

TUNISIA TRADE & TARIFFS UPDATE (2021)

Tunisia is a member of five regional economic communities (RECs) with other African countries. These are AMU; CENSAD; COMESA; AGADIR and GAFTA

AMU and CENSAD currently have no trade agreement in place. Substantially all trade (about 93%) of intra-GAFTA and intra-AGADIR tariff lines have been fully liberalised

Tunisia has been trading under the COMESA FTA as of March 2020

Intra-Africa total trade (imports & exports) 2021

8%

Tunisia's intra-Africa trade as share of its Global trade

US\$3 bn

Tunisia's intra-Africa trade in 2021

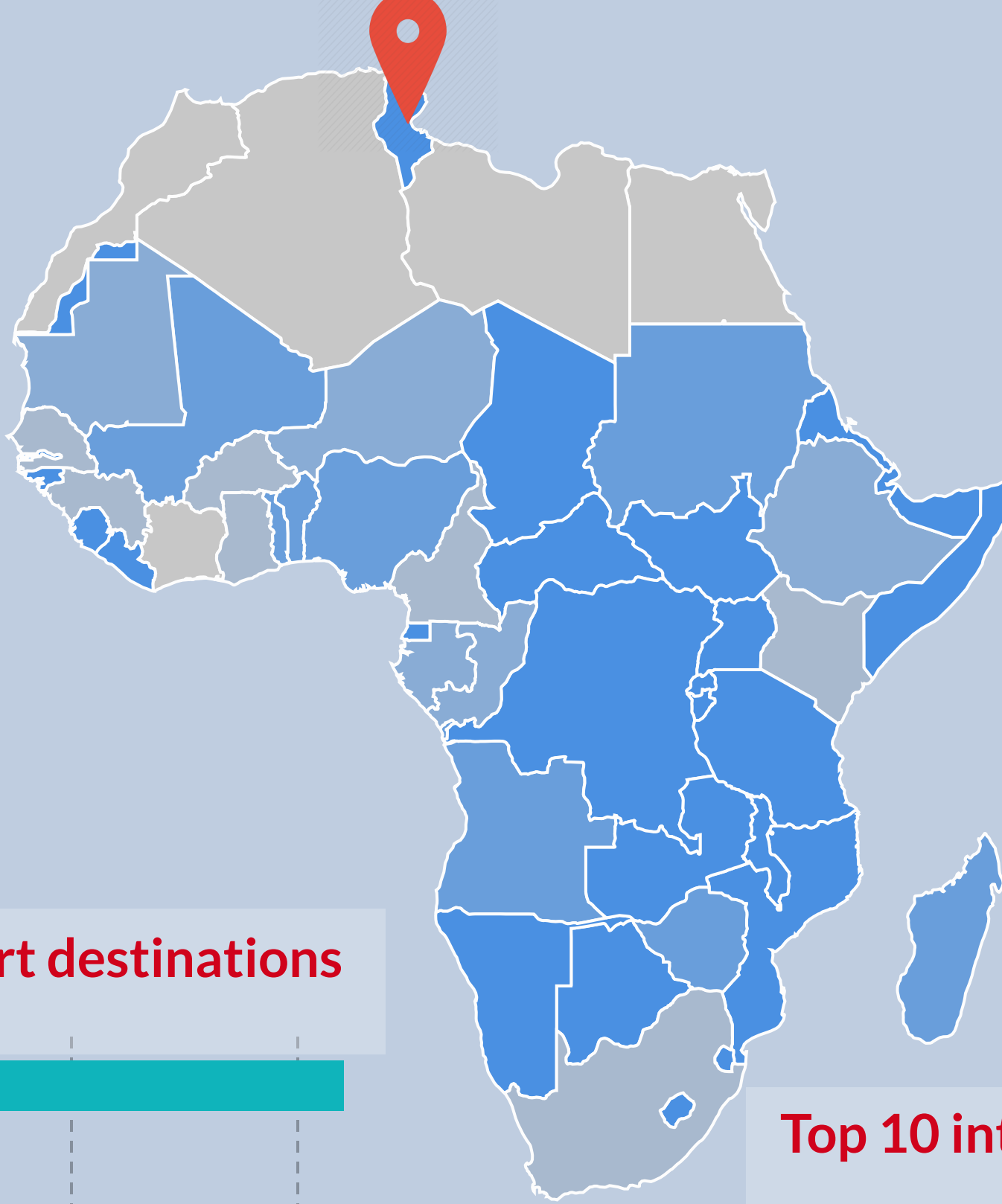
Tunisia enjoys a trade surplus with Africa

Exports accounted for 54% (US\$1.7 billion) in 2021

9%

Between 2020 and 2021 intra-Africa trade has increased.

However, intra-Africa trade has been on a decline since 2018 and the Covid-19 pandemic further disrupted trade



US\$ mn

< 5.8

5.8 - 14.2

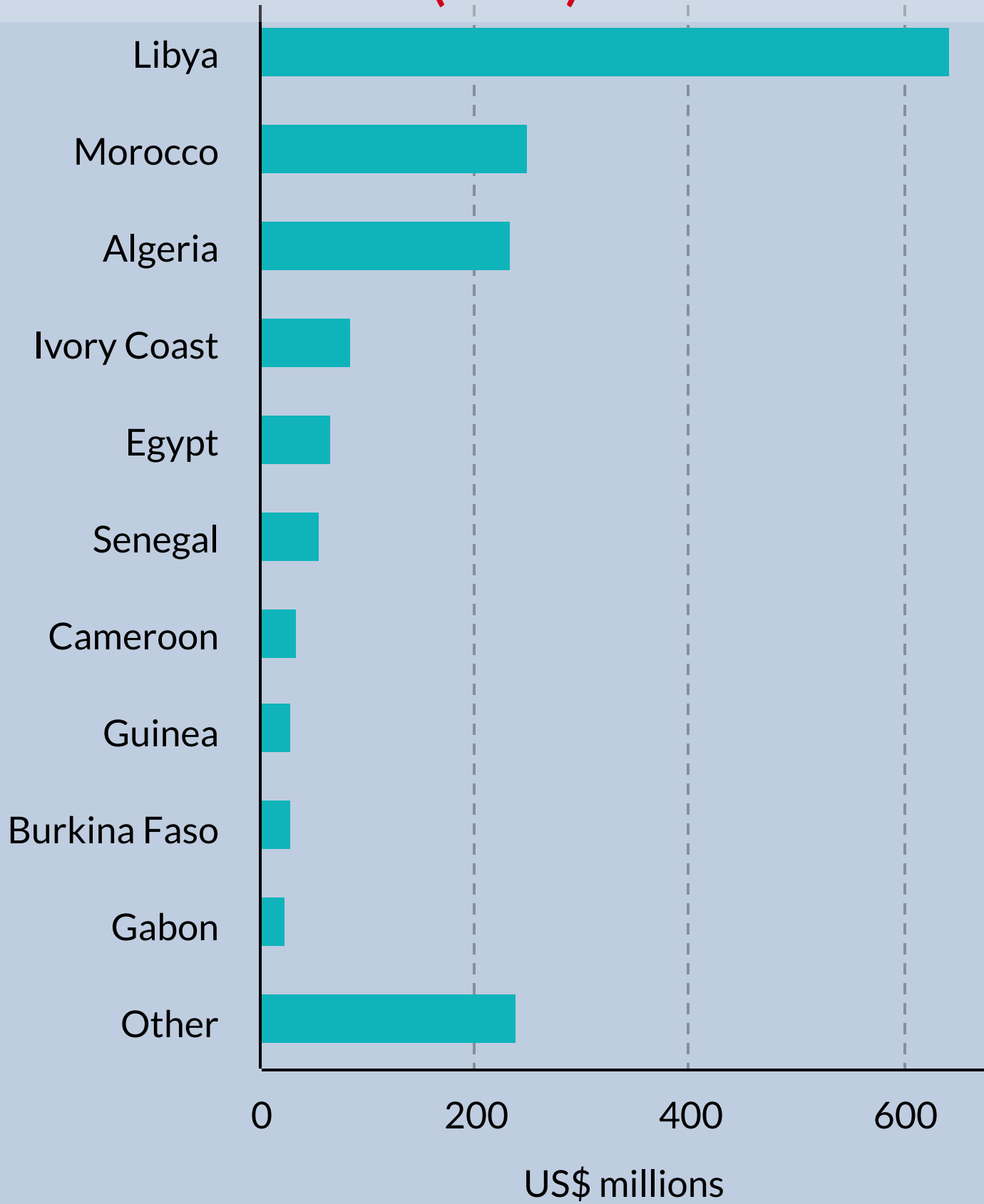
14.2 - 26.2

26.2 - 64.8

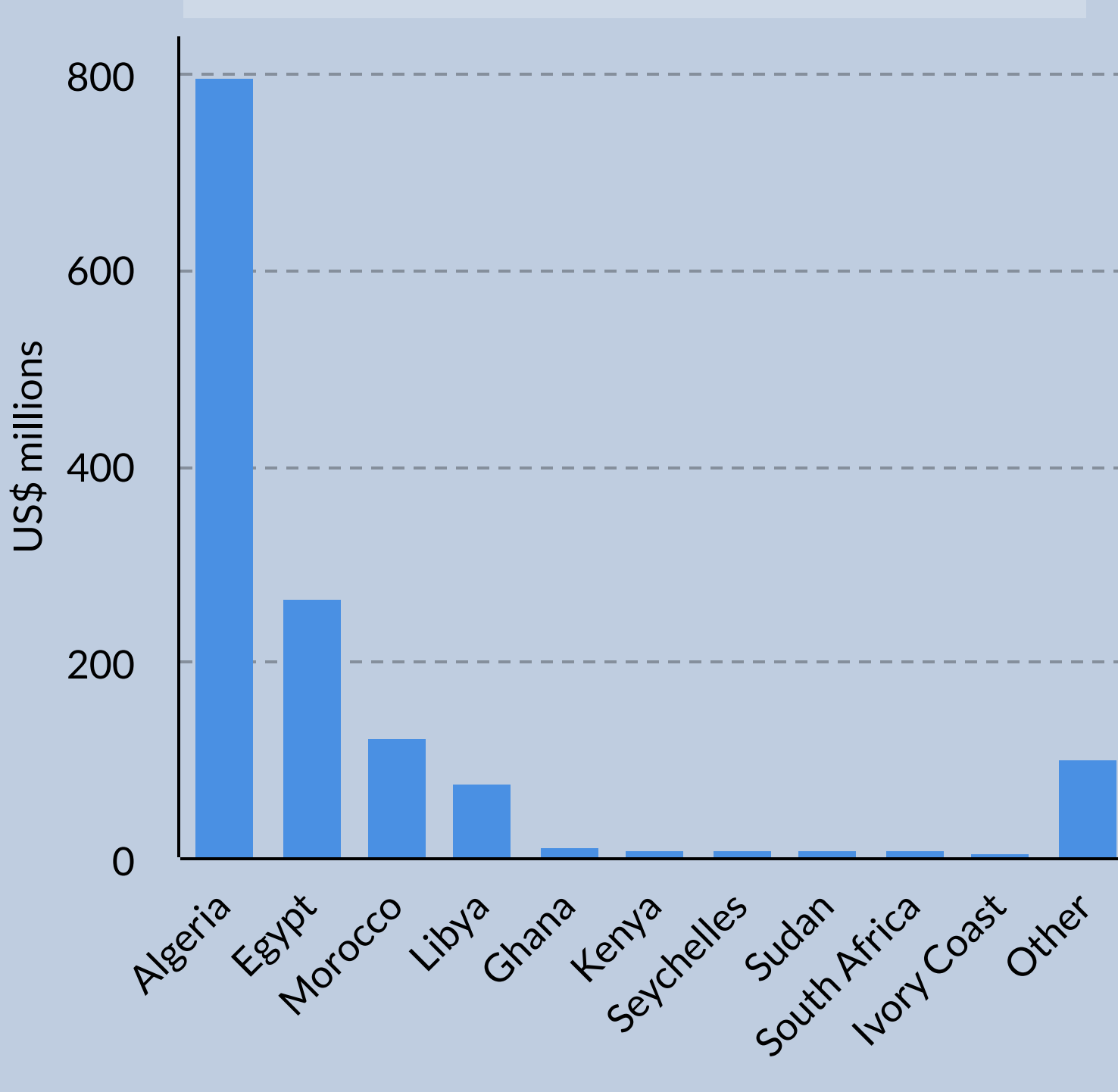
> 64.8

Egypt, Libya, Algeria, Morocco and Ivory Coast's total intra-Africa trade with Tunisia exceeded USD 64.8 million in 2021

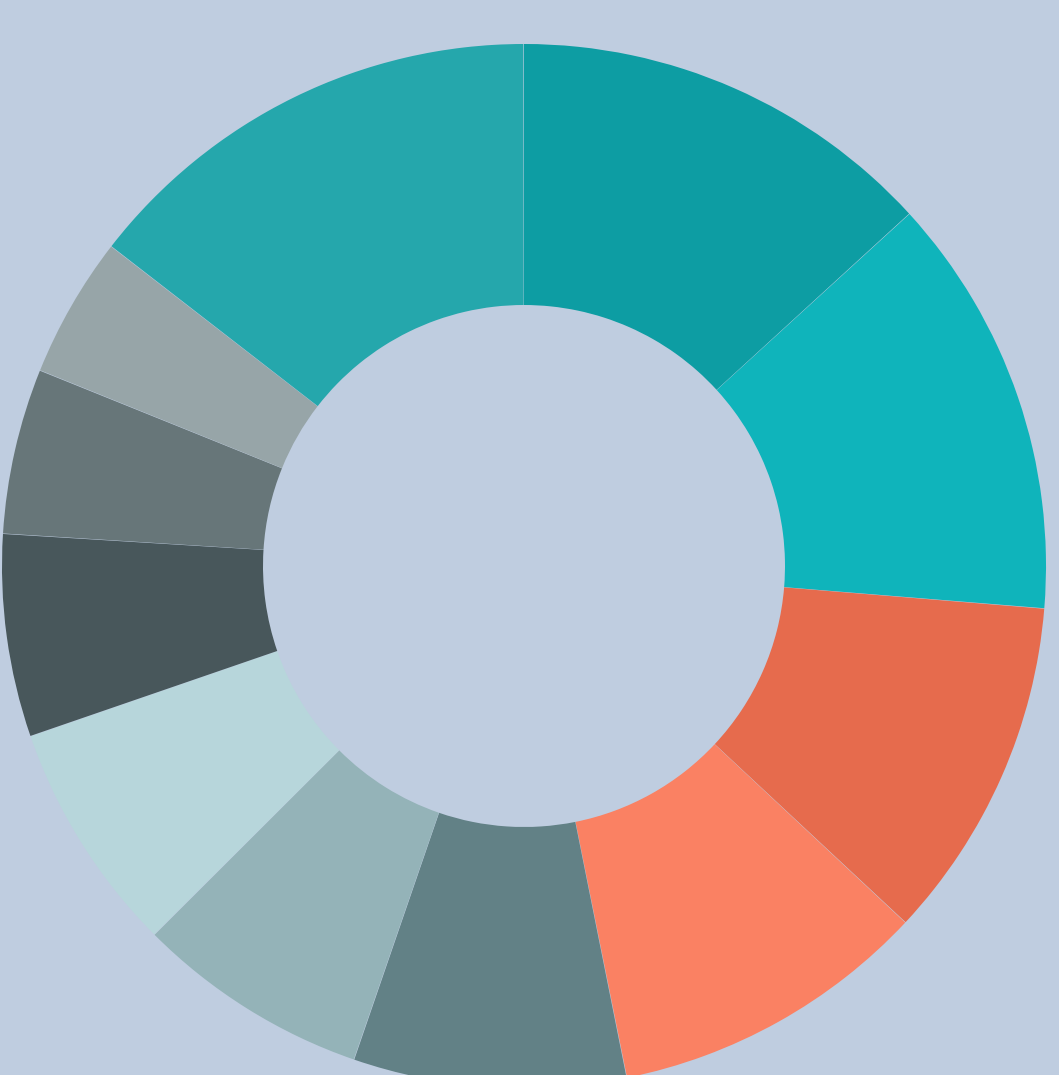
Top 10 intra-Africa export destinations (2021)



Top 10 intra-Africa import sources (2021)



Tunisia's intra-Africa exports by product group (2021)



Chemical products (13.22%)
Machinery (13.08%)
Food, beverages & tobacco (10.67%)
Base metals (9.88%)
Mineral products (8.45%)
Vegetable products (7.23%)
Plastic products (7.19%)
Animal or vegetable fats & oils (6.28%)
Paper products (5.11%)
Misc manufact articles (4.38%)
Other (14.51%)

Tunisia's intra-Africa export basket is diverse and spread across different product groups

Top 10 product groups account for about 91% of Egypt's total intra-Africa exports

Tunisia has few major trading partners in Africa and concentrated in North Africa (Libya, Morocco, Algeria, Egypt)

Libya, Morocco and Algeria account for over 65% of Tunisia's intra-Africa exports.

West African countries - Ivory Coast, Senegal and Burkina Faso feature in top 10 export destinations with a combined share of 10% in 2021

Tunisia's intra-Africa imports by product group (2021)

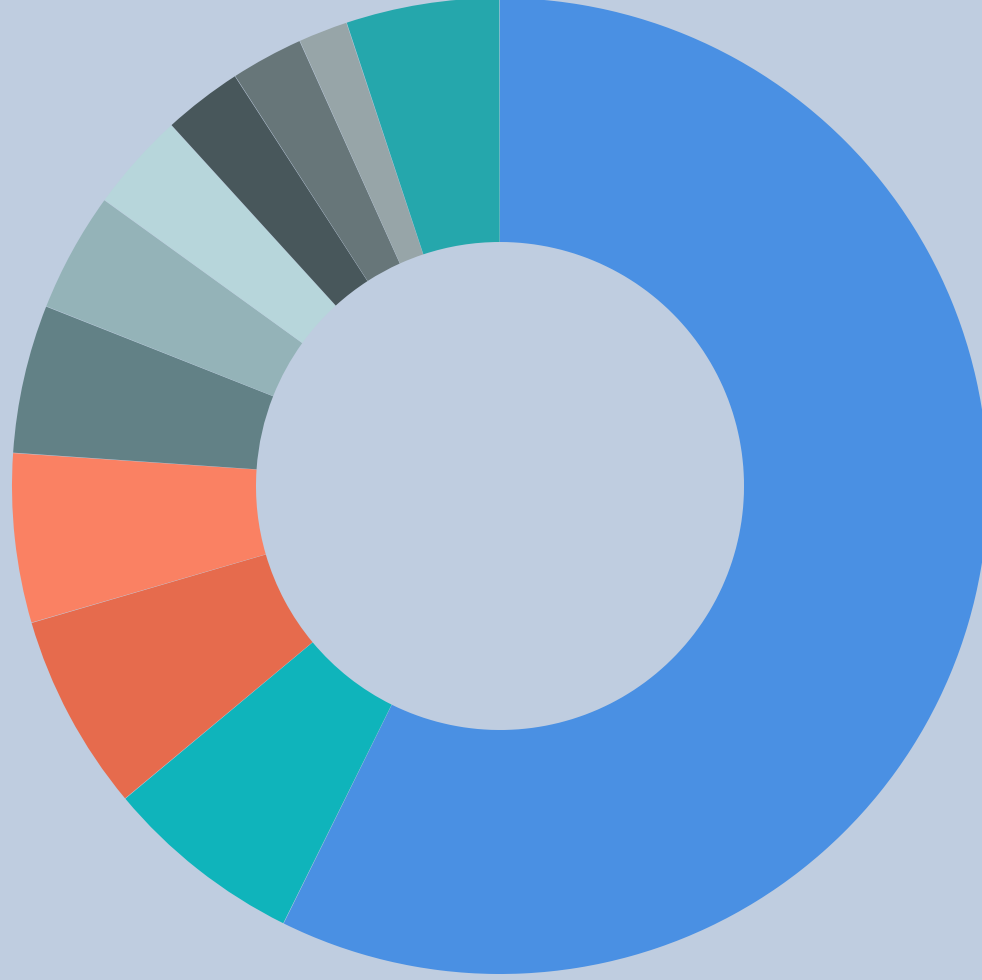
Mineral products mostly petroleum products account for more than 50% of Tunisia's intra-Africa imports

Top 10 product groups account for about 95% of Tunisia's total intra-Africa imports

Imports are mainly from North African countries (Algeria, Libya, Egypt and Morocco) where it enjoys preferential access.

Top 5 intra-Africa import sources account for 89% of Tunisia's intra-Africa imports

Tunisia sources very little intra-Africa imports from West, East or Southern Africa



Mineral products (57.32%)
Textiles & clothing (6.62%)
Food, beverages & tobacco (6.54%)
Machinery (5.6%)
Base metals (4.93%)
Chemical products (3.96%)
Vegetable products (3.28%)
Plastic products (2.63%)
Transport equipment (2.4%)
Animal or vegetable fats & oils (1.65%)
Other (5.08%)

5 year growth performance (exports)

Tunisia's intra-Africa exports grew by 4% (CAGR) over review period 2017 - 2021

Exports to top destinations Libya and Morocco grew by 13% & 8% (CAGR) respectively over review period 2017 - 2021. Exports to Algeria have witnessed a decline of 16% (CAGR) over the same period.

Mineral products, non-metallic minerals and Footwear recorded the highest growth rates of 15%; 11% & 15% (CAGR) respectively over the review period 2017 - 2021

5 year growth performance (imports)

Egypt's intra-Africa imports have grown annually by 1% (CAGR) over review period 2017 - 2021

Over the review period (2017-2021), Zambia's exports to Egypt have increased by 13% while Kenya's exports to Egypt declined by 7% during same period

Animal or vegetable oil and live animals recorded the highest growth rates of 122% & 30% (CAGR) respectively over review period (2017-2021)

Export markets showing significant growth

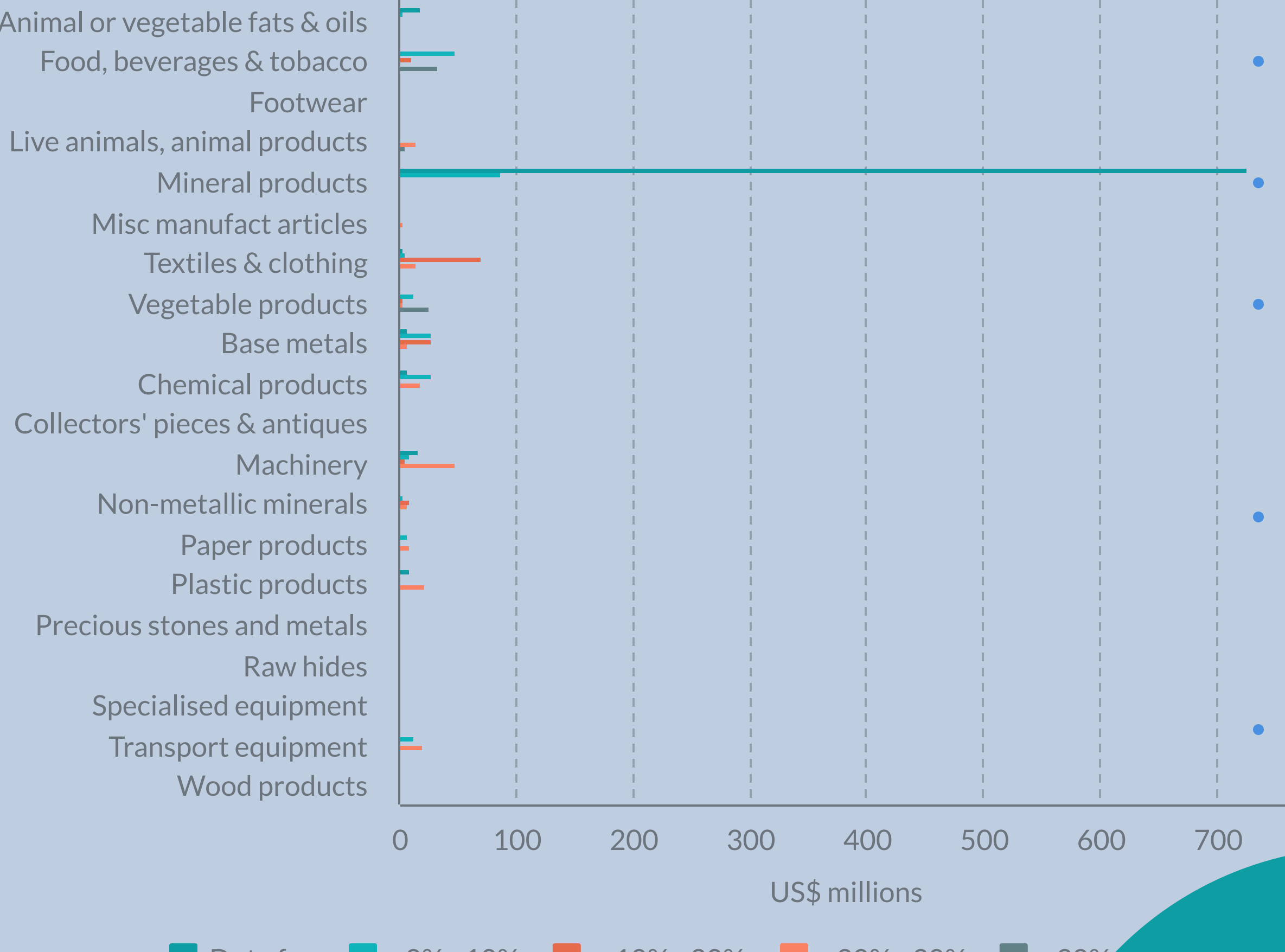
Tunisia's exports to Kenya, Zimbabwe and Madagascar showed significant growth although from a low base (Zimbabwe) over period 2017-2021, growing by 161%, 117% & 56% (CAGR), respectively

Tunisia's intra-Africa trade remains low and the bulk of its trade is with Europe (over 70%).

Diversifying and increased trade with other regions beyond North Africa can benefit Tunisia in the wake of the AfCFTA

Potential sectors include agriculture, agro-foods, and textiles and clothing

MARKET ACCESS - Tunisia's tariff regime



Tunisia levies maximum tariffs of either 30% or 36% across all products at the MFN level;

Tariff analysis however reveals that the average MFN rate is about 14% (AVE)

While it has been highlighted that Tunisia is trading under the COMESA regime, latest tariff data does not show consistency with the COMESA common external tariff (CET) tariff bands

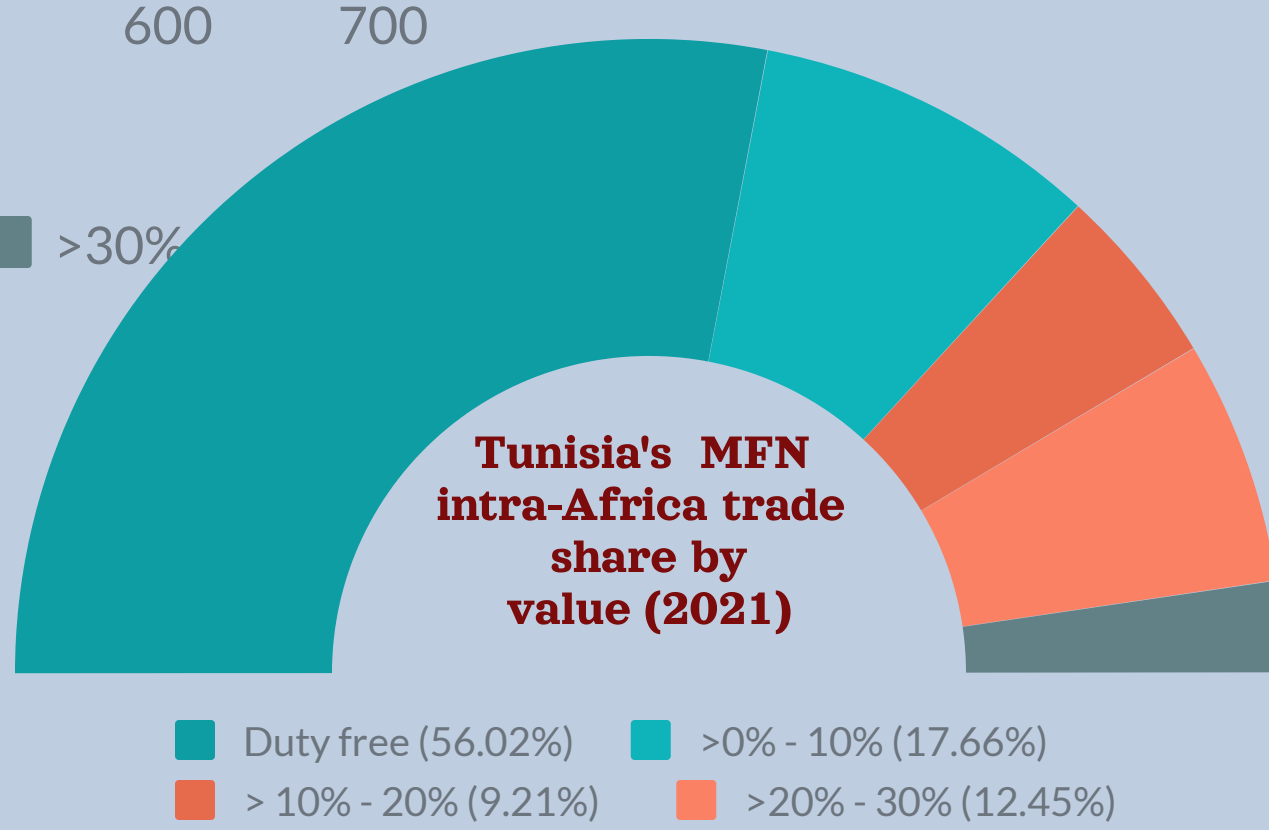
By value, the bulk of Tunisia's intra-Africa imports enter duty free These include Mineral products which account for over 50% of its total intra-Africa imports

An additional 18% of goods attract duties of 10% or less

Tunisia's AfCFTA Draft Strategy 2022

An AfCFTA strategy developed with technical support from the Economic Commission for Africa (ECA) reveals that Tunisia can achieve its trade potential under the AfCFTA if certain conditions are met

Conditions include strengthening the legal and institutional environment, logistical infrastructure, production capacity, establish a monitoring and evaluation system and train stakeholders on regulations related to the AfCFTA.



Duty free (56.02%)
>0% - 10% (17.66%)
>10% - 20% (9.21%)
>20% - 30% (12.45%)
>30% (4.66%)

Tunisia's average intra-Africa non-tariff trade costs for manufactured & agricultural goods (2015-2019)

TUNISIA'S AGRICULTURAL PRODUCTS NON-TARIFF TRADE COSTS (2019) AD VALOREM EQUIVALENT

Highest average non-tariff trade cost countries

Benin -637%

Mauritius - 423%

Senegal - 416%

Lowest average non-tariff trade cost countries

Morocco -142%

Egypt -187%

Ivory Coast - 192%

TUNISIA'S MANUFACTURING PRODUCTS NON-TARIFF TRADE COSTS (2019) AD VALOREM EQUIVALENT

Highest average non-tariff trade cost countries

Rwanda - 236%

Benin - 221%

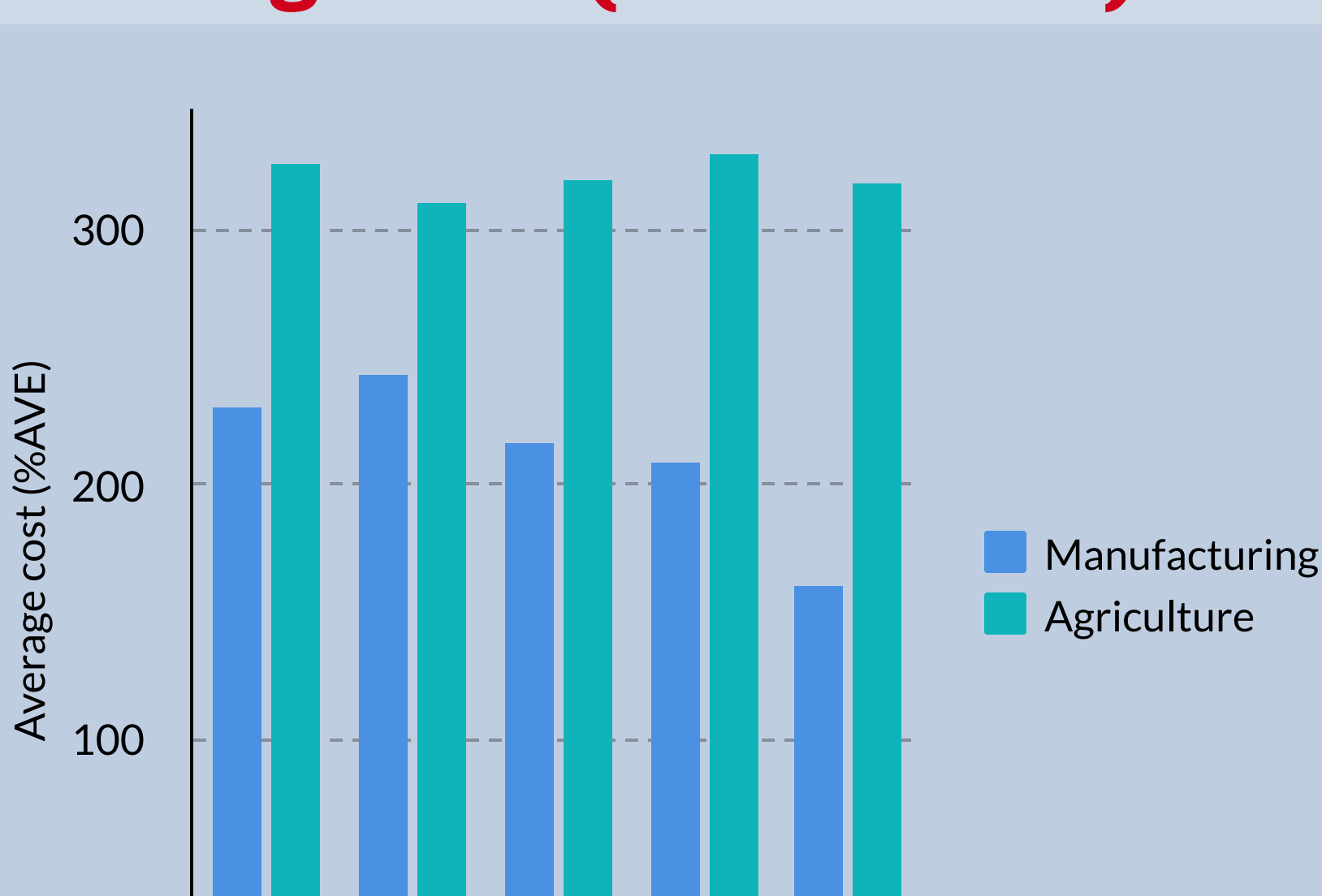
Nigeria - 218%

Lowest average non-tariff trade cost countries

Morocco - 82%

Egypt - 87%

Senegal - 120%



Sources: ITC TradeMap; World Bank WITS (TRAINS); World Bank ESCAP Trade Cost databases; ECA (2022)