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Tunisia—Statistical Annex

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INTERNATIONAL MONETARY FUND

TUNISIA

Statistical Annex

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<u>Contents</u>	<u>Page</u>
Basic Data	iii
Recent Progress in Financial Sector Reform	1
<u>Tables</u>	
1. Real GDP Growth by Sector, 1990-94	16
2. Supply and Use of Resources--Real Growth Rates, 1990-1994	17
3. Sectoral Distribution of GDP, 1989-94	18
4. Supply and Use of Resources, 1989-94	19
5. Production of Major Agricultural Crops, 1989-94	20
6. Supply and Use of Cereals, 1989/90-1993/94	21
7. Producer Prices of Principal Agricultural Commodities, 1989-94	22
8. Energy Production and Consumption, 1989-94	23
9. Indicators of Tourism Activity, 1989-94	24
10. Consumer Price Index, 1989-94	25
11. Consumer Price Index by Price Regime, 1989-93	26
12. Producer Price Index, 1989-94	27
13. Wage and Employment Indicators, 1989-93	28
14. Gross Fixed Investment by Economic Sector and Financing, 1989-94	29
15. Consolidated Financial Operations of the Central Government, 1989-94	30
16. Consolidated Revenue and Grants of the Central Government, 1989-93	31
17. Government Petroleum Revenues, 1989-94	32
18. Economic Classification of Consolidated Expenditure of the Central Government, 1989-94	33
19. Operations of the Subsidy Fund, 1989-94	34

<u>Contents</u>	<u>Page</u>
20. Monetary Survey, 1989-94	35
21. Assets and Liabilities of the Central Bank, 1989-94	36
22. Assets and Liabilities of Deposit Money Banks, 1989-94	37
23. Selected Interest Rates, 1989-94	38
24. Balance of Payments, 1989-94	39
25. Foreign Trade Indicators, 1990-94	40
26. Value of Foreign Trade by Commodity Class, 1989-94	41
27. Volume of Foreign Trade by Commodity Class, 1990-94	42
28. Trade Balance in Hydrocarbons, 1989-93	43
29. Exports of Phosphate Rock, Phosphate Derivatives, and Other Chemical Products, 1989-93	44
30. Exports and Imports of Primary Products by Major Categories, 1989-93	45
31. Direction of Trade, 1989-93	46
32. External Debt and Debt Service Payments, 1989-93	47
33. Composition of External Debt by Creditor, 1989-93	48
34. Selected Exchange Rate Indices, 1989-94	49
35. Structure of Imports by Regime, 1989-92	50
 <u>Charts</u>	
1. Financial Deepening	7
2. Treasury Bills Outstanding	8
3. Number of Investment Funds	9
4. Stock Market Capitalization	10
5. Stock Market Development	11
 Appendix. Summary of the Tax System, 1994	 51

Tunisia – Basic Data

Area, population and GDP per capita

Area	165,154 square kilometers
Population	
Total (1993)	8.5 million
Growth rate	1.8 percent
GDP per capita (1993)	SDR 1,235

	1989	1990	1991	1992	1993	<u>Prel.</u> 1994
<u>(In millions of dinars)</u>						
Gross domestic product at 1990 market prices	10,019	10,798	11,217	12,110	12,365	12,906
Agriculture and fishing	1,305	1,763	2,019	2,128	2,003	1,864
Mining	125	103	103	99	86	98
Hydrocarbons	677	620	706	707	634	619
Electricity and water	213	215	225	237	247	256
Manufacturing	1,763	1,796	1,883	2,026	2,079	2,241
Of which: food processing	438	394	430	480	442	486
Construction and public works	376	429	426	453	492	531
Services	4,431	4,643	4,601	5,099	5,405	5,792
Indirect taxes minus subsidies	1,130	1,229	1,254	1,361	1,418	1,505
Gross domestic product at current market prices	9,531	10,798	11,997	13,754	14,688	16,134
Private sector consumption 1/	6,520	7,390	7,990	8,932	9,586	10,538
Central government consumption	1,157	1,245	1,444	1,590	1,769	1,943
Gross fixed capital formation	2,157	2,635	2,912	3,635	4,168	4,658
Changes in stocks	101	242	231	496	140	82
Resource gap	-404	-714	-580	-899	-974	-1,087
Gross national product	9,142	10,438	11,498	13,236	13,926	15,445
Gross national disposable income	9,591	10,943	12,013	13,736	14,500	16,101
Gross national savings	1,914	2,308	2,579	3,214	3,145	3,620
Prices (percentage changes)						
GDP deflator	7.2	5.1	7.0	6.2	4.6	5.2
Consumer prices	7.7	6.5	8.2	5.8	4.0	4.5
Government finance 2/						
Total revenue	2,928	3,286	3,491	4,031	4,451	4,486
Tax revenue	2,258	2,551	2,875	3,294	3,625	4,044
Nontax revenue	670	735	617	737	826	842
Grants	143	70	33	54	37	37
Total expenditure and net lending	3,483	3,787	4,179	4,445	4,914	5,304
Current expenditure	2,693	2,863	3,176	3,490	3,835	4,210
Capital expenditure	725	880	1,026	891	1,014	1,122
Net lending	65	44	-24	64	65	-28
Overall deficit including grants	-412	-431	-655	-360	-426	-382
Foreign financing (net)	118	75	319	22	178	144
Domestic financing (net)	294	356	336	337	248	238
Of which: banking system (net)	45	85	45	-114	-47	-14

1/ Includes all economic agents except the Central Government.

2/ Consolidated operations; payment—order basis.

Tunisia – Basic Data (concluded)

	1989	1990	1991	1992	1993	<u>Prel.</u> 1994
(In millions of dinars)						
Money and credit (end of period)						<u>June</u>
Foreign assets (net)	668	612	526	547	563	400
Domestic credit	5,563	6,143	6,741	7,478	8,004	8,298
Central government (net)	722	808	853	687	640	507
Other agents	4,841	5,335	5,888	6,791	7,364	7,791
Money and quasi-money	4,910	5,220	5,507	5,903	6,294	6,216
Money	2,527	2,649	2,640	2,781	2,916	2,954
Quasi-money	2,383	2,571	2,867	3,122	3,378	3,262
Other items (net)	1,321	1,535	1,761	2,122	2,273	2,482
(In millions of SDRs)						
Balance of payments						
Exports, f.o.b.	2,286	2,592	2,711	2,850	2,724	3,015
Imports, f.o.b.	-3,228	-3,828	-3,577	-4,316	-4,206	-4,707
Trade balance	-942	-1,236	-866	-1,466	-1,481	-1,692
Services and transfers (net)	699	735	445	708	632	900
Current account balance	-242	-500	-421	-758	-849	-792
Capital account (net)	305	426	373	841	828	943
Grants	161	154	89	58	74	45
Direct foreign investment (net)	113	137	121	346	443	421
Medium- and long-term loans	101	80	189	188	271	430
Other	-70	55	-26	250	40	48
Overall surplus or deficit (-)	62	-74	-48	83	-21	151
Gross official reserves (end of period)	739	565	559	658	627	778
External debt Disbursed and outstanding (end of period)	4,713	5,007	5,355	5,424	5,637	6,157
Terms of trade (percentage changes)						
Export prices (in SDRs)	7.9	8.5	0.2	1.9	-4.7	-0.5
Import prices (in SDRs)	6.7	8.9	0.9	4.1	-5.0	0.3
Terms of trade	1.1	-0.4	-0.7	-2.1	0.4	-0.8
Exchange rates (period averages)						
Dinar/SDR	1.217	1.192	1.265	1.246	1.402	1.451
Dinar/U.S. dollar	0.949	0.878	0.925	0.884	1.004	1.016
Nominal effective exchange rate (percentage changes)	-4.2	-4.6	-2.3	0.7	-2.0	...
Real effective exchange rate (percentage changes)	-1.7	-2.8	1.1	2.1	-1.5	...

Recent Progress in Financial Sector Reform

Since 1987, Tunisia has undertaken a series of measures of financial sector liberalization and reform. The current appendix summarizes the progress achieved, highlighting in particular the main changes introduced over the past two years. These include the adoption of a new banking law, the introduction of an interbank foreign exchange market, the issuance of negotiable treasury bills, and the revision of the stock market law.

1. Background 1/

At the start of the reform process in 1987, the Tunisian banking system was characterized by a proliferation of restrictions, including full controls on lending and deposit interest rates, directed credit, liquid asset ratios, and Central Bank (BCT) control over lending decisions. This, together with the lack of competitive practices, left most banking institutions with weak asset bases. Foreign competition in commercial banking was also absent. The remainder of the financial sector was relatively small and, for the most part, also tightly controlled. This applied in particular to the development banks and insurance companies, which--like commercial banks--were obliged to hold long-term public debt ("bons d'équipement") at below market interest rates. While, de jure, a stock market existed since 1969, it was virtually inactive.

Since the mid 1980s, the increasing costs of an inefficient banking sector and the attendant problems for monetary control created a mounting impetus for reform. The changes initiated in 1987 and 1988 aimed at liberalizing interest rates and allowing market forces to play a greater role in banks' business, while at the same time creating a deeper and more diversified financial market. In parallel, significant improvements in the prudential supervision were implemented. By 1993, visible progress had been made. The banking sector had been liberated from the most restrictive features, although some rigidities remained and a lack of competition still hindered efficiency and profitability. 2/ The nonbank financial sector, in particular the investment funds (SICAFs and SICAVs) and the stock market, showed strong growth, albeit from a low base. The stock market, however,

1/ For a survey of previous measures and results see Nsouli, Saleh M., Sena Eken, Paul Duran, Gerwin Bell, and Zühtü Yücelik: "The Path to Convertibility and Growth--The Tunisian Experience," IMF Occasional Paper No. 109, December 1993. A chronology of all important measures taken since 1987 is provided in the attachment.

2/ Restrictions in place included controls on average lending rates, prescribed maximum deposit rates for short-term deposits and rates for special savings accounts, and lending requirements for priority sectors (agriculture, exports, and small and medium enterprises) and preferential lending rates for the same sectors. In addition, the Central Bank continued to guide its refinancing according to sectoral goals.

suffered from a weak supply of equity shares and the lack of an appropriate settlement system.

2. The reform measures in 1993 and 1994

Against this background, the authorities made further headway in financial sector reform in 1993 and 1994.

a. The new banking law

In an effort to strengthen banks' role in the economy, the new banking law, which was passed in February 1994, introduces "universal banking" and permits deposit money banks to expand their activities to new areas, such as regular medium- and long-term lending, portfolio management, and financial restructuring services. Development banks are also allowed to extend short-term credit to enterprises for which they have provided investment financing. The opening-up of such activities to banks aims at enhancing their profitability by allowing for economies of scale and diversification, while helping introduce new financial products. Finally, the new law creates a new category of financial institutions, the investment bank (banque d'affaires), specialized in providing a wide range of investment-related services.

To ensure stability of the financial system, the law requires a firmer prudential oversight of commercial banks by the BCT. To that effect, it reaffirms and codifies a range of prudential requirements, including minimum capital standards (dinar 10 million for commercial banks and dinar 3 million for the newly introduced "banque d'affaires"); a requirement of matching the maturities between assets and liabilities; a capital-asset ratio; prudential liquidity ratios; limits on loan and investment concentration; oversight over bank mergers and sizeable participation in banks; and prudential control over the opening and closing of branches. In addition, the law explicitly states that banks are no longer required to acquire public debt instruments. Also, the supervisory powers of the BCT have been strengthened to include on-site inspections and external audits. In the case of noncompliance with the law, the banks may be subject to a wide range of sanctions, including a withdrawal of the banking license, as well as disciplinary actions against management or members of the banks' board.

b. The interbank foreign exchange market

An interbank foreign exchange market was established in March 1994 following technical assistance provided by MAE. Its introduction marked a further step toward financial liberalization and strengthening of the banking sector. 1/ In the new system, and during a transition period, the

1/ Prior to March 1994, the banks were not allowed to trade in foreign exchange among themselves.

BCT continues to announce a central rate, around which banks trade foreign exchange freely among themselves within a band of 1 percent on either side. Only commercial and development banks have been so far allowed to operate in the interbank market.

As a counterbalance to banks' increased freedom in foreign exchange transactions, the BCT has instituted strict regulations designed to prevent excess exposure of banks to foreign currency risks and to protect small customers. Concerning prudential regulations, open positions must not exceed 5 percent of the bank's capital in each currency and 20 percent in all currencies combined; any excess above these limits has to be sold at the end of the day to the BCT ("nivellement") at its central rate. To protect customers, banks are required to post buying and selling rates with a maximum spread of 0.25 percent.

During the few months of its operation, the interbank market has functioned smoothly with a fairly large participation of banks. About 70-80 percent of all foreign exchange transactions now take place in the interbank market, representing an average daily volume of 60-70 million dinars. Transactions conducted at the central bank rate mostly involve government operations and those denominated in currencies for which no sufficient interbank activity exists. Most foreign exchange deals have been directly related to current transactions, while those involving more "sophisticated" financial instruments--such as swaps, reverse repurchase agreements or other forms of derivatives--have been all but absent. Although competition among banks has remained relatively limited, it has recently intensified as experience in the market is gained and the necessary technical and human capital is acquired. 1/

c. Treasury bills and bonds

Treasury bills (TBs) were first introduced in 1989 and modified on several occasions to become an important savings instrument. Three institutional features contributed to the rapid success: (i) Treasury bills were auctioned to banks and subscriptions were counted toward fulfilling the requirement of holding treasury paper ("ratio d'emploi en effets publics"); (ii) banks were permitted to sell TBs to the public at a slightly lower interest rate, thus providing them with a financial incentive to place a large proportion of TBs with the public; and (iii) public demand was high, because banks guaranteed the liquidity without discount of the instruments at any moment ("cessibilité"), thus making TBs an attractive alternative to time and savings deposits. 2/ Yet this arrangement, in particular the "cessibilité," has hindered the emergence of a secondary market, since TBs were practically fully liquid and could be redeemed at face value. 3/

1/ Most banks have established "trading rooms" with modern electronic equipments and trained their personnel in foreign exchange operations.

2/ The Treasury bills are sometimes referred to as "bons cessibles."

3/ The banks, however, charge a small redemption fee.

To address some of these issues, the Tunisian authorities introduced in late 1993 negotiable treasury bonds (NTBs) ("bons du Trésor négociables"), which can be traded at the stock market. Those instruments are to fulfill three functions not achieved by the TBs: (i) supply a true long-term instrument, (ii) assist the development of a secondary market, and (iii) allow for a market-determined yield curve. The NTBs and the TBs are to co-exist, giving customers a choice between the highly liquid instruments (TBs) and longer-term instruments traded at the stock exchange (NTBs). 1/

With only limited working experience, the share of NTBs in total government domestic debt has remained limited. 2/ After only two issuances at the stock market, investors' interest seems to have faded, reflecting technical difficulties and inadequate design, including the segmented character of each issue. It appears also that the interest rate, which is almost identical to that of TBs, does not reflect the longer maturity and the lesser liquidity of NTBs. In addition, the secondary market suffers from weaknesses in the settlement system, in fact limiting the transferability and liquidity of the new bonds. At present, the authorities are examining the institutional and technical set-up, with a view to improving both instrument design and the settlement system in the near future. 3/

d. The stock market

The adoption of the stock market law on November 14, 1994 was another important building block in the financial sector reform. A stock exchange had been in existence since the late 1960s, but its growth was constrained by a number of factors, including the limited supply of equity, the dominant role of the banks in raising capital, and the absence of an efficient settlement system. In addition, the bourse was publicly owned and supervised. With the increasing outward orientation of the economy and the financial sector liberalization, the authorities sought to modernize the legal framework governing the stock exchange activity in a market-oriented environment. Following the institutional settings in most major countries, the new law establishes three separate entities, a privately owned stock exchange, a clearing house (banque des titres), and an independent supervisory organization, the latter along the lines of the U.S. Securities and Exchange Commission. 4/ Banks are no longer allowed to act as stock

1/ TBs with a maturity of over one year purchased by banks at auctions can be converted into NTBs and sold to customers who then can trade them in the stock market.

2/ The total amount of negotiable treasury bonds issued was about TD 80 million in mid-1994, compared with 1.6 billion dinars of outstanding TBs.

3/ Tunisia has obtained technical assistance from the USAID to help improve the management of the domestic debt, including the settlement system.

4/ The Clearing House (banque des titres) existed since December 1993, but had not been fully operational.

exchange brokers. The new legal framework is expected to allow for more efficiency in listing and trading, while providing appropriate safeguards against misuse. To avoid excess volatility, only proven sound companies are admitted to the bourse.

3. Progress achieved

In recent years, Tunisia has addressed the bulk of financial sector restrictions. It has achieved noteworthy results, in particular in the following areas:

Financial deepening: The abolition of interest rate controls and the introduction of longer-term bank instruments have led to the expected deepening of the market, as reflected in the increase in the ratio of M3/M1 since 1990 (Chart 1). This point is also demonstrated by the growth and the increasing importance of longer term maturities in the treasury bill market (Chart 2). Finally, the number of investment funds has increased dramatically (Chart 3).

Nominal and real interest rates: The 1987 reforms introduced more flexibility into the interest rate management, which has allowed the central bank to keep real interest rates positive. The central bank also raised preferential interest rates on various occasions, thus lowering, since 1990, the implicit interest rate subsidy to currently around one percentage point. With the full liberalization of lending rates in 1994, remaining legal limits on interest rates only cover a small part of deposit rates. 1/

Notwithstanding the far-reaching liberalization, observed nominal interest rate variability has remained low. This seems largely due to prevailing tacit understandings among banks to keep deposit interest rates stable, while lending rates have continued to be informally linked to the money market rate (TMM). 2/ The last change in the TMM, which took place in November 1993, when the rate was lowered by 2 points from 10.8 percent to 8.8 percent, was largely reflected in lending rates. However, the removal of the cap on average lending rates in June 1994, had no influence on the average level of lending rates, as it had not been binding.

As a result of the relatively stable nominal lending rates and falling inflation, real lending interest rates have remained positive. At about 7 percent, real rates in Tunisia are now about 1 percentage point above real rates in the United States. 3/

1/ Deposits of less than three months (maximum rate 2 percent), special savings accounts (TMM of the previous month - 2 points), accounts in convertible dinar (TMM - 2 points).

2/ The TMM is largely influenced by the central bank's refinancing policy.

3/ Using the prime rate deflated by the consumer price index.

Financial situation of the banking sector: Efforts to rehabilitate the banking sector have yielded notable results. It appears from the preliminary results of the audits that had been carried out recently that a number of banks have already achieved, or are about to achieve, a capital-asset ratio of 5 percent. With respect to other banks, progress is being made within the time frame set by the authorities. Two large banks have successfully launched equity issues in the stock market, while others continue to build up capital based on retained earnings. Helped by fiscal incentives--the tax deductibility of provisions has been increased to 50 percent--banks have also reduced their vulnerability to risks with respect to outstanding loans.

Stock market: The increased dynamism of the stock market is reflected in the more than doubling of listings and of the capitalization of the stock market (Chart 4). Also, the volume of transactions rose sharply during the first three quarters of 1994, reflecting in part increased recourse of private companies to bond financing as well as equity issues by a number of commercial banks (Chart 5). The growth in stock values underscores the strong pent-up demand for equity in the face of a relatively weak supply. The new stock market law and an acceleration in the privatization program should facilitate an increase in the offerings of stocks at the exchange.

CHART 1
TUNISIA
FINANCIAL DEEPENING
(In percent; annual average)

Source: Data provided by the Tunisian authorities.

CHART 2
TUNISIA
TREASURY BILLS OUTSTANDING
(By maturity, in millions of dinars; end of period) 1/

Source: Data provided by the Tunisian authorities.

1/ Data for 1994 are for end-September.

CHART 3
TUNISIA
NUMBER OF INVESTMENT FUNDS
(End of period) 1/

Source: Data provided by the Tunisian authorities.

1/ Data for 1994 are for end-September.

CHART 4
TUNISIA
STOCK MARKET CAPITALIZATION
(In millions of dinars; end of period) 1/

Source: Data provided by the Tunisian authorities.

1/ Data for 1994 are for end-September.

CHART 5
TUNISIA
STOCK MARKET DEVELOPMENT
(Volume of transactions; millions of dinars) 1/

Source: Data provided by the Tunisian authorities.

1/ Data for 1994 cover first 9 months.

Chronology of Major Financial Sector
Liberalization Measures, 1987-94

<u>Effective Date</u>	<u>Legal Action</u>	<u>Measure</u>
January 1987	BCT circular, Dec. 1986	Liberalization of interest rates on term deposits of at least three months. Rate on special savings accounts set at the money market rate (TMM) of the preceding month minus two percentage points. Deregulation of lending rates, except those to priority sectors, with retention of ceiling of 3 percentage points above TMM.
Dec. 1987	BCT circular, Dec. 1987	Introduction of comprehensive bank prudential regulations.
January 1988	BCT circular, Dec. 1987	Elimination of requirement for prior approval of bank loans. Rediscount operations restricted to loans to priority sectors. Streamlining of lending to priority sectors.
January 1988	BCT circular, Dec. 1987	Opening of money market to interbank transactions, and to operations in certificates of deposit and commercial paper. Establishing of Central Bank intervention in money market as main policy instrument.
August 1988	Law, August 1988	Reform of closed-end and open-end investment funds, which were granted fiscal and financial incentives.
March 1989	Avis de change of the Minister of Finance, February 1989 and BCT circular, March 1989	Creation of system of foreign currency options.
March 1989	Law, March 1989	Strengthening of Stock Exchange operations.

<u>Effective Date</u>	<u>Legal Action</u>	<u>Measure</u>
May 1989	BCT circular, May 1989	Broadening of modalities for Central Bank intervention in money market and liberalization of conditions for issue of commercial paper.
May 1989	BCT circular, May 1989	Creation of money market in foreign currency.
June 1989	BCT circular, May 1989	Reactivation of reserve requirement while modifying it into a more prudential tool and a possible monetary policy instrument.
August 1989	Avis de change of Minister of Finance, July 1989 and BCT circular, August 1989	Widening of scope of forward exchange cover.
Sept. 1989	Arrêté of Minister of Finance and BCT circular, Sept. 1989	Introduction of Treasury Bills with terms up to 52 weeks.
March 1991	Note to banks, March 1991	Relaxation of mandatory bank holdings of Treasury debt instruments by allowing placement with public.
April 1991	BCT circular, April 1991	Further liberalization of conditions for issuance of commercial paper. Minimum term for certificates of deposits increased from 10 to 90 days.
Nov. 1991	Arrêtés of the Minister of Finance, June and September 1991, and BCT circular, November 1991	Introduction of treasury bills with terms exceeding one year.
January 1992	BCT circular, Dec. 1991	Further liberalization of lending rates. Ceiling on individual loan rates replaced by ceiling on average lending rates per bank set at TMM plus 3 percentage points.

<u>Effective Date</u>	<u>Legal Action</u>	<u>Measure</u>
January 1992	BCT circular, Dec. 1991	Strengthening of prudential regulations, mainly through setting exposure limits, loan classifications and loan loss provisions and capital asset requirements.
January 1992	1992 Finance Law, December 1991	Harmonization of tax treatment of financial instruments. Increase in tax exemption for bank provisions.
June 1992	Avis de change, Minister of Finance, Sept. 1991 and BCT circular, June 1992	Extension of operations in the money market in foreign exchange.
June 1992	BCT circular, June 1992	Reduction of scope of credits at preferential interest rates.
Nov. 1992	Law, Nov. 1992	Creation of new financial instruments, including investment trusts, priority shares and equity loans.
Nov. 1992	Law, Nov. 1992	Liberalization of operations and increase in minimum required capital for closed-end investment funds.
January 1993	1993 Finance Law, December 1992	Further increase in tax exemption for bank provisions. Introduction of tax exemption for capital gains of banks.
January 1993	BCT notification to banks, Jan. 1993. Formalized by Law, May 1993, Decree, August 1993 and BCT circulars, September, October and December 1993, and May and September 1994	Establishment of current account convertibility.
January 1993	BCT notification to banks, Jan. 1993. Formalized by Decree, August 1993, and BCT circular, October 1993	Partial liberalization of foreign borrowing by resident enterprises and financial institutions.

<u>Effective Date</u>	<u>Legal Action</u>	<u>Measure</u>
May 1993	Law, May 1993	Extension of right to repatriate proceeds of liquidation of capital invested on the basis of foreign exchange transfer extended to all investments by nonresidents.
January 1994	1994 Finance Law, December 1993	Tax exemption for bank provisions further increased.
Feb. 1994	Law, Feb. 1994	New banking law: Sets legal framework for a more market-oriented banking system by opening new areas of business; abolishes the need for banks to hold public debt and institutes better and more comprehensive prudential requirements; creates the banque d'affaires.
March 1994	BCT circular, March 1994	Creation of an interbank foreign exchange market. The BCT continues to announce a central rate; banks are allowed to have open foreign exchange positions within prudential limits.
June 1994	Avis de change of Minister of Finance, Dec. 1993 and BCT circular, June 1994	Liberalization of outward foreign direct investment for exporting enterprises in limited amounts.
June 1994	BCT circular, June 1994	Complete liberalization of lending rates for nonpriority sectors.
Nov. 1994	Law, Nov. 1994	Reform of the stock market: Privatizes the stock market; creates an independent supervisory body. Also legalizes the already (yet inoperative) settlement body.

Table 1. Tunisia: Real GDP Growth by Sector, 1990-94

(In percent)

	1990	1991	1992	1993	Prel. Est. 1994
Agriculture and fishing	35.2	14.5	5.4	-5.9	-6.9
Mining	-17.9	0.1	-3.3	-13.3	14.2
Hydrocarbons, electricity, and water	-6.1	11.4	1.4	-6.6	-0.7
Manufacturing	1.8	4.9	7.6	2.7	7.7
Food processing	-9.9	9.1	11.6	-7.9	10.0
Construction materials and glass	-9.5	1.5	4.3	5.4	3.2
Mechanical and electrical industries	2.8	3.5	4.5	3.7	5.4
Chemical and rubber industries	-18.5	2.9	4.8	4.2	7.8
Textiles, clothing, and leather	23.0	4.3	8.2	6.6	9.0
Woodwork, paper, and other	9.9	4.8	7.3	8.5	7.6
Manufacturing, excluding food processing	5.7	3.7	6.4	6.0	7.1
Construction and public works	14.0	-0.5	6.3	8.5	8.0
Services	4.8	-0.9	10.8	6.0	7.1
Transport and telecommunications	7.2	-1.3	12.6	6.7	7.7
Lodging, food, and beverages	-2.1	-25.0	44.8	9.1	14.0
Commerce and other services	7.2	2.3	7.7	6.1	7.0
Nonmarket services	3.2	4.3	4.4	4.3	4.2
Indirect taxes minus subsidies	8.8	2.1	8.5	4.2	6.1
GDP (at market prices)	7.8	3.9	8.0	2.1	4.4

Source: Ministry of Planning and Regional Development.

Table 2. Tunisia: Supply and Use of Resources – Real Growth Rates, 1990–94

(In percent)

	1990	1991	1992	1993	Prel. Est. 1994
Consumption	6.0	1.9	5.7	3.1	4.3
Private sector ^{1/}	6.5	0.7	5.9	2.8	4.5
Central Government	3.2	9.3	4.5	4.5	2.7
Gross fixed capital formation	13.5	3.7	18.0	8.0	6.8
Domestic demand	9.0	2.0	9.1	2.4	4.5
Exports of goods and nonfactor services	2.6	-3.6	10.7	2.5	11.0
Imports of goods and nonfactor services	5.8	-6.8	13.2	3.0	10.3
GDP at market prices	7.8	3.9	8.0	2.1	4.4

Source: Ministry of Planning and Regional Development.

^{1/} Includes all economic agents except the Central Government.

Table 3. Tunisia: Sectoral Distribution of GDP, 1989-94

(In millions of Tunisian dinars at current prices)

	1989	1990	1991	1992	1993	Prel. Est. 1994
Agriculture and fishing	1,261	1,763	2,134	2,371	2,295	2,222
Mining	139	103	97	85	78	89
Hydrocarbons, electricity, and water	843	835	890	947	888	904
Manufacturing	1,655	1,796	2,011	2,278	2,470	2,786
Food processing	357	394	450	528	502	555
Construction materials and glass	211	203	222	244	268	292
Mechanical and electrical industries	225	283	316	345	375	419
Chemical and rubber industries	214	143	155	165	178	202
Textiles, clothing, and leather	437	535	598	690	794	916
Woodwork, paper, and other	210	238	269	307	353	402
Manufacturing, excluding food processing	1,298	1,402	1,561	1,750	1,968	2,230
Construction and public works	359	429	479	529	586	671
Services	4,194	4,643	4,958	5,812	6,514	7,333
Transport and telecommunications	694	780	833	1,008	1,140	1,294
Lodging, food, and beverages	527	552	429	645	764	913
Commerce and other services	1,664	1,899	2,078	2,350	2,627	2,952
Nonmarket services	1,308	1,411	1,618	1,809	1,984	2,173
GDP at factor cost	8,451	9,569	10,568	12,022	12,831	14,004
Indirect taxes minus subsidies	1,080	1,229	1,430	1,733	1,857	2,130
GDP at market prices	9,531	10,798	11,997	13,754	14,688	16,134

Source: Ministry of Planning and Regional Development.

Table 4. Tunisia: Supply and Use of Resources, 1989-94

	1989	1990	1991	1992	1993	Est. 1994
<i>(In millions of Tunisian dinars at current prices)</i>						
Consumption	7,677	8,635	9,434	10,522	11,355	12,481
Private sector 1/	6,520	7,390	7,990	8,932	9,586	10,538
Central Government	1,157	1,245	1,444	1,590	1,769	1,943
Gross fixed capital formation	2,157	2,635	2,912	3,635	4,168	4,658
Private sector 1/	1,754	2,137	2,215	3,075	3,515	3,914
Central Government	403	498	697	560	653	744
Changes in stocks	101	242	231	496	140	82
Domestic demand	9,935	11,511	12,577	14,653	15,663	17,221
Net exports of goods and nonfactor services	-404	-714	-580	-899	-974	-1,087
Exports of goods and nonfactor services	4,317	4,662	4,802	5,357	5,912	6,800
Imports of goods and nonfactor services	4,722	5,376	5,382	6,256	6,887	7,887
GDP at market prices	9,531	10,798	11,997	13,754	14,688	16,134
Net income from abroad	-390	-359	-500	-519	-762	-689
GNP	9,142	10,438	11,498	13,236	13,926	15,445
Net current transfers from abroad	450	504	515	501	574	656
Gross national disposable income	9,591	10,943	12,013	13,736	14,500	16,101
<i>(In percent of GDP)</i>						
Memorandum items:						
Gross investment	23.7	26.6	26.2	30.0	29.3	29.4
Gross domestic savings	19.4	20.0	21.4	23.5	22.7	22.6
Gross national savings	20.1	21.4	21.5	23.4	21.4	22.4
Savings-investment gap	-3.6	-5.3	-4.7	-6.7	-7.9	-6.9
Private sector 1/	-2.2	-4.8	-1.6	-6.6	-7.7	-6.5
Central government	-1.4	-0.5	-3.1	-0.1	-0.3	-0.4

Source: Ministry of Planning and Regional Development.

1/ Includes all economic agents except the Central Government.

Table 5. Tunisia: Production of Major Agricultural Crops, 1989-94

(In thousands of metric tons)

	1989	1990	1991	1992	1993	1994
Cereals	635	1,633	2,551	2,195	1,914	654
Hard wheat	333	897	1,424	1,323	1,134	436
Soft wheat	87	225	363	261	279	66
Barley	215	511	765	611	501	152
Fruits and vegetables						
Citrus fruit	260	237	226	185	281	210
Dates	75	81	75	75	86	74
Tomatoes	440	530	580	550	420	480
Red peppers	110	175	180	190	180	165
Potatoes	180	217	220	218	200	210
Melons and watermelons	250	450	450	380	330	375
Almonds	35	52	40	45	47	52
Table grapes	50	40	60	60	60	55
Olives for oil	270	650	825	1,325	675	1,050
Other						
Meat	130	132	136	141	151	153
Sugar beets	230	289	210	291	245	232
Milk	380	400	419	449	486	500
Fish	95	88	88	89	83	84

Source: Ministry of Agriculture.

Table 6. Tunisia: Supply and Use of Cereals, 1989/90–1993/94 ^{1/}

(In thousands of tons)

	1989/90	1990/91	1991/92	1992/93	1993/94
Hard wheat					
Production	897	1,424	1,323	1,134	436
Commercialization ^{2/}	288	484	772	862	786
(in percent of previous year)	81	86	54	65	69
Imports	100	128	--	--	--
Producer price (D/t) ^{3/}	245	245	260	260	260
Real producer price index ^{4/}	130	120	121	115	110
Soft wheat					
Production	225	363	261	279	66
Commercialization ^{2/}	68	132	228	224	201
(in percent of previous year)	73	78	59	86	72
Imports	622	488	623	550	752
Producer price (D/t) ^{3/}	209	209	225	225	225
Real producer price index ^{4/}	123	114	117	110	105
Barley					
Production	478	721	570	478	145
Commercialization ^{2/}	29	143	292	188	87
(in percent of previous year)	11	15	30	34	18
Imports	126	--	--	--	--
Producer price (D/t) ^{3/}	150	150	150	150	150
Real producer price index ^{4/}	115	107	101	96	92

Source: Tunisian authorities.

^{1/} By crop year (July/June).

^{2/} Commercialization of the previous year's crop.

^{3/} D/t, dinars per ton.

^{4/} Index 1980 = 100. Nominal producer prices deflated by the consumer price index.

Table 7. Tunisia: Producer Prices of Principal Agricultural Commodities, 1989-94 ^{1/}

(In Tunisian dinars per ton)

	1989	1990	1991	1992	1993	1994
Cereals						
Hard wheat	225	245	245	260	260	260
Soft wheat	199	209	209	225	225	225
Barley	145	150	150	150	150	150
Sugar beets	25	30	32	35	39	39
Olives for oil						
High grade	1,500	1,710	1,750	1,750	1,750	1,315
Low grade	1,260	1,360	1,390	1,390	1,390	1,055
Tomatoes	70	70	70	70	70	90

Source: Tunisian authorities.

^{1/} For crop year (July/June).

Table 8. Tunisia: Energy Production and Consumption, 1989-94

	1989	1990	1991	1992	1993	Prel. Est. 1994
(In thousands of metric tons)						
A. Production	6,019	5,430	6,218	6,302	5,622	5,607
Crude petroleum	5,042	4,612	5,291	5,301	4,746	4,574
Gas 1/	977	818	921	1,001	876	1,033
Production	422	274	238	238	165	153
Royalties 2/	555	544	689	763	711	880
B. Consumption	4,150	4,306	4,277	4,776	5,027	4,889
Liquefied petroleum gas	247	263	280	300	312	324
Gas	992	1,053	1,116	1,169	1,232	1,273
Fuel oil	887	1,147	1,352	1,266	1,334	1,126
Lighting oil	152	147	149	158	168	162
Gasoline	258	276	291	299	309	321
Jet fuel	191	234	137	193	225	248
Natural gas 1/	1,423	1,186	952	1,391	1,447	1,435
Surplus (A-B)	1,869	1,124	1,941	1,526	595	718
(In millions of kilowatt-hours)						
Electricity production 3/	4,485	4,863	5,096	5,479	5,963	6,360

Sources: Ministry of National Economy; and Direction generale des Mines.

1/ In thousands of tons of oil equivalent.

2/ Royalties from the trans-Tunisia pipeline carrying gas from Algeria to Italy are received in kind.

3/ Production by the state company STEG (excluding production by private plants).

Table 9. Tunisia: Indicators of Tourism Activity, 1989–94

	1989	1990	1991	1992	1993	<u>Prel.</u> 1994
Annual fixed investment in tourism (in millions of Tunisian dinars)	109	121	143	250	327	331
Accommodation available (in thousands of beds)	110	117	123	136	144	158
Number of foreign visitors (in thousands)	3,222	3,204	3,224	3,540	3,656	3,800
Visitor bed—nights (in thousands)	20,126	20,019	13,793	21,718	23,693	26,000
Of which: foreigners	19,011	18,841	12,443	20,206	22,119	24,180
Average length of stay (in days)	6	6	4	6	6	6
Average occupancy rate (in percent)	57.6	54.0	37.6	52.0	51.6	51.0
Tourism receipts (in millions of Tunisian dinars)	881	828	630	933	1,114	1,330
Daily expenditure per tourist (in Tunisian dinars)	46	44	51	46	50	55

Sources: National Tourist Board; and Central Bank of Tunisia.

Table 10. Tunisia: Consumer Price Index, 1989-94 1/

	<u>Weights</u> In percent	<u>1989</u> (1983 = 100)	<u>1990</u>	<u>Weights 2/</u> In percent	<u>1991</u>	<u>1992</u>	<u>1993</u>	<u>Jan. - Sept.</u> 1994
							(1990 = 100)	
Food	42.8	161.5	172.2	41.2	108.7	113.9	116.9	120.3
Housing	20.6	141.3	148.9	18.7	105.3	111.8	116.2	119.8
Clothing	10.8	172.6	187.9	10.4	108.0	116.9	123.4	128.1
Health	6.8	146.6	153.0	9.1	106.6	112.8	119.5	127.6
Transportation	8.0	152.9	165.2	8.8	109.9	118.7	127.1	131.6
Other (including services)	11.0	144.1	152.3	11.8	111.4	117.0	121.2	127.6
General index	100.0	154.9	165.0	100.0	108.2	114.5	119.1	123.7
(Percent change)		7.7	6.5		8.2	5.8	4.0	4.7
(December - December)		6.7	6.8		6.8	5.2	4.2	3.2 3/

Source: Tunisian authorities.

1/ Period averages.

2/ New consumer price index based on recent expenditure survey.

3/ December-September.

Table 11. Tunisia: Consumer Price Index by Price Regime, 1989-93

Price regime	1989	1990	1991	1992	1993
<u>(Change, December - December)</u>					
Fixed prices <u>1/</u>	7.3	7.0	7.1	...	...
Homologation <u>2/</u>	14.8	7.8	5.3	5.8	6.4
Autohomologation <u>3/</u>	7.2	3.6	4.5	4.8	3.3
Controlled freedom <u>1/ 4/</u>	5.7	7.7	9.7	...	...
Free prices	6.1	7.2	7.4	4.8	3.0
Total	6.7	6.8	7.1	5.0	4.0

Source: Tunisian authorities.

1/ Regimes of fixed prices and controlled freedom were abolished at the beginning of 1992.

2/ Under homologation, prices are set by the Government based on information submitted by enterprises. Through 1991, prices were determined on an individual enterprise basis; since 1992, they can be set for all enterprises in a given sector.

3/ Prices are set by enterprises according to predetermined formula set by the Government.

4/ Prices are set by enterprises based on their own cost calculations, subject to Government control.

Table 12. Tunisia: Producer Price Index, 1989-94

(Annual averages; 1983 = 100)

	<u>Weights</u> In percent	1989	1990	1991	1992	1993	Jan- Aug. 1994
Manufacturing	51.1	158.8	168.3	175.3	181.4	187.7	190.9
Food processing	10.7	146.1	159.9	170.0	181.3	194.4	199.9
Construction materials and glass	7.8	137.5	144.4	158.2	166.0	169.5	174.5
Mechanical and electrical products	9.6	168.0	180.5	185.2	185.8	188.7	189.9
Chemicals and rubber	3.8	162.4	173.6	177.1	185.1	197.8	203.9
Textiles, clothing, and leather	12.3	164.2	169.5	174.1	180.8	185.3	187.4
Other manufacturing	6.9	178.1	186.3	190.5	191.8	195.2	195.6
Mining	4.4	140.0	132.8	140.5	128.3	127.3	125.6
Hydrocarbons	37.2	189.0	189.0	189.5	189.8	190.2	190.3
Electricity and water	7.3	125.8	128.3	134.1	136.3	140.2	144.9
General index	100.0	166.8	171.5	176.0	178.9	182.4	184.4
Percent change		5.7	2.8	2.6	1.6	2.0	1.3 ^{1/}

Source: Central Bank of Tunisia.

^{1/} Over corresponding period of 1993.

Table 13. Tunisia: Wage and Employment Indicators, 1989–93

	1989	1990	1991	1992	1993
Total wage bill (in millions of Tunisian dinars)	3,075	3,330	3,736	4,139	...
Percent change	11.6	8.3	12.2	10.8	...
Number of wage earners (in thousands)	1,237	1,268	1,294	1,330	...
Average annual wage (in Tunisian dinars)	2,486	2,626	2,887	3,112	...
Percent change	8.6	5.6	9.9	7.8	...
Real average annual wage (percent change) ^{1/}	0.9	-0.9	2.3	1.8	...
SMAG (in Tunisian dinars per day) ^{2/}	3.213	3.661	3.761	4.261	4.361
SMIG (in Tunisian dinars per hour) ^{3/}	0.549	0.577	0.625	0.649	0.697
Consumer price index (percent change)	7.7	6.5	8.2	5.8	4.0

Source: Ministry of Planning and Regional Development.

^{1/} Deflated by the average annual increase in the consumer price index.

^{2/} Minimum wage in the agricultural sector.

^{3/} Minimum wage in the nonagricultural sector for full-time employees.

Table 14. Tunisia: Gross Fixed Investment by Economic Sector and Financing, 1989-94

(In millions of Tunisian dinars)

	1989	1990	1991	1992	1993	Est. 1994
Agriculture and fishing	326	389	418	454	489	584
Industry	620	749	817	1,141	1,542	1,601
Mining	30	32	33	38	69	43
Hydrocarbons	119	170	163	489	751	705
Electricity and water	87	116	122	130	231	325
Manufacturing	384	431	499	483	491	527
Food processing	57	73	114	79	81	90
Construction materials and glass	54	59	78	80	76	85
Mechanical and electrical goods	72	80	89	83	83	84
Chemical and rubber products	29	32	36	40	55	63
Textiles and leather products	135	140	137	135	132	135
Woodwork and other	39	46	46	66	63	70
Construction and public infrastructure	663	774	845	923	1,027	1,128
Housing	398	454	500	555	608	640
Construction and public works	36	50	59	33	39	48
Public infrastructure	230	270	286	335	380	440
Services	548	723	833	1,117	1,112	1,345
Transport and communications	292	410	469	641	575	767
Lodging, food and beverages	100	118	137	254	290	305
Commerce and other	156	195	227	223	247	274
Total	2,157	2,635	2,921	3,635	4,168	4,658
Central government	403	498	697	560	653	744
Private sector 1/	1,754	2,137	2,224	3,075	3,515	3,914
Financing requirements 2/	2,258	2,877	3,144	4,131	4,308	4,740
Gross national savings (in percent of GDP)	1,914	2,308	2,579	3,214	3,145	3,620
Foreign resources (in percent of GDP)	20.1	21.4	21.5	23.4	21.4	22.4
Foreign resources	344	569	565	917	1163	1120
Foreign resources (in percent of GDP)	3.6	5.3	4.7	6.7	7.9	6.9

Source: Ministry of Planning and Regional Development.

1/ Includes all economic agents except the Central Government.

2/ Includes changes in stocks.

Table 15. Tunisia: Consolidated Financial Operations of the Central Government, 1989-94 1/

	1989	1990	1991	1992	1993	Prel. Est. 1994
<i>(In millions of Tunisian dinars)</i>						
Total revenue and grants	3,071	3,356	3,524	4,085	4,488	4,923
Total revenue	2,928	3,286	3,491	4,031	4,451	4,886
Tax revenue	2,258	2,551	2,875	3,294	3,625	4,044
Taxes on foreign trade	817	889	955	1,112	1,162	...
Other taxes	1,441	1,663	1,920	2,182	2,463	...
Nontax revenue	670	735	617	737	826	842
Petroleum sector	394	393	254	296	260	250
Other nontax revenue	276	342	362	441	566	592
Grants	143	70	33	54	37	37
Total expenditure and net lending	3,483	3,787	4,179	4,445	4,914	5,304
Total expenditure	3,418	3,743	4,202	4,381	4,849	5,332
Current expenditure	2,693	2,863	3,176	3,490	3,835	4,210
Wages and salaries	950	1,014	1,158	1,302	1,476	1,644
Goods and services	208	231	286	289	293	299
Interest payments	317	341	416	435	511	520
Foreign debt	239	249	258	247	281	322
Domestic debt	78	92	158	188	231	198
Subsidies and transfers	1,219	1,277	1,316	1,465	1,555	1,747
Of which: consumer subsidies	346	300	272	255	245	230
Capital expenditure	725	880	1,026	891	1,014	1,122
Direct investment	403	498	697	560	653	744
Capital transfers and equity	322	383	329	331	361	378
Net lending	65	44	-24	64	65	-28
Overall deficit	-412	-431	-655	-360	-426	-382
Financing	412	431	655	360	426	382
Foreign	118	75	319	22	178	144
Drawings	521	538	799	579	695	725
Of which: direct financing	210	255	361	230	274	215
Amortization	-403	-463	-480	-557	-517	-581
Domestic	294	356	336	337	248	238
Banks	45	85	45	-114	-47	-14
Other 2/	249	271	291	451	295	252
Memorandum items:						
GDP	9,531	10,798	11,997	13,754	14,688	16,134
Overall deficit, excluding grants	-555	-501	-687	-414	-463	-418
Military expenditure	188	225	257	260	279	289
<i>(In percent of GDP)</i>						
Revenue and grants	32.2	31.1	29.4	29.7	30.6	30.5
Tax revenue	23.7	23.6	24.0	23.9	24.7	25.1
Grants	1.5	0.6	0.3	0.4	0.3	0.2
Expenditure and net lending	36.5	35.1	34.8	32.3	33.5	32.9
Current expenditure	28.3	26.5	26.5	25.4	26.1	26.1
Capital expenditure	7.6	8.2	8.6	6.5	6.9	7.0
Deficit including grants	-4.3	-4.0	-5.5	-2.6	-2.9	-2.4
Deficit excluding grants	-5.8	-4.6	-5.7	-3.0	-3.2	-2.6

Sources: Ministry of Finance; and Fund staff estimates.

1/ Includes current and capital budgets, Special Funds, Fonds de Concours, extrabudgetary operations financed abroad, net treasury operations, and social security funds.

2/ Including payment float, errors, and omissions.

Table 16. Tunisia: Consolidated Revenue and Grants of the Central Government, 1989-93

(In millions of Tunisian dinars)

	1989	1990	1991	1992	1993
Revenue	2,928	3,286	3,491	4,031	4,451
Tax revenue	2,258	2,551	2,875	3,294	3,625
Taxes on income and profits	378	405	501	560	762
Of which: petroleum sector	57	50	82	75	65
Social security contributions	325	392	426	502	531
Taxes on payroll	31	39	34	38	57
Property taxes	52	65	69	77	87
Taxes on goods and services	607	715	835	944	962
Turnover taxes and VAT	210	272	317	371	424
Excises	291	327	402	445	443
Other	106	116	116	128	95
Taxes on international trade and transactions	817	889	955	1,112	1,162
Import taxes	794	868	935	1,094	1,144
Export taxes	10	9	12	10	9
Other	13	11	8	8	9
Other tax revenue	47	47	55	60	65
Nontax revenue	669	728	610	733	826
Petroleum sector	394	393	254	296	260
Other nontax revenue	275	335	355	437	566
Capital revenue	2	7	7	4	--
Grants	143	70	33	54	37
Total revenue and grants	3,071	3,356	3,524	4,085	4,488

Source: Ministry of Finance.

Table 17. Tunisia: Government Petroleum Revenues, 1989–94

(In millions of Tunisian dinars)

	1989	1990	1991	1992	1993	Prel. Est. 1994
Profits from petroleum exploitation (Title I, Articles 51.02 and 51.03)	394	393	254	296	260	235
Profits (ETAP))	368	347	197	264	218	199
Surtax	26	46	57	32	42	37
Excises on refined petroleum products (Title I, Article 21.07)	99	107	161	171	178	230
Direct taxation of petroleum companies	57	50	82	75	68	70
Revenue from property	38	43	61	56	65	76
Of which: gas pipeline	38	43	61	56	65	76
Overall total	588	593	558	597	572	611

Sources: Ministry of Finance; and Fund staff estimates.

Table 18. Tunisia: Economic Classification of Consolidated Expenditure
of the Central Government, 1989-94 ^{1/}

(In millions of Tunisian dinars)

	1989	1990	1991	1992	1993	Prel. Est. 1994
Current expenditure	2,693	2,863	3,176	3,490	3,835	4,210
Wages and salaries	950	1,014	1,158	1,302	1,476	1,644
Goods and other services	208	231	286	289	293	299
Interest on public debt	317	341	416	435	511	520
Foreign debt	239	249	258	247	281	322
Domestic debt	78	92	158	188	231	198
Subsidies and other current transfers	1,219	1,277	1,316	1,465	1,555	1,747
Of which:						
Consumer subsidies	346	300	272	255	245	230
Capital expenditure	725	880	1,026	891	1,014	1,122
Direct investment	403	498	697	560	653	744
Capital transfers and equity	322	383	329	331	361	378
Total expenditure	3,418	3,743	4,202	4,381	4,849	5,332

Sources: Ministry of Finance; and Fund staff estimates.

^{1/} Includes all expenditure in the treasury accounts, extrabudgetary operations financed by external assistance, and expenditure of the social security schemes.

Table 19: Tunisia: Operations of the Subsidy Fund, 1989-94

(In millions of Tunisian dinars)

	1989	1990	1991	1992	1993	Prel. Est. 1994
Subsidies and other expenditures 1/	334	319	285	274	260	258
Fertilizer	21	17	12	5	1	--
Sugar	35	35	18	14	15	16
Cereals	200	180	165	165	165	159
Vegetable oil	25	35	43	40	35	40
Milk	35	8	11	24	22	19
Reimbursement of treasury loans	5	5	5	5	--	--
Miscellaneous expenditures	13	39	31	21	22	25
Total resources	334	319	287	276	265	258
Earmarked taxes 2/	18	--	--	--	--	--
Current budget transfers	231	300	272	255	245	230
Borrowing from Treasury and transfers from treasury funds	22	1	--	--	--	--
Grants	62	--	--	--	--	--
Revaluation profits on stocks	1	1	1	1	1	1
Other	1	17	15	20	19	27
Overall surplus or deficit (-)	--	--	2	2	5	--

Source: Ministry of Finance.

1/ On an accrual basis, including the expenditures directly financed through treasury advances.

2/ Includes net position of Subsidy Fund with importers, producers, and intermediaries involved in transactions of subsidized commodities.

Table 20. Tunisia: Monetary Survey, 1989-94

(In millions of Tunisian dinars; end of period)

	1989	1990	1991	1992	1993	June 1994
Foreign assets (net)	668	612	526	547	563	400
Foreign assets	1,254	1,138	1,193	1,381	1,500	1,533
Foreign liabilities	-586	-526	-667	-834	-937	-1,133
Domestic credit	5,563	6,143	6,741	7,478	8,004	8,298
Credit to the Government (net)	722	808	853	687	640	507
Central Bank	-85	-55	-68	47	-6	-73
Deposit money banks	715	762	793	537	536	471
Counterpart of CCP deposits	92	100	128	104	110	110
Credit to the economy	4,841	5,335	5,888	6,791	7,364	7,791
Central Bank	31	34	41	39	26	24
Deposit money banks	4,810	5,301	5,847	6,751	7,338	7,767
Money plus quasi-money (M2)	4,910	5,220	5,507	5,903	6,294	6,216
Money	2,527	2,649	2,640	2,781	2,916	2,954
Currency	875	1,005	1,104	1,156	1,179	1,238
Demand deposits	1,652	1,644	1,536	1,625	1,736	1,717
Financial institutions	37	11	12	14	10	13
Nonfinancial enterprises and households	1,615	1,633	1,524	1,611	1,727	1,704
Quasi-money	2,383	2,571	2,867	3,122	3,378	3,262
Financial institutions	73	108	100	97	145	93
Nonfinancial enterprises and households	2,310	2,463	2,767	3,024	3,233	3,169
Long-term deposits	254	321	351	388	429	441
Other items (net)	1,067	1,214	1,410	1,734	1,844	2,041
Special resources	664	734	806	849	903	956
Capital accounts	574	641	759	942	1,113	1,256
Other	-171	-162	-155	-57	-172	-171

Sources: Central Bank of Tunisia, Statistiques Financières, various issues; and data communicated by the Central Bank of Tunisia.

Table 21. Tunisia: Assets and Liabilities of the Central Bank, 1989-94

(In millions of Tunisian dinars; end of period)

	1989	1990	1991	1992	1993	June 1994
Foreign assets	844	633	679	877	944	981
Claims on Government	54	64	95	117	122	62
Claims on development banks	27	51	89	84	95	61
Claims on deposit money banks	946	855	1,037	986	1,068	1,265
Assets = Liabilities	1,871	1,603	1,900	2,064	2,229	2,369
Reserve money	1,361	1,145	1,264	1,355	1,421	1,576
Currency outside banks	875	1,005	1,104	1,156	1,179	1,238
Currency with banks	28	44	43	40	51	50
Banks' deposits	455	89	89	134	157	254
Claims of development banks and other financial institutions	2	6	27	24	32	32
Deposits of nonfinancial entities	1	2	2	2	2	2
Foreign liabilities	259	148	243	301	323	357
Government deposits and currency holdings	139	119	164	71	128	135
Counterpart funds	94	66	70	64	79	81
Allocation of SDRs	20	20	43	45	49	49
Capital accounts	44	49	49	54	59	69
Other items (net)	-46	57	69	174	171	103

Sources: Central Bank of Tunisia, *Statistiques Financières*, various issues.

Table 22. Tunisia: Assets and Liabilities of Deposit Money Banks, 1989-94

(In millions of Tunisian dinars; end of period)

	1989	1990	1991	1992	1993	June 1994
Reserves	459	118	130	137	181	375
Currency	28	44	43	40	51	50
At Central Bank	431	74	88	97	130	326
Foreign assets	411	505	514	504	556	552
Claims on the Government	715	762	793	537	536	471
Equipment bonds	664	729	668	324	220	173
Treasury bills	47	30	119	159	281	268
Other	3	4	6	54	35	30
Claims on the economy	4,810	5,301	5,847	6,751	7,338	7,767
Credit financed by ordinary resources	4,121	4,543	4,950	5,711	6,208	6,575
Credit financed by special resources	547	618	698	784	845	882
Equity portfolio	141	140	199	256	286	310
Assets = Liabilities	6,395	6,686	7,285	7,929	8,611	9,164
Demand deposits	1,557	1,537	1,401	1,516	1,613	1,599
Development banks	35	5	7	10	8	8
Nonfinancial enterprises and households	1,522	1,532	1,394	1,506	1,615	1,592
Quasi-money liabilities	2,383	2,571	2,845	3,102	3,348	3,235
Development banks	73	108	78	77	115	66
Nonfinancial enterprises and households	2,310	2,463	2,767	3,024	3,233	3,169
Term deposits	681	614	601	664	645	616
Certificates of deposit	192	185	90	54	79	28
Special savings deposits	1,301	1,512	1,766	2,041	2,254	2,253
Other savings deposits	18	29	44	30	29	29
Deposits in foreign exchange or convertible dinars	--	--	1	--	--	--
Other	119	124	266	236	226	244
Long-term monetary liabilities	254	321	350	388	429	441
Foreign liabilities	328	378	425	533	614	776
Special resources	571	668	736	785	825	876
Credit from Central Bank	937	848	1,021	972	1,068	1,270
Capital accounts	530	592	710	888	1,053	1,186
Other items (net)	-165	-229	-204	-254	-349	-220

Sources: Central Bank of Tunisia, Statistiques Financières, various issues.

Table 23. Tunisia: Selected Interest Rates, 1989–94

(In percent; end of period)

	1989	1990	1991	1992	1993	Sept. 1994
Money market rate (TMM)	11.31	11.81	11.81	11.31	8.81	8.81
Central Bank						
Auction of refinance credit ^{1/}	10.31	10.38	10.38	10.38	7.88	7.88
Repurchase facility ^{2/}	11.31	11.88	11.88	11.38	8.88	8.88
Rediscount of preferential credits						
Export related credit	4.00	6.25	6.25	8.25	8.25	8.25
Crop credit	4.75	5.75	5.75	7.75	7.75	7.75
Agricultural investment	6.00	6.50	6.50	8.50	8.50	8.50
PME investments ^{3/}	6.50	7.50	7.50	9.50	9.50	9.50
Commercial banks						
Maximum lending/overdraft rate ^{4/}	13.75	14.81	14.81	16.50	14.44	13.81
Special savings deposit rate ^{5/}	9.25	9.63	9.63	9.63	7.38	6.86

Source: Central Bank of Tunisia.

^{1/} Under the appel d'offres a fixed amount of seven-day liquidity is auctioned against assets held by the banks.^{2/} The prêt en pension is an automatic repurchase window at the initiative of the banks.^{3/} PME, small- and medium-sized enterprises.^{4/} The maximum lending rate was set at the TMM plus 2.5 points in 1989 and at the TMM plus 3 points in 1990–91. From the beginning of 1992 the average lending rate for each bank was limited to the TMM plus 3 points and all restrictions were lifted in early June 1994.^{5/} The interest rate for special savings deposit has been set at the money market rate of the previous month minus two points since 1987. Rates on deposits with terms of at least three months are free. Maximum rate on deposits of shorter maturities was set at 2 percent in July 1990.

Table 24. Tunisia: Balance of Payments, 1989-94

	1989	1990	1991	1992	1993	Prel. Est. 1994
(In millions of SDRs)						
Current account	-242	-500	-421	-758	-849	-792
Trade balance	-942	-1,236	-866	-1,466	-1,481	-1,692
Exports, f.o.b.	2,286	2,992	2,711	2,850	2,724	3,015
Energy	456	448	387	432	310	317
Nonenergy	1,830	2,144	2,324	2,418	2,415	2,698
Imports, f.o.b.	-3,228	-3,828	-3,577	-4,316	-4,206	-4,707
Energy	-296	-339	-289	-319	-326	-342
Nonenergy	-2,932	-3,469	-3,288	-3,997	-3,880	-4,365
Total services	699	735	445	708	632	900
Nonfactor services (net)	681	650	469	753	783	939
Of which: receipts from tourism	724	695	500	759	795	915
Factor services and transfers (net)	18	86	-24	-45	-151	-39
Of which:						
Workers' remittances	381	441	417	410	428	469
Interest on external debt	-322	-311	-294	-313	-351	-365
Capital account	305	426	373	841	828	943
Grants	161	154	89	58	74	45
Direct foreign investment (net)	113	137	121	346	443	421
Medium- and long-term loans	101	80	189	188	271	430
Disbursement	700	700	805	816	881	1,057
Amortization	-598	-620	-615	-629	-610	-627
Short-term capital and other	-70	55	-26	250	40	48
Overall surplus or deficit (-)	62	-74	-48	83	-21	151
Change in net official reserves (increase-)	-62	74	48	-83	21	-151
Use of IMF resources	--	-82	56	31	-4	--
Other assets, net (increase-)	-62	156	-8	-114	25	-151
(In units indicated)						
Memorandum items:						
Current account deficit (-)						
(in percent of GDP)	-3.1	-5.5	-4.4	-6.9	-8.1	-7.1
Gross official reserves						
(in months of imports)	2.7	1.8	1.9	1.8	1.8	2.0
Debt-service ratio 1/	23.2	23.2	23.8	20.2	20.5	19.0

Sources: Tunisian authorities; and Fund staff estimates.

1/ As a percent of exports of goods and services; including IMF charges.

Table 25. Tunisia: Foreign Trade Indicators, 1990-94

(Changes in percent)

	1990	1991	1992	1993	1994
Exports ^{1/}					
Value (in Tunisian dinars)	11.0	11.1	3.5	7.6	14.6
Volume	4.5	4.4	3.1	0.3	11.2
Price	6.3	6.4	0.3	7.3	3.0
Value (in SDRs)	13.4	4.6	5.1	-4.4	10.7
Price	8.5	0.2	1.9	-4.7	-0.5
Imports, c.i.f. ^{1/}					
Value (in Tunisian dinars)	16.9	-1.3	18.8	9.6	15.6
Volume	9.6	-7.9	15.9	2.6	11.4
Price	6.7	7.1	2.5	6.9	3.8
Value (in SDRs)	19.4	-7.0	20.6	-2.6	11.7
Price	8.9	0.9	4.1	-5.0	0.3
Terms of trade	-0.4	-0.7	-2.1	0.4	-0.8

Source: Ministry of Planning and Regional Development.

^{1/} Current price data are based on customs trade statistics.

Table 26. Tunisia: Value of Foreign Trade by Commodity Class, 1989-94 1/

(In millions of SDRs)

	1989	1990	1991	1992	1993	Prel. Est. 1994
Exports, f.o.b.	2,286	2,592	2,711	2,850	2,724	3,015
Energy products	456	448	387	432	310	317
Nonenergy	1,830	2,144	2,324	2,418	2,415	2,698
Phosphates and derivatives	447	381	389	395	336	372
Agricultural (including agro-processing)	232	293	412	296	313	362
Textiles and leather	719	993	1,050	1,231	1,268	1,450
Mechanical and electrical industry	191	299	320	341	362	398
Other goods	241	179	154	156	136	115
Imports, c.i.f.	3,411	4,072	3,786	4,567	4,450	4,970
Energy products	296	359	289	319	326	342
Nonenergy	3,115	3,712	3,497	4,247	4,124	4,628
Raw materials and semi-finished goods	1,136	1,272	1,185	1,477	1,309	1,368
Equipment	652	910	953	1,120	1,124	1,308
Food	451	373	246	305	298	374
Nonfood consumer goods	876	1,157	1,113	1,345	1,393	1,578
Memorandum item:						
Net energy exports	160	89	98	113	-16	-25

Source: Ministry of Planning and Regional Development.

Table 27. Tunisia: Volume of Foreign Trade by Commodity Class, 1990-94 1/

(Growth rates in percent)

	1990	1991	1992	1993	Prel. Est. 1994
Exports, f.o.b.	4.5	4.4	3.1	0.3	11.2
Energy products	-15.8	-4.7	17.9	-21.1	16.5
Nonenergy	10.0	6.3	0.4	5.0	10.3
Phosphates and derivatives	-13.1	-3.2	9.5	-9.4	9.1
Agriculture (including agro-processing)	15.8	38.7	-24.4	18.4	14.6
Textiles and leather	26.3	4.4	8.4	6.8	12.8
Mechanical and electrical industry	43.2	5.9	-1.6	10.2	8.5
Other goods	-32.0	-15.2	-6.4	-9.6	-16.1
Imports, c.i.f.	9.6	-7.9	15.9	2.6	11.4
Energy products	-0.7	-13.2	15.0	16.0	16.3
Nonenergy	10.7	-7.4	16.0	1.4	10.9
Raw materials and semi-finished goods	4.0	-8.9	24.3	-7.3	3.6
Equipment	27.8	3.4	9.1	5.0	14.8
Food	-19.1	-35.5	21.9	2.3	23.4
Nonfood consumer goods	21.0	-5.0	11.7	8.3	12.3

Source: Ministry of Planning and Regional Development.

1/ Based on customs statistics.

Table 28. Tunisia: Trade Balance in Hydrocarbons, 1989-93

	1989	1990	1991	1992	1993
<u>(In millions of Tunisian dinars)</u>					
A. Crude oil					
Exports, f.o.b.	506	460	408	475	370
Imports, f.o.b.	-67	-53	-15	-42	-37
Balance	439	407	393	433	333
B. Refined products					
Exports, f.o.b.	37	53	56	50	43
Imports, f.o.b.	-199	279	-274	-258	-315
Balance	-162	226	-218	-208	-272
C. Gas					
Exports	--	--	--	--	--
Imports	-80	-80	-65	-85	-90
Balance	-80	-80	-65	-85	-90
D. Total (A + B + C)					
Exports, f.o.b.	543	513	464	525	413
Imports, f.o.b.	-346	146	-354	-385	-442
Balance	197	659	110	140	-29
<u>(In thousands of tons of oil equivalent)</u>					
A. Crude oil					
Exports	4,261	3,257	3,304	3,989	3,138
Imports	-553	-396	-118	-341	-295
Balance	3,708	2,861	3,186	3,648	2,843
B. Refined products					
Exports	400	514	542	460	434
Imports	-1,554	-2,008	-2,186	-2,254	-2,521
Balance	-1,154	-1,494	-1,644	-1,794	-2,087
C. Gas					
Exports	--	--	--	--	--
Imports	-1,337	-1,019	-639	-1,058	-1,126
Balance	-1,337	-1,019	-639	-1,058	-1,126
D. Total (A + B + C)					
Exports	4,661	3,771	3,846	4,449	3,572
Imports	-3,444	-3,423	-2,943	-3,653	-3,942
Balance	1,217	348	903	796	-370

Source: National Institute of Statistics and Central Bank of Tunisia.

Table 29. Tunisia: Exports of Phosphate Rock, Phosphate Derivatives, and Other Chemical Products, 1989-93

(Volume in thousands of tons, value in millions of Tunisian dinars)

	<u>Volume</u> <u>Value</u> 1989		<u>Volume</u> <u>Value</u> 1990		<u>Volume</u> <u>Value</u> 1991		<u>Volume</u> <u>Value</u> 1992		<u>Volume</u> <u>Value</u> 1993	
Phosphate rock	1,077	31	593	16	426	11	956	22	1,113	27
Phosphoric acid	426	149	421	120	543	164	543	139	498	122
Superphosphate	857	126	751	90	655	86	783	95	624	73
Ammonium phosphates	605	118	503	81	511	94	657	96	718	100
Bicalcium phosphate	47	9	47	8	53	10	54	9	67	12
Hyperphosphate	25	2	41	3	36	2	32	2	27	2

Source: Direction generale des mines

Table 30. Tunisia: Exports and Imports of Primary Products by Major Categories, 1989-93

(Volume in thousands of tons, value in millions of Tunisian dinars)

	<u>Volume</u>	<u>Value</u>	<u>Volume</u>	<u>Value</u>	<u>Volume</u>	<u>Value</u>	<u>Volume</u>	<u>Value</u>	<u>Volume</u>	<u>Value</u>
	1989		1990		1991		1992		1993	
Exports										
Olive oil	47	82	50	107	158	267	97	139	123	177
Dates	17	38	18	45	20	49	17	44	19	48
Almonds	--	--	--	1	1	2	1	2	1	4
Citrus	41	13	29	10	26	11	20	8	24	10
Wine 1/	8	4	9	4	11	17	9	11	9	13
Fish	14	84	17	101	14	80	12	69	16	90
Imports										
Soft wheat	611	105	714	94	559	48	596	72	686	86
Hard wheat	545	100	184	30	118	16	57	8	29	5
Barley	177	24	128	17	4	1	5	1	30	3
Maize	251	35	293	36	238	30	343	38	290	37
Sugar	176	47	208	71	165	43	235	59	213	62
Tea	9	12	11	16	13	18	14	19	11	17
Milk	29	46	30	43	17	21	28	41	38	42
Soybean oil	83	34	84	35	56	24	106	40	117	54
Meat (including live animals for slaughter)	16	21	14	24	13	18	14	21	15	29

Sources: Central Bank of Tunisia; and National Statistics Institute.

1/ Includes other alcoholic beverages.

Table 31. Tunisia: Direction of Trade, 1989-93

(In percent)

	1989	1990	1991	1992	1993
Exports, f.o.b.					
EC countries	73.7	77.8	76.6	78.4	79.1
Of which: France	24.6	26.6	25.2	27.2	30.0
Italy	18.9	21.2	19.7	17.2	16.3
Germany, Fed. Rep. of	12.6	15.1	16.4	17.1	17.4
Netherlands	2.5	2.5	2.7	2.6	3.1
Belgium/Luxembourg	6.4	7.0	6.3	6.9	7.3
United Kingdom	1.8	1.6	1.3	1.8	1.3
Greece	3.7	0.4	0.6	2.1	0.1
Spain	3.2	2.6	3.7	2.8	2.5
Arab Maghreb Union	7.1	7.7	8.4	7.9	7.6
Libya	4.2	4.6	5.5	4.4	5.0
Algeria	2.2	2.3	2.1	2.4	1.8
Morocco	0.6	0.7	0.7	1.1	0.9
Mauritania	0.1	0.1	0.1	--	--
Other countries	19.2	14.5	15.0	13.7	13.3
Of which: United States	2.3	0.9	0.7	0.8	0.7
Turkey	0.8	0.8	0.7	0.9	1.3
U.S.S.R.	0.8	1.3	1.1	0.3	0.2
Japan	0.2	0.3	0.3	0.3	0.2
Switzerland	0.3	0.4	0.5	0.3	0.5
Total	100.0	100.0	100.0	100.0	100.0
Imports, c.i.f.					
EC countries	66.9	70.2	71.7	71.1	71.6
Of which: France	26.4	27.9	26.0	25.5	26.8
Italy	13.7	15.9	17.4	18.2	18.2
Germany, Fed. Rep. of	11.7	12.5	14.3	14.0	13.0
Netherlands	2.4	2.6	2.2	2.2	2.2
Belgium/Luxembourg	4.7	4.8	5.4	4.7	4.3
United Kingdom	1.5	1.7	1.8	1.8	2.3
Greece	1.9	0.1	0.8	0.6	0.8
Spain	3.3	3.1	3.1	3.3	3.2
Arab Maghreb Union	4.4	3.4	3.7	4.4	3.2
Libya	0.4	0.5	0.6	0.8	0.8
Algeria	2.4	2.0	1.9	2.4	1.6
Morocco	1.0	0.9	1.2	1.2	0.8
Mauritania	0.6	--	--	--	--
Other countries	28.7	26.4	24.6	24.5	25.2
Of which: United States	5.8	5.2	4.8	5.0	5.8
Canada	1.1	0.9	1.6	1.0	0.5
Brazil	0.3	0.5	0.4	0.6	0.7
Argentina	0.5	0.6	0.7	0.8	0.6
Austria	0.7	0.6	0.6	0.5	0.4
Turkey	1.5	0.9	1.1	0.9	0.9
Sweden	1.0	1.0	1.3	1.1	1.3
Switzerland	1.7	1.2	1.4	1.2	1.3
U.S.S.R.	0.8	1.7	1.4	1.3	1.6
Yugoslavia	0.4	0.7	0.4	0.5	0.1
Romania	0.7	0.1	0.2	0.1	0.0
China, People's Rep.	0.4	0.6	0.7	0.8	0.8
Japan	1.4	1.8	2.3	2.3	2.3
Saudi Arabia	0.3	0.8	0.5	0.3	0.3
Total	100.0	100.0	100.0	100.0	100.0

Sources: Central Bank of Tunisia; Ministry of National Economy; National Statistics Institute of Tunisia; IMF Direction of Trade Yearbook 1994; and staff estimates.

Table 32. Tunisia: External Debt and Debt Service Payments, 1989-93

	1989	1990	1991	<u>Prel.</u> 1992	<u>Prel.</u> 1993
(In millions of SDRs)					
Disbursements	700	700	805	816	881
Long-term capital	485	478	542	482	558
Medium-term capital	215	222	263	334	323
Debt service payments					
Medium- and long-term	900	909	895	927	948
Interest	302	289	280	298	338
Principal	598	620	615	629	610
IMF	20	104	113	36	17
Charges	20	22	14	15	13
Repurchases	--	82	99	21	4
Total debt service	921	1013	1008	963	965
Interest	322	311	294	313	351
Principal	598	702	715	650	614
Debt outstanding	4,713	5,007	5,355	5,424	5,637
Medium- and long-term	4,500	4,881	5,175	5,202	5,422
Arab Monetary Fund	7	3	--	11	8
Fund credit	206	124	180	211	207
(In percent of current receipts)					
Total debt service 1/	23.2	23.2	23.8	20.2	20.5
Interest	8.1	7.1	6.9	6.6	7.5
Principal	15.1	16.1	16.9	13.7	13.1
Excluding IMF	22.7	20.8	21.2	19.5	20.1
Interest	7.6	6.6	6.6	6.3	7.2
Principal	15.1	14.2	14.6	13.2	13.0
(In percent of GDP)					
Debt outstanding	58.8	55.2	55.2	51.5	55.2
Total debt service	11.8	11.2	10.6	8.7	9.2

Sources: Ministry of Planning and Regional Development; Central Bank of Tunisia; and IMF, Treasurer's Department.

1/ Includes IMF charges and repurchases.

Table 33. Tunisia: Composition of External Debt by Creditor, 1989-93

(In millions of Tunisian dinars, end of period)

	1989	1990	1991	Prel. 1992	Prel. 1993
Multilateral organizations	1,370	1,610	1,944	2,015	2,936
Of which: World Bank	987	1,120	1,230	1,286	1,571
African Development Bank	285	395	587	668	1,056
OECD countries	3,064	3,363	3,662	3,855	3,872
Of which: France	762	841	963	970	1,109
Germany	611	639	667	683	681
Japan	548	531	534	551	638
United States	382	426	505	512	628
Italy	222	268	318	404	464
Arab countries and organizations	432	467	567	644	825
Of which: Saudi Fund	121	133	134	147	125
Kuwaiti Fund	134	145	144	130	127
Arab Fund for Economic and Social Development	93	100	143	219	233
Other countries	87	100	88	98	40
Financial markets	397	270	140	188	122
Total medium- and long-term debt	5,350	5,810	6,400	6,800	7,794
Arab Monetary Fund	8	3	--	14	12
International Monetary Fund	245	147	223	276	298
Total external debt	5,603	5,960	6,622	7,090	8,104
(as percent of GDP)	58.8	55.2	55.2	51.5	55.2

Sources: Ministry of Planning and Regional Development; Central Bank of Tunisia; and staff estimates.

Table 34. Tunisia: Selected Exchange Rate Indices, 1989-94 1/

(Period averages; 1980 = 100)

	U.S. dollar	French franc	SDR	Effective exchange rate 2/		
				Nominal	Real (CPI-based)	Relative prices
1989 I	43.4	64.6	43.0	58.5	67.2	114.9
II	42.0	65.1	43.1	59.0	68.0	115.3
III	42.4	65.2	43.8	59.2	68.7	116.1
IV	43.0	62.7	43.6	57.7	67.3	116.7
Year	42.7	64.4	43.4	58.6	67.8	115.8
1990 I	44.7	60.7	44.2	56.8	66.4	117.0
II	45.0	60.1	44.7	56.5	66.4	117.5
III	46.4	58.6	44.0	55.3	65.3	118.1
IV	48.5	58.1	44.1	55.1	65.6	119.0
Year	46.1	59.4	44.2	55.9	65.9	117.9
1991 I	47.4	58.4	43.6	55.0	66.5	121.0
II	42.1	58.6	41.0	54.5	66.4	121.8
III	42.0	58.9	40.9	54.8	67.1	122.4
IV	44.1	57.9	41.4	54.2	66.4	122.5
Year	43.8	58.5	41.7	54.6	66.6	121.9
1992 I	44.5	58.0	41.7	54.5	67.1	123.0
II	44.9	57.8	42.0	54.7	67.7	123.8
III	48.7	57.2	43.6	54.9	67.8	123.7
IV	45.3	56.4	42.0	55.7	69.3	124.3
Year	45.8	57.4	42.3	55.0	68.0	123.7
1993 I	41.1	53.9	38.9	54.0	66.9	123.9
II	41.2	53.3	38.1	53.3	65.9	123.6
III	39.6	54.5	36.4	53.9	67.1	124.5
IV	39.4	54.5	37.1	54.4	68.1	125.2
Year	40.4	54.1	37.6	53.9	67.0	124.3
1994 I	38.5	53.4	35.7	54.0	67.8	125.5
II	39.5	53.1	36.0	53.6	67.9	126.6
III	41.1	52.0	36.5	53.2	67.9	127.7

Sources: IMF, Data Fund, and Information Notice System.

1/ Foreign currency units per Tunisian dinar.

2/ Weighted by non-oil trade and tourism flows of 16 partner and competitor countries; (-) denotes depreciation.

Table 35. Tunisia: Structure of Imports by Regime, 1989-92 1/

(In millions of Tunisian dinars)

	1989	1990	1991	<u>Prel</u> 1992
Regime with restrictions 2/	1,152	1,133	1,074	534
Import license 3/	878	951	954	446
Annual import authorization 4/	274	182	120	88
Regime without restrictions	1,974	2,479	2,484	3,024
Import certificate 5/	1,654	2,264	2,311	2,851
Of which: equipment goods	150	146	166	166
Temporary admission	320	215	173	173
Total 1/	3,162	3,612	3,558	3,558

Source: Central Bank of Tunisia.

1/ Total imports are less than those recorded in the balance of payments, primarily because imports without payments are not covered by the above regimes.

2/ Quantitative restrictions.

3/ Import licenses, which are issued for six months, authorize the importation of certain consumer goods, including durable goods.

4/ Under an annual import authorization, certain staples or industrial products can be imported by specific industrial enterprises, agencies, or merchants up to a global annual limit, expressed in dinars.

5/ Document required for the import of liberalized goods can be obtained upon presentation of a commercial contract, domiciled with an authorized intermediary.

(All amounts in Tunisian dinars)

Tax	Nature of Tax	Exemptions and Deductions	Rates
1. <u>Taxes on net income and profits</u>			
1.1 <u>Corporations</u>			
Code de l'impôt sur le revenu des personnes physiques et de l'impôt sur les sociétés (CIRPPIS), January 5, 1990. 1/	<p>Levied on all resident corporations, cooperatives, and autonomous public entities engaged in industrial or commercial activity, as well on Tunisian-source profits of nonresident companies.</p> <p>Losses can be carried forward as a deduction against profits of the following three years.</p> <p>Provisional advance payments are required on current year's profits, in three installments, each being equal to 30 percent of the previous year's income tax in the 6th, 9th, and 12th months of their taxable year. Adjustment is made upon submission of the tax return for the taxable year.</p>	<p>Exemptions: nonprofit professional associations with revenue from tax or quasi-tax sources; mutual funds; savings and assistance funds managed by nonpaid officials; nonprofit public entities; service cooperatives in agricultural and fishing activities; employee-owned production cooperatives.</p> <p>Deductions: linear or degressive depreciations are allowed for business fixed assets; provisions for bad debts up to 10 percent of taxable profits; deduction of up to 35 percent of net profits for purchase of newly issued equity instruments in enterprises benefiting from the incentives under the Investment Incentive Law (Law No. 93-120 of December 1993); deductions in various degrees of income from activities encouraged by the Investment Incentive Law; deduction allowed for charitable donations up to 2 percent of the turnover and for representation expenses up to 1 percent of the turnover with a maximum of D 20,000; 50 percent of the construction cost of housing built for employees is deductible over a period of ten years.</p>	<p>Normal rate: 35 percent.</p> <p>Reduced rate: 10 percent. The latter is applicable to profits of the following companies: enterprises in handicraft, agricultural, and fishing activities; service and consumption cooperatives; profits from youth employment programs or promotion funds for handicrafts and small traders. Exemptions cannot reduce tax liability below 10 percent.</p> <p>Minimum tax: 0.5 percent of the turnover of the taxable year, with a ceiling of D 500 for companies subject to 10 percent rate and D 1,000 for companies subject to 35 percent rate. Tax withholding at source is applied to wages, salaries, interest, commissions, brokerage fees, royalties, and rents.</p>

Tunisia: Summary of the Tax System as of September 30, 1994

(All amounts in Tunisian dinars)

Tax	Nature of Tax	Exemptions and Deductions	Rates														
1.2 <u>Individuals</u> (CIRPPIS) <u>1/</u>	<p>Levied on individuals domiciled in Tunisia on their worldwide income.</p> <p>Types of income include wages and salaries; professional income; business profits; profit shares; capital income; income from land; and royalty income.</p> <p>Nonresidents are also subject to this tax on their Tunisian-source income. Tax collected through withholding on wages and salaries, interest payments, dividends, director fees, payments to nonresidents.</p> <p>Advance payment is also required for business and professional income as in the case of corporations (see 1.1 above).</p> <p>Lump-sum tax liability (<u>forfait</u>) is established for enterprises with annual turnovers not exceeding the amounts specified in the tax code.</p>	<p>Exemptions: remunerations of foreign diplomats (exempted on a reciprocal basis); life annuities paid to work-related accident victims; indemnities paid to victims of physical attacks by virtue of a court verdict; social security and welfare payments; special allowances to cover work-related expenses; dividends paid by entities subject to the corporate tax; interest income from savings deposits linked to financing for housing; interest from bank deposits in foreign currency or convertible dinars; interest income from special savings accounts with banks and the National Savings Fund of Tunisia, and bonds up to D 1,500, with a limit of D 1,000 for interest from special savings accounts.</p> <p>Deductions: same as in the case of corporate profits (see 1.1 above).</p>	<table><thead><tr><th><u>Brackets</u></th><th><u>Rates</u> <u>(In percent)</u></th></tr></thead><tbody><tr><td>First 1,500</td><td>zero</td></tr><tr><td>Next 3,500</td><td>15</td></tr><tr><td>" 5,000</td><td>20</td></tr><tr><td>" 10,000</td><td>25</td></tr><tr><td>" 30,000</td><td>30</td></tr><tr><td>Over 50,000</td><td>35</td></tr></tbody></table> <p>Minimum tax: 0.5 percent of the turnover of the taxable year with a ceiling of D 500. Deductions and exemptions cannot lower tax liability below 30 percent of tax due in the absence of deductions and exemptions.</p>	<u>Brackets</u>	<u>Rates</u> <u>(In percent)</u>	First 1,500	zero	Next 3,500	15	" 5,000	20	" 10,000	25	" 30,000	30	Over 50,000	35
<u>Brackets</u>	<u>Rates</u> <u>(In percent)</u>																
First 1,500	zero																
Next 3,500	15																
" 5,000	20																
" 10,000	25																
" 30,000	30																
Over 50,000	35																
2. <u>Social security contributions</u>	<p>All private sector employers must join the National Social Security Fund (Caisse nationale de Sécurité sociale, CNSS). The CNSS pays pensions, family allowances, and other social security benefits.</p>	<p>Exemptions: none. Deductions: none.</p>	<p><u>Social security</u> Employers: 15 percent. Employees: 6 percent.</p> <p><u>Retirement</u> Employers: 2.5 percent. Employees: 1.25 percent.</p>														
3. <u>Taxes on payroll and work force</u>																	
3.1 <u>Vocational training tax</u> (Taxe de formation professionnelle)	<p>Levied on wages and salaries.</p>	<p>None.</p>	<p>Normal rate: 2 percent Reduced rate: 1 percent (for industrial manufacturing jobs).</p>														

Tunisia: Summary of the Tax System as of September 30, 1994

(All amounts in Tunisian dinars)

Tax	Nature of Tax	Exemptions and Deductions	Rates
3.2 <u>Contribution to the "Housing Promotion Fund for Wage Earners" (FoProlos)</u>	Levied on wages and salaries.	None.	1 percent.
4. <u>Taxes on property</u>			
4.3 <u>Transfer duties on property transfers</u> (Droits d'enregistrement sur les mutations)	Levied on transfer of property through sale, exchange, gift, or inheritance.	For inheritance, there is an allowance of D 2,000 for spouse, child, and other descendants with a total ceiling of D 12,000 per estate.	Gifts: rates vary between 5 percent and 35 percent depending on relationship. Inheritance: progressive rates from 6 percent to 25 percent apply for close relatives and for 35 percent to 85 percent for distant relatives. Other transfers are subject to rates between 0.7 percent and 18.8 percent.
5. <u>Taxes on goods and services</u>			
5.1 <u>Value-added tax</u> (Code de la taxe sur la valeur ajoutée), June 2, 1988. 2/	Levied on services; imports and wholesale trade; and production activities. Credit is given for the tax paid in previous stages for the same good. Lump-sum tax liability (<u>forfeit</u>) is applied for enterprises in the transport sector.	Exemptions: exports as well as selected domestic and import goods such as books, newspapers, periodicals, milk, olive oil production, etc.	Normal rate: 17 percent Reduced rate: 6 percent for services, gas, electricity. Fertilizers, handicrafts, etc. High rate: 29 percent on luxury goods.
5.2 <u>Consumption duties</u> (Droits de consommation, Law 88-62 of June 2, 1988 and revised by subsequent budget laws).	Levied on selected goods.	None.	Ad valorem rates vary from 25 percent to 687 percent (some alcoholic beverages) Specific rates (petroleum products).

Tunisia: Summary of the Tax System as of September 30, 1994

(All amounts in Tunisian dinars)

Tax	Nature of Tax	Exemptions and Deductions	Rates
5.3 <u>Tax on insurance contracts</u>	Levied on premiums collected for insurance contracts.	Reinsurance. Accident insurance for maids and similar employees working for private services. Risk insurance for export goods and export credit insurance.	Life insurance: 3 percent Sea and air transport insurance: 5 percent Fire insurance: Agriculture: 8 percent Business, industry and tourism: 12 percent Other risks: 24 percent Other insurance premiums: 10 percent.
5.4 <u>Motor vehicle tax</u>	Annual levy on motorcycle and cars.		Motorcycles: from D 30 to D 450 depending on the engine size; Cars: from D 45 to D 1,500 depending on their fiscal horsepower.
6. <u>Taxes on international trade</u>			
6.1 <u>Taxes on imports</u>			
6.1.1 <u>Customs duty</u> (Droits de douane à l'importation)	A three-column tariff system based on the CCC nomenclature with minimum, preferential, and general rates. Preferential treatment is given to goods from 15 countries of North Africa and the Middle East, provided they satisfy origin criteria. General treatment is given to goods from	Exemptions or reductions in rates apply to certain categories of importers or imports such as: - equipment for investment under the Investment Incentive Law; - goods used in manufacture under special customs regimes (e.g., temporary admission, industrial warehousing);	Rates: from 10 percent to 43 percent. All duties are assessed ad valorem on c.i.f. value.

(All amounts in Tunisian dinars)

Tax	Nature of Tax	Exemptions and Deductions	Rates
	countries that do not have special commercial relationships with Tunisia, or do not apply the most-favored nation clause.	<ul style="list-style-type: none"> - goods used by particular institutions and bodies; military forces, diplomatic personnel, and international organizations, airlines, etc.; - goods used for educational, cultural, social and health purposes; - household effects and travel goods within specified limits. <p>Exemptions or deductions may also be applied to certain categories of foodstuffs imported under special temporary tax relief (<u>régimes fiscaux privilégiés conjoncturels</u>).</p>	
6.1.2 <u>Complementary duty on imports</u> (Droit complémentaire à l'importation)	Additional temporary import duty levied on limited range of finished and semifinished goods produced locally for which imports are liberalized.		Rates: from 10 percent to 30 percent. To be eliminated gradually over three years from the date of introduction.
6.1.3 <u>Service fee on imports</u> (Redevance sur prestations douanières à l'importation).	Flat fiscal duty on imports, regardless of origin.	Exemptions: numerous.	2 percent of the total of import duties, including VAT, excises, and compensatory duty, with a minimum of D 5 per declared item.

Tunisia: Summary of the Tax System as of September 30, 1994

(All amounts in Tunisian dinars)

Tax	Nature of Tax	Exemptions and Deductions	Rates
6.2 Export duties			
6.2.1 <u>Service fee on exports</u> (Redevances sur prestations douanières à l'exportation).	Flat fiscal duty on selected exports.	Exemptions: numerous.	1.5 percent of the export value (f.o.b.). Budget Law of 1988 provides a list of taxable exports.
Other taxes			
7.3.2 <u>Stamp duties</u> (Droits de timbre).	Specific duties on a wide range of civil, administrative, and judicial procedures.	Exemptions: numerous.	Various rates between D 0.2 and D 100.

Sources: Code de l'impôt sur le revenu des personnes physiques et de l'impôt sur les sociétés; Code de la taxe sur la valeur ajoutée; and Code de la douane.

1/ Applicable to 1990 income and profits.

2/ Effective July 1, 1988.