



Automotive components Industry in Tunisia

Invest in Tunisia



1

AUTOMOTIVE COMPONENTS INDUSTRY, THE DRIVING ENGINE OF TUNISIAN INDUSTRY

Over the past decade, production and exports in the automotive industry have achieved an average **annual growth of 12%**.

The sector features:

- **Over 260** companies 65% of which are totally exporting,
- **Over 130** foreign companies,
- **Over 80,000** jobs,
- **more than € 2 billion** of exported auto spare parts,
- **40%** integration rate.

The main **exported products** are:

- bodywork equipment,
- safety devices,
- exhaust equipment,
- motor equipment,
- water and gas pumps,
- electronic and electrical components.

Tunisia is among EU top 10
suppliers of cable
harnesses.

Tunisia is the **2nd**
exporter of
automotive components
in Africa.

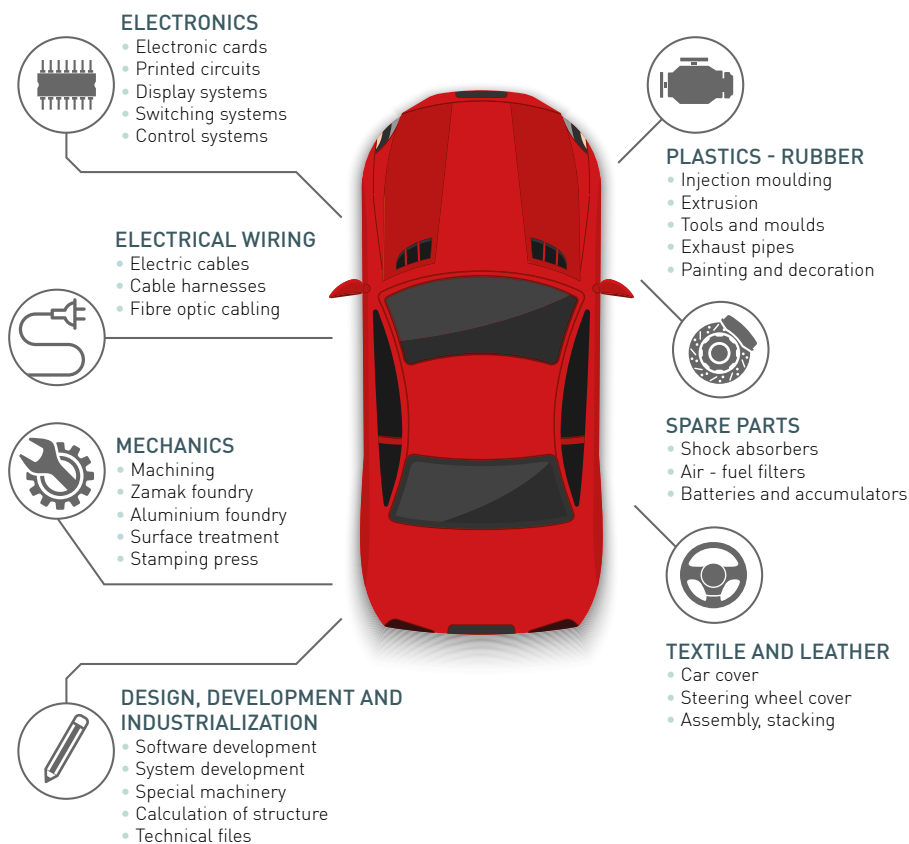
“ Over the years, the arrival of new suppliers [in Tunisia] has allowed us to develop and diversify our purchases in a **wide variety of parts** (electronics, plastics, mechanics ...).
Tunisian suppliers meet all the specifications required by PSA, in particular in the areas of **quality, competitiveness, social and environmental responsibility and industrial efficiency**. This is why I awarded three Tunisian plants the 'Best Plant Award' in 2016. ”

Mr. Yannick Bézard
Sales Manager, PSA Group

NICHES AND OPPORTUNITIES FOR INVESTMENT

The automotive industry in Tunisia is experiencing a steady growth rate that has allowed the development of several industrial **branches** mainly within automotive components.

The branches represented in the automotive sector in Tunisia



3

INSPIRING SUCCESS STORIES

Several major global equipment manufacturers are based in Tunisia, such as:

- ACTIA GROUP (France)
- AMPHENOL (United States)
- AUTOLIV (Sweden)
- CASCO AUTOMOTIVE GROUP (United States)
- COROPLAST (Germany)
- DELPHI PACKARD (United States)
- DRÄXLMAIER (Germany)
- KASCHKE KG GMBH & CO (Germany)
- KROMBERG & SCHUBERT (Germany)
- LEONI (Germany)
- MGI COUTIER (France)
- PLASTEEL- ALTIA GROUP (France)
- PLASTIVALOIRE (France)
- SUMITOMO (Japan)
- VALEO (France)
- VISTEON (United States)
- YAZAKI (Japan)
- YURA CORPORATION (South Korea)

These equipment manufacturers supply **major car manufacturers** such as: Audi, Citroën, Fiat, Mercedes, Peugeot, Renault, Seat, Volkswagen ...

Tunisia is the **only country in Africa** with local companies, active in the automotive components sector and developed worldwide, namely in Romania, Portugal, Mexico, China...

These companies cover the different stages of the value chain.

Coficab

is ranked **1st in Europe** in its field of activity with a market share of about 45%.

It is one of the **top 2 companies in the world** and has a market share of more than 15%.

AUTO CABLES
Electric cables

CAVEO
Suspension products

COFAT
Electrical distribution systems

COFICAB
Electric cables

FUBA PRINTED CIRCUITS TUNISIE
Printed circuits

PLASTIC ELECTROMECHANIC COMPANY
Injection moulds, engineering plastic

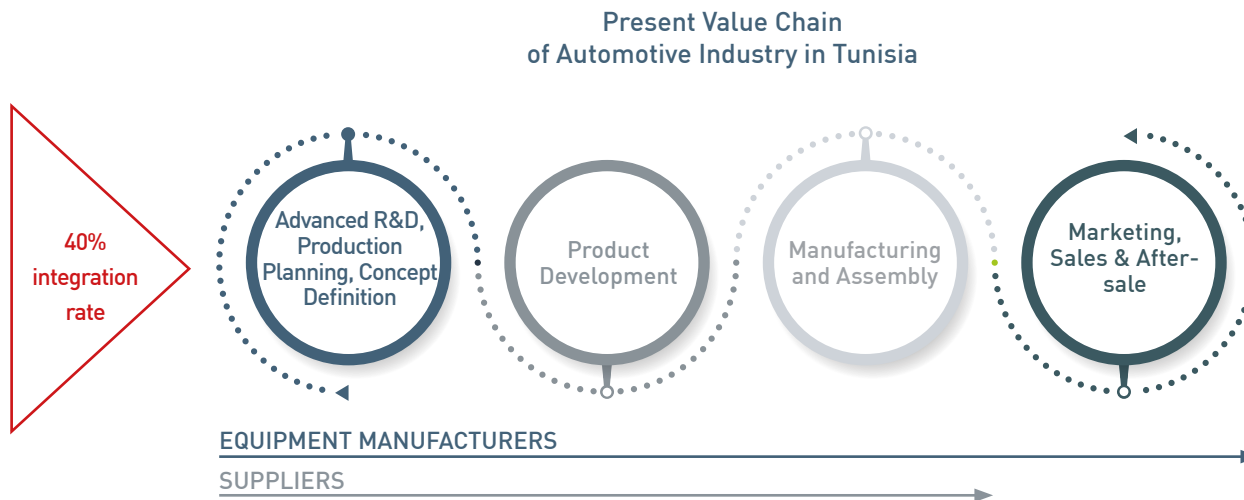
SIAAM
Shock absorbers for light and heavy duty vehicles

TELNET
Embedded software, dashboards and embedded multimedia

TTE INTERNATIONAL
Electro-mechanical components and sub-assemblies

A PERFORMING VALUE CHAIN

The automotive industry in Tunisia with its characteristic **flexibility** has developed the capacity to adapt to new trends in the sector. By **maintaining** and **improving** its R&D assets in automotive component manufacturing and by developing efficient customer services, a greater proportion of the **value** is captured on the **chain**.



Leader in North Africa in terms of **innovation in 2018**, Tunisia provides hundreds of Tunisian engineers and executives to international companies having **centres of competence** in Tunisia such as ACTIA GROUP, KROMBERG & SCHUBERT, LEONI, ST MICROELECTRONICS ...

A world-class **certification system** covers more than **34% of companies** operating in the manufacturing industry in Tunisia.

“Méditerranéenne d’Expertise et de Mesures”, a specialised laboratory in the field of dimensional metrology, provides high levels of compliance with the most stringent international requirements. The laboratory is located close to Tunis and is placed in the top 5-list of 3D measurement and calibration companies in the world.

With more than **11,700** graduates in **ICT sections**, Tunisia is accompanying the trend towards an increasingly **autonomous** production of very low energy consumption **vehicles** that are increasingly **autonomous** such as the **electric cars**, while remaining **cost effective**.

DEVELOPED TECHNOLOGICAL INFRASTRUCTURE

Apart from the existing 20,000 km long **road infrastructure**, a **railway network** of more than 2,000 km, **9** international **airports** and **7** commercial **ports**, there is an **infrastructure network specifically adapted** to car component industries.

This infrastructure adapted is constituted by:

- **a competitiveness cluster in Sousse**
- **2 operational economic parks** with high quality services in Bizerte and Zarzis
- **more than 150 industrial zones** spread all over the territory.

In addition to the existing infrastructure, there is a **deep-water port** project in Enfidha, which provides for the creation of **1,500 meters of dock space** designed to accommodate large ships with a capacity of **18,000 containers**. It will be carried out in compliance with the most recent standards.

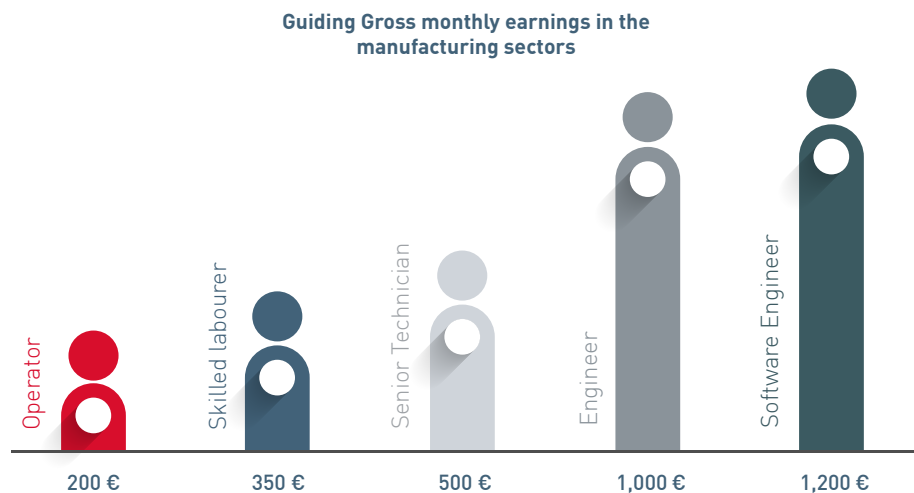


6

SKILLED, COMPETITIVE AND PERFORMING HUMAN RESOURCES

Tunisia has high-performing human resources at all levels. Always in tune with the needs of the company, they represent a rich pool of talents, constituting one of the major assets of the country thanks to their **qualification**, their **sense of adaptation** and their **creativity**.

The availability of a human resource with confirmed know-how enables Tunisia to be **well placed in terms of cost competitiveness**.



Source: FIPA Tunisia, 2016

8 engineering schools, including a school specialising in mechatronics and **36** sector specific training centres allow an **upgrade of the qualification level** of human resources and benefit **sectors with high added value**, namely, precision mechanics, mechatronics, electronics, embedded systems, engineering plastics, etc.

Tunisia is ranked
3rd worldwide in terms of
post-graduate degrees in science, engineering,
industry and construction.

The Global Innovation Index, 2016

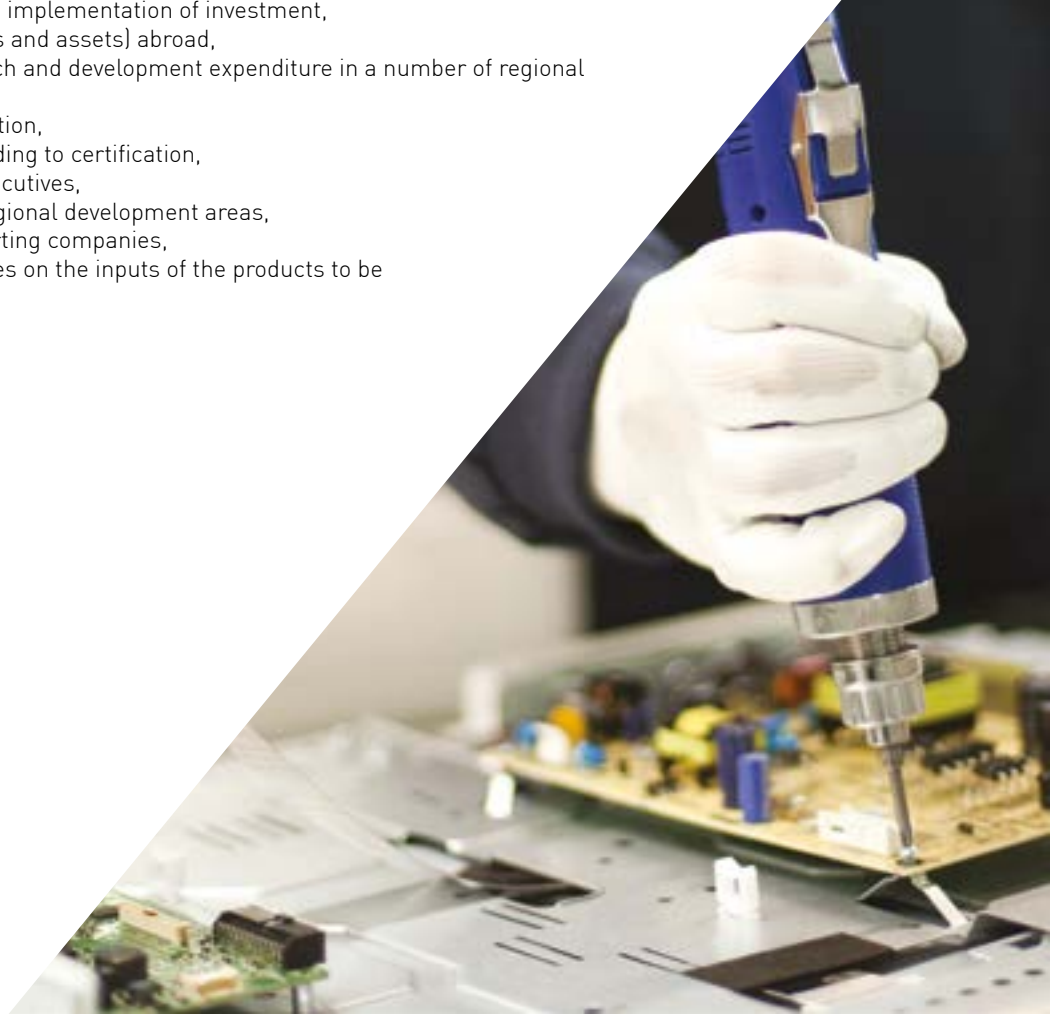
INCENTIVES TO INVESTMENT

Tunisia is a signatory to 52 double taxation agreements and 54 bilateral agreements for the promotion and protection of investments.

Efforts to promote the sector are corroborated by the relevance of implemented government policies.

These measures can be summarized as follows:

- freedom of foreign participation in the capital of offshore companies,
- freedom of access to **land ownership** for the implementation of investment,
- **freedom to transfer** funds (profits, dividends and assets) abroad,
- **grants** for intangible investment and research and development expenditure in a number of regional development areas,
- **subsidy** of the employer's statutory contribution,
- **subsidy** of the cost of training programs leading to certification,
- possibility to recruit **up to 30%** of foreign executives,
- **investment grant** for priority sectors and regional development areas,
- profit tax **rate reduced to 10%** for fully exporting companies,
- **total exemption** from VAT and customs duties on the inputs of the products to be re-exported.



SUPPORT STRUCTURES FOR INVESTMENT DEVELOPMENT

Support structures as regards administration :

- The Tunisian Investment Authority “ **TIA** ”
- The Foreign Investment Promotion Agency “ **FIPA-Tunisia** ”
- The Agency for the Promotion of Industry and Innovation “ **APII** ”
- The Export Promotion Centre “ **CEPEX** ”
- The National Institute for Standardisation and Industrial Property “ **INNORPI** ”
- The Technical Centre for Electrical and Mechanical Industries “ **CETIME** ”

Support structures on an industry level :

- The National Federation for Electricity and Electronics “ **FEDELEC** ” (linked to “UTICA”)
- The Tunisian Automotive Association “ **TAA** ”.

“ Our association is determined to support this development and to create a more favorable environment for its promotion, in order to encourage other foreign companies of the sector to set up in Tunisia ”

Mr. Nabhane BOUCHAALA,
TAA Chairman



Foreign Investment Promotion Agency



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