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01210



United Nations Industrial Development Organization

Distr.
LIMITED
ID/WG.66/1
15 May 1970
ORIGINAL: ENGLISH

Meeting to promote specific Industrial
Projects in African Countries.

Nairobi, Kenya, 30 November - 4 December 1970

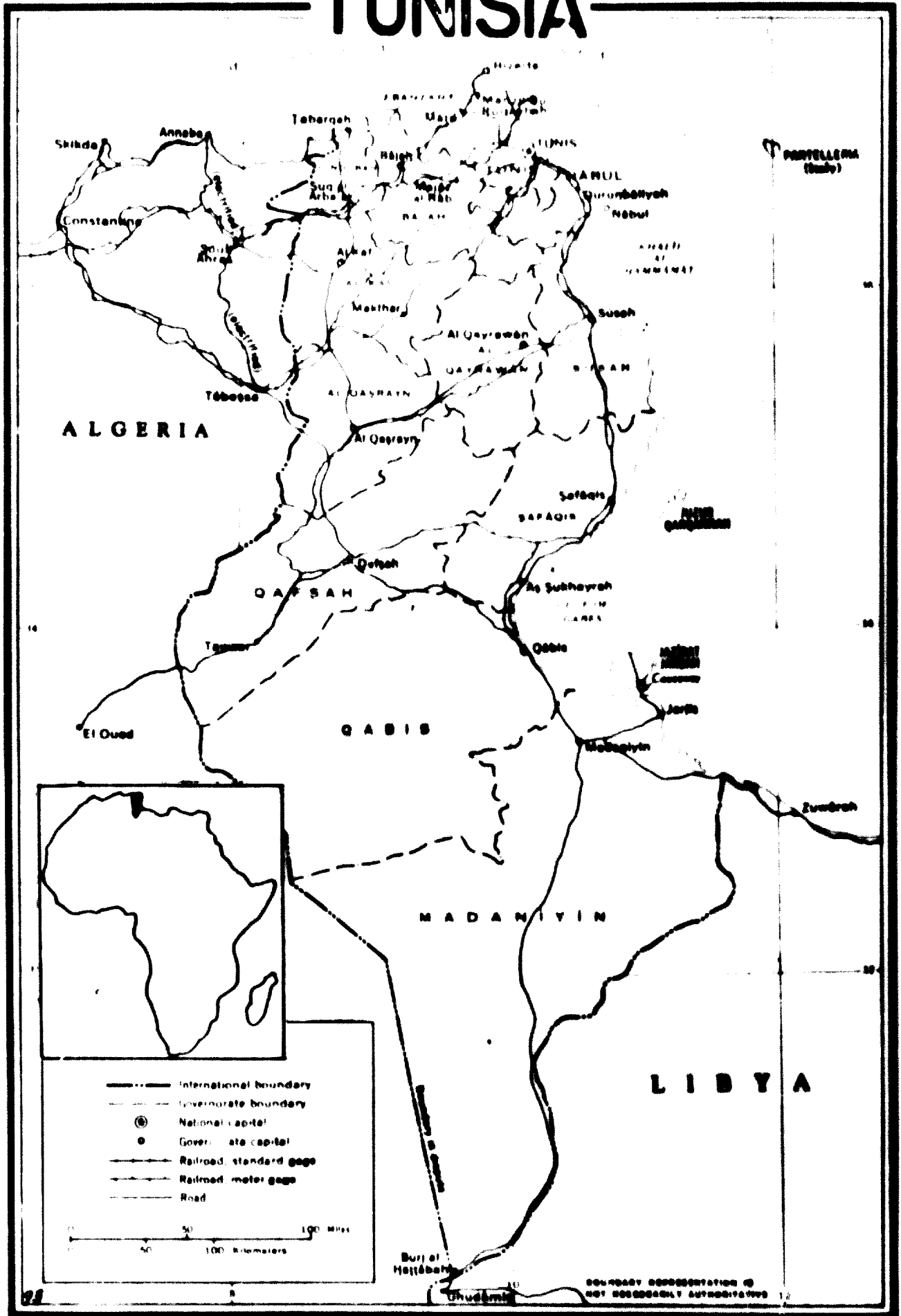
COUNTRY INFORMATION SHEET 1/

TUNISIA

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TUNISIA



ECONOMIC BACKGROUND HIGHLIGHTS**A. THE COUNTRY AND ITS PEOPLE****1) ECONOMIC GEOGRAPHY:**

- a) **AREA:** 63,478 square miles (164,100 sq. km)
- b) **GEOGRAPHY AND CLIMATE:** Tunisia lies on the Mediterranean between Algeria and Libya. The Mediterranean and the Sahara Desert are major influences on the climate. Summers, May through September are hot and dry; winters are mild with frequent rains. The atlas mountains divide the country into a smaller northern part with forests in the northwest, and good land for raising grain, fruit and live stock in the north central and northeast. The larger southern part is mostly semiarid and include livestock and dry-farming in the interior, olive groves along the coast, and esparto grass ranges and date palm oases in the desert. Sparse and erratic rainfall make for great variations in crop yields.
- c) **POPULATION:** 4.2 million; mid-1969 estimate with annual growth 2.8%.
- d) **LANGUAGES:** Official language is arabic; French is widely used.
- e) **MAIN CENTRES:** The main cities are:
 Tunis (The Capital): 642,000 Bizerta: 70,000
 Sfax: 100,000 Kairouan: 40,000
 Sousse: 70,000 Menzel-Bourguiba: 30,000
- f) **TRANSPORT FACILITIES:-** Railroads, about 1255 miles, cover the north and central coasts and connect all important mining and agricultural areas to seaports.
 - In 1968 the roads are 10,394 miles of which 7,134 improved (4,605 paved). Relatively good highway system is the predominant transportation in Tunisia.
 - Tunisia has 4 major deep water seaports: Tunis-La Goulette, Bizerta, Sousse and Sfax. There is a special petroleum port at La Skhirra. A vast port complex at Gabes is now under construction.
 - The main airport is the new international airport which was opened at Skanes-Monastir (Tunis) in April 1960 and can now provide facilities for large jet aircraft. A few other airports with modernization and enlargement could be sufficient to meet the country's needs.

2) POLITICAL STATUS AND GOVERNMENT

STRUCTURE IN THE ECONOMIC FIELD: Tunisia achieved independence in 1956. The Republic was proclaimed on July 1957. Tunisia has a permanent delegation at the United Nations. She is a member of the Arab League, the OAU of the Maghreb permanent consultative committee and has asked for association with the EEC. The Ministries in the economic field are:
 Ministry of Economic Affairs
 Ministry of Planning
 Ministry of Finance
 Ministry of Agriculture.

- Sources:** - AID Economic Data Book - Africa 1970.
 - The EUROPA Year Book 1969.
 - Africa 1969/70 The editorial Staff of "Jeune Afrique".
 - I.B.R.D. Memorandum on Current Economic Developments 1969.
 - I.B.R.D. Review of 1965-1968 Development Plan.

B. BASIC ECONOMIC DATA

1) ECONOMIC INDICATORS:

a) NATIONAL CURRENCY: The unit of the currency is the Dinar which is equal 1,000 Millimes.
The rate of exchange is: 0.52 Dinars = US\$1

b) GROSS DOMESTIC PRODUCT:

Per Capita: US\$ 227 (1967)	<u>1967</u>
Manufacturing	19%
Agriculture	15%
Public Adm. and defense	17%
Trade and Finance	14%
Transportation Commerce and Utilities	11%
Construction	9%
Other	16%
	<u>100%</u>

c) PER CAPITA INCOME: US\$ 171 (1967)

d) CONSUMER PRICE INDEX: 1963 = 100

	<u>1965</u>	<u>1966</u>	<u>1967</u>	<u>1968</u>	<u>1969 (2 months)</u>
	<u>111</u>	<u>115</u>	<u>119</u>	<u>122</u>	<u>130</u>

e) BALANCE OF PAYMENTS:

	<u>1967 (in millions of Dinars)</u>	
Total Exports	78.4	
Total Imports	<u>137.3</u>	
Trade Balance		- 58.9
Services	4.0	
Net Factor Income Payments	- 20.1	
Transfer Payments	<u>4.7</u>	- 11.4
Balance of Current Acc.		<u>- 70.3</u>
Net Medium and Long-Term Capital	62.5	
Net Short-Term Cap.	1.3	
Errors and Omissions	0.1	
Net Increase (-) in reserves	<u>6.4</u>	<u>70.3</u>

2) NATURAL RESOURCES: The agricultural land is 61% of total area, although over half is rough grazing land. Wheat and barley are major grain crops. Olive citrus fruits, wine, dates and figs also grown and exported. The forests and wood lands cover about 3,200 square miles (5% of total area). Timber meets about 65% of Tunisia's needs, and non-wood forest products (cork, tanbark and esparto grass) contribute significantly to the total value of exports.

Chief mineral and only one of world importance is phosphate rock mined in south. In the north and west are large reserves of relatively high grade iron ore. Also lead, zinc and salt. Oil discovered in 1964 is growing steadily and makes a substantial contribution to exports.

- 3) **LABOUR FORCE:** About one-third of population in labor force of which 60% engaged in agriculture; 18% in industry and 19% in commerce and services.
Full unemployment estimated at 140,000 (10% of labour force) with another 200,000 considered to be underemployed.
- 4) **ORIGIN OF GDP:** in millions of dinars at constant 1966 prices.

Agriculture	63.8
Extractive Industry	24.0
Manufacturing	62.6
Construction	40.5
Electricity, Gas, Water	8.8
Transport, Storage Commerce	41.5
Public Administration	75.5
Other Services	118.0
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GDP at Factor Cost	434.7
Indirect Taxes net of subsidies	75.0
GDP at market prices	509.7
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- 5) **MAIN INDUSTRIES:** The main industries are:
- Food:** corn processing industries - Production of fishery industries - Fruit processing - Vegetable processing - Wine - Oil mills - Oil extraction factories - Oil refineries - Olive oil production - Sugar refinery.
- Textiles:** Cotton: sewing cotton, fabric making, bleaching, dyeing and printing - Wool - Artificial fibres - Jute processing factory.
- Leather:** Production of skins - shoes.
- Chemicals:** Hyperphosphates, superphosphates Glass works - Cellulose factory - Oil refinery.
- Building:** Cement.
- Steel and Mechanical:** Steel complex - steelworks and rolling mill - metal foundries.
- Various:** Ceramics, television sets, radios, car batteries. The automobile industry (lorries and buses).

C. DEVELOPMENT PLAN

Tunisia's long-run prospects are good, assuming that political stability and pragmatic and sensible government policies continue to prevail. The country should be able to benefit increasingly from her favourable geographic position, her ties both with the North African countries and with Europe, her relatively well-developed infrastructure and the qualities of her people.

Tunisia already has a civil service of very high standards at the top level. As the great emphasis of recent years on good education and training began to bear fruit, standards elsewhere will improve as well.

- 1) INVESTMENTS: In 1961, a long run set of targets was prepared - "The Ten Year Perspective of Development - 1962-1971" and shortly after, a "Three Year Plan 1962-1964" was issued. This plan was followed by the Development Plan for 1965-68 which called for total investments in current (1965) of D 505 million. The Expenditure Projection of the four year Plan (1965-1968) was as follows: (million dinars in current prices)

	<u>1965 - 1968</u>
Gross domestic product	2200
Resource Gap	<u>200</u>
Total Resources	<u>2400</u>
Expenditures:	
<u>Investment</u>	<u>500</u>
Fixed	470
Inventory	30
<u>Consumption</u>	<u>1900</u>
Public	350
Private	1550
Domestic Savings	300

The planned Domestic Capital Formation for this Plan was as follows: (in million of Dinars)

	<u>Four-Year Plan (net) Proj. 1965-68 (millions of curr. dinars)</u>
Agriculture	150.5
Industry	112.0
Electricity, water	29.0
Construction	-
Transport, telecommunications	55.0
Housing, urbanism	16.8
Other services	19.1
Education	43.6
Other government administration	24.0
Handicrafts and unspecified	<u>5.0</u>
Subtotal: Net Fixed Capital Formation	455.0
Depreciation	<u>(50.0)</u>
TOTAL: Gross Fixed Capital Formation	<u>(505.0)</u>

2) SOURCES OF FINANCING: The Financing of Investments in 1968 "The last year of the Plan" was as follows: (Millions of 1960 Dinars)

	<u>1968 Plan</u>
Gross domestic investment	
(a) gross fixed capital formation	110.0
(b) changes in inventories	-
(c) total	110.0

Financed by	
(a) gross domestic saving	88.3
(b) Net absorption of resources from rest or world	21.7
(c) Total	110.0

D. FOREIGN TRADE DATA

- 1) FOREIGN TRADE BALANCE: The principal sources and Destinations of Imports and Exports are: (in millions of US\$)

<u>Imports</u>	<u>1965</u>	<u>1966</u>	<u>1967</u>
France	95.6	85.1	82.1
USA	39.8	41.0	66.3
West Germany	13.2	14.7	20.0
Italy	16.8	20.4	16.2
USSR	5.8	9.7	8.4
India	2.3	4.5	5.3
Netherland	3.6	6.2	5.0
Poland	4.0	2.6	4.6
United Kingdom	10.3	7.4	4.5
Total	191.4	191.6	212.4
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<u>Exports</u>			
France	37.3	48.6	41.9
Italy	14.4	18.1	20.0
West Germany	4.0	9.7	14.3
Libya	3.1	6.9	8.9
Yugoslavia	5.1	5.1	5.1
USSR	1.2	4.9	4.9
United Kingdom	6.3	6.2	4.8
Total	71.4	99.5	99.9
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- 2) VALUE OF IMPORTS; MAIN PRODUCTS: (in millions of US\$)

	<u>1965</u>	<u>1966</u>	<u>1967</u>
<u>Basic manufactures</u>	<u>73.2</u>	<u>68.0</u>	<u>64.1</u>
of which: textile yarn, fabrics, etc.	23.9	19.6	18.3
iron + steel	21.1	20.0	16.7
<u>Machinery + transport equipment</u>	<u>76.7</u>	<u>67.2</u>	<u>62.2</u>
of which: non-electr. machinery	44.1	31.7	32.4
electrical machinery	16.6	16.9	18.0
transport equipment	16.0	18.6	11.9
<u>Food + live animals</u>	<u>33.7</u>	<u>37.1</u>	<u>55.4</u>
of which: cereals + preparations	17.0	17.2	34.0
sugar, sugar prep. + honey	6.3	5.6	6.1
<u>Crude materials, excluding fuels</u>	<u>13.8</u>	<u>19.3</u>	<u>20.8</u>
<u>Chemicals</u>	<u>15.8</u>	<u>17.7</u>	<u>20.5</u>
of which: medical + pharmaceutical preparations	10.0	11.3	11.7
<u>Mineral fuels</u>	<u>13.9</u>	<u>16.2</u>	<u>10.6</u>
of which: petroleum products	12.5	13.3	6.9
Total	227.1	225.5	233.6
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Total of all imports	245.0	249.0	260.3
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3) VALUE OF EXPORTS: MAIN PRODUCTS: (in millions US\$)

	<u>1965</u>	<u>1966</u>	<u>1967</u>
Natural phosphate	23.8	25.0	23.9
Mineral fuels (mostly crude petroleum)	0.1	9.0	22.2
Superphosphates (processed)	16.4	10.0	21.1
Fruits and vegetables	12.6	16.2	16.6
Olive oil	25.7	25.6	15.2
Wines	5.3	8.4	10.1
Iron ore concentrates	<u>5.8</u>	<u>5.5</u>	<u>4.6</u>
Total	<u>119.7</u>	<u>140.7</u>	<u>113.7</u>
Total of all exports	<u>119.8</u>	<u>140.4</u>	<u>149.3</u>





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