



## TUNISIA NEWSLETTER

### September - October 2012



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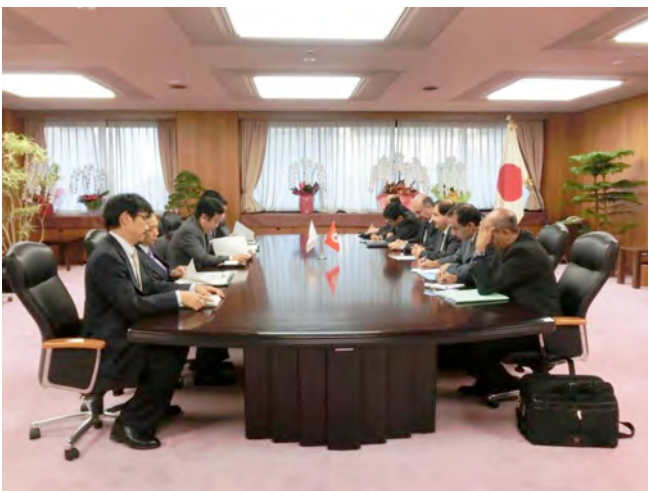
TUNISIA-JAPAN



### Tunisian Minister of Investment and International Cooperation pays a visit to Tokyo

On the occasion of the annual meetings of the International Monetary Fund (IMF) and the World Bank (WB), a Tunisian delegation headed by Mr. Ridha Bettaieb, Minister of Investment and International Cooperation, visited Tokyo from 9 to 15 October 2012, to take part in this event.

This visit represented an opportunity to meet with Japanese officials such as Mr. Yukio Edano, Minister of Economy, Trade and Industry, to discuss about the best way to encourage the Japanese investments in Tunisia and to explain to the Japanese Minister the democratisation process in our country initiated after the revolution of freedom and dignity.



Mr. Bettaieb met also with Mr. Kazuyuki Hamada, Parliamentary Vice-Minister for Foreign Affairs, to discuss political and economical issues in Tunisia especially the organization of the elections in the summer of 2013, the elaboration of the new Constitution and the investment climate in Tunisia after the Revolution of 14 January 2011.

Minister Bettaieb had meetings with Mr. Shinsuke Amiya, Parliamentary Vice-Minister (Ministry of Finance) and others officials in JICA, KEIDANREN, JBIC and JETRO.

These meetings permitted to discuss means and ways to enhance the bilateral cooperation and the projects financed by the Japanese side in Tunisia especially by JICA and to boost the Japanese investments in Tunisia.

In another connection, Mr. Bettaieb met with Mr. Jim Yong Kim, President of the World Bank, who expressed his support to the political and economical reforms in Tunisia since the revolution, especially the will of the World Bank to help Tunisia financially and technically in its political transition.

### Tunisia takes part in JATA 2012 fair

Japan Association of Travel Agents organized the JATA Tourism Forum and Travel Showcase 2012 from September 20-23, 2012 at the Tokyo Big Sight.

The event consists of the "International Tourism Forum" to discuss issues on the development of the tourism industry the "International Business Meeting" where international sellers and buyers gather for new business opportunities, the "Travel Showcase" where over 150 countries and regions exhibit for the showcase, and the "awards commendation" to honor the individual or organization that has contributed the most to the tourism industry over the year.

Many Japanese visitors visited the Tunisian booth and expressed their admiration of the Tunisian handicrafts such as the Tunisian traditional bag "Koffa", traditional shoes "Balgha", ceramics, pottery, posters of the archeological sites like Carthage and touristic villages in Tunisia as Sousse, Jerba and Sidi bou Said.

The Ambassador of Tunisia organized a reception in honor of the Japanese officials of the tourism sector who participated in JATA Fair, from the public sector (JICA), private sector (JATA), travel agencies and airways companies.

In his speech, the Ambassador of Tunisia underlined the will of the Tunisian side to promote the tourism sector and expressed his hope to increase the number of Japanese visitors to Tunisia, the land of tolerance and moderation.

### Action plan on development of Tunisian South discussed at workshop

3 October 2012

An action plan for the development of Tunisia's southern regions, namely Gafsa, Medenine, Tataouine, Kébili and Tozeur, initiated by the Ministry of Regional Development and Planning and the Japanese International Cooperation Agency (JICA), was discussed at a workshop held 3 October 2012 in Tunis.

### **"Sony Vaio" opens first servicing center in Tunisia**

3 October 2012

The first registered computer maintenance centre especially devoted to "Sony Vaio" laptops was inaugurated on 2 October 2012 in Tunis.

This center, the first of its kind in North Africa, is under the authority of MIPS Company, one of the largest distributors of technological items in Tunisia. It provides customers with maintenance and repairing services in conformity with the quality standards of the Japanese "Sony" firm.

The center staff is regularly trained by "Sony Vaio" in the Middle East and North Africa region (MENA), said Assistant Director-General of MIPS Emna Haouala at a news briefing held on 1 October 2012.

"We plan to open new centers in Sfax and Sousse as part of our plan of logistical support to sales and local services in the countries hosting representations," she added.

### **Japanese project to promote Tunisian tourism in Asia**

2 October 2012

The Tunisian Tourism Ministry and the Japanese International Co-operation Agency (JICA) signed, on 2 October 2012, an agreement pertaining to the promotion of Saharan tourism in the Tozeur and Kebili regions with a view to further attracting Japanese and Asian visitors to those southern parts of the country.

The project was initiated and is to be funded by JICA, by means of investments worth some 5.4 million dinars. It will be launched, according to a press release of the Tourism Ministry, during the present month and will cover a three-year period.

The agreement also provides for assisting Tunisia in devising a marketing and communication strategy for the Tunisian southern areas to promote the regions' tourist products and natural riches.

The agreement covers the setting up of a collaboration mechanism that is based on public-private partnership for carrying out action plans, strategies and concrete promotion campaigns.

A joint committee, made up of representatives of the tourism structures and JICA, will be created within this framework and will hold regular meetings, the Ministry's communiqué adds.

The agreement on this project was signed by Tourism Minister Elyes Fakhfakh and the JICA Managing Director in Tunis.

"This project will greatly contribute to the promotion of Saharan tourism in Tozeur and Kebili," said Mr. Fakhfakh.

The JICA Managing Director pointed out, during the signing ceremony, that the project will be presented during a future international conference on African development, to be held in 2013 in Tokyo, as a model of North-South co-operation. "It is going to generate jobs and wipe out regional disparities," he stressed.

### **Tunisia: JICA to release over 330 million dinars before 2012**

7 October 2012

Africanmanager - The Japan International Cooperation Agency (JICA) will release more than 330 million dinars for Tunisia.

Two loan agreements between the Ministry of Investment and International Cooperation and JICA will be signed to this effect before the end of 2012, learns Africanmanager.

These investments will fund two projects in Tunisia.

The first loan, worth 200 million dinars will be spent on a project for integrated management and fight against flooding, while the second, worth 131 million dinars, will focus on water treatment in cities and rural areas. This project will be managed by the Tunisian Sewage Office (ONAS).

### **Isuzu Tunisian plant restarts after 10 years of suspension**

28 September 2012

The Director General of car components plant Isuzu, Hamadi Atrous, announced on 27 September 2012, that the resumption of the company at the beginning of this week "had a positive impact on other automotive components production companies and units that had suffered economic downturn as a result of the cessation of production for ten years.

He added, during a press conference at the company's headquarters in Kairouan that the Management has decided to recruit 500 employees, through the regional employment authority, 230 of whom have already taken their positions. He explained, in this sense, that recruitment is still ongoing.

### **Interim Finances Minister receives delegation from Japanese R&I Agency**

18 September 2012

A delegation of the Japanese Rating and Investment (R&I) Agency enquired, during a meeting on 17 September 2012 with interim Finance Minister Slim Besbes, about the situation of public finance as well as the State strategy in matters of control of budget deficit, its policy of regional development and compensation system.

Mr. Besbes explained that "Government strategy revolves around two axes. The first touches on the achievement of social stability, job creation and fight against poverty, while the second centres on laying down the solid foundations for implementing structural reforms in the financial sector."

He pointed out that the hoped-for objective for 2012 is to revive the economy, underlining that the growth rate achieved in the first half is of 3.3%, and that the estimates for 2013 is of 4.5%.

Other targets are: "cutting the budget deficit rate to establish it at 5.5%, to reach 3% in 2017, bringing the inflation rate under control and sliding of the dinar".

Mr. Besbes added that "these estimates were set in relation to the price of the barrel of oil on the international market (at 110 dollars)."

He underlined that the State will manage to mobilise the financial resources earmarked for compensation, thanks to the last adjustment of oil prices.

As regard the reform of the fiscal system, it is aimed to achieve justice and transparency, and broaden the tax base and reduce the taxation pressure, he said.

Mr. Besbes pointed out that the elaboration of the complementary finance law registered a delay in terms of the implementation of the State budget, during the first half of 2012, while the second half is marked by speeding up the achievement of the budget and the revival of the economic activities.

### **Japan ready to promote El-Kef civilisational heritage**

14 September 2012

A Japanese delegation made up of experts in the field of archeological and historic sites' promotion expressed, on 14 September 2012 in a meeting at the Governorate of El-Kef (North West of Tunisia) will to bring its contribution to valorise the region's civilisational heritage.

The Japanese delegation voiced readiness to provide assistance by promoting cultural and ecological tourism.

During a working session held by the National Heritage Institute and the city of El-Kef municipality, the attendees reviewed the agenda of a coming regional conference on the promotion of historic and civilisational heritage in the region.

## **POLITICS**

### **National Dialogue Congress is held in Tunis**

18 October 2012

A National Dialogue Congress was held on 16-18 October 2012 at Tunis Congress Palace at the initiative of Tunisia's General Labour Union (UGTT).

The President of the Republic, the National Constituent Assembly Speaker and the Prime Minister attended the opening of the Congress intended to provide the occasion to reach consensus for the next political stages in Tunisia. Some 50 parties, 22 organizations and several national figures and Constituent Assembly members attended also this congress.

The Ennahdha Movement and the Congress for the Republic (CPR) Parties, two of the ruling coalition parties, have decided to boycott the conference held under the following theme "the National Dialogue Congress: A support to National Unity."

The UGTT had called the congress hoping that all parties would attend to discuss Tunisia's future political development.

The third member of the ruling coalition, the Ettakatol Party, decided however, to "actively participate in this event, in view of the strong and historical relations the party keeps with the Labour Union", according to its spokesman.

UGTT Secretary-General Houcine Abassi pointed out that the UGTT's initiative for the holding of a national dialogue "will in no case substitute itself for the constitutional authority which remains the only decision-making power and the sole source of legitimacy at the present transition stage."

He added, at the opening of the National Dialogue Congress, that the labour organisation's initiative was moved by "the worrying backward steps in the entente among the different political trends and civil society components on the nature and mechanisms of the democratic transition process."

Mr. Abassi also said that "building a new culture of national dialogue dictates the creation of mechanisms that guarantee its sustainability," pointing to the "need to sit at the dialogue table and to prioritise the country's interest in order to offer all Tunisians the required minimum of security, freedom and dignity."

UGTT Secretary-General voiced "regret" that Ennahdha movement and the Congress for the Republic (CPR) party had decided not attend, commending, nonetheless, the consensus reached by the ruling tripartite coalition, "which is at heart consistent with the principles advocated by the parties" taking part in the National Dialogue Congress, regarding notably the establishment of a mixed political system, the choice of the independent authority for the elections and the enforcement of Decree-Law N°116 which provides for the formation of an independent high authority for the audiovisual.

President Mohamed Moncef Marzouki said the UGTT's initiative had been the main focus of his discussions with all political parties and that the consensus reached by the ruling coalition "is none other than the centrepiece of the consensus to which all parties aspire."

President Marzouki voiced wish to see the UGTT's initiative lead to a unified stand and hoped that all sides submit their proposals on October 18 as a starting point for formulating recommendations to be forwarded to the National Constituent Assembly (NCA), so that "October 23 be a day of celebration and not of national crisis."

National Constituent Assembly Speaker Mustapha Ben Jaafar pointed out, in his address, that reaching consensus implies necessarily "mutual concessions," reasserting his support to "the National Dialogue Congress" as it would "facilitate the Assembly's task."

"Consensus is a vital objective to reinforce the electoral legitimacy which could not, by any means, replace the electoral legality," he argued.

The most important thing today, he carried on, is to organise free and fair elections to come out of the transition stage and set up lasting State institutions, pointing out that this requires "a precise agenda" that commits all stakeholders.

Taking the floor, Prime Minister Hamadi Jebali said that "the success of Tunisia's nascent democracy and the achievement of the Revolution objectives could not be the responsibility of just one side, whatever its weight may be."

He pointed out that national consensus on important issues and setting an agenda for the coming stage will provide the NCA with a clear roadmap and make the Assembly members face their responsibilities.

He hailed, in this regard, the UGTT's initiative, calling on the labour organisation to show "more co-operation to establish a stable social climate that contributes to the success of this transition phase."

In a final communiqué, participants in the National Dialogue congress called to "shorten" the transitional period and hold elections to restore stability in the country.

They also affirmed that the date set by the ruling coalition for next elections, that is June, 23, 2013, "is not suitable", urging to separate the presidential and parliamentary elections in accordance with international standards and let the independent election body fix the date of these elections.

Participants called as well for consensus about the independent election body, the broadcasting regulatory authority and the provisional justice authority.

The communiqué highlights the importance of securing the impartiality of sovereignty ministries and setting up a mechanism for the coordination and follow-up of the conference recommendations.

UGTT Secretary General Houcine Abassi, who read out the final communiqué, affirmed that the National Dialogue Congress will go on and expressed hope that the non-attending parties will reconsider their stand.

He recommended to take the necessary measures to calm social tension and win back citizens' confidence within a new social pact for the post-Revolution period, in addition to the liberation of people arrested during the latest protests in some regions.

Participants insisted on the need to cope with the violence that spread into the country and adopt the principle of dialogue in dealing with problems, stressing the role devolving upon security forces in ensuring the country's stability.

### **President Marzouki confers with representatives of political parties**

16 October 2012

President Mohamed Moncef Marzouki conferred, on 16 October 2012, with Initiative Party Chairman Kamel Morjane.

The talk was an occasion to discuss the situation in the country and the mechanisms that will help reach national consensus around the forthcoming political events, notably by launching a dialogue that brings together all political parties and civil society components, a communiqué of the Presidency of the Republic reads.

Mr. Marzouki also received Republican People's Union (UPR) Secretary-General Lotfi M'rayhi who reasserted his party's refusal to question the National Constituent Assembly's legitimacy, explaining that the National Dialogue Initiative "could not replace the people's choices," according to the same source.

### **National dialogue on health policies, strategies and plans starts**

8 October 2012

The national dialogue on reform of the national health policies, strategies and plans, held at the Public Health Ministry's initiative, started on 8 October 2012 in Tunis.

This one-year debate seeks to increase the output of the country's healthcare system by opening up a discussion that involves all concerned sides, as part of a participatory approach to devise comprehensive health strategies, as well as efficient action plans to meet the citizens' aspirations, while taking into account the existing potentialities.

Prime Minister Hamadi Jebali stressed, on this occasion, the importance of this dialogue which is meant to review drastically the past choices, develop basic healthcare services, as well as the private sector, calling on civil

society components to present suggestions to promote health services across the country.

Mr. Jebali pointed out that 7.5% of the State budget are appropriated to the health sector, adding that increasing this rate is not planned for the time being, because such a rise would have direct impacts on development and other social services, and it would be detrimental to the other sectors.

He added that health costs have gone up for both the State and families, a situation that dictates the adoption of a balanced system which takes into consideration the citizens' expectations and ensures preservation of the State's financial balance.

Ambassador and Chief of the European delegation in Tunisia Laura Baeza Giralta expressed the European Union's preparedness to support Tunisia's efforts to reform its healthcare system.

Representative of the Regional Office of the World Health Organisations (WHO) in Tunisia Samir Ben Yahmed pointed out that the opportunity exists to carry out an in-depth review of past concepts and work out a new health policy, reasserting WHO's readiness to back up Tunisia in this area.

### **Tunisia adheres to International Convention on Mutual Administrative Assistance in Tax Matters**

5 October 2012

A Cabinet meeting looked, on 4 October 2012, at a draft law stipulating the ratification of the International Convention on Mutual Administrative Assistance in Tax Matters.

Once adopted by the National Constituent Assembly, Tunisia will be the first country in Africa and the Arab and Islamic world to adhere to this convention, ratified by the Council of Europe, OECD and 38 other countries.

### **'Situation of human rights defenders in Tunisia improves but challenges still need to be met', United Nations Special Rapporteur on situation of human rights defenders**

5 October 2012

"Tunisia has made progress in matters of defence of human rights, but challenges still need to be met," Mrs. Margaret Sekaggya and Reine Alapini-Gansou, United Nations Special Rapporteur on situation of human rights defenders and Special Rapporteur on human rights defenders in Africa, respectively, underlined at a joint statement at the end of a one-week visit.

During her visit, Mrs. Sekaggya met Justice Minister Noureddine Bhiri. The meeting was an occasion to discuss co-operation prospects in matters of the judiciary system's reform, notably as regards the independence of magistracy and the establishment of a legal system in compliance with international pacts.

## DIPLOMACY

### **President Marzouki in New York**

President Mohamed Moncef Marzouki took part in the 67<sup>th</sup> session of the United Nations General Assembly in New York.

Mr. Marzouki delivered a speech to the UN General Assembly, in which he officially presented the project of the creation of an International Constitutional Court, which would be a constitutional instrument to denounce the falsification of elections and serious violations of Human Rights.

At a high-level meeting devoted to looking at political and security developments in the Sahel and Sahara region, President Marzouki stressed, on 24 September 2012, the need to take up security challenges in Mali and adopt an approach likely to allow to reach pragmatic solutions to the security drift in the region.

"The success of this approach requires imperatively the adoption of a solution in matters of both security and development, notably in light of the state of poverty and marginalisation prevailing in the region," he reckoned.

President Marzouki stressed the need to increase efforts of co-ordination between the Sahel and Sahara states and Arab Maghreb countries notably in the field of security.

This meeting was attended by UN Secretary-General Ban Ki-moon, French President François Hollande, US Secretary of State Hillary Clinton as well as delegates of the African Union and the UN General Assembly.

President Marzouki conferred, on 26 October 2012, at the premises of the United Nations in New York, With UN Secretary General Ban Ki-Moon who expressed admiration at the peaceful democratic transition process Tunisia is living through.

The UN Secretary General pointed out that the drafting of a new constitution enhances the credibility of this experience which, he said, enjoys consideration and interest at the international level.

President Marzouki stressed, on the occasion, that Tunisia is making great steps forward on the way of establishing a democracy that breaks with dictatorship, adding that there is consensus about the rapid holding of the next elections in Tunisia.

President Mohamed Moncef Marzouki had also in New York, a series of talks with several European leaders. These meetings allowed to discuss means to develop and extend Tunisia's relations of cooperation with these countries.

### **President Marzouki takes part in the Second 5+5 Dialogue Summit**

6 October 2012

President Mohamed Moncef Marzouki took part in the Second 5+5 Dialogue Summit of the heads of state and government of the western Mediterranean countries, held in Valetta on October 5-6.

During his stay in Malta, Mr. Marzouki met with France's President François Hollande, Malta's Premier Lawrence Gonzi and several Maghreb leaders.

He also delivered an address before the heads of state and government who attended the summit.

"It is necessary to give a fresh impetus to the 5+5 Dialogue," President Marzouki said in his address.

President Marzouki added: "security in Europe depends on security in the Mediterranean."

"We have an urgent need in matters of infrastructure and it will also be a stimulus for the European economy," he noted, citing a project to connect the Tunisian solar energy production systems to the European networks.

"The opportunities for co-operation and solidarity in European and Maghreb countries could help iron out the current difficulties we are facing," he emphasised, calling for ending violence and enhancing democratic values.

"For the first time in our history, we share the values of democracy," said President Marzouki at the opening ceremony of the first 5+5 Summit held since nine years.

### **Prime Minister Jebali pays a visit to Brussels**

3 October 2012

Prime Minister Hamadi Jebali payed, on 2 October 2012, a one-day working visit to Brussels, at European Commission (EC) President José Manuel Barroso's invitation.

The Prime Ministry pointed out that the visit is part of "the regular political consultations between Tunisia and the European Union (EU), and is an occasion to "assess Tunisian-European relations."

Accompanied by an important delegation, the Prime Minister held talks with European Council President Herman Van Rompuy, EC President José Manuel Barroso, European Parliament Speaker Martin Schulz and EU High Representative for Foreign Affairs and Security Policy Catherine Ashton.

Tunisia wishes to accede to the status of an advanced EU partner and to create a Tunisia-EU free-trade zone.

During this visit, two funding conventions, worth a total of 37 million Euros (about 74 million Tunisian dinars), were signed in Brussels, between Tunisia and the European Union (EU).

The first convention provides for the financing of a support programme to the reform of justice, by means of 25 million Euros. The second agreement is designed to assist health care services in the underprivileged regions of the country, by means of 12 million Euros.

Prime Minister Jebali met also with his Belgian counterpart, Mr. Elio di Rupo.

### **President Marzouki attends Third South American-Arab Countries Summit in Lima**

2 October 2012

President Mohamed Moncef Marzouki attended the 3rd South America-Arab Countries Summit (ASPA) held on October 1-2 in Lima, Peru.

On the agenda of the summit was the identification of mechanisms to reinforce economic and cultural relations between the Arab world and Latin America.

The point was also to set up "a coalition of the South" allowing to work out a development model that meets the aspirations of Arab and Latin American peoples.

President Marzouki pointed out, on this occasion, the "importance of endeavouring to build an economic system that helps this regional group lay the foundations of a real partnership, achieve development and social justice and boost South-South co-operation."

He announced that Tunisia will sign a partnership agreement with the Southern Common Market "Mercosur," which gathers the countries of Latin America, pointing out that this agreement will help "reinforce economic ties and facilitate trade exchanges with this regional bloc".

He asserted Tunisia's readiness to host ASPA Agriculture Ministers's Meeting, which will focus on the development of this strategic sector.

President Marzouki also called for establishing an academic and scientific co-operation between the two sides, by opening a university that teaches the Arab language and literature and favours interaction between the two civilisations.

In another connection, Mr. Marzouki laid emphasis on the Palestinian people's right to establish their independent State with Al-Quds as capital.



President Marzouki met with Peruvian President Ollanta Humala. The development of Tunisian-Peruvian relations and the identification of means to strengthen relations between the Arab world and Latin American countries were the main subjects discussed at this meeting.

### **Tunisian PM urges Arab intervention in Syria**

2 October 2012

NHK - Tunisia's Prime Minister Hamadi Jebali says Arab countries should step up their involvement in Syria, with a possibility of military intervention.

Jebali spoke to NHK in Brussels on 2 October 2012 following his talks with European Council President Herman Van Rompuy. The Arab Spring uprising that engulfed Syria and other nations in the Middle East and North Africa started in Tunisia.

Jebali said all possible means should be employed against Syria to oust a dictator. He said military intervention should be considered as a way to end the deadlock.

But Jebali rejected the possibility of the United States and European countries taking the lead. He said that type of intervention would bring chaos as happened in Iraq and Afghanistan.

The prime minister said he supports interventions by Arab nations, adding that stopping civilian casualties in Syria is their obligation.

Jebali also referred to the US-made video that triggered widespread protests in Muslim countries, leaving many dead or injured in Tunisia.

He called for Western nations' understanding of Islam. He also pledged to crack down on violence by Islamic extremists who are gaining ground in Tunisia.

### **FM takes part in Friends of Syria Group meeting in New York**

1 October 2012

FM Rafik Abdessalem took part in the Friends of Syria group meeting held on 29 September 2012 in New York, on the sidelines of the UN 67th General Assembly.

The Friends of Syria group supports the opponents of Bashar Al-Assad's regime and is made up of 70 countries, including Arab countries, European Union countries, U.S. and Turkey. The group's first meeting was organised last February 24 in Tunis.

The New York meeting was chaired by U.S. Secretary of State Hillary Clinton, with attendance of the group member countries' foreign ministers, Arab League Secretary-General Nabil El-Arabi and UN Under-Secretary-General for Political Affairs Jeffrey Feltman.

In his address, Mr. Rafik Abdessalem called on the international community "to provide support" to the United Nations special emissary to Syria Lakhdar Brahimi and "guarantee the conditions of success to help all stakeholders in the Syrian crisis reach a settlement that suits the Syrian people and meets their expectancies".

He exhorted the international community to "support the humanitarian efforts to alleviate the Syrian people's suffering and back up the action of Syria's neighbour countries regarding refugees". Mr. Abdessalem reminded of Tunisia's initiative to set up a camp for the Syrian refugees in Jordan supervised by a Tunisian medical staff.

### **US presents new programmes of aid to Tunisia**

24 September 2012

US Deputy Secretary of State for Economic, Energy and Environment Affairs Robert D. Hormats presented on 21 September 2012 new programmes of aid to Tunisia.

These programmes aim to develop the exporting capacities of Tunisian SMEs and boost financial co-operation at both bilateral and multilateral levels. The point is also to provide Tunisia with technical assistance to identify brakes on growth and donations of over 9 million dollars.

At his talks in Washington with Foreign Minister Dr. Rafik Abdessalem, Hormats also affirmed that the US is willing to "react positively to any new Tunisian proposal to strengthen co-operation between the two countries.

### **FM meets in Washington D.C. with US Secretary of State**

22 September 2012

US Secretary of State Hillary Clinton announced on 21 September 2012 that she intended to visit Tunisia next December to attend the 9th session of the Forum for the Future and discuss with Tunisian officials means to develop bilateral co-operation in all fields.

At the end of the talks she had in Washington with Foreign Minister Dr. Rafik Abdessalem, she voiced satisfaction at the security measures taken by Tunisian authorities to protect the US Embassy and diplomats.

Dr. Abdessalem, on a working visit in Washington on 21 September 2012, deplored last week's violence, saying these acts do not reflect the actual image of post-Revolution Tunisia.

He reaffirmed in this respect Tunisia's commitment to protecting diplomatic missions and fighting violence whatever its origin, in compliance with the law, general liberties and human rights.

According to a communiqué released on 22 September 2012 by the Foreign Ministry, the meeting allowed to stress that "the attack against the US Embassy and School in Tunis can by no means affect the close friendly relations between Tunisia and the United States".

This attack, reads the communiqué, will not demotivate Washington to carry on its support to Tunisia's democratic process on which The US is betting as a model for the whole region.

### **PM confers with U.S. Deputy Treasury Secretary**

13 September 2012

Prime Minister Hamadi Jebali conferred, on 11 September 2012 in Carthage, with U.S. Deputy Secretary to the Treasury Neal Wolin.

The Prime Minister offered us, during the talk, his condolences following the American diplomats' assassination in Benghazi, Libya, said the American official after the talk.

The talk was also an occasion to review a set of economic issues and means to develop co-operation between the two countries, he underlined.

"The United States is prepared to carry on supporting to Tunisia, a strong partner, in this stage of economic transition," specified Mr. Wolin.

### **Tunisia takes part in 16th Non-Aligned Movement Summit in Tehran**

2 September 2012

Tunisia took part starting from Thursday in the 16th Summit of the Non-Aligned Movement, held in the Iranian capital Tehran (26-31 August 2012).

Foreign Minister Rafik Abdessalem led the Tunisian delegation to the summit.

On this occasion, Tunisia reasserted its stands on current international and regional issues, more particularly on means to establish international relations that favour setting up of a fair partnership, within the framework of compliance with international laws and conventions, and sovereignty of the states, and achievement of peoples' right to freedom and self-determination.

As one of the founding members of the Movement, Tunisia took part in 1961 in Belgrade in its first summit.

It has, ever since that date, endeavoured to disseminate the Movement's principles and values, including mainly equality between the States and peoples, commitment to the objectives of the United Nations Organisation, peaceful settlement of conflicts between countries and laying down the foundations of mutual co-operation.

## **BUSINESS & ECONOMY**

### **State Budget 2013 expected to rise by 3.1 percent - Interim Finance Minister**

7 October 2012

The state budget for next year is expected to stand at 26 billion and 342 million dinars, against 25 billion and 401 million dinars in 2012, that is a rise of 3,1%, interim Finance Minister Slim Besbes announced in an interview with TAP news agency, saying that the aim is to reach a growth rate of about 3,5% and keep the budget deficit at 5,9%, compared with 6,6% this year.

### **Standard & Poor's encourages Islamic finance in Tunisia**

3 October 2012

In a report on Islamic finance in North Africa, the rating agency Standard & Poor's (S & P), highlights improvements of the prospects of Islamic finance in countries of North Africa, provided that regulators, policymakers and banks, create a climate of trust.

According to S & P, the development of Islamic banking in Egypt, Morocco and Tunisia could alleviate financing constraints facing these economies.

Experts from the rating agency does not expect, however, "significant development for two to three years at least."

It is important to remember that Islamic finance currently represents only 5% of banking assets in North Africa.

### **Benetton chooses its Tunisian plant as model for environmental program**

2 October 2012

An agreement has been signed between the Italian Ministry of Environment and the Benetton Group to reduce the environmental impact of the textile and fashion chain.

The Benetton Group has selected its production site in Tunisia as a reference for the start of this ambitious program for the rational use of energy and rationalization of CO2.

The agreement was signed by Minister Corrado Clini and President of the Plant, Alessandro Benetton.

The project "gives value to the Italian competence and expertise and falls within the framework of international agreements under the UN Framework Convention on Climate Change," said Minister Clini.

The agreement will also measure the energy consumption and environmental impact, and "represents a commitment taken by the plant to reduce the environmental impact of products," he added.

"We started from Tunisia because this country is the benchmark of Italian companies in North Africa," Clini said.

### Tunisia ranked 59th in terms of innovation

28 September 2012

Tunisia was ranked 59<sup>th</sup> in terms of innovation, out of a total of 141 countries, according to the Global Innovation Index 2012 that is the GII. The report in its fifth edition was realized by the World Intellectual Property Organization (WIPO) and the European Institute of Business Administration (INSEAD). It is based on innovation efficiency of and on the tools favoring innovating activities that are implemented in the countries covered by the GII.

With a score of 36.5 out of 100, Tunisia 59<sup>th</sup> is better positioned this year, compared to the 2011 ranking (66<sup>th</sup> with a score of 33.89). It is followed by Lebanon (61<sup>st</sup>), Turkey (74<sup>th</sup>), Morocco (88<sup>th</sup>), Egypt (103<sup>rd</sup>) and Algeria (124<sup>th</sup>).

Tunisia performed particularly well in the fields of creative results (46<sup>th</sup>), the institutional framework (49<sup>th</sup>), human capital and research (60<sup>th</sup>) and infrastructure (64<sup>th</sup>), knowledge and technology (69<sup>th</sup>), business sophistication (82<sup>nd</sup>) and market sophistication (105<sup>th</sup>).

According to WIPO, the global innovation index is an indicator of the important role that innovation plays as a driver of economic growth and prosperity.

It is also presented as a valuable comparison tool to encourage dialogue between public and private sectors, enabling policy makers, business leaders and other stakeholders to continuously evaluate the achieved progress.

### FDI performance in the first eight months of 2012

27 September 2012

At the end of the eight first months of 2012, foreign investment in FDI and portfolio, reached 1 436.3 MTND compared to 1 157 MTND in the eight first months of 2011 recording hence a growth of 24.1 %.

Compared to the same period of 2010, with the achieved 1532.9 MTND, foreign investment declined by 6.3%.

Foreign investment in the eight first months of 2012 is distributed as follows 1365.4 million dinars in FDI and 70.9 million dinars in portfolio, compared to respectively 1 099.3 and 57.7 million during the same period of 2011.

The growth of FDI flows noted in the eight first months of 2012 was of 24.2 % compared to 2011 and of 2.1 % compared to 2010.

The eight first months of 2012 were characterized by the following business activities: 80 new companies started production, 109 expansion operations were conducted and resulted in the creation of 7 501 new employment positions, that is an increase of respectively 3.26 % and 3.87 % compared to the number of created positions during the same period of the years 2011 and 2010.

The analysis of FDI flows by sector reveals a concentration on the energy and manufacturing industries for respective values of 860 MTND and 313.4 MTND.

The analysis by sector of foreign direct investment excluding shows that:

- The sectors of tourism and real estate experienced significant increases from 10.9 MTND in the first eight months of 2011 to 74 MTND over the same period of 2012. Compared to the same period of 2010 the increase is of 2.4 %,
- The sector of service activities declined by 26.6% compare to the 1st eight months of 2011 (89 MTND against 121.2 MTND over the same period of the previous year) and a decrease of 8.5 % compared to 2010,
- The agricultural sector attracted only 3.6 MTND or 0.8 % of FDI flows excluding energy,
- The manufacturing industries sector realized 313.4 MTND in the 1st eight months of 2012 compared to 245.2 MTND and 305.1 MTND over the same period of 2011 and 2010 recording respective increases of 27.8 % and 2.7 %.

A more exhaustive analysis of the distribution of FDI within the manufacturing sector reveals a strong polarization in favor of certain activities. In this regard, electrical and electronic industries rank first in terms of invested amounts (79.5 MTND) and job creation (2,737), followed by mechanical engineering (62.1 MTND), construction material industries (59 MTND) and textiles and garment (33 MTND).

### Tunisia: Oxford Business Group points to short-term growth prospects

As foreign direct investment (FDI) and tourism receipts begin to pick back up in Tunisia, several key economic indicators have improved over the first half of 2012, said the Oxford Business Group (OBG).

While high levels of current expenditures and investment will continue to put pressure on public finances, authorities are optimistic for a return to economic growth in 2012.

Tunisian authorities project that annual GDP growth may reach as high as 3.5% in 2012, while the IMF has released a more conservative estimate of 2.7% annual growth.

In addition to economic uncertainty surrounding the 2011 political revolution that ousted former president Ben Ali and ushered in a new government, the economy was also affected by conflict in neighboring Libya and the economic downturn in the EU, Tunisia's largest export market. GDP contracted by 1.8% in 2011, a sharper decline than was seen in Egypt, according to the IMF.

However, activity picked up in several key industries in late 2011 and early 2012, and real GDP expanded by 4.8% year-on-year (y-o-y) in the first quarter of 2012. While the country's economic progress remains fragile, solid gains in tourism, industrial production and FDI flows should help to buoy overall economic performance in the short term.

Tourism receipts, one of Tunisia's key sources of foreign currency revenue, rebounded to reach TD1.8bn (€882.29m) between January and August 2012, a 35.3% increase from TD1.3bn (€637.21m) in the same period in 2011. Sector revenue was cut by one-third over the course of 2011 as political uncertainty in Tunisia and the economic downturn in Europe slowed tourist arrivals.

FDI inflow has also begun to improve, after dropping by 26% in 2011, as many investors adopted a "wait-and-see" stance. However, the IMF indicated that by June 2012 FDI had increased by 28% y-o-y, and figures published in August by Tunisia's investment promotion agency (Agence de Promotion de l'Innovation et de l'Industrie, APII) showed that FDI had nearly regained 2010 levels.

The APII report stated that FDI in the first half of 2012 totaled TD1.12bn (€548.98m), just 3% lower than levels seen in the same period of 2010. FDI was particularly concentrated in manufacturing, and the sector expanded by 2.5% in the first quarter of 2012, according to Tunis Afrique Presse (TAP), the national press agency.

Returning foreign investment is a positive sign for economic recovery, but Tunisia must still confront the fact that its external position has weakened considerably since 2010. As economic production slowed, Tunisia's current account deficit expanded to 7.3% of GDP in 2011 from under 5% in 2010.

Global food and fuel prices have remained high in 2012, and the IMF projects the deficit will remain at 7% of GDP this year. Tunisia's foreign reserves dropped to €5.77bn at the end of 2011, equivalent to 3.8 months of imports, from €7.21bn in 2010. Despite increasing FDI, rising import levels have contributed to a further decline of foreign reserves to €5.16bn by the end of June 2012, equivalent to 3.1 months of imports.

However, Tunisia has maintained relatively strong fiscal policies throughout the transition, which have helped to keep the fiscal deficit and public debt at manageable levels. The government raised current budget spending to address social demands during the crisis, including public sector wage hikes, food and energy subsidies, and social programs to address critical issues, such as youth

unemployment. As a result, the overall fiscal deficit expanded from 1.1% in 2010 to 3.5% of GDP in 2011.

A July 2012 IMF report recognized, however, that a temporary increase in public expenditures may be crucial to re-stimulating economic growth and will be feasible in the medium term. Public debt increased to 44.4% of GDP in 2011, up from 40% over the past decade, and may climb to the still-manageable level of 46.5% of GDP over the medium term, according to IMF estimates.

However, much of Tunisia's economy is still linked to Europe; if the eurozone crisis worsens, decreased demand from EU countries may jeopardize Tunisia's initial gains, particularly as its weaker external position makes the country more vulnerable to external shocks.

The July IMF assessment indicated that while its banking system is fairly well protected from the effects of the eurozone crisis, Tunisia stands to be considerably affected through decreased tourism, trade and FDI flows.

While sustained economic recovery will depend to a large extent on economic conditions in Europe and the "wait-and-see" attitudes of investors, responsible fiscal policies have kept Tunisia's economy in a solid position into early 2012.

With increased public spending this year meant to ease social conditions, decrease unemployment and stimulate economic growth, the government will need to take measures to balance this spending elsewhere in the budget. As prices rise, the state has indicated its willingness to tighten monetary policy to contain inflationary pressures. The government has stated it expects to receive €2.46bn of external financial support by the end of the year, which will help to underwrite the 2012 budget program in hopes of seeing a stronger return to economic growth in 2013.

### **Tunisian Government seeks US guarantees in borrowing**

14 September 2012

Tunisia expects that the U.S. guarantees at least one fifth of the 2.2 to 2.5 billion dollars that Tunisia plans to borrow from international markets.

This statement was made by Riadh Bettaieb, Minister of Investment and International Cooperation, who stated that "Washington had offered to secure a loan of \$ 500 million to help Tunisia to reduce the interest rate (of its borrowing on the international market) to the limits of 1.68%."

The minister, who did not say whether his Government would use this same U.S guarantee for the loan of \$ 485 million borrowed by Tunisia during the last year, spoke of a possible intervention of Japan and the Bank World "to help the government to raise funds in 2013."

After significant declines over the last decade, the public debt of Tunisia made a dramatic growth reaching 51% of GDP at the end of 2011, against 48% at end 2010.

According to estimates of the International Monetary Fund (IMF), the rate will reach 56% by the end of next year.

The current Government had borrowed \$ 4.3 billion dinars (\$ 2.37 billion) in 2012, based on reports suggesting a growth rate expected in the range of 3.5% against a negative growth of -1.8% in 2011.

### **Foreign currency reserves will rise to 120 days of imports in November**

13 October 2012

Tunisia's foreign currency reserves will start to increase in November 2012, the official TAP news agency said on 13 October 2012.

Minister Responsible for Economic and Social Affairs Ridha Saidi was quoted as saying the country's foreign currency reserves will rise, starting from November, from 95 days of imports to 120.

The expected increase come after the mobilization of 3.5 billion dinars (about 2.7 billion U.S. dollars) from loans and fundings.

### **Tunisia: Growth at 3.3% in first half of 2012**

13 September 2012

The Gross Domestic Product (GDP) went up by 2.1% at constant prices during the second quarter of 2012, on a year-on-year basis, according to figures from the National Institute of Statistics (INS).

In doing so, the Tunisian economy posts a growth rate of 3.3% for the first half of 2012.

This rise is due to the increase in production and value added of the agricultural sector to the tune of 3.9% of the market services sector (5%) due to the growth recorded in the sectors of hotels and cafes (13.4%), transport sector (9.5%), while the services sector kept its growth for the first time with an increase of approximately 6.4%.

At the same time, the manufacturing sector declined by 5.2% due to the fall of production in the textile and mechanical and electrical industries by 8.6% and 8.2%, respectively, compared with the second quarter of 2011, and the non-manufacturing sector whose production decreased by 2.9% during the second quarter of 2012.

### **Creation of 5,522 new companies in Tunisia to end of August 2012**

27 September 2012

During the first 8 months of 2012, the activity of legal creation of companies within the one-stop shop of API (Industry Promotion Agency) has increased by 34.7%, according to the Ministry of Industry. And 5,522 companies were created, against 4,099 in the same period of 2011.

At the end of August 2012, industrial exports totaled 13,946 MD, representing an increase of +1.5% compared to the same period of 2011. This growth is mainly due to a 2.7% rise in exports of mechanical and electrical Industries (6,336 MTD against 6,172 MTD), a 23.7% increase in chemical industries and a 6.2% growth in agro-food.

### **Tunisia: "Germany on course to becoming first European partner"**

14 September 2012

"Germany is on a course to becoming the first European partner of Tunisia," Secretary of State for European Affairs Touhami Abdouli said on 11 September 2012 in Berlin.

"Unlike France, the first current partner of Tunisia, Germany reacts with the Tunisian Revolution as an "exceptional" event.

In addition, it is willing to develop economic relations and investment in Tunisia," said Mr. Abdouli who was heading a Tunisian delegation to Germany to participate in a Tunisian-German Inter-Ministerial Council to develop a plan for bilateral cooperation in the coming months.

At a reception held at the residence of the Ambassador of Tunisia to Berlin, he explained that France has built, so far, "traditional relations with Tunisia."

Present at the reception, German Secretary of State for Foreign Affairs Emily Haber reaffirmed her country's commitment to support the democratic transition process in Tunisia and to make available the necessary German expertise in all sectors.

"German officials have never embarked on a marathon consultations and visits Tunisia as they have done since the Revolution," she noted.

"This effort resulted in the conversion of a first tranche of € 30 million (60 million dinars) of Tunisian debt into development projects in poorest regions," she recalled.

The German Government decided in May 2011 to convert up to € 60 million of Tunisian debt for the construction of sixty projects particularly in the areas of vocational training, the fight against unemployment, liberalization trade and optimize working methods in the field of culture and media.

The Tunisian delegation participated in a two-day Tunisian-German ministerial council meeting in Berlin.

This meeting provides an opportunity to strengthen the Tunisian-German cooperation in the areas of employment, vocational training, energy, security, justice, culture, education, the consecration of democracy and good governance and support to civil society.

It also examines ways to accelerate the access of Tunisia advanced status with the European Union.

### CULTURE

#### **"Babylon" to participate in Arab Spring Film Festival**

15 September 2012

Documentary "Babylon" of Tunisian film-makers Ismael, Youssef Chebbi and Ala Eddine Slim, has been shortlisted to take part in the Second Arab Spring Film Festival, held on September 28-30 in Paris.

The 119-minute documentary film deals with life in the Shusha refugee camp, on the Tunisian-Libyan border, in the spring of 2011.

The film had been awarded the great prize at the last Marseilles International Film Festival.

#### **"Cultural Diversity," theme of International Workshop in Hammamet**

6 September 2012

An International Workshop on Cultural Diversity "Connections" was held on 6-8 September 2012 in Hammamet.

The three-day event was organised as part of co-operation between the Culture Ministry, the United Nations Educational, Scientific and Cultural Organisation (UNESCO) and the German Commission for UNESCO, with the participation of about 100 persons from 30 countries working in international organisations and commissions interested in cultural action as well as specialists and representatives of a number of Tunisian associations.

Works of the opening day turned on means to make the most of cultural diversity, international cultural experiences and recourse to new methods to help develop resources and enhance cultural specificities.

Mrs. Christine Merkel, Culture Division Director in the German Commission for UNESCO, said that the workshop is an occasion to get acquainted with the various cultural experiences, so as to boost cultural action that favours consecration of citizenship.

### SPORTS

#### **London 2012 Paralympics - Tunisia's team honorable performances**

12 September 2012

Tunisia's team, who had taken part in the London 2012 Paralympics, were warmly welcomed, on 11 September 2012 evening at their return to Tunis, by Prime Minister Hammadi Jebali and a large number of ministers in acknowledgement and encouragement of their honourable performances at the Paralympic contests.

Tunisia's team finished 14th at the medal table of the London 2012 Paralympics. They topped Arab and African standings and ranked second at the Mediterranean level behind Italy, totaling 9 gold medals, 5 silver and 5 bronze