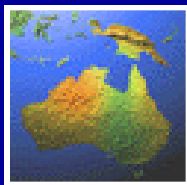
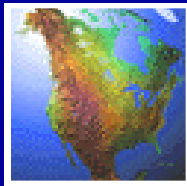


Doing Business in...

MGI International Tax and Business Guide



TUNISIA

Prepared by

Ace Consulting
Certified public accountants and auditors

Member Of MGI
An Association of Independent Auditing Accounting And Consulting Firms
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1 Preface

This booklet has been prepared by Ace Consulting Certified Public Accountants and auditors who are members of Midsnell Group International for information of clients and fellow members of MGI..

We want to thank the FIPA for the information given, which widely inspired the content of this booklet.

This booklet is intended as a brief summary of information about Tunisia for persons or companies wishing to do business with or invest in Tunisia.

It's important to know that this booklet can serve only to draw attention to what are considered to be important matters, and any business man or potential investor in Tunisia should seek professional advices before undertaking any business.

2 Disclaimer

The reader should consider the fact that laws are subject to change from time and time, and no responsibility can be accepted for inaccuracies due to these changes.

3 Presenting Tunisia

3.1 Geography and History

Tunisia is located at the junction of the eastern and western basins of the Mediterranean Sea, just where the straits of Sicily separate it by 140 kilometres from Europe.

This geographic position that made Tunisia a crossroad of civilizations throughout more 3 000 years of history, makes it today a platform for investment as well as for production and trade.

3.2 Population

The Tunisian population is very young. Almost 31% of the people were less than 15 years in 1999. Attitudinal changes and the active promotion of birth control measures have caused a drop in the birth rate. At the same time the indicators of the average life expectancy have progressed with the improvement of living conditions and the establishment of a system of public health. According to the United Nations Development Program, Tunisia's human development index is 0.703 that is largely above the average of developing countries. It measures Tunisia's accomplishments in terms of life expectancy, educational level and real income.

3.3 Society

Since the country's independence, the Tunisian society has undergone constant deep changes. Since 1956, the Personal Status Code, amended in 1993, has granted women the same rights as men in the political, economic and social spheres. Tunisian women therefore play a highly active role in the society's dynamic move.

3.4 An attractive institutional environment

Tunisia's reforms consist of a set of policies aiming at reinforcing competitiveness and openness of the country to worldwide free trade.

The legal and regulatory environment is characterized by its transparency, liberalism and efficiency. It is materialized by a favourable business law, reduced tariff barriers, a flexible tax system and simple and homogeneous rules for investment.

An Encouraging Tax System: All exports derived income benefits from a total exemption for 10 years.

A Complete Freedom for Transfer: Foreign investors benefit from the free transfer of their profits and capital. The Tunisian Dinar is convertible for current transactions since 1994.

3.5 Industrial and Free Trade zones

There are about 62 industrial zones in Tunisia spread-out over the country. They are equipped with numerous facilities. The government has committed to a program that will develop 718 hectares divided. Ten 243 ha new zones are now developed.

Tunisia offers two operational free trade zones with high quality services: Bizerte and Zarzis-Jerba. The Bizerte Free Zone is located at the city's port (at 60 kilometers from the Tunis airport) and the one at Zarzis port is only a half-hour from the Jerba airport.

3.6 Investment Incentives

Numerous incentives are offered in the form of tax exemptions, investment subsidies and the assumption of infrastructure expenses and employer social security contributions.

The procedures to start a company are done at a one-stop window that gathers all the concerned administrations at The Agency for the Promotion of Industry, **API**.

3.7 Currency

The Tunisian currency unit is the Dinar (TND) divided into 1,000 millimes. International credit cards are accepted.

Bills: TND30, TND20, TND10, TND5.

Coins: TND1, 500 millimes, 100 millimes, 50 millimes, 20 millimes, 10 millimes, 5 millimes.

(TND1=USD0.73=EUR0.79=JP¥79.8) 2000 average.

3.8 Office Hours

Administration offices are open from Monday to Thursday, from 8:30 a.m. to 1 p.m. and from 3 p.m. to 5:45 p.m., on Friday from 8:30 to 1 p.m. and on Saturday from 8 a.m. to 1:30 p.m.

Financial institutions work five days a week.

In summertime and during the month of Ramadhan, the continuous workday system is applied (one work period per day in the morning with no break for lunch, ex: from 7:30 a.m. to 2 p.m.).

3.9 Stability

Tunisia has a clear and clairvoyant vision of its development. The economic opening-up of the country intends to be global and progressive. The social dimension is in each reform. Through this

measured approach, Tunisia is a successful model of economic and political stability and of social development.

Enterprise longevity is the major objective in the processes of Privatisation, concession and upgrading. The current regulations and the strong institutional context guarantee the transaction's transparency.

Tunisia's government actions have allowed the country to avoid turbulent economic movements. One should note the rare fact that the Asia crisis and its consequences had a weak impact in Tunisia due to the priority given to long-term foreign investment and to a stable currency not-indexed to a single currency.

3.10 The Little Dragon of the Mediterranean

Foreign investors are often surprised to be able to meet decision-makers in the political-economic field. In Tunisia, you will find careful listeners for your concerns.

When you set-up business in Tunisia, you are choosing the serenity of an advancing country.

There are two major categories of business entities: joint stock companies and partnerships. No specific type of company receives particular favours. Companies willing to be established in Tunisia shall comply with the Tunisian legislation in force.

3.11 Public Limited Company "SA"

Public Limited Company "SA" requires at least 7 shareholders who can be either natural persons or legal entities. The maximum lifetime of such a company is 99 years.

The minimum capital is TND 50,000 if the company does not call publicly for savings. When it calls publicly for savings, the minimum capital is TND 150,000. In both cases the nominal amount of a share cannot be less than 5 dinars. One quarter of the subscribed shares in cash should be paid-up at the time of company's incorporation.

Payment of the balance should be made in one or more instalments within a period of five years from the date of the company's registration.

The shares of a Public Limited Company is required to appoint an auditor for three years with the mandate of checking the accounts of the company and presenting audit reports to the general meeting of the shareholders.

3.12 Limited Liability Company "SARL"

The SARL is a company with two shareholders or more whose liability is limited to their contributions. When a Limited Liability Company is made up of only one shareholder, it is called a Company Owned by a Sole Proprietor "SUARL".

The partnership shares representing the capital stock are not freely transferable.

The incorporation procedures are simpler than for a Public Limited Company. The minimum capital for a Limited Liability Company is TND 10,000, which should be fully paid up at the time of the company's constitution. The minimum nominal value for one share is five dinars.

The shares of a Public Limited Company is required to appoint an auditor for three years with the mandate of checking the accounts of the company and presenting audit reports to the general meeting of the shareholders, if the capital reaches TND 20,000.

3.13 Partnership Company Limited by Shares

The rules of its incorporation and operation are identical to those of a Public Limited Company. This type of company is seldom in Tunisia.

Such a company has two types of associate companies:

Active partners, who are traders and jointly and severally liable for the debts of the company.

Silent partners, who are shareholders and whose liability is limited to their capital contributions. The number of silent cannot be less than 3. The capital of a Partnership by Shares is TND 50,000. The contributions of silent partners should be fully paid up at the time of subscription.

3.14 Partnership Company

General partnerships

General partnerships are made up of two or more partners who are jointly and severally liable for the debts of the company.

The partners, belonging to the company at the time of the commitment entered into, are jointly liable for their separate assets.

Limited Partnerships

Limited Partnerships have at least two active partners who are jointly and severally liable for the debts of the partnership and at least two silent partners whose liability is limited to their capital contributions.

Company by Participation

Company by Participation is a contract by which the contracting parties freely agree among themselves to determine their reciprocal rights and duties and how to allocate profits and losses from the project and they include their allocable shares of profits and losses in their taxable income.

3.15 Joint Venture

There is no specific legal statute for joint venture in Tunisia. Generally, joint ventures operate as partnerships in the form of a company.

3.16 Branch

The incorporation of a branch is relatively simple. The time limit and registration procedures are identical to those relating to Limited Liability Company. The directors of a branch act on behalf of the parent company and should therefore have a delegation of power.

4 Taxation System

The Tunisian tax system went through significant reforms. Tax revenues derive from direct and indirect taxes, registration duties and customs duties. Since 1996 a tariff dismantling program has been launched to establish a total free-trade zone with the European Union as of 2008.

4.1 Personal tax

Under the provisions of international conventions and special accords, a tax on all yearly income earnings is put on any natural person residing in Tunisia. 'Residents' are considered to be:

- Natural persons having their usual residence in Tunisia
- Natural persons who continuously or discontinuously reside in Tunisia for at least 183 days per calendar year if they do not own a principal residence.

Taxable earnings

- Real estate earnings;
- Capital gains and transferable securities;
- Life annuities;
- Earnings derived from any paid work;
- Earnings derived from business operations in Tunisia;
- Any other earnings made in Tunisia.

Fiscal Year

From January 1st every year, income tax is charged on the previous year earnings. Any resident or non resident natural person is charged on earnings made in Tunisia.

Tax scale

Applied to net annual earnings:

TND	%
Up to 1,500	0
1,501-5,000	15
5,001-10,000	20
10,001-20,000	25
20,001-50,000	30
More than 50,000	35

Dividends

Collected dividends are income tax-exempted.

Foreign staff

Foreign staff recruited by fully-exporting companies and offshore institutions may choose a flat-rate tax of 20% on their gross salary.

4.2 Corporate Tax

Registration dues

General system

Articles of incorporation	fixed duty of TND 100 per act
Acts of increase of capital	
Other acts	TND 5 per page

For public limited companies and in addition to the fixed duty, a subscription and equity deposit duty is required:

Up to TND 100,000	TND 25
From TND 100,001 to TND 500,000	TND 50
More than TND 500,000	TND 100

Special system

Fully-exporting companies are exempted from registration dues.

Tax rates

- 35% as a general rule for companies;
- 10% for agriculture and fishing companies.

Fiscal incentives

Full tax-exemption on profits for the first 10 years for :

- exports-derived revenues;
- agricultural projects;
- regional development projects.

50% tax base reduction for :

- export revenues from the 11th year and for an unlimited period;
- regional development projects for 10 additional years.

10% tax rate drop for :

- education, teaching, vocational training projects;
- environment protection projects.

Tax relief

Tax cuts are granted for profits and reinvested earnings from 35% (general rule) to 100% providing a minimum tax of 20% on corporate general profits and 60% on personal income tax.

Dividends

Dividends earned by companies are not taxable in Tunisia. They are freely transferable as long as they come from businesses provided for by the investment incentives code.

Value-added tax

The value-added tax, VAT, is applied to all industrial, handicraft and services businesses except for agriculture.

VAT paid on purchases is deductible from the VAT collected on sales turnover.

6%

Sensitive products of social, medical and educational nature

10%

Capital goods having no locally-made counterparts and some services industries such as transport and tourism, low voltage power for domestic use and, medium and low voltage power for operating water pumping designed for agriculture irrigation, training services and Internet subscriptions.

18%

Capital goods with locally-made counterparts, raw materials, semi-finished goods and non-food consumer goods

29%

Luxury products

Free zone tax system

Due to their business in Tunisia, companies established in free zones are only subject to the following taxes, duties, rights and fees:

- Duties and taxes related to passenger cars;
- Single countervailing duty on land transport;
- Contributions and shares for the social security legal scheme;
- Corporate tax from the 11th year of operation, to date from the first effective export sale after a 50% deduction for exports-derived profits.

Investments made by companies set-up in free zones give right to a deduction for income or profits invested in the initial corporate capital subscription or in its increase, to a deduction of the net taxable income and profits for natural persons or companies.

Foreign staff and investors or their foreign representatives in charge of managing the company, benefit from:

- The payment of a flat-rate tax on income at 20% of gross income.
- A customs duties exemption and exemption of comparable taxes, and those required on imported personal belongings and a passenger car per person.

5 Incentives

Entered into force in January 1994, the Investment Incentives Code is the law that governs both national and foreign investment. It confirms the freedom to invest in most fields and reinforces the Tunisian economy openness to the global world.

5.1 Businesses governed by the Investment Code

The Investment Incentives Code covers all businesses except mining, energy, local trade and finance, which are governed by specific texts.

For given businesses, investment is achieved upon simple declaration, while others require prior authorization.

Simple declaration

Manufacturing industries

Agriculture

Food industry

Some fully-exporting services and industry-related services

Public works

Subject to authorization

Fishing

Tourism

Transport and communication

Health

Real-estate development

Film production

Vocational training

Education and teaching

Waste and refuse recycling and processing

5.2 Businesses governed by specific laws

There are two types of businesses not covered by the Investment Incentives Code:

- Businesses open to foreign investment but subject to authorization when it comes to operating conditions, no matter the status and nationality of the investor: banking business and investment companies.
- Businesses subject to authorization when foreign equity rate is equal to or exceeds 50%: insurance, brokerage, transport and merchant service business.

5.3 Foreign investment system

Foreign investment is free when it comes to a fully exporting business. Foreigners can own up to 100% of the project's equity without prior authorization.

- Some services fields other than fully exporting ones are subject to the Investment Higher Board authorization when foreign investment equity exceeds 50%.
- Agricultural land cultivation through leasing is possible by public limited companies which equity is at least 34% Tunisian-held. Foreign share can reach 66% for companies involved in land cultivation, fish farming and fishing.

5.4 Foreign portfolio investment

Non-resident foreigners can also freely purchase up to a maximum of 50% and without restriction the shares listed or unlisted Tunisian companies. Any purchase above this ceiling is subject to the approval of the Investment Higher Board. The Administration has put in place a favourable environment for the stock exchange in regards to taxation. Interest, dividends and capital gains made by foreign investors in the Tunis stock market are not taxable and their repatriation meet no restriction.

Purchase of Tunisian securities	Foreign equity share	
With voting right or corporate shares	<50%	Free
	>50%	Investment Higher Board
Without voting right (excluding debt securities)		Free

5.5 Capital ownership

	Capital ownership
Businesses free from authorization	100%
Manufacturing industries	
Tourism	
Fully-exporting services	
Industry-related services	
Businesses subject to authorization	< 50%
Some local market-oriented services with foreign equity share exceeding 50%	
Agriculture	66%
Fishing	66%
Fish farming	
Fishing	
Share purchases	50%
Tunisian operating companies	
Capital transfer	free
Foreign investors are free to repatriate profits and invested capital asset disposal deriving from income, in hard currency	

5.6 Investment incentives

Common incentive

- Tax relief on reinvested profits and income up to 35% of the income or profits subject to tax.
- Customs duties exemption for capital goods that have no locally-made counterparts.
- VAT limited to 10% on capital goods imports (1999 Finance Act provisions).
- Possibility to choose the reducing balance method of depreciation for production material and equipment which useful life exceeds 7 years.

Specific incentives

Advantages to fully-exporting companies

- Full tax exemption on exports-derived profits for the first 10 years and a 50% exemption from the 11th year for an unlimited period.
- Full exemption on reinvested profits and income.

- Duty free profits for capital goods including merchandise transport vehicles, raw materials, semi-finished products and services needed by the business.
- Possibility to sell 20% of the production on the local market.

Incentives and priority zones

- Investment bonus of 15% of the investment value in incentives zones.
- Investment bonus of 25% of the investment value in priority zones.

Regional development

The Code grants advantages for investments carried-out in the encouragement zones' and in priority zones.

- Full tax exemption on profits for 10 years and a 50% tax base reduction for a new period of ten years.
- Full tax exemption on reinvested profits and income.
- Assumption by the State of the employer's contribution to the social security legal scheme, thus 16% of the payroll, during the first 5 years.
- Possibility that the State takes part to infrastructure expenses.

Promotion of agriculture

- Full tax exemption on reinvested profits and income.
- Full tax exemption for the 10 first years of operation.
- VAT suspended on imported capital goods that have no locally made similar counterparts.
- The State may take part to infrastructure expenses to develop areas meant for fish farming and for cultivations using geothermal water.
- 7% bonus on investment value.
- 8% additional bonus on investment value, that can be granted for agricultural investments achieved in hard-climate regions.
- 25% additional bonus on investment value for fishing projects in the north coastline ports.

Environment protection

The Code grants the following advantages to investments achieved by companies for environment protection and waste processing projects:

- 50% tax relief on reinvested profits and income.
- Profits and income charged at the reduced rate of 10%.
- 20% bonus on investment value.
- Suspended VAT on most capital goods.

Research and Development and Technology promotion

The Code introduces incentives for investments that control and develop technology through a local integration effort.

- 5-year full assumption by the State for social security contributions to recruit Tunisian university graduates.
- 5-year 50% social security contributions assumption by the State for companies to use a 2nd or a 3rd shift and that do not usually work around the clock.

Support investment

Education, training, cultural production, health and transport industries benefit from:

- The deduction of reinvested profits up to 50% of net profits subject to corporate tax.
- Reduced rate of 10% on income and profits.
- VAT suspension for imported capital goods having no similar locally-made counterparts.

6 Exchange Controls

The Tunisian Dinar has been convertible for current transactions since 1994. Transfers are therefore free for several transactions. Investors have every right to freely transfer their profits and equity.

The 1994 established foreign exchange market presently covers approximately 80% of foreign currency buy and sell transactions on a cash basis, and 100% of the foreign exchange deal.

6.1 Transfers

Transfers are free for:

- Current transactions launched in conformity with the governing legislation.
- The real net product derived from invested equity sale or clearance, by means of hard currency importation including added value.

Investor

Equity earnings (profits, founders' share return, dividends, director's fees, interests on bond loans, and short-term bills taken up by non-residents from resident institutions).

Enterprise

Commercial and related transactions and production-linked operations.

Wage-earners

50% of tax-free net salary, three months after the work contract's expiration at the latest.

Foreign workers

Rates determined by the work contract.

Others

Voluntary contribution to social security by foreign persons residing in Tunisia.

Repurchase of the retirement contribution by foreign persons residing in Tunisia.

Food allowances.

Foreign exchange system in free zones

Businessmen in economic free zones, EFZ, can carry out their activities as residents or non-residents.

Investments in hard currency or in convertible Dinars in EFZ are freely made and must be declared to the free zone developer.

Entities established in EFZ by companies which headquarters are located abroad, are considered as non-residents.

Non-residents benefit from a capital transfer guarantee for investments made in hard currency and revenues deriving from it. The transfer guarantee covers the real net profits derived from stock clearance.

Non-residents do not have to repatriate their export, services rendered and income earnings. However they must make all payments in Tunisia from a foreign account in hard currency or in convertible Dinars.

Payments inside free zones are made in hard currency or in convertible Dinars.

Any securities transfer between non-residents or stocks transfer between companies, is free.

7 Labour relation and social security

Labour contracts are freely considered as limited time working contracts. Businessmen can freely hire foreign managers supervisors up to 4 per company. Foreign nationals who are non-residents before their recruitment, can choose another social security system other than the Tunisian one.

7.1 The Labour Code

A Labour Code and sector-related union contracts govern professional relationships in Tunisia.

Adopted amendments in 1994 and in 1996:

- Employee's productivity considered when evaluating the salary.
- Temporary work contracts set. Fixed-length contracts set even for permanent jobs and may last 4 years.
- Working hours adapted to the company's needs.
- Part of the salary determined on productivity basis.
- Staff firing or laying-off for economic and technological reasons.
- Ceiling set for unfair dismissal damages payment.
- Communication channels standardization into a single body called the "company advisory committee".

7.2 International Agreements

Tunisia ratified seven labour international agreements related to the fundamental right to work.

- Agreement N° 142 concerns the role or orientation and vocational training in optimising human resources.
- Agreement N° 159 concerns the re-adaptation of handicapped people to professional work.
- A 1990 protocol related to Agreement N° 89 on night work for women.
- Agreement N° 138 concerns the minimum age accepted to work.

7.3 Bilateral Agreements

Tunisia concluded social security bilateral agreements with France, Belgium, Algeria, the Netherlands, Libya, Austria, Italy, Germany and Luxemburg. The objective of these agreements is to guarantee the rights of expatriate employees as regards social security.

These agreements notably confirm the following principles:

- Equal treatment of citizens from both countries vis-à-vis social security regulations.
- Safeguard of acquired rights in the host country.
- Sum of carried-up insurance periods to apply for social security allowances.

These treaties cover the following social security fields in Tunisia:

- Sickness, maternity and death insurance.

- Family allowances.
- Old age, invalid and survival insurance.
- Insurance against work-related accidents and occupational diseases insurance.

7.4 Wages and Social Contributions

Wages

The amount of wages is determined based on private sector wages agreements or is freely-negotiated between employers and employees, providing a conformity with the legal minimum wages determined by law.

Minimum wage

Industry*	Agriculture**	
	Monthly	Hourly Daily
40 hours	170.905	0.986
48 hours	195.520	0.940

May 2000
in TND

*SMIG (minimum inter-professional guaranteed salary).

**SMAG (minimum agricultural guaranteed salary).

Net monthly wage of executives and supervisors

Accountant	280
Supervisor	280
Senior technician	400
Engineer (beginner)	700

Social contributions

	Industrial sector	Fully exporting industrial companies	Agricultural sector
Membership right to CNSS*	TND 5	TND 5	TND 5
Employers' share to CNSS	15.5%	15.5%	10%
Special fund (to deposit at CNSS)	0.5%	Exemption	
Vocational training tax TFP**	1%	Exemption	
Social Housing Promotion Fund FOPROLOS	1%	1%	
Total	18%	16.5%	10%

For information
in TND

*CNSS: Social Security National Fund

** TFP is 2% for other sectors.

Contribution supported by employees: 7.75%.

7.5 Social Security

The social security system in Tunisia concerns almost all wage-earners and those entitled to it, regardless of their social and professional categories.

A 2% reduction from the contribution rate to the social security system is granted to companies that provide their employees with a healthcare insurance stipulated by agreement.

7.6 Institution

CNSS, Social Security National Fund

7.7 Membership in a foreign social security system

Foreign investors and non-resident foreign personnel, including those working in free zones can be linked up with their own country's social security system before their recruitment.

7.8 Health in the workplace

Companies employing more than 300 wage-earners must have their own medical service. If they have from 100-300 workers, the companies can join as a group to start an inter-company medical service.

7.9 Employment

Start-up formalities of the company's business

- The employer declares the company start-up to the territorially competent factory inspection authority.
- Files are available at the factory's inspection authority.
- A file of registration and affiliation with the CNSS.

Work contracts

Recruitment of workers can be done through a work contract of a predetermined or undetermined time period. It can be carried-out directly or through a public office.

In any case, the recruitment of workers by a length-determined contract cannot exceed four years including renewals. In free-zones work contracts have a determined length.

Contact:

- Tunisian Employment Authority.
- National Office for Management Employment.
- Sector-based employment offices.
- Regional management employment offices.

Trial periods (management collective wage agreement)

- Workers: 6 months,
- Supervisors: 9 months,
- Managers: 12 months.

Foreigners employment

Any foreigner willing to exercise a wage-earning job in Tunisia must have:

- A work contract for a period not exceeding one year renewable once, and stamped by the Ministry of Vocational Training and Employment.
- A valid residence's permit.

Fully exporting companies and those operating in free zones can freely recruit upon a simple statement up to four foreign managers.

Above that, an authorization from the Ministry of Vocational Training and Employment is needed.

Contact: The Ministry of Vocational Training and Employment.

Labor disputes

They are dependent on the first instance court Conciliation Board. Employers intending to fire workers must indicate the dismissal causes in a letter of notice.

Dismissal indemnities

- Abusive dismissal: 1 to 2 months wages per year of seniority not exceeding 36 months wages.
- Dismissal for serious fault: f 1 to 4 months wages.

7.10 Office Hours and Vacations

Office hours

40-hour week in the private sector

As an indication:

Winter time	8-12a.m. / 2-6 p.m.
Summer time	7:30 a.m. / 1:30 p.m.
Month of Ramadan time	8 a.m. / 2 p.m.

Extra-pay for overtime work

Agricultural Sector: 25%

Non-Agricultural Sector:

48-hour week 75%

40-hour week 25% first 8 hours and 50% following hours

Vacations

9 paid free days off. In case of necessity of work, wages are increased by 100%. Annual leave varies between 12 and 30 days per year.

7.11 Vocational Training

Supporting systems have been put in place by the State to encourage initial training within companies.

- A rebate of the Vocational Training tax, TFP, to which non-exporting companies are subject.
- A financial support within the National Program for Continuous Training.
- Training costs assumption of 50% maximum that can reach TND250,000 to encourage technology control.

8 Quality of Life

Tunisia is a country where the difference in the quality of life between rich and poor people is one of the lowest of Africa. A national solidarity program has helped eradicate poverty from the worst population zones. This program also calls for the creation of micro-enterprises to ensure a steady income to population.

Foreign visitors are always surprised at any visit to see the constant changes: new shopping centres, ultramodern building construction, the creation of new residential neighbourhoods and the arrangement of green zones. The entire country is becoming modern with the added advantage of its Mediterranean charm.

Tunisians are filled with a spirit of tolerance and openness. The Constitution guarantees the free exercise of all religious confessions.

8.1 Life

To live and work in Tunisia allows one to enjoy a friendly and hospitable environment and most agreeable living conditions. Numerous commodities are offered for sale in the country's main cities:

- Modern residential neighbourhoods with excellent quality housing at a reasonable cost.
- Numerous commercial centres offering a wide variety of products.
- Foreign schools (French, American) as well as an important public and private Tunisian educational infrastructure.
- High quality medical services with a network of specialized clinics.
- Many sporting and leisure activities.

For information, an average monthly rent is:

For a high standard 5-room apartment TND500=USD450
For a larger villa in a residential neighbourhood TND1,000-1,500=USD900-1,350

The worldly Known Corporate Resources Group ranked Tunis 125 out of least expensive cities (1 is the most expensive city in the world)

Towns	Rank
Tunis	125
Sofia	92
Lisbon	87
Budapest	83
Madrid	76
Casablanca	68
Istanbul	59
Milan	31
Warsaw	28
Cairo	23

Source: Corporate Resources Group, March 15, 1999

8.2 Education

Tunisia has willingly focused its educational policy on education for everyone and the positive effects speak for themselves. The adult literacy rate (10 years old and older) reached 73% in 1999 against 32% in 1966. Human resources are young, active, educated and skilled. There is also a wealth of highly skilled managerial and technical staff available at competitive, advantageous salary rates.

An important effort has been accomplished to better prepare young Tunisians for the dynamic pace of change in the country. The present educational system trains students in three languages at least (Arabic, French and English) if not more. The use of computers is becoming widespread in order to allow the young generation to be "in tune" with the real world.

The government assumes the training costs through its funds for professional adaptation and insertion for English-language teaching programs and computer science courses for students in university. Numerous technological institutes have been established to increase the number of mid-level managers and to adapt training resources to the country's needs.

8.3 Infrastructure

A viable and growing infrastructure network exists of a 10 billion dollars investment program in 1997-2001. Tunisian transport infrastructure reflects the openness of Tunisia to the outside world.

8.4 Transport

- A road network of 19,000 kilometres and 140 kilometres of four-lane highway. A program to construct nearly 450 kilometres of highway is planned for the next ten years.
- A rail network of 2,168 kilometres. Tunisian railroads handle 13 million tons of merchandise annually and 32 million passengers.
- 8 commercial ports: Bizerte, La Goulette, Radès, Sousse, Sfax, Gabès, Zarzis and Skhira.
- Ports are equipped to handle Ro-Ro ferries and container ships.
- The capacity of Tunisia's ports is approximately 6,000 ships per year with a merchandise shipping traffic of 25 million tons.
- 7 international airports: Tunis, Monastir, Jerba, Tabarka, Tozeur, Sfax, Gafsa. The Tunis airport extension works as well as those at Monastir and Jerba will increase the current airport capacity to 12.950 million passengers.
- 67 foreign airlines from 28 countries: 170 weekly flights to and from Europe.

8.5 Telecommunications

Telecommunications in Tunisia are undergoing rapid development. They are one of the most dynamic sectors and they enjoy one of the highest growth rates. Investments increased from 160 million Dinars in the 6th Plan (1987-1991) to 1.5 billion Dinars in the 9th Plan (1997-2001). The yearly growth rate is 17% thus easily more than France's growth rate during the 70's decade of the (rapid network growth phase) when the highest growth rate was 14% per year.

8.6 New technologies

During the 8th Plan (1992-1996), 341 million Dinars were invested in the computer sector and 840 million

Dinars are earmarked for the same sector in the 9th Plan (1997-2001). Tunisia is one of the first African countries to provide itself with a national Internet Web site. An Internet connection can be made in 24 hours in urban areas. All the world's main computer manufacturers and the most important software designers are either represented or their products sold in Tunisia.

8.7 Post Offices

The public Post Office service was computerized in 1992 with the commitment to carryout a program of computer modernization in the postal services.

- Services: mail, savings, postal checks; airmail services.
- Post Offices: 980.
- density: 1 post office per 9,100 inhabitants.
- mail sorting centres: 3.
- EMS services: furnished by Rapid Post connected to Postnet.

8.8 Energy

- Several power stations to generate electricity of 2,374 MW are dispatched throughout Tunisia.
- Tunisia has a 790-km high-pressure gas network. It is crossed by a 370 km transcontinental double-pipe gas pipeline that links Algeria to Italy.

9 Key Information

Official name	The Republic of Tunisia
Land surface	162,155 square kilometres
Population	9.5 million inhabitants in 2000
Official language	Arabic
Working Languages	French, English, Italian, German
Capital	Tunis (1.8 million inhabitants including the suburbs)
Main cities	Sfax, Sousse, Bizerte, Nabeul, Gabès, Kairouan, Jendouba, Béja
Currency	Tunisian Dinar (TND) TND1=1,000 millimes
Exchange rate	TND1=USD0.73=EURO0.79=JPY79.8 (2000 average)
Climate	Mediterranean 12 °C in winter 29 °C in summer
Time zone	GMT+1

10 Main Bodies

Foreign exchange and foreign investment control

The Central Bank of Tunisia

The global task of the Central Bank of Tunisia is to control the financial flows movement. It is in charge of applying and regulating foreign exchange control and transactions with other countries.

e-mail: bct@bct.gov.tn

web: www.bct.gov.tn

The Department of Trade

The Department of trade and the Ministry of Industry both are in charge of guiding and controlling the national economy.

e-mail: mcmr@ministeres.tn

The Ministry of Finance

The Ministry of Finance is in charge of imports and exports control through the customs service and of delivering a Customs Code appropriate to international trade operations and of collecting duties and taxes on imports.

e-mail: mfi@ministeres.tn

The Ministry of International Cooperation and Foreign Investment

On the international level, the Ministry of International Cooperation and Foreign Investment is in charge of negotiating financial agreements with foreign countries and of encouraging joint ventures.

FIPA-Tunisia

FIPA-Tunisia assures foreign investments promotion and favours agreements partnership between Tunisians and foreigners.

Web: www.investintunisi.com

Investment promotion

Industrial sector

The Agency for the Promotion of Industry : API assures investment promotion by simplifying the procedures to establish companies and by managing several industrial databases.

e-mail: api@api.com.tn

web: www.tunisianindustry.nat.tn

Agricultural sector

The Agency for Agricultural Investment Promotion, APIA

e-mail: Prom.Agri@apia.com.tn

web: www.Tunisie.com/APIA

Tourist sector

The Tunisian Tourism National Board, ONTT

e-mail: info@tourismtunisia.com

web: www.tourismtunisia.com