

Tunis, June 28<sup>th</sup>, 2012

## Ministry of Investment and International Cooperation of the Republic of Tunisia

### Press Release

In order to achieve its development goals, the Government of Tunisia is endeavoring to create a favorable environment for renewed sustained economic growth, to promote social and economic inclusion and further strengthening good governance. To this end, the Government of Tunisia has and will continue to pursue a macroeconomic policy founded on principles of sustainable budget deficits and viable public debt. The Government has ascertained, during the preparation of the 2012 supplementary budget that public debt levels and ratios were at tolerable levels even for the medium-term.

At this time, Tunisia's external indebtedness is at acceptable levels even when taking into account emerging economy principles, as Tunisia's debt mainly consists of bilateral and multilateral loans which finance development projects. Disbursements of such funds are made in accordance to Tunisian and donor's procurement regulations. These development projects are subject to rigorous annual audits by independent auditors as well as comprehensive evaluations at the time of completion of such projects.

For decades, Tunisia has and will continue to honor its financial obligations towards multilateral and bilateral donors. Furthermore, Tunisia has never requested debt re-scheduling even during the most dire economic times. The Government in place emanates from the outcome of free and transparent elections which took place on October 23, 2011. This Government continues to honor sovereign debt commitments and as such continues to benefit from high levels of confidence from its international partners who have reiterated their commitment to financing Tunisia's democratic transition process by providing grants, concessional loans and guarantees to access international financial markets.

In the short term, the Government of Tunisia remains committed to implementing social and economic reforms and will need to continue to rely on key development partners to ensure the success of its reform process. Moving forward, Tunisia will continue to further strengthen its bilateral and multilateral partnerships with international institutions and with its many friendly countries all while respecting its prior agreements.

During the first quarter of 2012, economic indicators confirm the resumption of growth characterized by an increase in foreign direct investment, a good agricultural season and the consolidation of service sector activities mainly in tourism and transport.