lucerne Paper Company, a subsidiary of the Tunisian National Cellulose Company.

After exhaustive studies of the Tunisian market, carried out in collaboration with foreign research agencies specialising in paper, (research into the domestic market, the African market and the European market to determine the various kinds of paper that should be manufactured in the light of the export possibilities that might be offered as in respect of each quality of paper), a manufacturing programme was drawn up and the productive capacity of the new factory in various kinds of paper determined, bearing in mind, first and foremost, and for greater security, the needs of the domestic market. When the factory's productive capacity had thus been determined, attention was paid to the second phase, namely, choosing a site in accordance with technical standards (availability of water, existence of an industrial infrastructure, transport facilities for raw materials and finished

products) and with the priorities set forth in the Plan (centralization of industry, regional balance).

The research study drew up a schedule of financing for the various sites selected, on the basis of the data assembled, cost price and estimated balance-sheets for the different locations, as well as the comparative cost of investment. It also made a critical evaluation of profit and loss by a qualitative comparison of the various possible locations for the factory. In the light of this analysis, the research study drew up a financing schedule and estimated the economic effect of the project, especially on Tunisia's foreign exchange balance.

In the scheme finally selected, and after study by the sectoral committees and the departments concerned, the project envisaged ended by making provision for the creation of more than 300 jobs and a saving in foreign exchange calculated as follows:

| | |
|-------------------------------------------------------------------|----------------|
| Imports of paper and pulp before the establishment of the factory | 3,072,000 D. |
| After the establishment of the new factory | |
| Imports of pulp and paper products | 1,770,000 |
| | <hr/> |
| Giving a surplus of | 1,302,000 |
| Interest and annual repayments on loan | 437,000 |
| | <hr/> |
| Leaving a net balance-of-payments surplus of | 865,000 D. |

In view of these circumstances, and after the trusteeship authorities had agreed on the expediency of the project, international tenders were solicited for the purchase of material and equipment.

The tender finally accepted was that of a German building combine, which, in addition to the quality of the material offered and an agreement to leave the enterprise to choose the material best suited to our needs, granted the most advantageous suppliers' credit as regards term (more than twelve years) and an interest rate of 6 per cent. This suppliers' credit also had the advantage of meeting not only our financial needs but also our repayment possibilities under a schedule that took into account the date when the factory goes into production in

1970 and the estimated profitability of the project, thus enabling us to meet the annual repayment instalments (capital and interest) out of the enterprise's cash flow

Taking these facts into consideration, the financing plan was drawn up as follows:

(1) Supplier's credit

| | | |
|-------------------------------------------------------|---------------|-----------|
| Price of material deliv. | 19,280,355 DM | 2,530,546 |
| Technical services | 1,000,000 DM | 131,000 |
| Cost of installation (European) | 2,219,645 DM | 291,328 |
| Cost of installation (domestic) and local expenditure | 4,030,000 DM | 528,937 |

(2) The registered capital, valued at 1,500,000 dinars, is to cover all expenditure incurred by the contractor, and also the working capital fund.

(3) Analysis of commercial profitability

Commercial profitability was calculated for the years 1970 - 1982. Figures giving the yield of the investment are contained in the annexed table. They show a gross margin varying from more than 450,000 dinars to more than 891,000 dinars, until it reaches 916,000 dinars in 1972.

These estimates are based on the following data:

- The supplying of the domestic market, where there is a demand for various kinds of paper, the margin of profit from which, in accordance with current market prices (for imported paper) varies considerably

If there were exports of paper with a sizable lucerne content (or luxury paper) the Kasserine factory, by specializing in this kind of paper, could raise its profitability threshold and considerably increase the margin of profit.

- During the period envisaged in the provisional table, the factory's output has been kept at its minimum capacity of 25,000 tons per annum, whereas the material and equipment envisaged would easily enable a turnover of 37,000 per annum to be achieved.

The sales price of the various kinds of paper and the purchase of raw materials given in the table are those of 1966 and are kept without change throughout the period under consideration.

In the operating costs, wages have been cautiously calculated at higher rates than those at present prevailing in the industrial sector. Thus it may be estimated that the gross margin of profit has been reduced by some 60,000 dinars.

We have given the research studies undertaken by the S.F.P.A. as a model, since unfortunately they are not typical of all the industrial enterprises in the public sector, where studies are often carried out hastily and lead to an under-estimation of the fixed capital assets and to an unreliable picture of the profitability of the investment. Thus, out of a sample of 10 projects carried out under the Three-Year Plan, the investments actually made amounted to 47,585,000 dinars against an estimated 30,421,000 dinars, that is to say, a difference of 50 per cent. This explains why it has been necessary to require prior approval by the Planning staff for any investment programme emanating from a public industrial enterprise.

Nevertheless, Tunisian enterprises are characterized by their relatively small size: except for exports, it is not possible, for many enterprises, to envisage more than two or three projects likely to produce an optimum yield.

That is the reason why industry is composed of a number of quasi-handicraft enterprises. Out of 1,236 enterprises there are eight nationalized industrial companies, 62 mixed-economy companies and about a hundred companies with State or partial State participation - in all 170 enterprises directly or indirectly State-controlled - 400 private industrial enterprises properly so called, and the remainder is made up of quasi-handicraft enterprises.

The financial resources of most of the enterprises are very slender, or ill-adapted to their needs.

Thus, out of a sample of twenty-three public enterprises, eleven have no capacity for self-financing and only seven represent more than 50 per cent of public sector savings. This is a sign of inadequate profitability, aggravated by the poverty of own capital resources and by heavy indebtedness.

The profitability of these enterprises is, in fact, subject to three physical limitations:

- Smallness of the market, reflected in the low level of the enterprises' turnover by comparison with their fixed capital assets - the ratio of turnover to fixed capital assets is 3 : 5 as compared with 6 : 7 in Europe for a sample of similar enterprises.

- Unsuitability of material, difficulties in respect of supplies of spare parts, and the high cost of such supplies

- Scarcity of qualified labour (when qualified manpower exists, it is often inexperienced).

To these limitations must be added, on the financial management level, a structure revealing:

- Poverty of own capital resources, which, on the average, represent only 13 per cent of the total cost of the projects.

- Very heavy indebtedness, in which bank loans cover, on the average, 17 per cent of the fixed capital assets.

- A very high percentage of short and medium-term debts in the total indebtedness of the enterprises.

- For this reason, the financial costs in the operating accounts amount to from 10 per cent to 17 per cent of the turnover and often to more than the total wages bill.

Various measures have been recommended to deal with this situation:

- The financing plan for the project must in future include, under the heading of investments, part of the working capital fund, to be financed by medium-term credits.

- Domestic suppliers' credits must be introduced to relieve some of the enterprises' debts.

- Interest rates, often augmented by costs, agios and bank charges, must be lowered.

- A securities' market must be instituted so as to develop and encourage the mobilization of private savings in the form of stocks and shares, and in this way help to provide the enterprises with new financing possibilities.

(4) Policy of public industrial enterprises as regards determination of costs, prices, and profits

It cannot be said that there is a systematic policy on the part of public industrial enterprises with regard to the determination of costs, prices, and profits. The conduct of each enterprise in this respect is subject to variation, depending on whether or not it is faced with competition in the market. In this respect, the nationalized enterprises are in a disadvantage, since their prices are determined by a tariff fixed, arbitrarily, by the Government. This is what happens in the case of the transport companies, and with the distribution of electric power. But, in view of the austerity policy of the Government, these tariffs are fixed in such a way that they can cover working costs and amortization without recourse to State subsidies. This has its disadvantages to the extent that these high tariffs affect the cost of the factors of production of the other industrial undertakings.

The other public enterprises whose production is geared to the satisfaction of domestic needs are often led to behave like monopolies, simply because they are not subjected to constant competition, and have the advantage of a market protected by customs tariffs and various exchange controls. This situation does not after encourage them to make much effort to hold back costs and improve their productive capacity. That is why the Government is obliged from time to time to lower the customs barriers in order to oblige industrialists to make the required effort to secure costs of production that are not too out of line with those of similar undertakings in other countries.

As regards public sector enterprises whose production, on the other hand, is designed for export (and they are among the most important), the fact that they are subjected to foreign competition, and to the fluctuations of the international raw materials market, confronts them with cost and productivity problems that are all the more acute in that these same enterprises are often handicapped by heavy financial burdens, and also by their location (are often they not, in a rural area that does not help the adjustment of the workers to the rhythm of industrial production and consequently renders ineffective all methods and techniques for encouraging productivity). These problems of a social order, which by their nature often lie outside the purview of the enterprise, cannot be solved except in the context of a

national continuing education policy, calling in particular for special in-service training. And as this is in the public enterprise, supplies the right framework for the policy. When for a certain part of public enterprise, on the basis of the GUM, is asked to train - in a more or less formal way, before taking on work, not to mention the training of its own staff in the enterprise itself, in order to ensure that there are no ill-effects on the worker.

This continuing education is not only for the benefit of the development of the human element, but also for the development of the enterprise in the Plan and its basic priorities, namely, productivity and industrial growth, the prosperity of the enterprise, which is the condition for national general prosperity.



ESTIMATED PRODUCTION FIGURES, 1970
OUTPUT
(Gross value added)

SECRET E1

| | Actual figures | | Probable figures 1969 | Estimated figures 1970 | COMMENTS |
|-----------------------------------------------------------|----------------|------------------|-----------------------|------------------------|-----------------------|
| | 1968 | First-half, 1969 | | | |
| Total output less total consumption of goods and services | | | | | See details, Sheet E2 |
| Equals production yield or gross value added | | | | | See details, Sheet E4 |

SHEET E2

CALCULATION OF PRODUCTION

| No. of account in General Accounting Plan 1968 | Actual figures | Probable figures | | Estimates | COMMENTS |
|------------------------------------------------------|------------------------------------------------|---------------------|--------------------|-----------|-------------------------|
| | | 1968 | First-half 1969 | | |
| 70.71-72 | | | | | See details in Sheet E3 |
| 73 | Sales, Operations, Services By-products | | | | |
| 74 | Financial yield of operation | | | | |
| 75 | Refunds, rebates and remittances, bonuses | | | | |
| 76 | Work done by the enterprise for itself | | | | |
| 55-56-55-56 | Final stock of manufactured products | | | | See details in Sheet E6 |
| 55-54-55-56 | Less initial stock of manufactured products | | | | " " " " " |
| | TOTAL OUTPUT | | | | |

CONSUMPTION OF GOODS AND SERVICES

SHEET E4

| No. of account in General Accounting Plan 1968 | Actual figures | Probable figures 1969 | Estimated figures 1970 | NO. SHEETS |
|------------------------------------------------------|---------------------------------------------------------------------|-----------------------------|------------------------------|-----------------------|
| | | | | |
| 60 | Purchases..... | | | See details, Sheet 50 |
| 30-31-32-37-38 | Initial stock of merchandise, various packing materials..... | | | See details, Sheet 50 |
| 30-31-32-37-38 | less final stock of merchandise Various materials, packings..... | | | See details, Sheet 50 |
| 61 | Equals purchases consumed | | | |
| 63 | Plus operations, supplies and external services | | | |
| 63 | Plus transport and removals..... | | | |
| 63 | Plus sundry production costs..... | | | |
| 64 | plus financial operating cost | | | |
| | Equals goods and services consumed | | | |

STATEMENT OF STOCKS

Supplies

| No. of account in the proposed Accounting plan 1964 | Description | Stocks at 31.12.67 | | Stocks at 31.12.68 | | Stocks at 30.6.69 | | Probably stocks at 31.12.69 | | Estimated stocks at 31.12.70 | |
|-----------------------------------------------------|------------------------------------|--------------------|----------|--------------------|----------|-------------------|----------|-----------------------------|----------|------------------------------|----------|
| | | Domestic | Imported | Domestic | Imported | Domestic | Imported | Domestic | Imported | Domestic | Imported |
| 30 | Merchandises | | | | | | | | | | |
| 31 | Raw materials | | | | | | | | | | |
| 32 | Consumables | | | | | | | | | | |
| 37 | Commercial packings | | | | | | | | | | |
| 33 | Sundry | | | | | | | | | | |
| | <u>T O T A L /</u> | | | | | | | | | | |
| 33 | Waste and by-products | | | | | | | | | | |
| 34 | Semi-manufactured products | | | | | | | | | | |
| 35 | Finished products | | | | | | | | | | |
| 36 | Products or operations in progress | | | | | | | | | | |
| | <u>T O T A L /</u> | | | | | | | | | | |

DISTRIBUTION OF PRODUCTION YIELD (Operating Account)

SHEET E7

| No. of account in the General Accounting Plan 1968 | Actual figures | Probable figures 1969 | Estimated figures 1970 | COMMENTS |
|-------------------------------------------------------------|----------------|-----------------------------|------------------------------|---------------------------------------------|
| | | | | |
| 65 | | | | See details on sheet E 10. |
| 66 | | | | |
| 73 | | | | |
| 67 | | | | |
| 77 | | | | |
| 330 | | | | Balance carried over (operating account) |
| 820 | | | | See Sheet E7 |

Personnel costs
Taxes and indirect taxes
less operations subsidies
Sundry working costs
less by-products

Gross yield from project or
Gross cash flow

Total: Production yield

ALLOCATION OF GROSS YIELD FROM PROJECT

SHEET 28

| No. of account in General Accounting Plan 1968 | CONCEPTS | Actual figures | | Probable figures 1969 | Estimated figures 1970 |
|------------------------------------------------------|-----------------------------------------------------------------------------|----------------|-------------------------|-----------------------------|------------------------------|
| | | 1968 | First half-year 1969 | | |
| 834 | Expenses of financing | | | | |
| 834 | Less returns from financing | | | | |
| 836 | Taxes and indirect taxes | | | | |
| 838 | Allocations to amortization accounts and to ploughing back of capital | | | | |
| 839 | Allocations to supplies | | | | |
| 840 | Net yield from project | | | | |
| 850 | Gross yield from project | | | | |
| | | | | | See Sheet 27 |

NET YIELD FOR THE FINANCIAL YEAR

| No. of account in General Accounts-1968 | Description | Actual figures | | Probable figures 1969 | Estimated figures 1970 | Comments |
|-----------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------|----------------|----------------------|-----------------------|------------------------|--------------|
| | | 1968 | First half-year 1968 | | | |
| 840 | Net yield from project | | | | | See Sheet 58 |
| 842-844 | Profits of previous financial years of exceptional profits, profits arising from subsidies for equipment and losses covered by subsidies | | | | | |
| 849 | Balancing subsidies | | | | | |
| 842-843-844 | less the total losses from previous financial years, exceptional losses and exceptional subsidies granted | | | | | |
| 845 | less allocations to the Suppliers' Accounts not included in the project or exceptional | | | | | |
| 846 | less tax on profits | | | | | |
| | Final net yield from project | | | | | |

PERSONNEL COSTS

| No. of account in General Accounting Plan 1968 | Actual figures | Probable figures | Estimated figures | COMMENTS |
|------------------------------------------------------|----------------|---------------------|----------------------|-----------------------------------------------------------------------------------------------------|
| | | | | |
| 650 to 655 | | | | |
| 655 | | | | A) Salaries and permanent emoluments, overtime, bonuses, gratuities, and related expenses. |
| 657 | | | | Compulsory social security contributions |
| 659 | | | | Other social security contributions |
| | | | | TOTAL (A) |
| 650 to 655 | | | | |
| 657 | | | | B) Salaries and temporary emoluments, overtime, bonuses, gratuities, and related expenses. |
| 659 | | | | Compulsory social security contributions |
| | | | | Other social security contributions |
| | | | | TOTAL (B) |
| | | | | TOTAL A + B |
| | | | | See Sheet E2 |

DEPRECIATION 1968

Curve DVI

| | Original Value | Depreciation rate | Previous Depreciation | Depreciation during current financial year | Accumulated depreciation | Residual Value |
|-----------------------------|----------------|-------------------|-----------------------|--------------------------------------------|--------------------------|----------------|
| Initial capital expenditure | | | | | | |
| Ground | | | | | | |
| Construction | | | | | | |
| Materials and equipment | | | | | | |
| Transport | | | | | | |
| Other fixed capital assets | | | | | | |
| Current depreciation | | | | | | |
| TOTAL: | | | | | | |

TUNISIAN LIGNESE PAPER COMPANY

ESTIMATED PROFITABILITY

| YEAR | REVENUE | EXPENSES | GROSS MARGIN | FINANCIAL INVESTMENTS | FINANCIAL INVESTMENTS ON LOANS | NET MARGIN | CASH FLOW | PRINCIPAL | REVENUE | NET INVESTMENT |
|------|---------|----------|--------------|-----------------------|--------------------------------|------------|-----------|-----------|---------|----------------|
| 1970 | 1.675 | 1.275 | 302 | 210 | - | + 62 | 302 | - | + 302 | + 302 |
| 1971 | 2.350 | 2.015 | 604 | 401 | 27 | + 55 | 500 | 343 | + 489 | + 511 |
| 1972 | 2.407 | 2.059 | 648 | 401 | 215 | - 48 | 633 | 530 | - 117 | + 614 |
| 1973 | 3.467 | 2.777 | 710 | 401 | 165 | + 46 | 507 | 471 | + 56 | + 500 |
| 1974 | 3.512 | 2.805 | 793 | 401 | 250 | + 164 | 615 | 323 | + 322 | - 312 |
| 1975 | 3.650 | 2.815 | 855 | 401 | 100 | + 314 | 735 | 323 | + 412 | + 1444 |
| 1976 | 3.750 | 2.804 | 916 | 301 | 105 | + 452 | 811 | 323 | + 490 | + 1211 |
| 1977 | 3.750 | 2.804 | 916 | 301 | 65 | + 470 | 821 | 323 | + 500 | + 1211 |
| 1978 | 3.750 | 2.834 | 916 | 301 | 67 | + 498 | 840 | 323 | + 525 | + 1211 |
| 1979 | 3.750 | 2.824 | 916 | 301 | 40 | + 506 | 807 | 323 | + 544 | + 1211 |
| 1980 | 3.750 | 2.824 | 916 | 301 | 31 | + 502 | 855 | 323 | + 572 | + 1211 |
| 1981 | 3.550 | 2.834 | 916 | 25 | 14 | + 877 | 912 | 323 | + 579 | + 1211 |
| 1982 | 3.650 | 2.824 | 916 | 25 | - | + 821 | 916 | - | + 916 | - 312 |
| 1983 | 3.750 | 2.834 | 916 | 25 | - | + 821 | 916 | - | + 916 | + 614 |

1983

SPECIAL RESOURCES ADMINISTERED BY THE COMMERCIAL BANKS

| | at 31.12.65 | at 31.12.66 | at 31.12.67 | at 31.12.68 | at 31.12.69 |
|--------------------------------------|----------------|----------------|----------------|----------------|----------------|
| Government funds | 9,7 | 11,4 | 12 | 14,6 | 17,9 |
| Counter-part funds (soreca funds) | 5,6 | 6,6 | 6,7 | 6,6 | 6,6 |
| Funds of foreign origin | 10,1 | 11,1 | 13,7 | 20,0 | 21,5 |
| Adjustment | 1,1 | 1,6 | | | |
| | 26,5 | 30,7 | 32,4 | 41,2 | 49 |

INVENTORY OF STOCKS BY ECONOMIC SECTOR IN MILLIONS OF DINAIRS

| | at 31.12.65 | at 31.12.66 | at 31.12.67 |
|-------------------------------------|-------------|-------------|-------------|
| Power and transport | 7,1 | 8,2 | 8,3 |
| Mines and quarries | 3,2 | 8,2 | 9,6 |
| Metal-working - Metal constructions | 4,6 | 9,2 | 13,2 |
| Chemical products | 2,0 | 4,5 | 4,9 |
| Textiles | 9,0 | 9,9 | 11,4 |
| Leather | 0,4 | 0,6 | 0,6 |
| | 26,3 | 40,6 | 47,0 |

MOVEMENT OF MEDIAN- AND LONG-TERM DEPOSITS IN MILLIONS OF DINAIRS

| | at 31.12.65 | at 31.12.66 | at 31.12.67 |
|---------------------------------------|-------------|-------------|-------------|
| Power and transport | 1,5 | 1,3 | 0,9 |
| Mines | 1,3 | 1,1 | 0,5 |
| Metal-working and metal constructions | 1,9 | 2 | 1,6 |
| Chemical products | 0,5 | 0,4 | 0,3 |
| Textiles | 1,5 | 2,6 | 2,5 |
| Leather | 0,1 | 0,1 | |
| | 6,8 | 7,5 | 6,3 |





25 . 1 . 72