# TRADE UNIONS AND TRADE

# Tunisia Trade Fact Sheet

## African Continental Free Trade Area

TRADE UNIONS AND TRADE IN AFRICA
AfCFTA
LES SYNDICATS ET LE COMMERCE EN AFRIQUE

sask

LRS Labour Research Service


# TUNISIA TRADE FACT SHEET
## Trade unions, Trade and AfCFTA

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**October 2024**

The AfCFTA will influence national policies that affect employment, income, and livelihoods – trade unions need to be prepared to engage with this process.

The practicalities of the AfCFTA, how it will affect trade, policies, and employment, are unknown and need to be better understood.

This resource provides insight into trade dynamics in Tunisia and helps trade unions think about trade and their interests in the AfCFTA.

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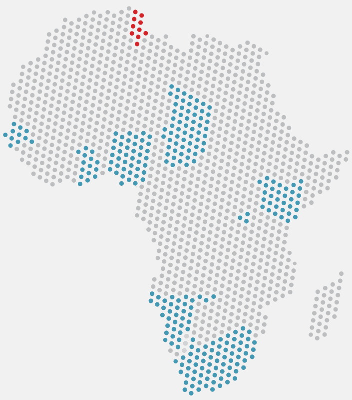

**TRADE UNIONS AND TRADE**

**Tunisia Trade** Fact Sheet

**AFRICAN CONTINENTAL FREE TRADE AREA**

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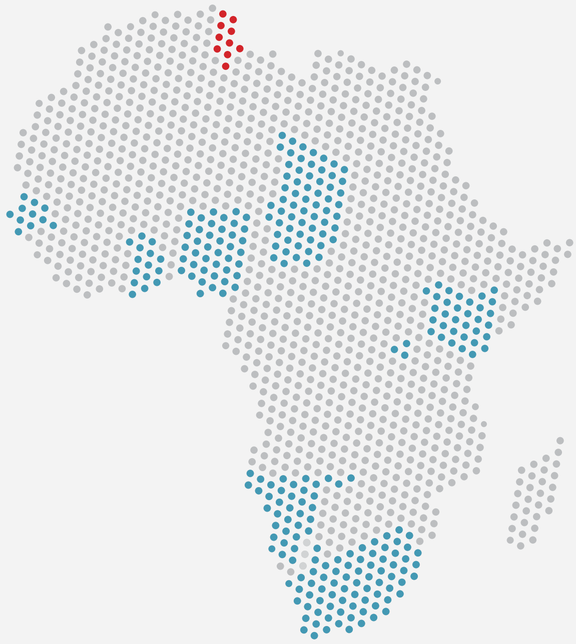


# SECTION 1: DEMOGRAPHICS

### 1.1 The population

IN 2022 TUNISIA'S POPULATION WAS

**11.8 MILLION**

*National Institute of Statistics (NIS)*

FEMALES

**50.6%**

MALES

**49.4%**

*See Table 1 below*

As Table 1 shows, women constituted a slight majority, accounting for 50.4% of the population.

**Table 1: Tunisian population by sex (2022)**

| Sex | Number (in thousands) | Percent (%) |
|---|---|---|
| Male | 5842494 | 49.4 |
| Female | 5984416 | 50.6 |
| Total | 11,826,910 | 100.00 |

*Source : (World Bank, s. d.-b; NIS, s. d.).*

Tunisia has a predominantly young population. Table 2 shows that just over half of the country's population will be under 35 in 2022.

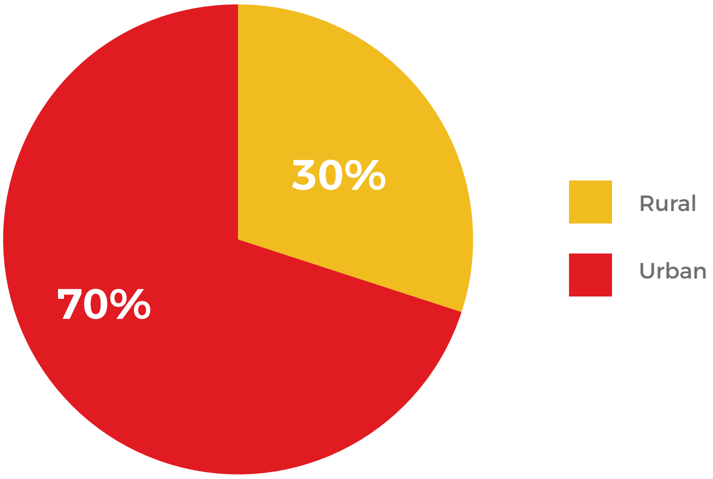
**Table 2: Tunisian population by age group (2022)**

| Age group | Total | Percent | Cumulative percentage (%) |
|---|---|---|---|
| 0-14 years | 2,929,870 | 24.77 | 24.77 |
| 15-24 years | 1,583,954 | 13.39 | 38.17 |
| 25-34 years | 1,690,712 | 14.30 | 52.46 |
| 35-59 years | 3,915,824 | 33.11 | 85.57 |
| 60 years and older | 1,706,550 | 14.43 | 100.00 |
| All | 11,826,910 | 100.00 | |

*Source : NIS.*

Tunisia's population is largely urban. As shown in Figure 1, around 70% of the population was living in urban areas in 2022.

**Figure 1: Population distribution by environment (rural vs. urban)**




*Source : (World Bank, s. d.-e).*

# SECTION 2:
# ECONOMIC INDICATORS

## 2.1 Gross Domestic Product (GDP)

By 2022, Tunisia's GDP will have risen to US$48.41 billion, with an annual growth rate of 2.5%, compared with 4.4% in 2021 [see Figure 2].

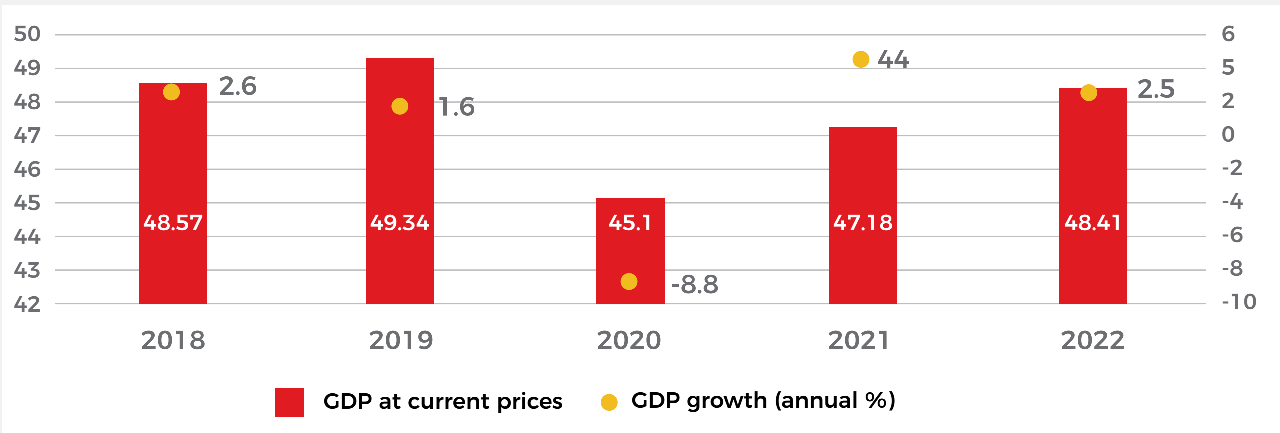
**IN 2023, GDP RISEN TO**
**US $48.41 BILLION**
**WITH AN ANNUAL GROWTH RATE OF 2.5%**

SERVICES SECTOR
**64.3%**

INDUSTRIAL SECTOR
**24.9%**

AGRICULTURE, FORESTRY AND FISHERIES
**11%**

**Figure 2: Tunisia's GDP (billions of US$) and GDP growth (%)**

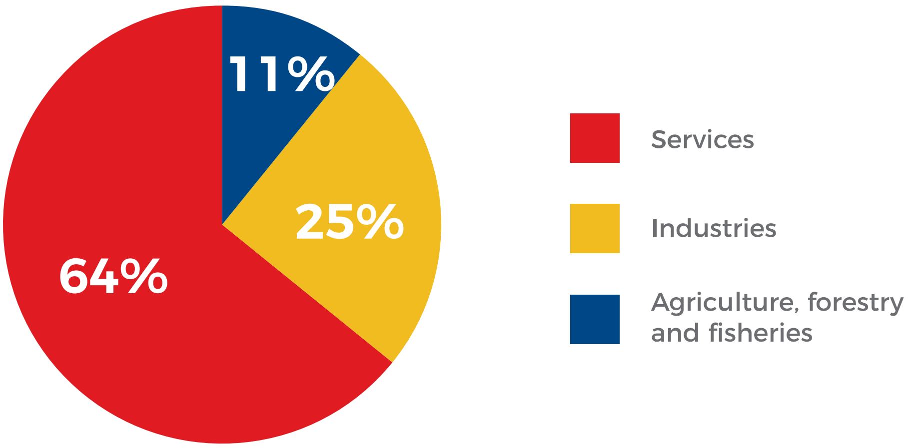



*Source : (« FMI-World Economic Outlook Database: April 2023 », s. d.-a).*

## 2.2 GDP Composition

The services sector was the largest contributor to Tunisia's GDP in 2022, accounting for around 64.3%. In comparison, the industrial sector contributed around 24.9% (including a strong contribution from manufacturing industries at 16%) [see figure 3].

**Figure 3: Share (in %) of economic sectors in Tunisia's GDP**

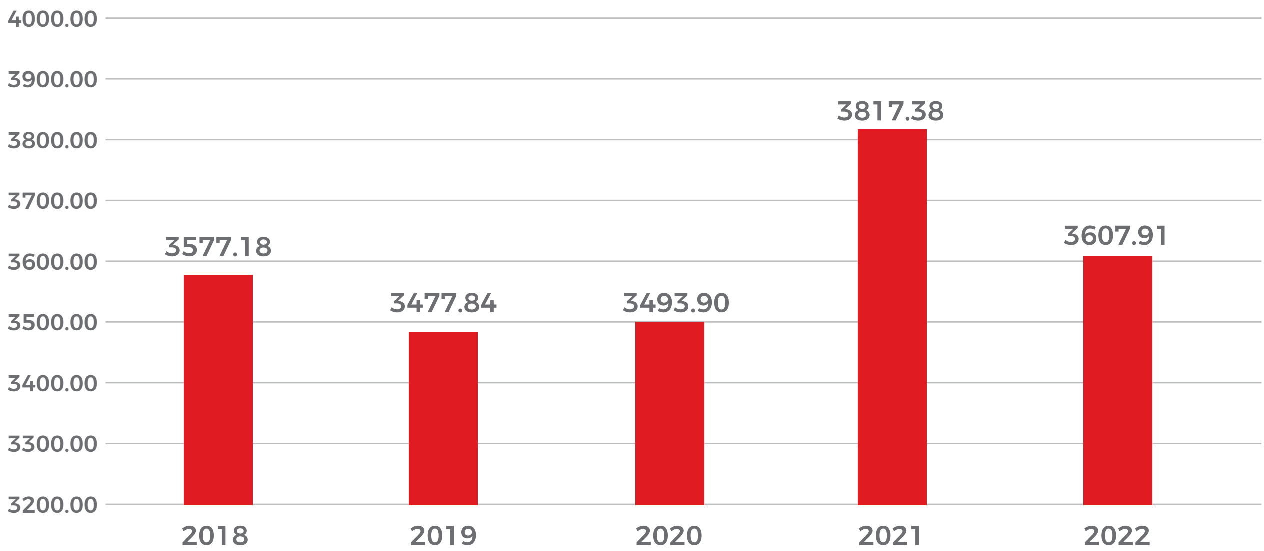



*Source : (World Bank, s. d.-a).*

## 2.3 GDP per capita

Tunisia is classified as a lower middle-income country. As shown in Figure 4, GDP per capita was US$3,607.91 in 2022. Despite the slight reduction in inequality, income disparity remains fairly pronounced, with a Gini index of 35.3 in 2021 compared with 36.5 in 2015 (NIS 2023b, 13).

**Figure 4: GDP per capita (Current US$)**

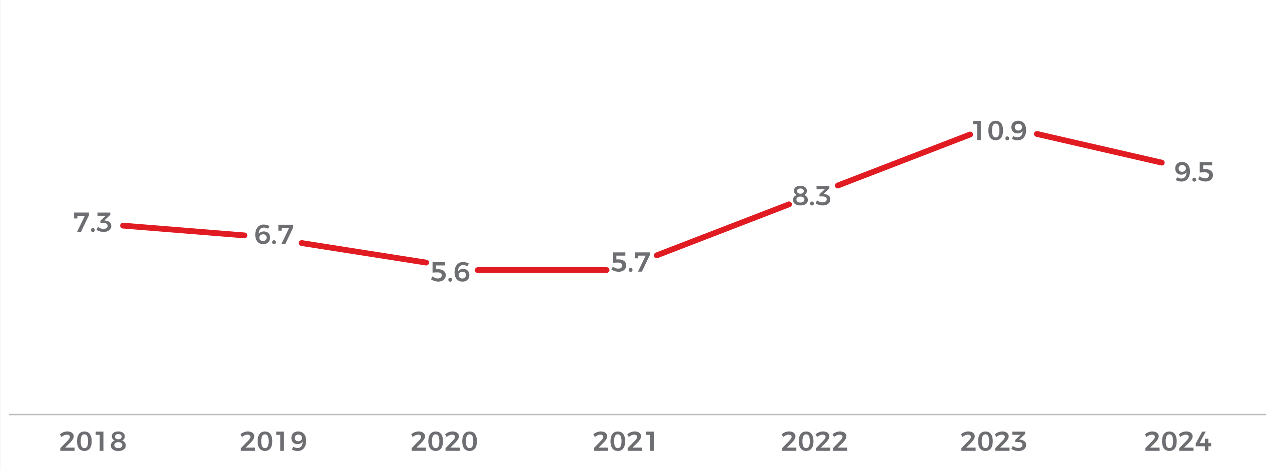



*Source : (World Bank, s. d.-c).*

## 2.4 Inflation

Annual inflation in Tunisia is on an excessively upward trend, driven mainly by the rise in world prices, having reached its highest level since 1984 (World Bank 2023, 7), rising from 5.7% in 2021 to 10.9% in 2023. As illustrated in Figure 5, Tunisia's inflation rate is slightly eased in 2024.

**Figure 5: Inflation, consumer prices (annual %)**




*Source : (« FMI-World Economic Outlook Database: April 2023 », s. d.-b).*

## 2.5 Exchange rate

The Tunisian dinar remained relatively stable in 2023. As Table 3 shows, it depreciated slightly against the US dollar (0.32%) and the pound sterling (1.58%). The most pronounced depreciation of the Tunisian dinar was against the euro (3.06%) between December 2022 and December 2023. The value of the Tunisian dinar improved considerably against the Japanese yen in 2022 (7.40%) and in 2023 (5.80%).

**Table 3: Tunisian currency exchange rate (TND), 2022-2024**

| Date | US Dollar (US$) | | Euro (€) | | Japanese yen (¥) | | Pound sterling (£) | |
|---|---|---|---|---|---|---|---|---|
| | Exchange rate | Change (%) | Exchange rate | Change (%) | Exchange rate | Change (%) | Exchange rate | Change (%) |
| 31/12/2022 | 2,80 TND | | 3,3 TND | | 25,30 TND | | 3,82 TND | |
| 31/12/2022 | 3,10 TND | 10,7 | 3,26 TND | -1,21 | 23,43 TND | -7,40 | 3,79 TND | -0,78 |
| 31/12/2023 | 3,11 TND | 0,32 | 3,36 TND | 3,06 | 22,07 TND | -5,80 | 3,85 TND | 1,58 |

*Source : (Central Bank of Tunisia (BCT), s. d.).*

# SECTION 3: THE LABOUR MARKET

## 3.1 Employment and unemployment

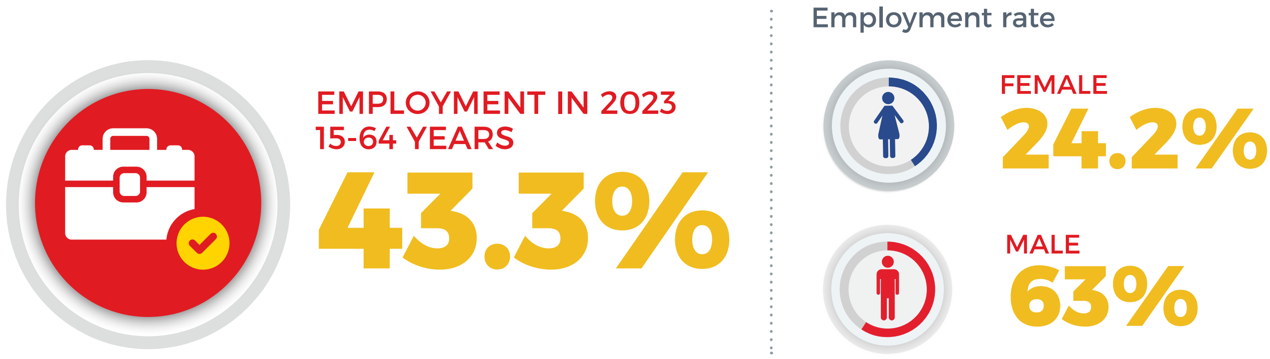
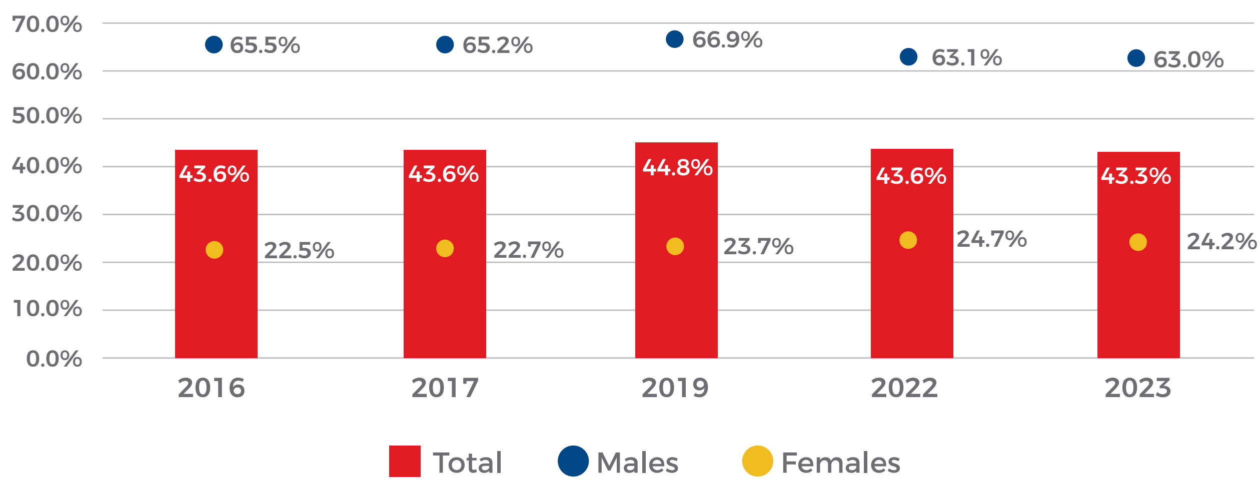



*Figure 6 illustrates the employment/population ratio in Tunisia, showing that in 2023, around 43.3% of the population aged 15-64 will be employed. The employment rate is significantly higher for men (63%) than for women (24.2%).

Despite a marked improvement in the female employment ratio over time, this rate has fallen slightly in 2023 compared to 2022 (when the employment rate was 24.7%).

Generally speaking, two groups stand out for their low participation and employment rates: women and young people (Ranzani 2022, 1).

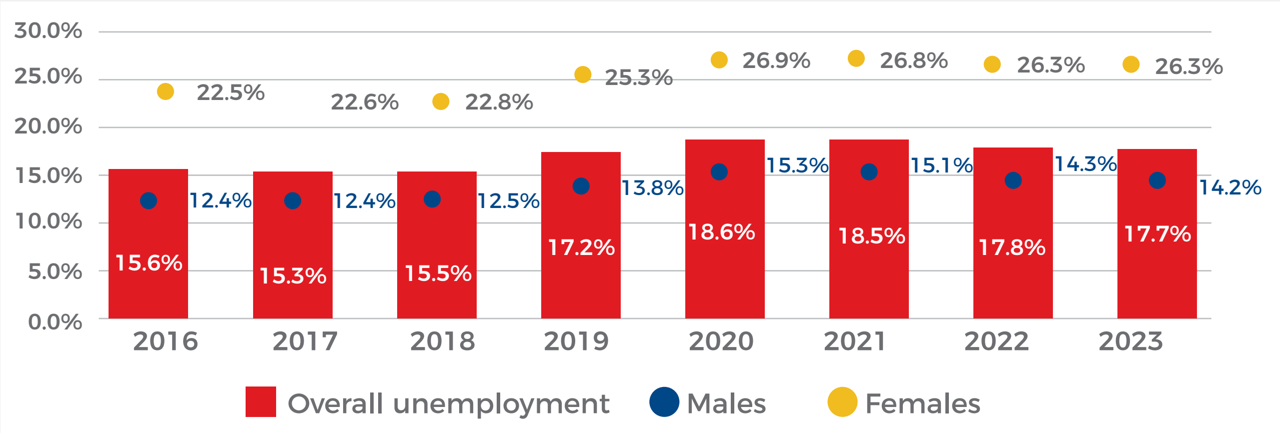
**Figure 6: Employment/working-age population ratio (15-64 years), 2016-2023**




*Source : (ILOSTAT, s. d.).*

*Tunisia has one of the highest unemployment rates in the MENA region, with wide disparities between the sexes, age groups and regions. In addition, the Tunisian economy faces structural obstacles on the supply side of the labour market and various distortions on the demand side (Belgacem and Vacher 2023). In this context, the modest post-Covid-19 economic recovery has pushed more discouraged people out of the labour market (World Bank 2023, 2). Another important finding is that unemployment is clearly pronounced among women and widespread among young people, particularly university graduates, where the unemployment rate is highest (Ranzani 2022, 1-2). An analysis of the situation reveals that unemployment was quite evident in 2023, when around 17.7% of the Tunisian workforce was unemployed. The unemployment rate was higher for women (26.3%) than for men (14.2%) [see Figure 7].

**Figure 7: Unemployment rate in Tunisia, by gender, according to ILO modelled estimates, 2016-2023**

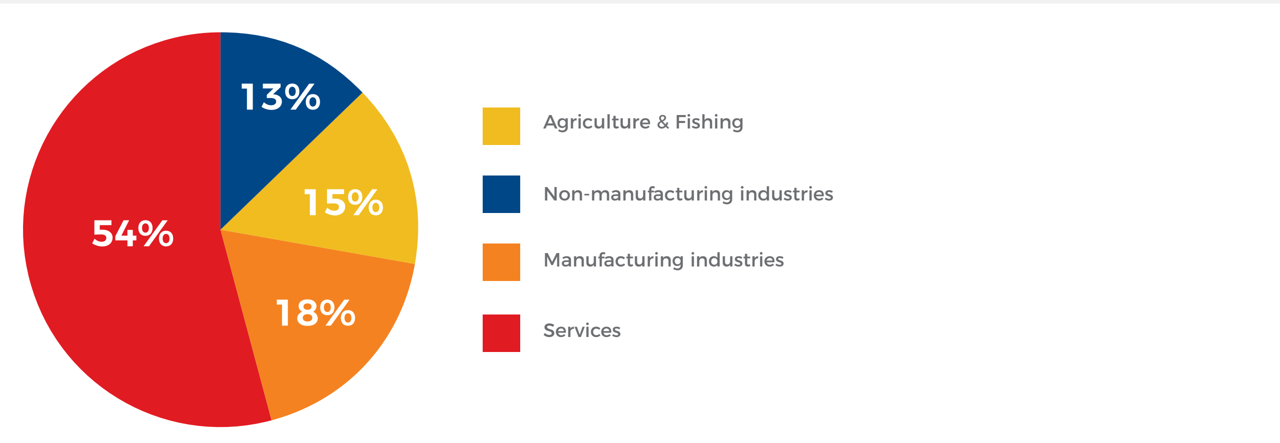



*Source : (World Bank WDI, s. d.).*

## 3.2 Industrial distribution of employment

According to the NIS, and as Figure 8 illustrates, the services sector is the main source of employment in Tunisia, employing around 54% of the workforce in 2023. The second largest source of jobs is industry with 31% (including manufacturing with 18%), followed by agriculture with 15%.

**Figure 8: Sectoral distribution of employment in Tunisia (%)**

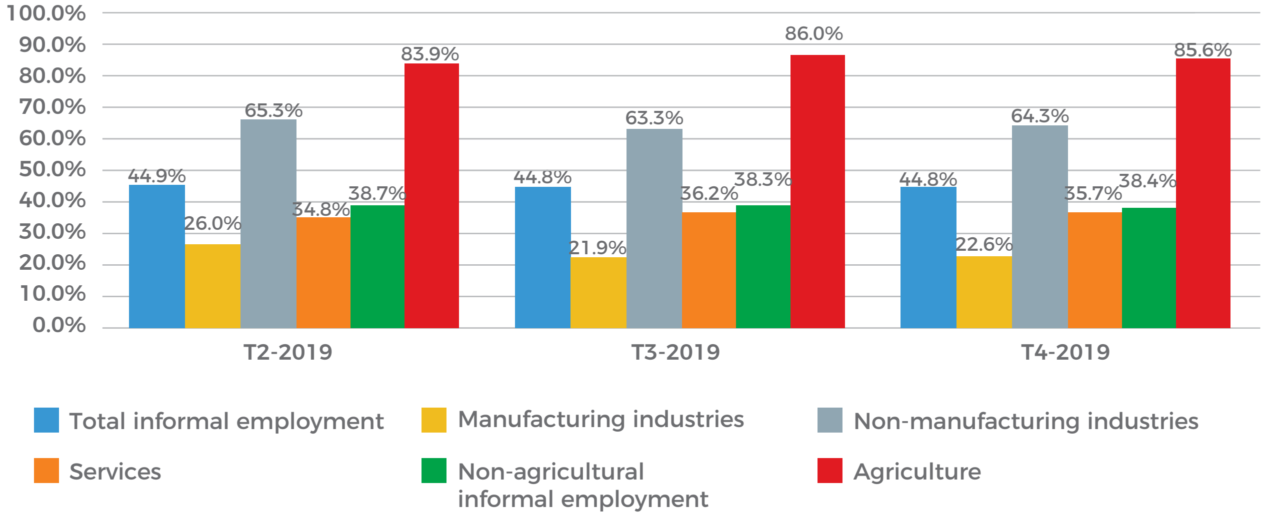



*Source : (NIS 2024, 3).*

## 3.3 Informal economy

The informal economy is expanding rapidly in Tunisia, with an informal employment rate of 43.9% (Lopez-Acevedo et al. 2023, 8), which is largely concentrated among male or young employees or those with a low level of education in rural and inland areas (Ranzani 2022, 2). The agricultural sector remains the focus of informal employment in Tunisia, with a rate of over 85.6% in 2019, followed by the construction, building and public works sector with a rate of 69.2% in the same year, and trade with 64.7% (NIS 2020, 4), [see Figure 9]. In addition, the shares of the non-agricultural informal sector and the total informal sector in GDP have been estimated at 28.5% and 35.2% respectively in 2020 (ILO and UNDP 2022, 52).

**Figure 9: Trend in the rate of informal employment by sector, T2/T3/T4-2019**



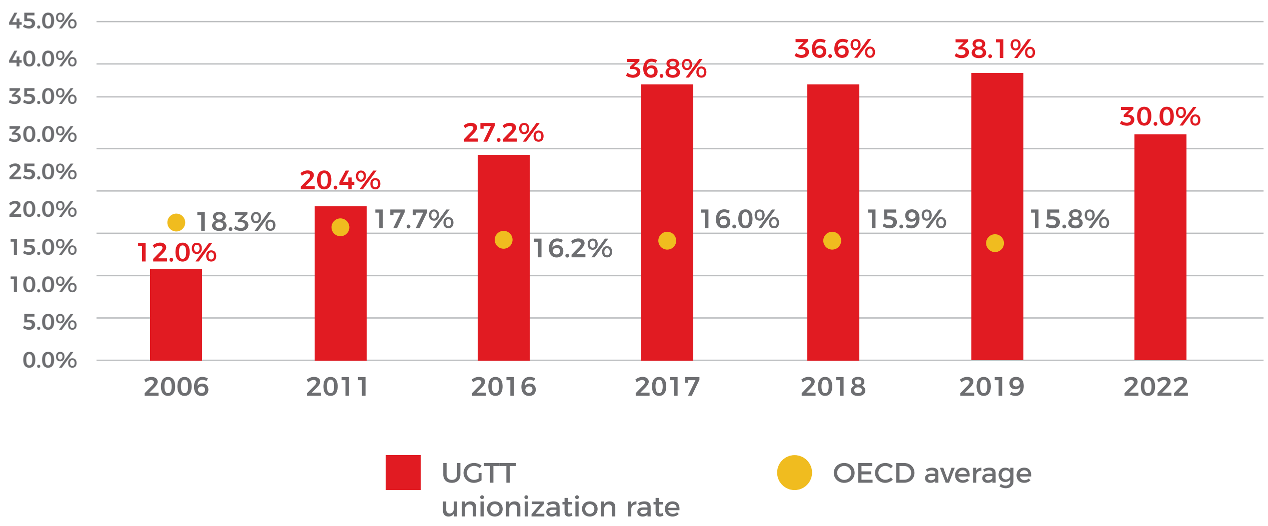

*Source : (NIS 2020, 4).*

# SECTION 4:
# TRADE UNION MEMBERSHIP

## 4.1 Unionization rate

Since 2011, the rate of unionisation in Tunisia has been trending upwards. The Tunisian trade union landscape is made up of four trade union organisations, the largest and most representative of which is the UGTT (Tunisian General Labour Union), which is considered to be the most influential social player in Tunisia, with 700,346 members (DTDA 2024, 8) and the highest membership share at 61% (DTDA 2021, 7). After the revolution, the regional and local trade union structures of the UGTT acquired relative autonomy, enabling them to effectively strengthen inter-union solidarity in favour of the promotion of decent work (FES 2020, 119). Figure 9 illustrates the upward trend in the unionisation rate in Tunisia, which has risen from 12% in 2006 to 30% in 2022. It should be pointed out in this context that union density in Tunisia in the post-revolution period is considered high and well above OECD averages (in 2019 the rate will be 15.8%).

**Figure 10: Union density in Tunisia vs. OECD averages, 2006-2022**




*Source: In Tunisia, for 2006 (FES 2020, 119); for 2011, 2016, 2017, 2018, 2019 (ILOSTAT, s.d.); and for 2022 (DTDA 2024, 8). For OECD averages ('OECD Data Explorer - Trade union density', s.d.).*

In addition, the diagnosis of the trade union landscape in Tunisia reveals three salient points: (i) although the Tunisian trade union movement operates in a highly complex environment, trade union density appears to be stable despite the repercussions of the covid-19 pandemic and the government's desire to reform the public sector; (ii) female unionisation is in full swing (Visser 2019, 29), outstripping that of men with a gap of 25% (DTDA 2024, 8); (iii) the Tunisian private sector presents an atypical situation in terms of trade union membership: the unionisation rate is low, but the conclusion of collective agreements is at a maximum (FES 2022, 101).

## 4.2 Unionization by sector

The Tunisian General Labour Union (UGTT) has around 700,000 members, most of whom were concentrated in the public sector in 2016, with 55% in the civil service and 66% in the largest public companies. Unionisation in the private sector is lower, at 17% (FES 2020, 124), probably due to the predominance of small businesses in the Tunisian economy (ILO 2015, 31). The approximate breakdown of union membership by sector is as follows:

**Public sector and public enterprises:**
- The UGTT has around **500,000 members** in the public sector (DTDA 2024, 9).
- Unionisation is concentrated mainly in the sectors of social affairs (94%), education (77%), finance (65%), health (64%), higher education (57%), other ministries (34%), youth and children (27%) and justice (25%) (FES 2020, 146).

**The industrial sector:**
- Union density varies according to company size and geographical area. Larger companies and those located in urban areas tend to have higher rates. In the textile, clothing, footwear and leather (THCC) sector, for example, the rate is 17% (FES 2021, 76). **Generally speaking, the rate hovers around 21%** (DTDA 2024, 9; 2021, 7).

**Agricultural sector:**
- The unionisation ratio is extremely low, **estimated at 8%**, due to the predominance of small family farms, seasonal and insecure employment (DTDA 2024, 9; 2021, 7), and the record level of informal employment in this sector (NIS 2020, 4).

**Construction sector, buildings and public works (BTP):**
- The rate of unionisation is generally very low due to the fragmented, temporary nature of employment (DTDA 2021, 13), the increased prevalence of informality in this sector (NIS 2020, 4) and the predominance of micro and small enterprises (NIS 2021).

**Trade and tourism:**
- Unionisation rates are often low. These sectors are dominated by small businesses and temporary workers, which makes unionization more difficult (DTDA 2024, 9; 2021, 13).

**Information and Communication Technologies (ICT):**
- Although this is a rapidly expanding sector, unionisation within the sector is relatively modest, illustrating the dynamic nature of the sector in Tunisia.

# SECTION 5:
# INTERNATIONAL TRADE

## 5.1 Merchandise exports and imports

Tunisia's merchandise imports (goods) exceed exports in both 2015 and 2023. As Table 4 shows, the country's merchandise trade balance is in deficit by around US$5.5 billion in 2023.

MERCHANDISE IMPORTS IN 2023:
**US $25 BILLION**

EXPORTS IN 2022:
**US $19 BILLION**

TRADE DEFICIT:
**US $5.5 BILLION**

**Table 4: Tunisian merchandise trade (millions US$)**

| Classification | 2015 | 2023 |
|---|---|---|
| Merchandise exports | 14073 | 19985 |
| Merchandise imports | 20221 | 25485 |
| Merchandise trade balance | -6148 | -5500 |

*Source : (United Nations Conference on Trade and Development (UNCTAD), n.d.).*

## 5.2 Trade in services

Unlike trade in goods, Tunisia recorded positive balances for trade in services in both 2015 and 2023. As Table 5 shows, exports of services exceed imports, resulting in a services trade balance surplus of around US$6.53 billion in 2023. The main services exported by Tunisia in 2023 include travel (24.4%) and transport (17.1%).

**Table 5: Tunisian trade in services (millions US$)**

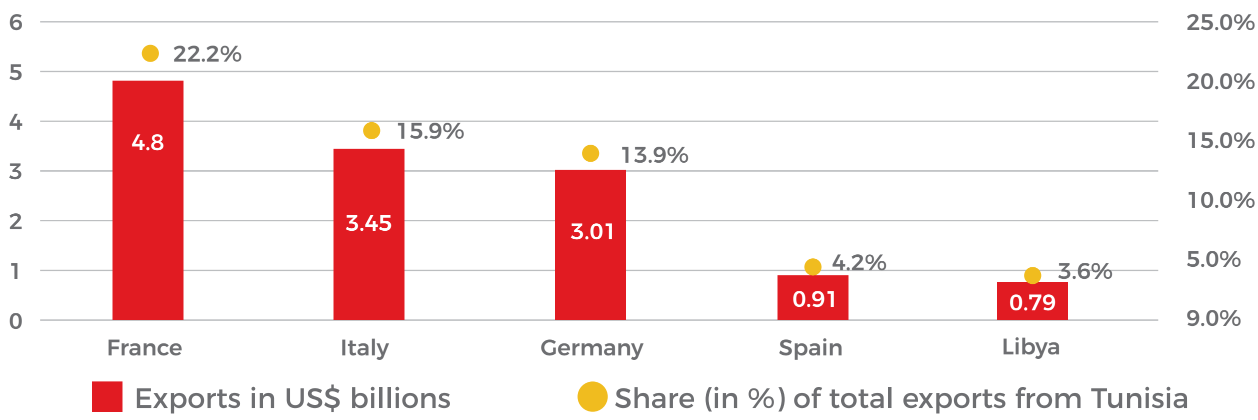
| Classification | 2015 | 2023 |
|---|---|---|
| Services exports | 3294 | 10311 |
| Services imports | 3076 | 3781 |
| Services trade balance | 218 | 6530 |

*Source : (United Nations Conference on Trade and Development (UNCTAD), n.d.).*

## 5.3 Main export destinations

In 2022, France was the leading destination for Tunisian exports. As Figure 11 shows, France was the top five destination, accounting for 22.2% of Tunisia's total exports[1]. The second most important destination was Italy, with a total volume of US$ 3,450 million, or 15.9% of Tunisian exports. With a share of 3.6%, Libya is the only African country to feature in this ranking, which is dominated by European Union (EU) countries.

**Figure 11: Tunisia's top 5 customers (exports in billions of US$, and share in the structure of Tunisia's total exports in %), 2022**

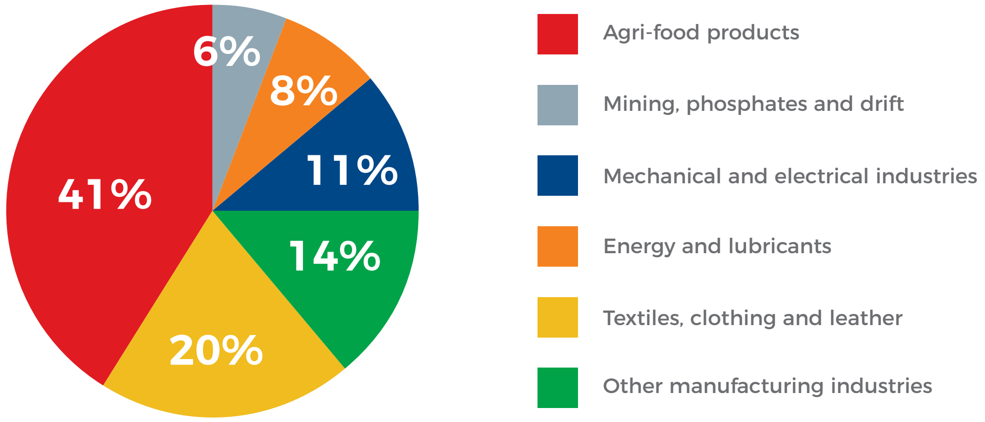



*Source: (OEC, n.d.).*

1 *Estimated at US$21.6 billion in 2022 (OEC, n.d.).*

Figure 12 shows that the structure of Tunisia's exports in 2022 were marked by the predominance of manufacturing products, which will account for 75% of total exports, and in particular electrical and mechanical products (with 41%). Similarly, non-manufacturing industries (energy and mining) account for a substantial 14%.

**Figure 12: Structure of Tunisian exports of main products in 2022 (in %)**




*Source : Source: Author's calculations based on data (NIS 2023a, 42-43).*

### 5.4 Main sources of imports

The majority of Tunisia's imports in 2022 came from Italy.

**IMPORTS FROM ITALY**

**US$3.85 BILLION**

representing around **14.3% of Tunisia's total imports[2]**

*[2] Estimated at US$26.8 billion in 2022 (OEC, n.d.).*

**FRANCE WAS A CLOSE SECOND, WITH IMPORTS TOTALLING**

**US$3.78 BILLION**

or **14.1%**

Outside the EU, two countries rank among **Tunisia's top five suppliers:**

**CHINA**

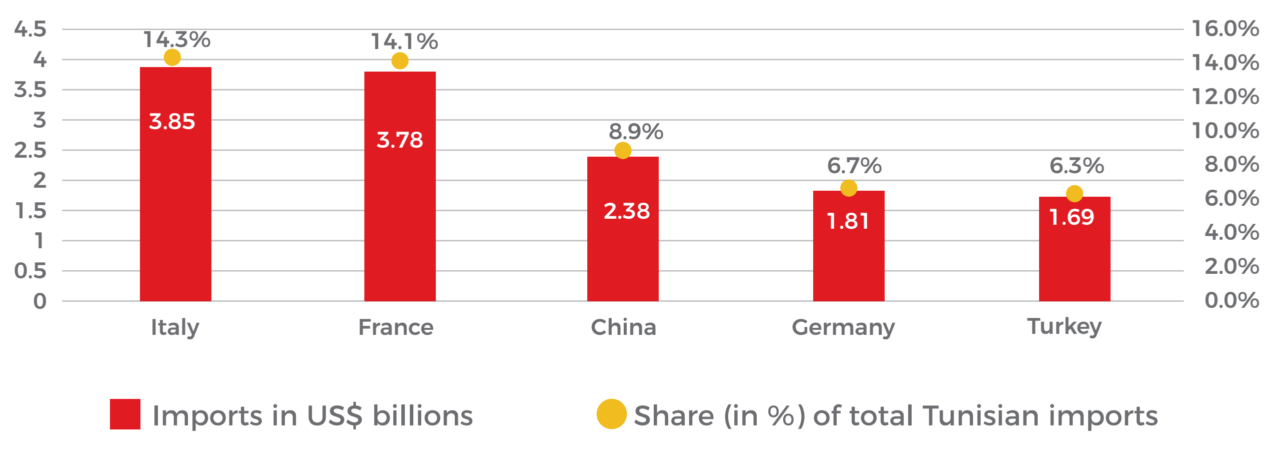
**8.9%**

**TURKEY**

**6.3%**

*See Figure 13*

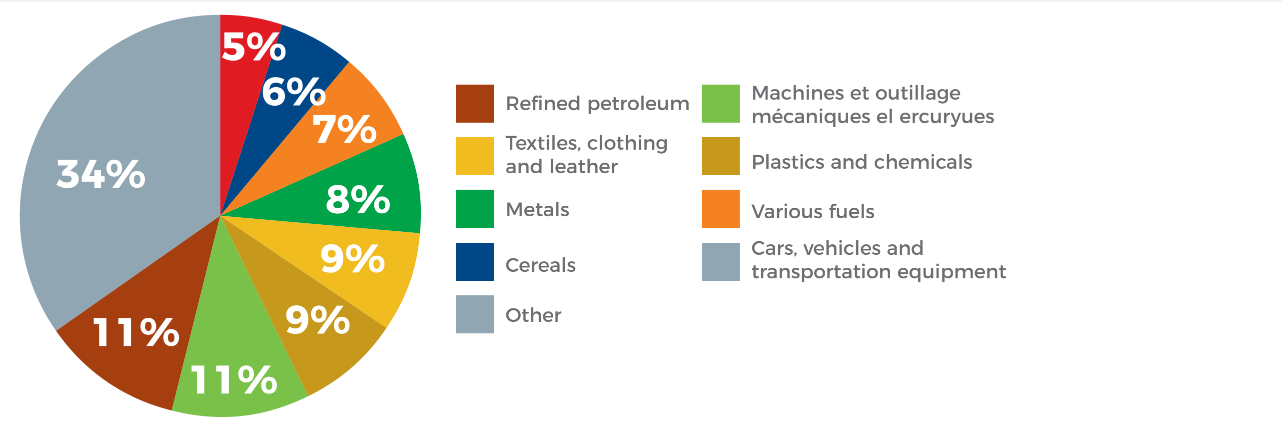
**Figure 13: Tunisia's top 5 suppliers (imports in billions of US$, and share in the structure of Tunisia's total imports in %), 2022**




*Source : (OEC, s. d.).*

As Figure 14 shows, Tunisia imports a range of finished or semi-finished products and raw materials, with refined petroleum being the main import into Tunisia in 2022, accounting for around 11% of Tunisia's import structure. Similarly, machinery and mechanical and electrical equipment have the largest share at 11.2%, followed by textiles - clothing and leather (9.3%), cereals (5.5%) and cars - vehicles and transport equipment (5.3%).

**Figure 14: Structure of Tunisian imports of main products in 2022 (in %)**




*Source : Author's calculation based on data (NIS 2023a, 44-45).*

### 5.5 Intra-African trade

Africa's share of Tunisia's trade has always hovered between 7 and 10%, while being focused on imports from Tunisia (ODI 2023, 14).

**TUNISIAN-AFRICAN TRADE 2021**

**US$3 BILLION**

**EXPORTS:** **US$1.7 BILLION**

**IMPORTS:** **US$1.3 BILLION**

**TUNISIAN-AFRICAN TRADE 2022**

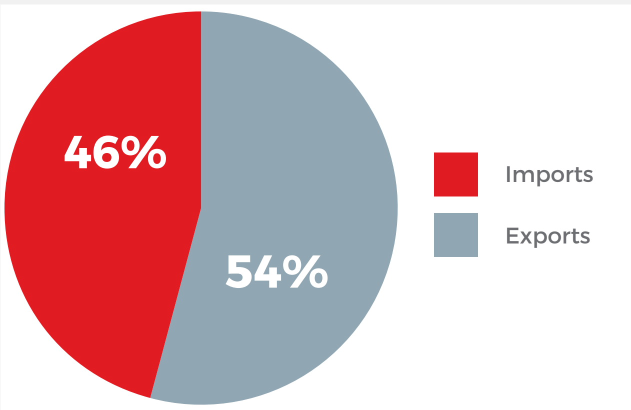
**US$4.31 BILLION**

**EXPORTS:** **US$1.96 BILLION**

**IMPORTS:** **US$2.35 BILLION**

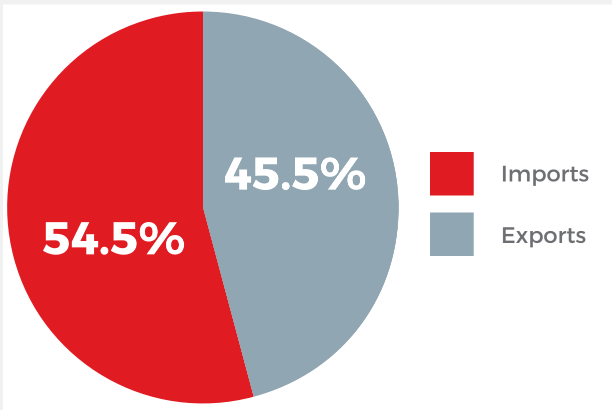
As illustrated in Figures 15 and 16, Tunisian-African trade has jumped considerably, from US$3 billion in 2021 [Tunisia's exports are estimated at US$1.7 billion compared with US$1.3 billion for imports: i.e. 8% of Tunisia's overall trade] (TRALAC, n.d. ) to US$4.31 billion in 2022 [exports are estimated at US$1.96 billion compared with US$2.35 billion for imports] (ITCEQ 2024, 68), also marking a change in the structure of Tunisia's intra-African trade from the predominance of exports (2021) to that of imports (2022).

**Figure 15: Tunisia's intra-African trade, 2021**




*Source : (TRALAC, s. d.).*

**Figure 16: Tunisia's intra-African trade, 2022**




*Source : (ITCEQ 2024, 68).*

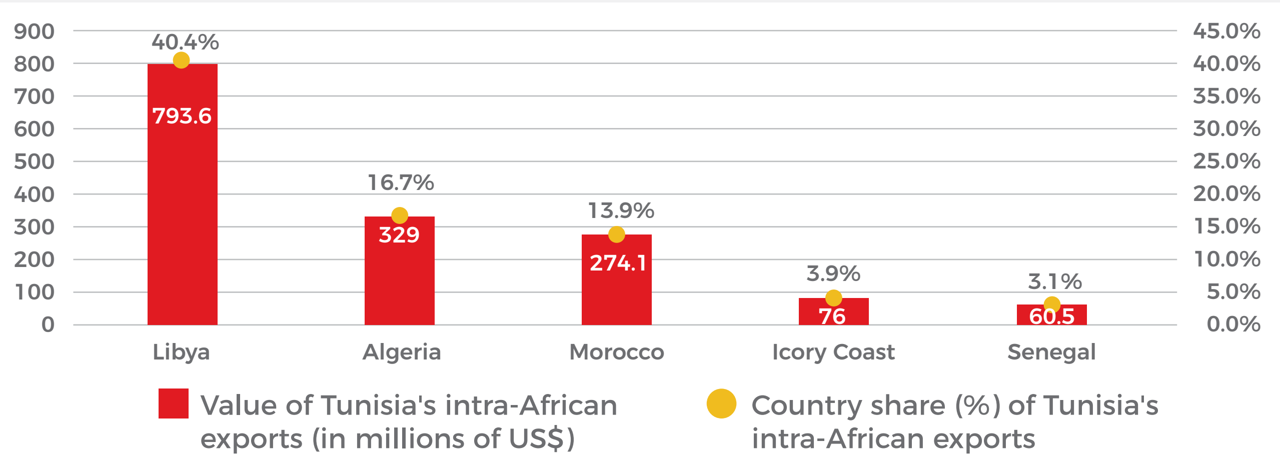
## In 2022, Libya was Tunisia's top five customer, with an estimated volume of

# US$ 793.6 MILLION,

representing **40.4%** of Tunisia's intra-African exports.

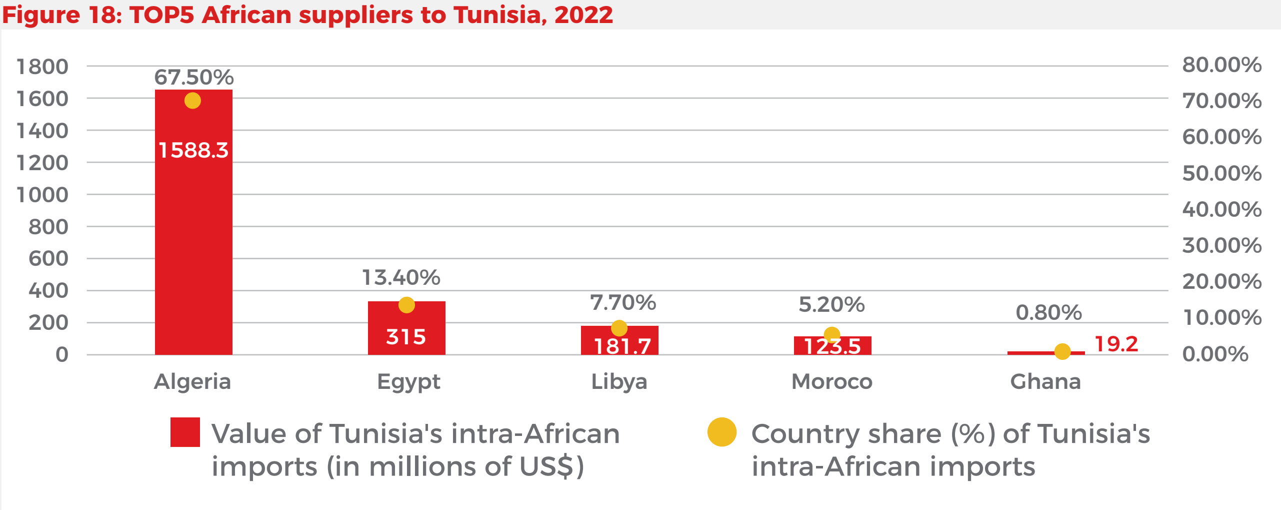
In addition to the traditional North African partners (Algeria and Morocco), Côte d'Ivoire (4th) and Senegal (5th) feature in this ranking, with shares of 3.9% and 3.1% respectively [see Figure 17]. On the other hand, Algeria is by far the leading supplier, with Tunisia accounting for US$1,588.3 million and a 67.5% share. The top five partners are dominated by North African countries. However, in the sub-Saharan region, only Ghana (5th) features in the top five, with a share of 0.8% (ITCEQ 2024, 68), [see Figure 18].

**Figure 17: Tunisia's TOP5 African customers, 2022**




*Source : (ITCEQ 2024, 68).*

**Figure 18: TOP5 African suppliers to Tunisia, 2022**

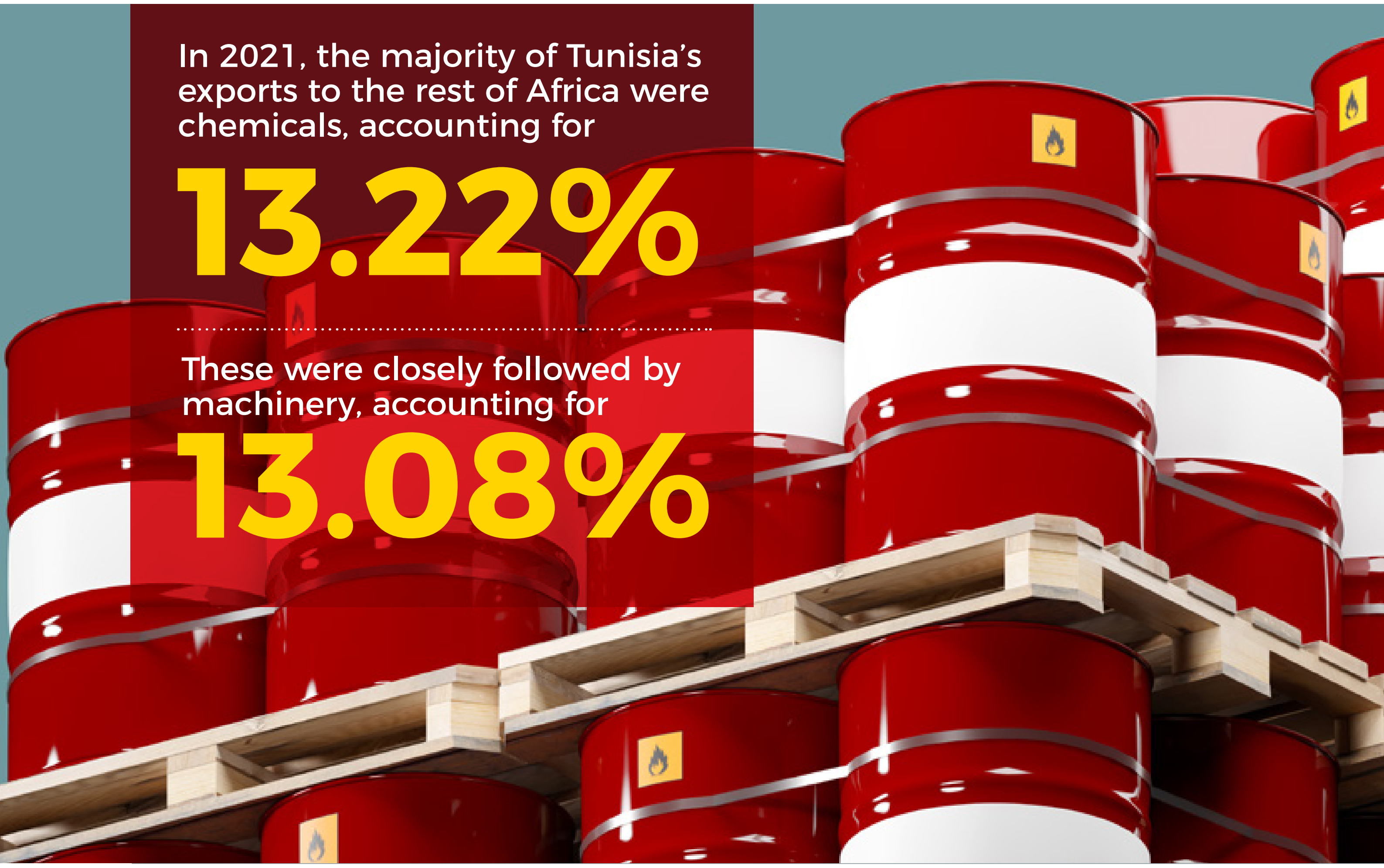



*Source : (ITCEQ 2024, 68).*

**Table 6: Tunisia's main intra-African export products (2021)**

| | Products | Percent (%) |
|---|---|---|
| 1 | Chemical products | 13,22 |
| 2 | Machinery | 13,08 |
| 3 | Food, beverages and tobacco | 10,67 |
| 4 | Base metal | 9,88 |
| 5 | Mineral products | 8,45 |
| 6 | Plant products | 7,23 |
| 7 | Plastic products | 7,19 |
| 8 | Animal or vegetable fats and oils | 6,28 |
| 9 | Paper products | 5,11 |
| 10 | Miscellaneous manufacturing items | 4,38 |
| 11 | Other | 14,51 |
| | Total | 100 |

*Source : (TRALAC, s. d.).*



By 2021, more than half of Tunisia's imports from the rest of Africa will be mineral products.

**Table 7: Tunisia's main intra-African import products (2021)**

| | Products | Percent (%) |
|---|---|---|
| 1 | Mineral products | 57.32 |
| 2 | Textiles and clothing | 6.62 |
| 3 | Food, beverages and tobacco | 6.54 |
| 4 | Machinery | 5.6 |
| 5 | Base metal | 4.93 |
| 6 | Chemical products | 3.96 |
| 7 | Plant products | 3.28 |
| 8 | Plastic products | 2.63 |
| 9 | Transport equipment | 2.4 |
| 10 | Animal and vegetable fats and oils | 1.65 |
| 11 | Other | 5.08 |
| | Total | 100.01 |

*Source : (TRALAC, s. d.).*

## 5.6 Trade Agreements and economic community memberships

Tunisia is a member and signatory to various regional and multilateral trade agreements and economic groupings. Regional Trade Agreements (RTAs) include :

- World Trade Organisation (WTO)
- Agadir Agreement
- European Free Trade Association (EFTA)
- UE - Tunisie
- Global System of Trade Preferences between Developing Countries (GSTP)
- Pan Arab Free Trade Area (PAFTA)
- Protocol on Trade Negotiations (PTN)
- Turkey - Tunisia
- United Kingdom - Tunisia
- Common Market for Eastern and Southern Africa (COMESA)
- African Continental Free Trade Area (AfCFTA)

**Table 8: Tunisia's preferential trade agreements**

| Supplying country | Name |
|---|---|
| Armenia | Generalised System of Preferences (GSP) |
| Australia | Generalised System of Preferences (GSP) |
| Japan | Generalised System of Preferences (GSP) |
| Kazakhstan | Generalised System of Preferences (GSP) |
| Kyrgyz Republic | Generalised System of Preferences (GSP) |
| New Zealand | Generalised System of Preferences (GSP) |
| Russia | Generalised System of Preferences (GSP) |
| United States of America | Generalised System of Preferences (GSP) |

*Source: (WTO, n.d.).*

# SECTION 6:
# EXPORT PROCESSING ZONES (EPZS)

## 6.1 Legal framework

The legal framework for free zones, also known as business parks (PAE), in Tunisia consists of law no. 72-38 of 27 April 1972 relating to the organisation of fully exporting companies (free zones) and law no. 52 of 7 August 1992 relating to the creation and management of free zones in Tunisia.

## 6.2 Main sites

Tunisia has two parks of economic activity (PAE): Bizerte (PAEB) and Zarzis (PAEZ), both created by Decree no. 93-2051 of 4 October 1993. The Bizerte PAEB free zone covers 81 hectares and the Zarzis PAEZ covers 60 hectares.

bieszczady_wildlife / Shutterstock.com

### Main products/services of export processing zones (EPZs) in Tunisia

The following table shows the main activities in each of the Bizerte and Zarzis EPZs

**Table 9: Main activities in Tunisia's EPZs**

| EPZ | Industries | Services |
|---|---|---|
| Bizerte PAEB | Mechanical, Electrical and Electronics industries (MEEI) | Research and consulting |
| | Shipbuilding and yachting | Accounting |
| | Pharmaceutical industry | Call center |
| | Plastics | Software development |
| | Fabric, textile and leather finishing | Banking and postal services |
| | | Trade and packaging of cosmetic products |
| Zarzis PAEZ | Mechanical, electrical and automotive industries | Ney Information and Communication Technologies (ICT) – Digital transformation |
| | Solar energy | |
| | Shipbuilding industry | FINTECH - e-commerce - e-management solution - outsourcing - R&D solutions |
| | Food industry | |
| | Oil and gas logistics activities | HOLOGRAM - VIDEO MAPPING |
| | Construction and civil engineering | |

*Source: For Bizerte (PAEB Bizerta Free Zone, n. d.); for Zarzis (PAEB zarzispark, n. d.)*

### 6.4 Incentives

Tunisia's free trade zones offer a range of tax incentives designed to encourage investment and stimulate economic development. The main incentives available in these zones are as follows:

- Corporation tax exemption: Companies operating in free trade zones can benefit from a total exemption from corporation tax for the first few years of operation. The length of this exemption period varies according to the sector and zone concerned.
- VAT exemption: Goods and services intended for export or used as part of activities within free zones are generally exempt from VAT.
- Duty-free: Companies can import goods, equipment and raw materials duty-free, provided that these items are used exclusively for the activities of the free zone.
- Reductions in social security contributions: Companies can benefit from reductions in social security contributions for their employees, which helps to reduce the cost of labour and makes investment in free zones more attractive.
- Administrative facilitation: Free trade zones often offer simplified administrative procedures, including one-stop shops or specialist contacts to make it easier to register a business, obtain permits and complete other formalities.
- Training grants: Grants can be awarded to support employee training, to help companies improve the skills of their workforce to meet specific business needs.

### 6.5 Unionisation in export processing zones (EPZs)

The implementation of export processing zone (EPZ) programmes has often been associated with various labour rights abuses. These include the prohibition of unionisation in EPZs, the relaxation of regulations on working conditions and the absence of measures to combat unfair dismissal (Bost 2019, 142), which has long been particularly true in Tunisia (Salmon 1999, 666). This shows that unionisation rates in the Bizerte and Zarzis free trade zones are generally very low compared with other sectors in Tunisia.

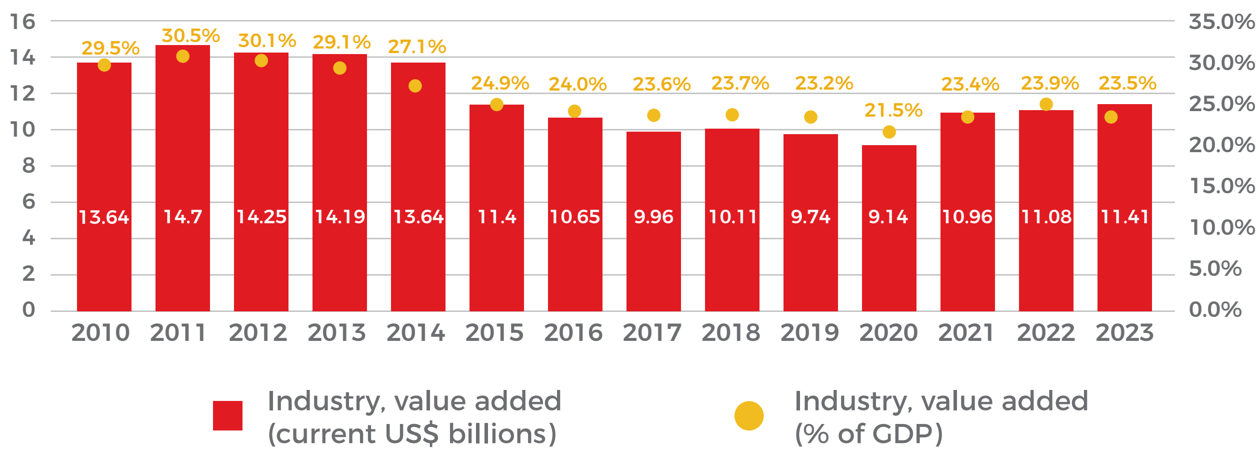
In both EPZs, the main obstacles to unionisation are precarious employment contracts, high staff turnover and the legal and/or implicit restrictions imposed on trade unionism by EPZ companies in order to maintain their competitiveness.

# SECTION 7:
# INDUSTRIAL POLICY

## 7.1 Tunisia's industrial policy vision

One of the most striking features of Tunisia's recent economic performance is deindustrialisation (Ghazali and Mouelhi 2024, 16). In fact, as Figure 19 illustrates, and after several years of good performance, the contribution of the industrial sector to GDP is on a downward trend (World Bank, n.d.-d), due mainly to the decline in competitiveness (Mechergui and Mouelhi 2023, 24) and to a fairly heavy structural transformation of Tunisian industry. It is against this backdrop that the document Industrial and Innovation Strategy Horizon 2035 (MIME 2022, 3) emphasises that Tunisia's industrial policy aims to address two critical challenges: *'1) to relaunch economic growth by improving living standards, increasing employment and reducing regional development disparities; and 2) to improve the competitiveness of businesses by focusing on innovation and technology to strengthen presence on the international market while moving towards a clean economy, respectful of the environment and powered by renewable energies'.*

**Figure 19: Evolution of the contribution of Tunisian industry to the national economy, 2010-2022**




*Source: (World Bank, n.d.-d).*

### 7.2 Strategic objectives

The three strategic objectives of Tunisia's industrial policy are as follows (MIME 2022, 35):

i. Increase the manufacturing sector's contribution to GDP: the aim is to raise the share of value added in manufacturing industry to 20% of GDP by 2035, by reversing the trend towards de-industrialisation observed over the last two decades and stimulating structural transformation.
ii. Boost manufactured exports: The aim is to increase manufacturing exports to US$36 billion by 2035, which will help improve Tunisia's trade balance and external accounts.
iii. Create skilled jobs: Tunisia aims to create more than 300,000 direct and indirect industrial jobs by 2035, with an emphasis on skilled jobs.

### 7.3 Sectors targeted by industrial policy

The key sectors targeted for growth and development as part of the industrial policy vision are as follows:

- Mechanical engineering and metallurgy
- Aerospace
- Electricity and electronics
- Textiles and clothing
- Leather and footwear
- Building materials
- Food industry
- Chemical products
- Pharmaceutical products
- Packaging
- Wood and furniture industry
- Information and Communication Technologies (ICT)
- Supply chain and logistics industries

# SECTION 8:
# LABOUR MIGRATION

## 8.1. Foreign residents in Tunisia

Tunisia received around 59,000 immigrants[1] between July 2020 and March 2021. Figure 20 shows that the majority of immigrants came from the Maghreb region and sub-Saharan Africa, accounting for 37% and 36.4% respectively. Ivorian nationals make up 1/3 of the population of immigrants from sub-Saharan African countries. In addition, nationals of the Democratic Republic of Congo (DRC), Guinea and Mali account for around 10% of all non-Maghrebi Africans in Tunisia. Around 36% of the immigrant population aged 15 and over is employed, with men accounting for 49.5% and employed women 22.1% (INS and ONM 2021, 59-64). Figure 21 shows that immigrants from the Arab Maghreb carry out economic activities concentrated in industry (29%) and commerce (21.3%), while nationals of Sub-Saharan Africa are involved in domestic services (21.2%) and construction (20.5%).

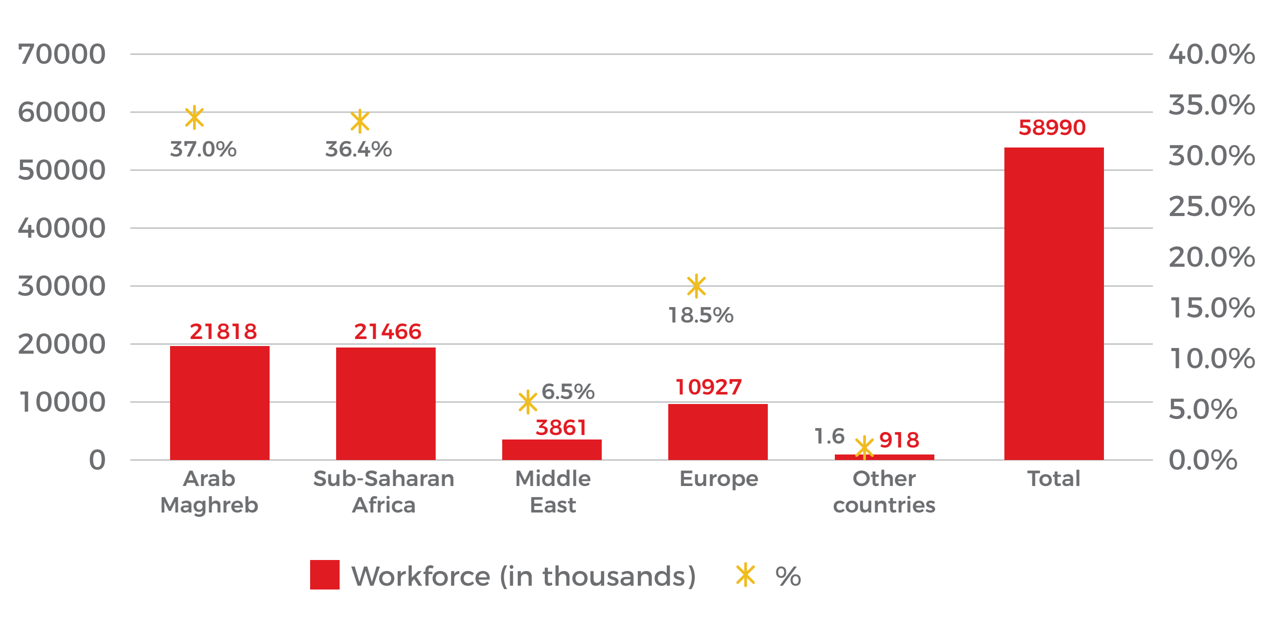
1 *An immigrant or foreign resident in Tunisia.*

TUNISIA RECEIVED AROUND

**59 000**

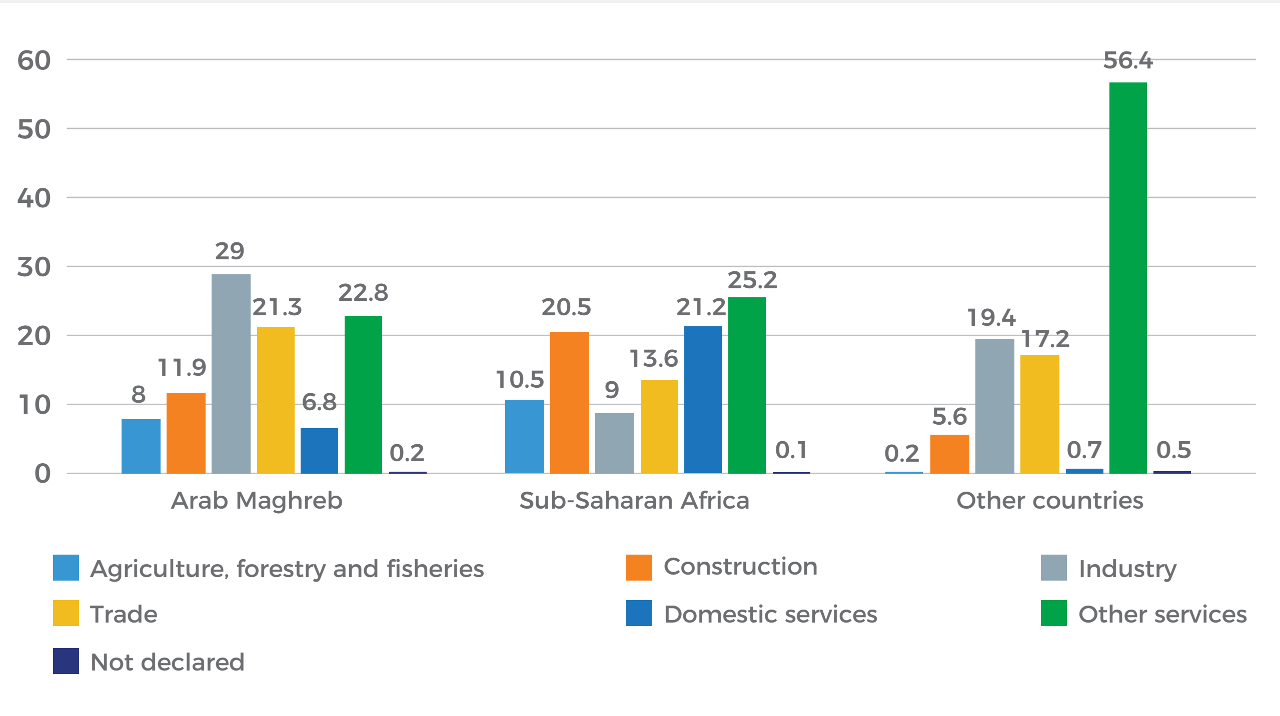
IMMIGRANTS BETWEEN JULY 2020 AND MARCH 2021.

**Figure 20: Distribution of foreign residents (immigrants) in Tunisia by region of origin, July 2020 - March 2021**




*Source : (NIS and ONM 2021, 59).*

**Figure 21: Sectors of activity of foreign residents in Tunisia, (in %), by region of origin**




*Source : (NIS and ONM 2021, 67).*

## 8.2 Emigrants

According to the national survey on international migration, there are around

**5,670 TUNISIAN MIGRANTS,** including

**388 000 MEN**

**178 000 WOMEN**

The majority of these emigrants live in Europe, which accounts for

**83.3% OF TUNISIAN MIGRANTS.**

Three countries together host three quarters of this population.

**FRANCE 52.5%**

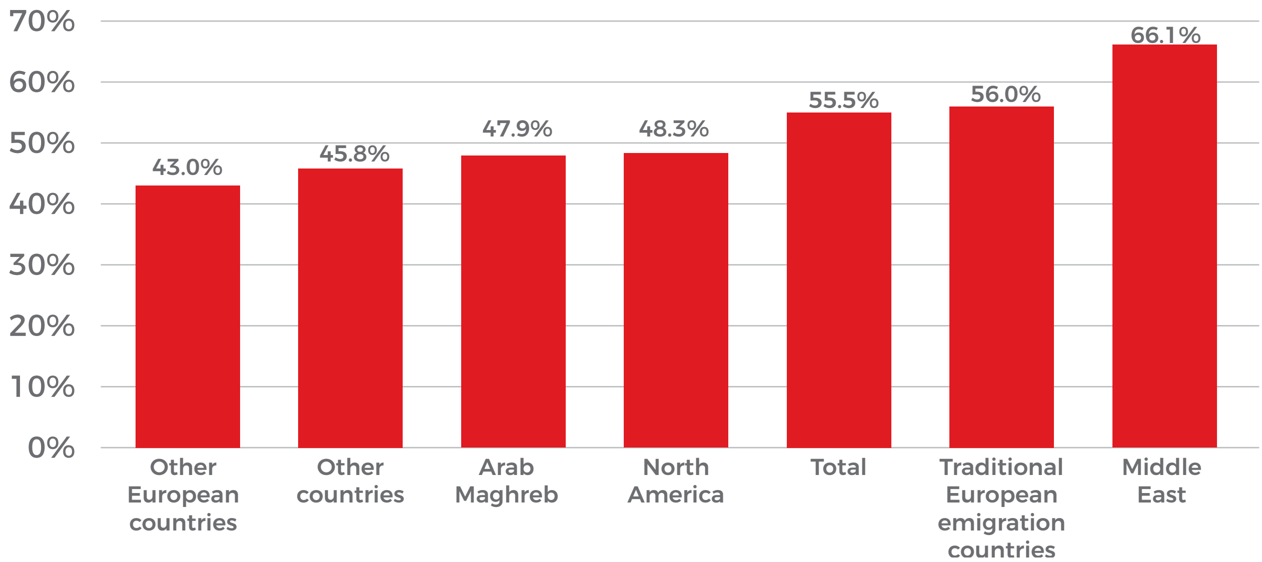
**ITALY 14.1%**

**GERMANY 8.2%**

(NIS and ONM 2021, 14-15).

Figure 22 shows that the occupation rate of Tunisian migrants is 55.5% (for men the occupation rate is 68.1%, while for women it is 28.2%). The occupation rate at the time of the survey is significantly lower than the pre-pandemic rate, which is estimated at 63.4%, illustrating the heavy impact of the covid-19 pandemic on Tunisian migrants. The highest occupancy rate for Tunisian nationals is in the Middle East (66.1%), followed by Europe (56%) and the Arab Maghreb (47.9%) (NIS and ONM 2021, 26-28).

**Figure 22: Proportions (%) of Tunisian migrants employed before the pandemic, by host region**




*Source: (NIS ONM 2021, 28).*

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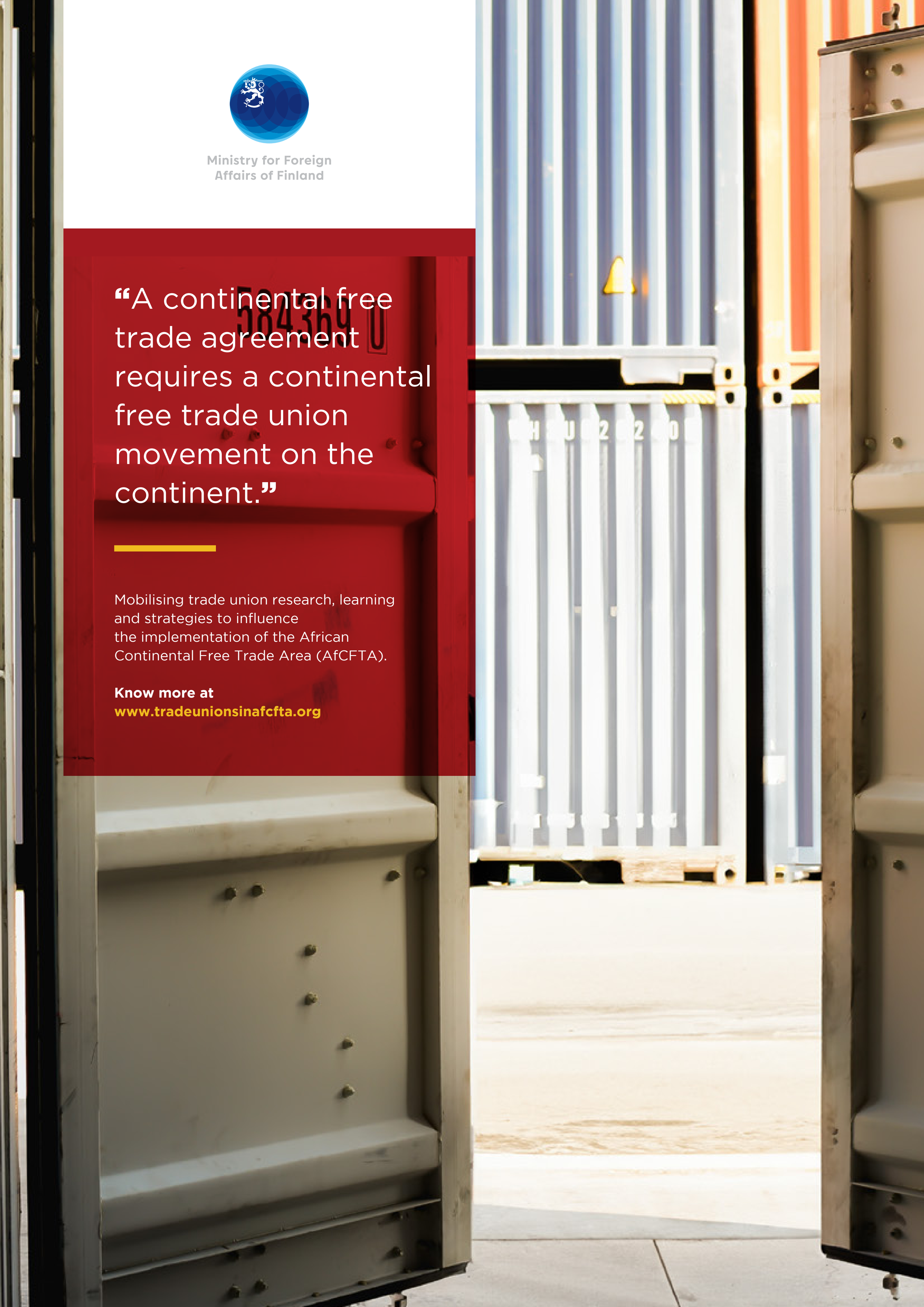

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