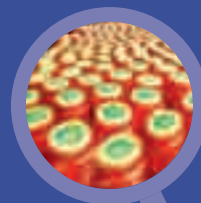


Agrofood industries in Tunisia



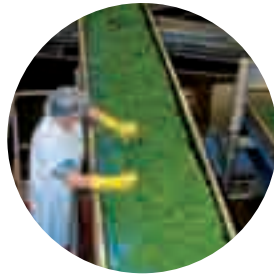
Invest in Tunisia

A dynamic sector

Nature has blessed Tunisia with plentiful and varied agricultural production. From earliest times, foreigners have been attracted by Tunisia's bountiful harvests and favorable weather. Tunisia was the granary of Rome.

Today, agrofood industry is among the first industrial activities in the country in terms of investment, with 23% of the total amount invested in manufacturing sectors and an increase of 25% since 2004.

The sector also ranks second in terms of production and of value added. Production recorded a growth of over 40% since 2004, while the rate of value added remained constant during the past five years with a value of 27% of production.



Agrofood industries in figures

- More than 1 thousand companies (10 jobs and over) employ more than 63 thousand people.
- 15% of them export their entire production.
- More than 130 companies are entirely owned by foreigners or have foreign shareholders.
- Nearly 1.6 billion Tunisian dinars are generated by exports on average each year.
- Nearly 10 billion Tunisian dinars of production in 2008.
- 280 million Tunisian dinars of investment in 2008.



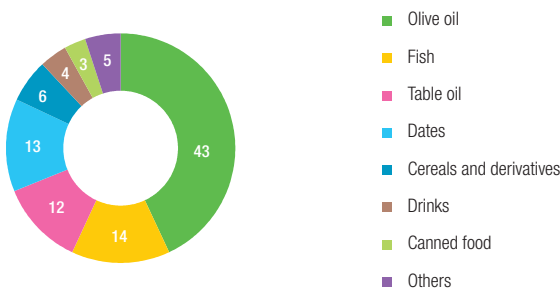
A competitive sector

Exports reached nearly 1.6 billion Tunisian dinars in 2008. They are essentially made on one of the most demanding markets, namely the European Union, in full compliance with standards of hygiene and quality. Italy, Spain and France are Tunisia's primary clients.

Tunisia is the number two world exporter of olive oil (after the European Union) and the first world exporter of dates (in terms of value).

Distribution of exports of major food products

In %



National Institute of Statistics, 2008



Olive oil is the primary agrofood product exported by the agrofood sector, with almost 180 thousand tons a year and earning amounting to an average 43% of agrofood exports. Olive oil is an age-old tradition in Tunisia.

High volume available for export and high quality have made Tunisian olive oil well known for its sensory-pleasing characteristics, solidifying Tunisia's position on its traditional markets in the EU and opening new prospects for exports to new markets like the US, Japan and Middle Eastern countries.

With an average export of about 20 thousand tons per year to a value that exceeds annually more than 200 million Tunisian dinars, **seafood represents another pillar of Tunisian exports.** They are enjoyed by Europeans, especially Italians, French and Spanish. Tunisian tuna is much sought after by the Japanese. Main exports are high-end fish (sea bream and sea perch), clams, shrimp, langoustes, cuttlefish, squid and octopus.

Dates, of which Tunisians are particularly proud, are sought after throughout the world thanks to their delicious taste and nutritional and natural qualities. Their exports have reached 70 thousand tons in 2008 valued at 209 million Tunisian dinars.

Some of Tunisia's world-renowned delicacies

- Olive oil
- Deglet Enour dates
- Maltese oranges
- Seafood.



The sector's strengths

Availability of first quality agricultural produce

Soil fertility and favourable weather conditions make Tunisia a regular producer of high quality agricultural produce, both in terms of taste of freshness.

Its potential of 10 million hectares of agricultural area with 5 million hectares of arable land, water resources of 4.5 billion m³, irrigation of 480 thousand hectares, enables the country to develop a high quality competitive agriculture.

A booming organic production

Organic production is booming; it mainly concerns olive oil, vegetables, wine etc. The total harvested area increased from 16,533 ha in 2001 to 285,400 ha in 2008. During this period (2001-2008) all organic agrofood products have recorded a considerable growth: the tonnage of organic olives was multiplied by 78, and that of dates was multiplied by 2.4.

Main production (2008-2009)

- 3 million tons of fruit and vegetables.
- 1.250 million tons of tomatoes.
- 1.046 million tons of fresh milk.
- 980 thousand tons of olive for oil.
- 300 thousand tons of citrus fruit.
- 145 thousand tons of dates.
- 100 thousand tons of seafood.

Evolution of the production of organic produces (2001-2008)

In tons

| Production | 2001 | 2008 |
|-----------------------------------|-------|---------|
| Olives | 1,615 | 125,500 |
| Dates | 1,732 | 4,200 |
| Other (cereals, fruit, vegetable) | 302 | 40,300 |

Availability of highly skilled engineers and technicians at reasonable wage costs

The agrofood sector employs 25% of the country's engineers. There are several institutes, universities and vocational training centers that turn out almost 500 specialized engineers and more than 730 skilled technicians each year. Spin-offs are an area of interest to agrofood companies as a means to create new businesses and meet the requirements of an ever more demanding world market that is very particular about quality.

Domestic consumption, growing under the impact of a better standard of living for Tunisians and ongoing growth in tourism

Tunisians, like most Mediterraneans, enjoy life to the full. They like to eat well and they consume fresh and natural products. The average Tunisian spends 34.8% of income on food. In terms of Purchasing Power Parity, this comes to \$7,900. Tunisia is also a major tourist destination, welcoming more than seven million tourists each year.

Synergy between research centers and companies

Companies in the sector are increasingly orienting their activities toward innovation, which is the key to success in this field. Several groups have already turned their production systems toward biotechnological applications, such as the DANONE and POULINA groups.

The State also intervenes in a major way. Tunisia has 62 laboratories and 270 research units in life sciences and biotechnology, representing more than 50% of the country's research potential.



A stimulating environment

Tunisia's geostrategic position and its very modern infrastructure facilitate access by businesses working in Tunisia to the main key markets.

Less than two hours flight away from European cities, Tunisia is a prime site for those who want to sell to the world's number one market: Europe.

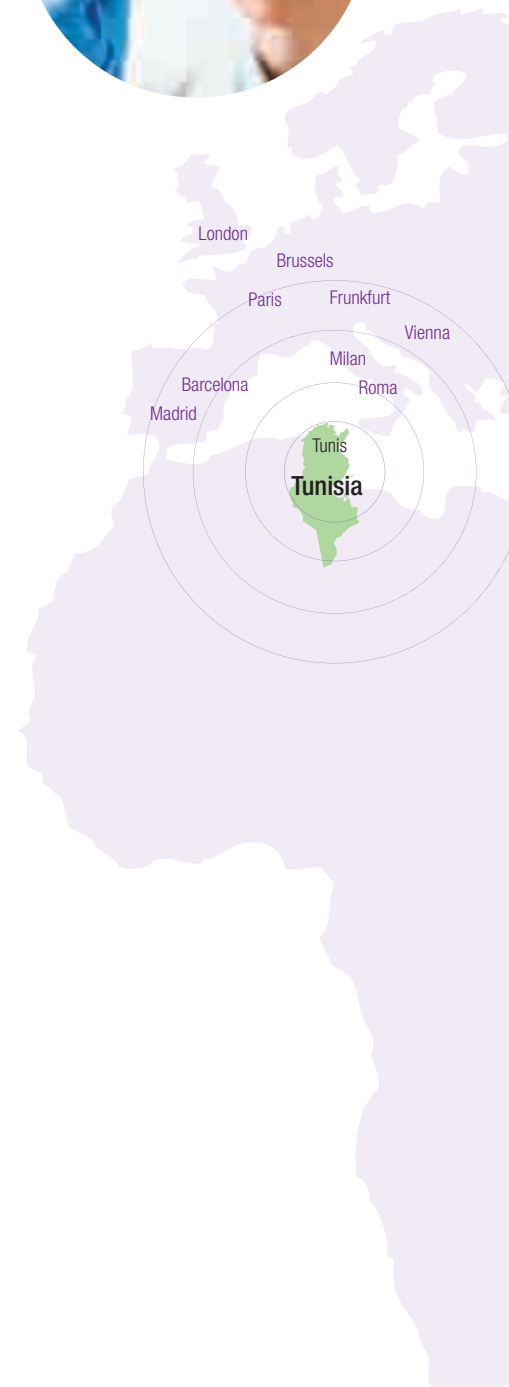
There are eight international airports throughout Tunisia and some 100 foreign airlines run more than 1,300 flights a week to Europe.

There are also six commercial ports and a modern maritime fleet that meets high standards of security and speed, with regular service to Europe's main ports.

Packaging has been considerably developed, contributing to the sector's competitiveness both on the local and export markets. The Technical Center for Packaging "PACKTEC" ensures that norms are respected in processing agrofood products.

Investment in agrofood industries can be made freely. Foreign investors can hold up to 100% of capital in a project without requiring authorization. They are also free to repatriate profits and proceeds from sale of any capital invested in foreign currency, including related gains.

Procedures for setting up a business are simple and can be carried out either at the one-stop shop at the Industry Promotion Agency "API" where representatives of the relevant administrations are available or online via the internet site www.webentcreation.tunisieindustrie.nat.tn (projects' declaration and formalities for company legal incorporation).



A technology park devoted to agrofood industry was created in Bizerte in partnership with several European agencies. Its main role consists in promoting innovation and in providing new technologies.

The investment incentives law confers a number of advantages: exemption from taxes/levies and granting of subsidies/investment premiums (7 to 25%).

Support structures available to investors. The sector benefits from the professional support of the Agrofood Technical Center "CTAA", the Institute of Nutrition and Food Technology, analysis and test laboratories (the Pasteur Institute and the Central Laboratory) and the Agrofood Union.

Very pleasant living conditions. Tunisia is a country that manages to reconcile old time tradition and modernity. Tunisians are very tolerant and hospitable.

Aside from its mild climate, many commodities are available: modern residential neighborhoods, many shopping malls and supermarkets, foreign schools, high level medical care, amusement parks, recreational facilities and major infrastructure for tourism.



A sector with strong potential for investment

Foreign investment in agrofood business reached a stock of 555 million Tunisian dinars by the end of 2008. 136 units with capital held entirely or partially by foreigners employ more than 11,500 people, 90 in partnerships.

Several large groups have chosen Tunisia to expand activities and prosper:

ALSA, BECK'S, CANDIA, COCA COLA, CRISTAL, CHAMBOURCY, FROMAGERIE BEL, DANONE, EMMY, EVEN GROUP, HEINZ, INDUSTRIES LASSONDE, JUTA, LACTALIS GROUP, MAÏZENA, PRESIDENT, NESTLE, ORANGINA, SODIAL GROUP, UNITED BISCUITS, YOPLAIT...

"The partnership between DANONE and the Tunisian Agrofood Industries Company (STIAL) is exemplary. DANONE brings its technical know-how and marketing expertise to bear, while STIAL handles supply, field knowledge and distribution."

*Mohamed MEDDEB,
President of STIAL, DANONE Tunisia*



To invest in Tunisia is to seize **investment opportunities**, notably in the following areas:

- refining and processing of olive oil
- seafood processed in canned or by freezing
- prepared foods
- fruit and vegetable industries (freezing, freeze-drying and dehydration of fruits and vegetables)
- candy
- cheese, especially from fresh milk
- baby food
- modern slaughterhouses and processing of red meat
- processing of organic products.

Investing in Tunisia also means banking on a **strategic sector** aiming at reaching the following goals in 2016:

- for export: 1,889 million Euros
- for investment: 325 million Euros
- quality: 400 businesses qualified HACCP.



FIPA – Tunisia, your partner for success

The Foreign Investment Promotion Agency “FIPA-Tunisia” is a national structure created in 1995 under the authority of the Ministry of Development and International Cooperation.

FIPA-Tunisia has been certified ISO 9001 since 2003, it is mandated to provide the support required by foreign investors and to promote foreign investment in Tunisia.

FIPA-Tunisia and its offices abroad form a comprehensive network:

- information on investment opportunities in Tunisia and the main reasons why Tunisia is such an attractive site for FDI. All relevant information about the Tunisian economy, human resources, infrastructure and investment incentives are presented in a wide range of documentation in a number of languages... ,
- contacts in Tunis or abroad, thanks to preliminary exploratory work and targeted contacts that meet investors' needs. Our approach being to present the Tunisian offer the most satisfactory one for firms in search of internationalization,
- advice on the conditions that will contribute to the success of initiatives, the best locations, various investment systems, financing means ... ,
- accompanying the investor on exploratory visits to Tunisia and throughout the various implementation phases of the initiative. FIPA staff draws up programs for meetings with Tunisian institutions and companies in the relevant sector or areas of investor interest,
- support to improve the sustainability of a company, through personalized monitoring and ongoing assistance with ministerial departments and structures and regional authorities.



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