

USDA Foreign Agricultural Service

GAIN Report

Global Agricultural Information Network

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Tunisia

Exporter Guide

2017

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Report Highlights:

Tunisia remains primarily a bulk commodity market for U.S. corn and soybean products. Best prospects include tree nuts, dried fruit, condiments and sauces, dairy products, cookies and crackers, chocolate and cocoa, live plants, alcoholic and non-alcoholic beverages, modified starches, enzymes, and genetics. Pending market access, Tunisia is also likely to be a good market for U.S. beef and processed eggs.

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Section I: Market Overview

Current Political and Economic Situation

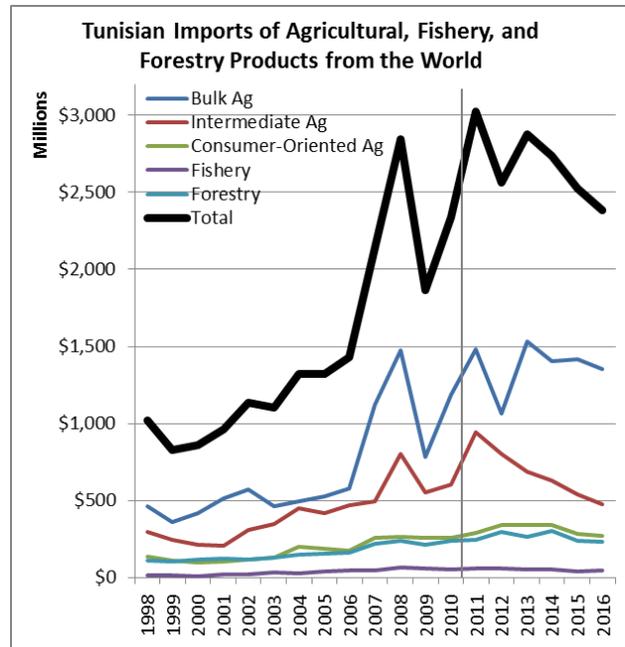
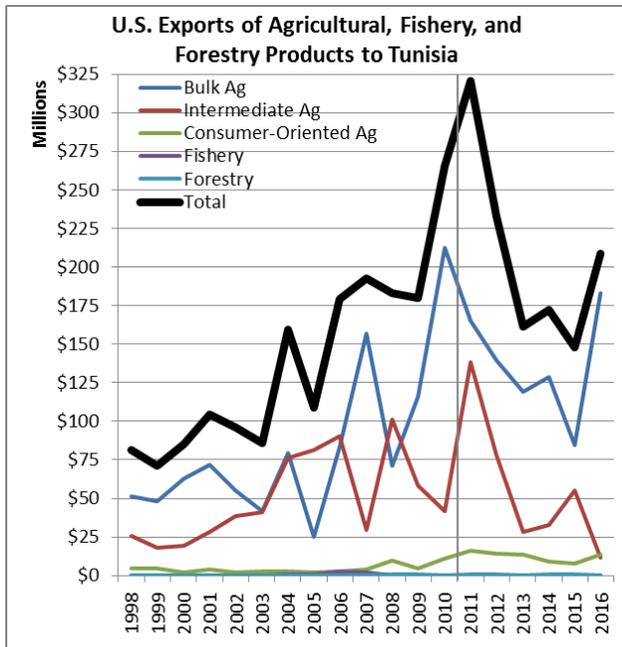
Following the early years after the 2011 Jasmine Revolution, when political reforms and security needs took precedence, the government has focused a greater portion of its attention to Tunisia's lagging economy, which is driven by services (61.4%) and supplemented by industry (28.2%) and agriculture (10.4%).

According to the International Monetary Fund, inflation has outpaced GDP growth since 2009 and is forecast to do so until 2020, with convergence of the two figures expected to take place over the next three years. In 2016, GDP rose 1% compared to inflation of 3.7% while 2017 estimates are 2.3% and 4.5%, respectively.

- Tunisia is working to recapture its tourism industry, which accounts for 8% of GDP. In 2017, Tunisia expected to attract 6.5 million visitors, compared to 5.7 million in 2016, the recent low of 5.4 million in 2015, and the pre-revolution high of 7.8 million in 2010.
- Post-revolution unemployment rates, especially among educated youth, remain a priority issue. Overall, rates have remained around 15-15.5% since 2014, compared to 13% before the revolution.
- Instability in Libya continues to place stress on the neighboring Tunisian economy.

Trade is also important to Tunisia, which has the highest trade-to-GDP ratio in North Africa, ranging from 90 to 110%. Nevertheless, trade has also come under fire in Tunisia as it looks to balance its draining foreign reserves against further devaluation of its non-convertible currency.

- Since 2011, Tunisia's imports of agricultural, fishery, and forestry products have been on a downward trajectory, totaling only \$2.4 billion in 2016, led by wheat (\$474 million), soybeans (\$204 million), corn (\$110 million), vegetable oils (\$185 million), sugar (\$177 million), and barley (\$110 million). U.S. exports totaled \$209 million, led by soybeans (\$150 million), corn (\$33 million), tree nuts (\$11 million) and vegetables oils (\$6 million).
- Tunisia is a modest market for imported consumer-oriented goods valued at roughly \$300 million from all sources and with U.S. exports valued at only approximately \$10 million. Tunisia's leading imports within consumer-oriented goods include food preparations, potatoes, bananas, coffee, modified starches, dairy products, chocolate and cocoa, enzymes, live plants, non-alcoholic beverages, tree nuts, sauces and condiments, jams, garlic, and beef. For other than tree nuts, U.S. exports of these products are insignificant, and the United States does not have market access to export beef, poultry, or processed eggs to Tunisia. While sales totaled less than \$1 million, through September, U.S. exports of chocolate and cocoa products as well as condiments and sauces had achieved record annual totals.

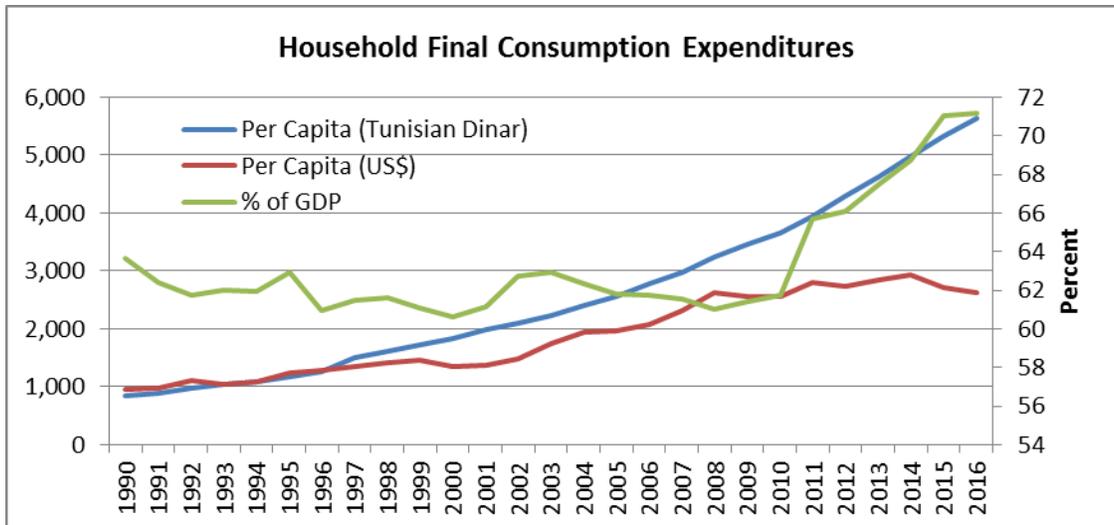


- In recent months, the government has taken increasing measures to limit Tunisia’s depleting foreign reserves. In October 2017, Tunisia [ordered](#) banks to halt import financing for a large number of consumer products and began requiring importers to provide customs export declarations for a similar but different set of products; however, U.S. exporters cannot provide importers such documentation under penalty of U.S. law. Tunisia’s foreign reserves have fallen from a high of \$11.3 billion in 2009 to \$6.1 in 2016 and reportedly slid to \$4.8 billion by mid-August 2017, a figure less than Tunisia’s annual net trade deficit of \$6 billion/year, of which \$1 billion is agricultural, fishery, and forestry products.

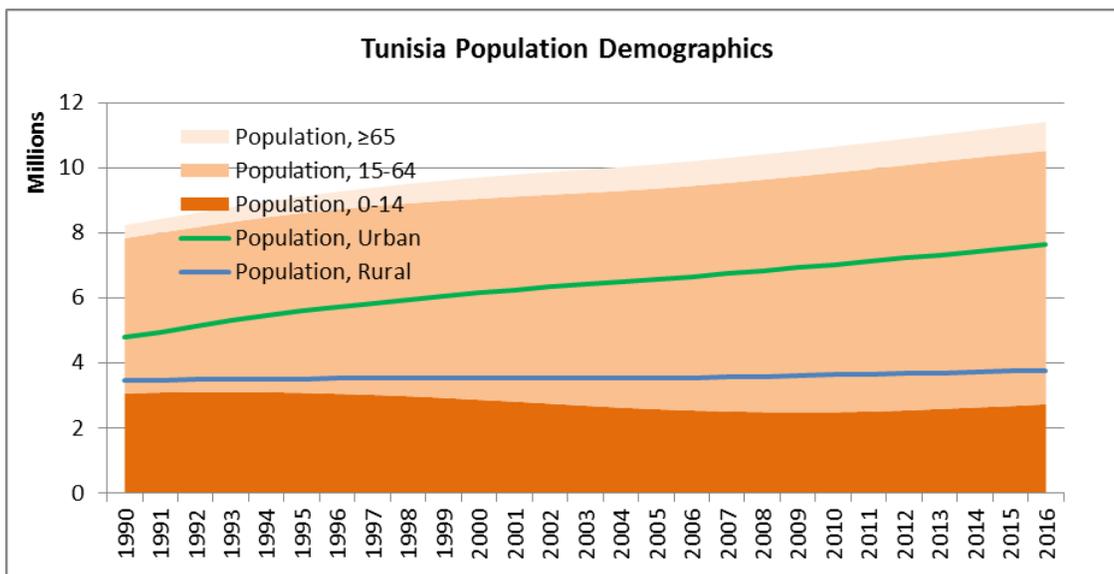
Key Demographic Developments and their Impact on Consumer Buying Habits

According to the Tunisian National Institute for Statistics, food accounts about 40% of overall household expenditures, and spending on these items is growing by 6% annually. Urban households spend nearly 70% more than rural households. The annual household food budget is \$1,848, however one-third of Tunisian families spend more than \$2,000 per year while 22% spend less than \$1,000.

While per capita consumption appears to be growing in local value terms, much of Tunisia’s purchasing power has been eroded by inflation, with consumption actually appearing to fall in US dollar terms. Household consumption is likely to continue taking a larger role in GDP as the government attempts to further divest itself from the economy. Regardless, population growth, which is taking place almost exclusively in urban areas, will continue to support consumption growth in the aggregate.



Source: World Bank



Source: World Bank

Advantages	Challenges
<ul style="list-style-type: none"> • Tunisia and the United States have a number of bilateral agreements, including a Trade and Investment Framework Agreement. • Tunisia is highly urbanized and modern society (two-thirds live in cities and one-fifth live in the Greater Tunis Metropolitan area) • Tunisia has a rather well developed food service industry catering to tourists and an expanding modern retail food distribution system. 	<ul style="list-style-type: none"> • Economic reforms have been slow to transpire. • Tunisia seeking to expand its trade relationship with Europe, Africa, and the Middle East. • Average applied import duty on agricultural products was 32.1% in 2016 • Tunisia has harmonized most of its SPS norms with the European Union • Tunisia has a small upper income class, representing around 5 percent of the total 11 million, which can afford to buy imported food products. • Tunisia regulates socially sensitive products, including sugar, flour, milk, and cereals. • Small port capacity and distance disadvantage US exports

	<ul style="list-style-type: none">•French culture and influence remain dominant•Lack of transparency in Tunisian regulations
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Section II: Exporter Business Tips

- See Tunisia's [Country Commercial Guide](#).
- Doing business in Tunisia requires visiting the country, building relationships, and ultimately finding good partners, including agents/distributors that are crucial to introducing new products into the Tunisian market. It is highly recommended to assess local agents/distributors before engaging them. Only a few major retailers and food processors have subsidiaries dealing with international procurement.
- The official language is Arabic. However, French is widely spoken and many Tunisians also understand and speak English.
- Business etiquette is quite similar to western countries and company representatives should always have business cards available. Tunisia is GMT +1. The Tunisian weekend is Saturday and Sunday. During Ramadan, a one-month fasting period between sunrise and sunset observed by Muslims the workday is shorter and it is advisable to be concise and to avoid lengthy meetings. The 2018 Ramadan will take place May 17 – June 15, 2018. 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 event sponsorships are also very common. Tunisians, especially those with high income, like to buy brands/trademarks with a 'westernized look' and advertised in foreign satellite TV commercials.
- The Tunisian currency, the Tunisian Dinar, is not fully convertible. The banking system is strictly supervised by the Central Bank of Tunisia, which has several restrictions on capital outflows.
- Tunisia does not have a professional trade event to showcase imported products directed for the retail, food processing, or the food service industry. Tunisian food importers are known to seek out suppliers at Fruit Logistica, SIAL Paris, Anuga, and Food Ingredients Europe. Two major agricultural shows are organized alternately each fall, both of which are suitable to showcase imported products that support local livestock and agricultural production, such as genetics, feed ingredients, agro-chemicals, equipment, and services.
 - The **International Exhibition of Agricultural Machinery and Fisheries (SIAMAP)** is organized by the largest agricultural union (UTAP), takes place in odd years, and attracts 200,000 visitors, most of which are non-professional.
 - The **International Exhibition of Agricultural Investment and Technology (SIAT)** is organized by the Ministry of Agriculture, takes place in even years, and attracts 15,000 visitors, most of which are professional.
- See the Tunisia's [Food and Agricultural Import Regulations and Standards](#) Annual.

Section III: Market Sector Structure and Trends

Tunisia remains primarily a bulk commodities market for U.S. corn, soybean, and wheat products. Additional opportunities opened in 2017 with the negotiation of bilateral certificates to more easily facilitate the trade of U.S. genetics. Tunisia is likely to remain a small market for food processing, food retail, and food service, with the best opportunities occurring in the food service sector, especially if Tunisia agrees to open market access to U.S. beef, poultry, and processed eggs. Opportunities in the food processing sector will largely depend on the situation in Libya as well as Tunisia's ability to expand markets in Africa.

The Food Processing Sector

According to the Ministry of Industry's survey, the food processing sector included over 1,050 enterprises (employing 10 people or more) in 2016, 20 percent of which produced exclusively for export. The production value of this sector is around \$5 billion annually according to the same survey. This sector is growing at an average rate of 6 percent to improved household purchasing power, and changes in eating habits that are moving more towards consumption of processed products instead of fresh products. Agricultural and food imports by the food processing sector were over \$3 billion in 2016 compared to \$2.2 billion in 2010. Cereals, oilseeds, vegetable oil, and sugar account on average for 75 percent of Tunisia food imports. See Tunisia's [Grain and Feed Annual](#) and [Oilseed and Products Annual](#) reports.

The Food Retail Sector

The retail sector is still in developing with the expansion of modern distribution outlets, supermarkets, and hypermarkets through joint ventures with foreign investors, mostly with France, including Carrefour and Casino groups (Geant and Monoprix). Tunisians currently source their food almost equally from modern and traditional distribution channels. One-third of the population buys packaged food once a month and one-quarter buys it once a week. According to the Ministry of Trade, there are 252 modern food retail outlets: 2 hypermarkets, 150 supermarkets and 100 'Superettes' (self-service food outlets with area less than 500 sq. m). By 2019, six new hypermarkets are expected to come online.

The Food Service Sector

This sector caters to Tunisians as well as five million tourists annually. The food service sector is not generally perceived as distinct from retail as most hotels and restaurants still source their food needs either through annual tenders or retail outlets. Several foreign franchises have entered Tunisia over the last five years, and currently include Pizza Hut, Fatburger, Chili's, Papa John's, and Johnny Rockets.

Section IV: Best High-Value Product Prospects

- Tree Nuts
- Dried Fruit
- Condiments and Sauces
- Dairy Products
- Cookies and Crackers
- Chocolate and Cocoa
- Live Plants
- Alcoholic and Non-Alcoholic Beverages
- Modified Starches
- Enzymes
- Genetics
- Beef – *pending market access*
- Processed Eggs – *pending market access*

Over the last 12 months, FAS/Tunis has received specific trade leads for corn oil, cake flour, and equipment.

Section V: Key Contacts and Information Sources

U.S. Contacts:

U.S. Department of Agriculture (USDA)

Office of Agricultural Affairs

U.S. Embassy Tunis
Morgan Haas, Agricultural Attache
Morocco and Tunisia
Phone: +216-71-107-486
Fax: +216-71-107-101
E-mail: AgTunis@fas.usda.gov
Web: <https://www.fas.usda.gov/regions/tunisia>

Animal and Plant Health Inspection Service

U.S. Embassy Cairo
Cynthia Duerr, Acting Area Director,
North Africa and Middle East
Phone: +20-2-2797-2238
Fax: +20-2-2792-4812

USDA Cooperators with Active Programs in Tunisia

US Wheat Associates

Mina El Hachimi, Manager
North Africa
Tel: +212-522-787-712
Fax: +212-522-787-711
E-mail: InfoCasablanca@uswheat.org
Web: <http://www.uswheat.org>

US Soybean Export Council

Brent Babb, Regional Director
Europe, Middle East, and North Africa
Tel: 1-636-449-6020
E-mail: BBabb@ussec.org
Web: <https://ussec.org/>

US Grains Council

Ramy Taieb, Director
Middle East and Africa
Tel: +216-71-191-640
Fax: +216-71-191-650
E-mail: tunis@usgrains.net
Web: <https://www.grains.org>

Cotton Council International

Marsha Powell Associates
Tel: +90-212-539-8841
Fax: +90-212-539-8842
E-mail: info@cottonusatrkey.com
Web: <https://cottonusa.org/>

Tunisia Contacts:

Ministry of Agriculture, Environment and Hydraulic Resources

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

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

Directorate General for Veterinary Services (DGSV)

30, rue Alain Savary, 1002, Tunis, Tunisia
Phone: +216 71 786 833
E-mail: mag@ministeres.tn

Cereal Board of Tunisia (OCT)

65, Rue de la Syrie 1002 -Belvédère- Tunis
Phone: +216 71 800 040
E-mail: octmail@gnet.tn
Web: <http://www.oc.agrinet.tn/index.php/fr/>

Ministry of Commerce

Directorate of Quality and Consumer Protection (DQPC)

37, av. Keireddine Pacha, 1002 Tunis
Phone: +216 71 890-070 / 890 337
E-mail: mcmr@ministeres.tn

Trade Board of Tunisia

65, Rue de la Syrie 1002 -Belvédère- Tunis
Phone: +216 71 800-040

Ministry of Public Health

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

2 rue Ibn Nadim Monplaisir Ville Tunis
Phone: +216 71 966-687
E-mail: ancsep@ancsep.com.tn
Web: <http://www.ancsep.rns.tn/>

Ministry of Finance

Directorate General for Customs Services

5 rue ichbilia, Tunis, Tunisie
Tel: +216 71 353 685
Fax: +216 71 353 257
Web: <http://www.douane.gov.tn/>

Ministry of Industry

National Institute for Standardization and Industrial Property (INNORPI)

BP 23 - 1012 Tunis Belvédère
Tel: +216 71 785 922
Fax: +216 71 781 563
E-mail: inorpi@email.ati.tn
Web: <http://www.innorpi.tn/>

Packaging Technical Centre (PACKTEC)

Cité El Khadra, par la rue Alain SAVARY. BP 64 .1003 Tunis.
Tel: +216 71 772 755
Fax: +216 71 773 300
E-mail: Packtec@packtec-tunisia.com
Web: <http://www.packtec.tn/>

Other Agencies

Tunisian Central Bank

25, Rue Hédi Nouira – Tunis
Tel: +216 71 122-000
Fax : +216 71 340-615
Web: www.bct.gov.tn

Industry Contacts:

American Chamber of Commerce in Tunisia (TACC)

10 Av Mosbah Jarbou El Manar 3, Rue Mosbah Jarbou, Tunis,

Phone: +216 71 883 226

Fax: +216 71 889 880

E-mail: media@tacc.org.tn

Union of Tunisian Industry and Commerce

Phone: +216 71 142 000

Fax: +216 71 142 100

E-mail: contact@utica.org.tn

Web: www.utica.org.tn

Tunisie Trade Net

Rue du Lac Malaren, Lotissement El Khalij Les Berges du Lac, 1053-Tunis

Phone: +216 71 861 712

Fax: +216 71 861 141

Email: commercial@tradenet.com.tn

Web: <http://www.tradenet.com.tn/portal/accueil>

Exporter Guide Appendix I. Statistics

Table A: Key Trade & Demographic Information

	2016	%
Agricultural Imports From All Countries (\$million) / US Market Share (%), 2016	2,232	9.3
Consumer Food Imports From All Countries (\$million) / US Market Share (%), 2016	1,196	9.5
Total Population (millions)/ Annual Growth Rate (%),2016	11.3	1.3
Urban Population (millions)/ Annual Growth Rate (%),2016	7.5	1.3
Number of Major Metropolitan Areas	3: Tunis (1.1 million), Sfax (0.35 million), and Gabes (0.15 million)	
Size of the Middle Class (millions)/ Growth rate, 2016	8	1.8
Per capita Gross Domestic Product (U.S. Dollars), 2016	4,900	
Unemployment Rate (%),2016	15,6	
Per capita Food Expenditures (U.S. Dollars), 2016	462	
Exchange Rate, 2016	2.2 Tunisian Dinar for \$1	

Source: Tunisian National Institute for Statistics (INS)

Table B. Consumer Food & Edible Fishery Product Imports

Tunisia Imports	Imports from the World \$million			Imports from the U.S. \$million			U.S Market Share (%)		
	2014	2015	2016	2014	2015	2016	2014	2015	2016
Wheat	428	486	370	0	21	0	0	4.3	0
Rice	9	10	8	0	0	0	0	0	0
Vegetables Oils (ex. Soybean)	121	113	101	17	27	6	15	24	6
Soybean Oil	99	94	88	0	18	0	0	19	0
Dairy Products	64	40	32	2	0.03	0.2	3	0	0.6
Trees Nuts	28	32	52	5	4	10	18	12	19
Fish Products	64	36	47	0.6	0.8	0.3	0.9	2	0.5
Breakfast Cereals/Pancake	2	1.4	1.5	0	0	0	0	0	0
Cheese	9.2	6.5	8.9	2.2	0	0.06	24	0	0.6
Crustaceans	0.5	0.8	0.9	0.01	0.1	0.04	2	0.1	4
Molluscs	2.3	3.3	2.1	0	0	0	0	0	0
Salmon	0.8	0.6	0.9	0.03	0	0	3.7	0	0
Pulses	5.4	7.1	6.2	0	0.008	0.005	0	0.1	0.08
Red meat	26.3	17.2	4.7	0	0	0	0	0	0
Poultry Meat	5	0.3	0.5	0	0	0	0	0	0
Sugar/Sweetener/Beverage Bases	134	105	52	0.7	0.1	0.05	0.5	0.09	0.09
Snack Foods (Ex. Nuts)	16	13	17	0	0.007	0.004	0	0.5	0.02
Fruit & Vegetable Juices	7	6	4	0	0	0	0	0	0
Wine & Beer	1.5	1.7	1.8	0.002	0	0	0.1	0	0
Processed Fruit & Vegetables	18	15	16	0.1	0.3	0.1	0.5	2	0.6
Eggs & Products	6	3	3	0	0.001	0	0	0.03	0

Source: Global Trade Atlas (GTA)