

Ministerial Roundtable

16 October 2014

Tunisia statement

Mr. Chairman, Excellences, ladies and gentlemen,

It is a great pleasure for me to participate in this ministerial roundtable here in Geneva. This city and of course UNCTAD, feel like a second home for me. With your permission, I would like to start with a few remarks about Tunisia's policy challenges with regard to investment in sustainable development and what we are doing to address them.

As many of you are aware, over the past four years since the start of the revolution, Tunisia has been undergoing profound changes that included a transformation from a dictatorship to a democratic society. This transition has not been easy, and in the process, the economy weakened significantly, mainly because of public protest and workers strikes. But the good news is that a new constitution has been adopted early this year and we will have parliamentary elections at the end of next week - on 26th October.

When the current Government took over earlier this year, it had to face two biggest challenges: stability and security and the revival of economic recovery.

Therefore one of our top priorities is to set the stage for economic recovery. We began by putting in place a clear vision and a detailed national development strategy. The strategy put a lot of focus on the convergence between the Government and the private sector to create a coherent economic and social model of development that focuses on inclusive growth, creation of productive employment, reduction of poverty, improving the living standards of people and dealing with regional disparities. The role of FDI to generate productive capacity to help us achieve our inclusive growth agenda was at the heart of our national development strategy. Improvements in the investment climate and a stronger focus on sustainable development were also core elements in this strategy.

Last month, we organized an international investment conference under the title "Investing in Tunisia - Start-up Democracy" that brought together more than 300 potential investors from more than 30 countries. We discussed our new economic strategy and a number of concrete investment projects.

The development model that Tunisia followed until recently, an export-oriented approach focused on the EU, has brought significant success in the past, but has run out of steam particularly during the financial crisis that hit Europe in 2009. The jobs it created often involve unskilled personnel. The industries it benefited tend to produce relatively low value-added goods, and have not created the quantity and quality of jobs we need. In addition, the location of the majority of exporting enterprises near logistical export zones (ports and airports) has accentuated regional disparities.

A core part of our new development strategy is to encourage enterprises to produce and export goods and services with higher value addition, to become more innovative and to penetrate new markets. The strategy also involves building core industries around niches where we think we have comparative advantages, such as information and communication technologies and automobile industries. We need to move beyond the current model of assembling products for foreign companies and become direct exporters of goods and services to a broader range of markets. A stronger economy with a better export competitiveness can become an engine of growth and job creation in Tunisia, thereby fostering economic sustainability.

We are also pursuing a pro-active industrial policy that encourages the production of technologies related to solar energy. We particularly have potential for solar component manufacturing in value chains, especially as regards solar water heating. Developing these technologies will contribute to overall industry development and will have positive employment effects.

To encourage these developments, the Tunisian government is determined to further improve the business climate, to strengthen industrial capacities and logistical infrastructure, to develop new markets and to reform our education sector. This - together with a stronger focus on under-developed regions and support for SMEs - will also help us to improve *social sustainability*.

Tunisia is a country which is now socially and politically stable, and offers bright opportunities. It is a welcoming country where foreigners find the required conditions to invest. Investing in Tunisia means benefiting in particular of:

- The freedom to invest and transfer the capital invested and the profits;
- A very favorable Investment Incentives Code;
- A skilled and competent labor force;
- two free trade zones in Bizerte, in the North of the country, and in Zarzis, in the South; and
- A modern infrastructure and means of communication.

The new investment law, which is currently under discussion, will further improve the investment climate by opening up sectors, giving guarantees to investors and providing further incentives in line with our sustainable development objectives. We are thankful for the technical assistance that we received from UNCTAD in the preparation of the new law, which has benefited greatly from the principles and guidelines in the Investment Policy Framework for Sustainable Development (or IPFSD).

We are confident that this huge reform package will give a boost to Tunisia's economy and will improve our overall macroeconomic performance in line with our sustainable development goals.

Before concluding, let me also commend UNCTAD for the high quality of its work in the area of investment. The annual World Investment Report is a "must-read" for investment policymakers around the world.

I very much hope that deliberations of this World Investment Forum will be carried forward to policymakers around the globe and feed into the three main global events that will set the rules of the game – the SDG Summit in New York; the Multilateral Summit on Financing for Development in Addis Ababa; and the Climate Change Conference in Paris.

Let me conclude by saying that I enjoyed our discussions very much and that I am inspired by the sharing of so many experiences and views from all of you. I already look forward to the next WIF in 2016 in Lima.

Thank you very much.