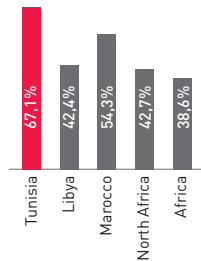




## ICT SECTOR

Tunisia benefits from a key geographic proximity to European countries and has signed free trade agreements with the markets of Sub-Saharan Africa, the Middle East and the European Union

Stock of inward FDI in GDP % - 2018



## A CENTRAL POSITION IN THE EUROMED AREA



Main free trade / trade agreements ratified by Tunisia



Population (2018)  
**11,55** millions

Surface Area  
**163 610** km<sup>2</sup>

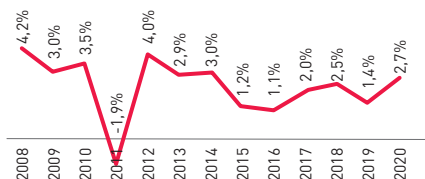
Time zone  
**GMT + 1** hour

Capital Tunis  
(1,07 m inhabitants)

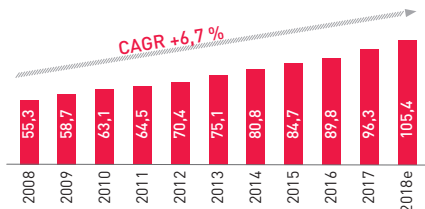
Economic openness rate  
**87,7%** (en 2017)

Free trade agreements  
UE, COMESA, UMA, GAFTA

Tunisia's growth rate rose from 1.5% in 2015 to 2.5% in 2018 - According to Government estimates, this trend is likely to continue, reaching 2.7% in 2020



Evolution of GDP in billion TND (2008-2018)



## KEY FIGURES

**GDP growth rate**  
(2018)  
**2,5%**

**GDP (\$, 2018)**  
**39,86 m \$**

**GDP / capita**  
(PPA \$, 2018)  
**12 483 \$**

**CPI inflation**  
(2018)  
**7,3%**

**FDI inward stock**  
(2018)  
**26 792 m \$**

**Flow of foreign direct investment**  
(2018)  
**1 036 m \$**

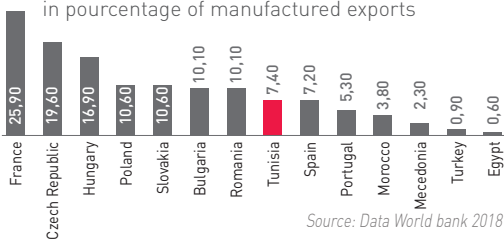
**# of FDI projects announced**  
(destination Tunisia 2018)  
**554**

**# of FDI projects announced**  
(source Tunisia 2018)  
**93**

Tunisia has a competitive edge compared to competing destinations on the basis of the most relevant international rankings

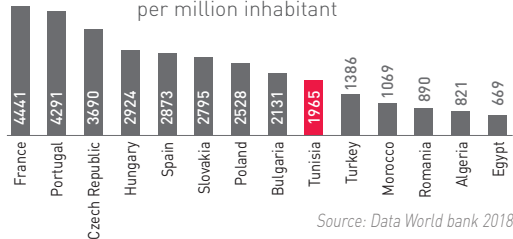
## TUNISIA IN THE INTERNATIONAL RANKINGS

High-technology exports  
in pourcentage of manufactured exports



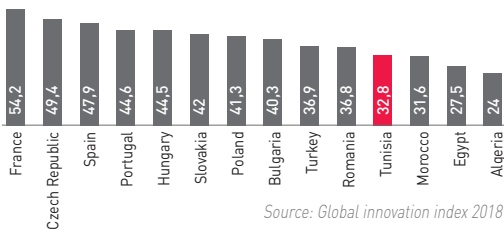
Source: Data World bank 2018

Number of researchers in R&D  
per million inhabitant



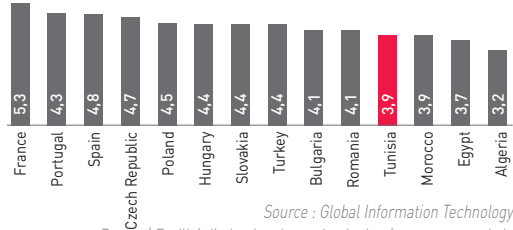
Source: Data World bank 2018

« Global innovation 2018 » Score



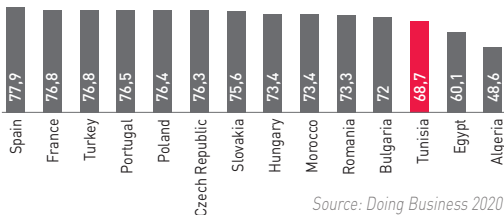
Source: Global innovation index 2018

Networked readiness index



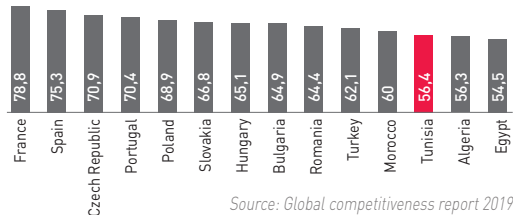
Source: Global Information Technology Report | Facilité d'adoption des technologies émergentes et de la transformation digitale = 7 étant le meilleur

Doing Business Score



Source: Doing Business 2020

Global competitiveness index

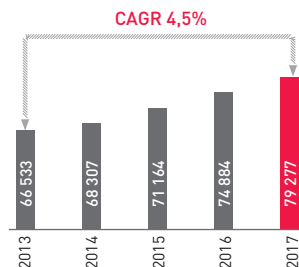


Source: Global competitiveness report 2019


The ICT sector is in continuous growth and had contributed almost 7.5% of the GDP in 2017 - the ICT ecosystem consists of more than 1,800 companies spread mainly over the Greater Tunis area and the coastal cities and employs nearly 80,000 people


- The **ICT sector** contributes to more than **7.5% of the national GDP** and has recorded an annual growth rate of more than 7% over the period 2014 – 2017.
- **Over 1,800 companies** operate in the sector, **12%** of which have 100% foreign capitalization.


Development of the sector's employability




**52,9 %**   
Telecommunication

**34,8 %**   
Other IT activities

**8,6 %**   
Call centers activities

**2,8 %**   
Computer programming

**0,5 %**   
IT consulting

**0,4 %**  Data processing, data hosting and related activities

## TIC TERRITORIAL NETWORK OF ICT COMPANIES

Grand Tunis area

**67%**

of the companies



VERMEG

Sagemcom



Sahel region

**28%**

of the companies



Several «success stories» and international champions have emerged in recent years, and have contributed to Tunisia a destination of choice on the African continent



- **Sopra HR Software**, a subsidiary of Sopra Steria, offers complete HR solutions perfectly suited to the needs of Human Resources Departments and is considered a **leader in the Human Resources sector in Europe, the Middle East and Africa**
- In 2006, Sopra Steria, expanded its activities to Tunisia through the establishment of a **center of excellence**, operational expertise and project execution, a **service center**, and a **R&D center** for innovation and the development of new solutions

## EXAMPLES OF SUCCESS STORIES AND INTERNATIONAL CHAMPIONS



- **Linedata** est is a **creator of global solutions dedicated to asset management**, insurance and credit professionals, with **20 offices in 50 countries** around the world
- In 2004, the group **has established itself in Africa** with the opening of an office in Tunis, the activity of which is **entirely dedicated to the export** of management ERP to **Europe and Africa**

### VERMEG

- VERMEG, one of the **leading companies in the Tunisian economy** was **created in 1993** to meet the digital transformation needs of the insurance and finance sectors
- Today, the company **has more than 500 customers** in more than **40 countries** and employs **more than 1,100 people, 20% of whom are dedicated to R&D activities**
- VERMEG is considered the **European market leader** in life and **health insurance management software**

- Founded in November 2011, **Sofrecom Tunisia** is one of the youngest subsidiaries of Sofrecom and now has more than **550 engineers and experts**
- In Tunisia, **the company which specializes in consulting and engineering** for the **telecommunications sector** is considered a **center of development and expertise** for service and **information system platforms** whose activities are perfectly complementary with the activities of the group's other North African subsidiaries



The ICT sector brings together a multitude of leading players at the local and regional levels

## MAIN PLAYERS IN THE ICT SECTOR IN TUNISIA

VERMEG

Linedata

sopra hr  
SOFTWARE

PROXYM  
GROUP

Sofrecom  
The Know-How Network

wevioo

Sagemcom

CLOUD TEMPLE

idee

HUAWEI

ALTRAN  
Part of Capgemini

IBM

Alcatel-Lucent  
Enterprise

TELNET  
Holding

InstaDeep™

ERICSSON

orange  
Business Services

GROUPE  
HLi

DIGINOV  
DIGITAL INNOVATION

Teleperformance  
each interaction matters

FIS

Hewlett Packard  
Enterprise

ENOVA  
ROBOTICS

FUJITSU  
COMPUTERS  
SIEMENS

XTENSUS  
to -Xceed your business

NeoXam

NETCOM

Transcom

ODDO BHF

DM

NUKED ROACH

CISCO

DXC.technology

CONVERGYS  
Outthinking Outdoing

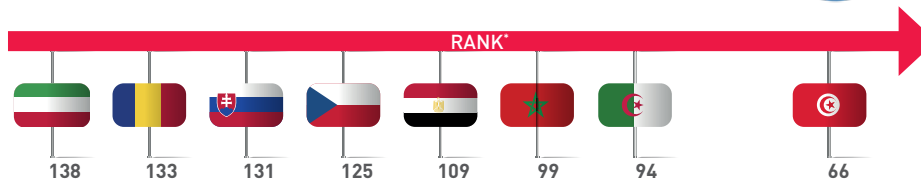
On average, there are more than 10,000 graduates in the fields related to the ICT sector - according to the «Global Competitiveness Report» - Tunisia ranks first in North Africa in terms of quality of vocational training, graduates skills and ease of access to skilled employees

## A POOL OF TALENTS COVERING THE AUTOMOTIVE SECTOR'S NEEDS

- **Over 7,500 engineers graduates annually**
- **47 Schools and establishments** (public and private), **offering engineering training**
- **25 Higher institutes of technological studies** ensuring the training of qualified middle managers and technicians and meeting the needs of companies
- **+ 60 public vocational training centers**, covering the entire Tunisian territory

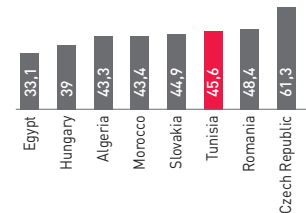
Ranking of countries by ease of finding skilled employees

WORLD  
ECONOMIC  
FORUM

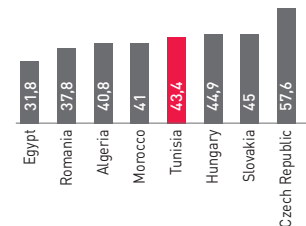


Rank « 1 » means the best

Quality of vocational training (score)



Graduates' skills (score)

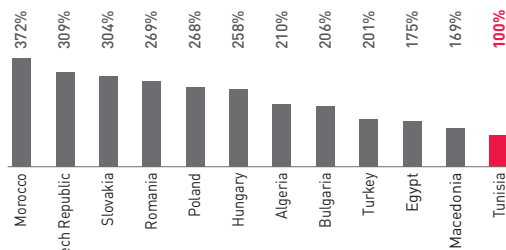




The cost of labor is a major competitive asset of the Tunisian market - the average annual cost of Tunisian engineers is largely competitive compared to the main competing destinations ...

## COST OF THE LABOR

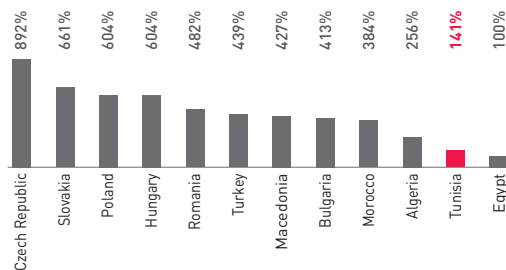
Engineer - Manager



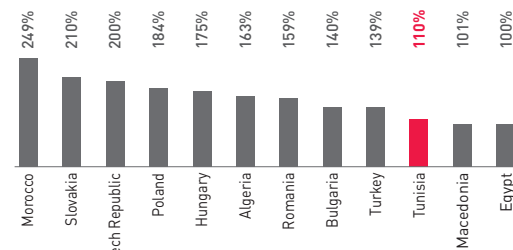
Opérations - Manager



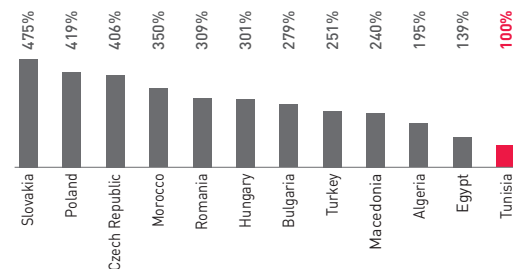
Operations - Operator - Professional



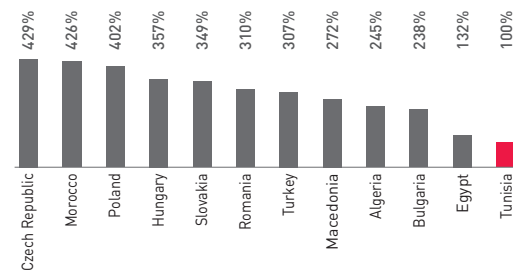
Engineer - Senior Professional



Opérations - Supervisor



Technician - Senior professional



The country has also a multitude of integrated and developed facilities aimed at promoting R&D, production and training activities ...

## COMPETITIVENESS CENTERS, TECHNOPOLES AND CYBER PARKS

- **10 Competitiveness centers and Technopoles** spread over the whole Tunisian territory focusing on the promising sectors of the Tunisian economy
- **18 regional cyber parks** support new business creators during the incubation phase of business projects



- One of the biggest technology parks in Africa
- A surface area of 155 hectares
- More than 100 national and foreign ICT companies



SIEMENS



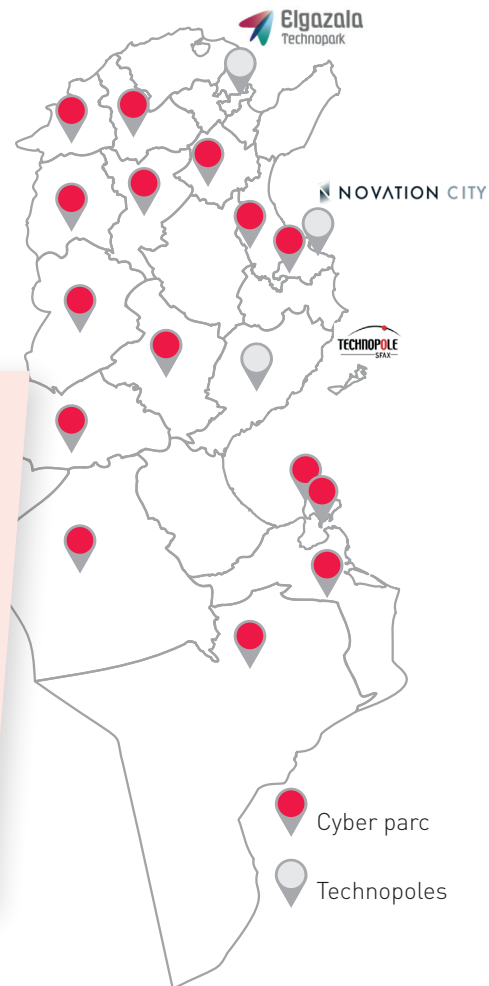
STMicroelectronics



- A surface area of 10,5 hectares
- A R&D center
- An integrated facility to host:
  - Academic and research training activities
  - Innovation and transfer of technology activities
  - Production and development activities



- A surface area of 60 hectares
- More than 65 companies
- The technopole has 3 laboratories:
  - Microelectronic systems
  - Advanced Material Systems and nano-physical systems
  - Microsystems of physical chemical and biological weapons

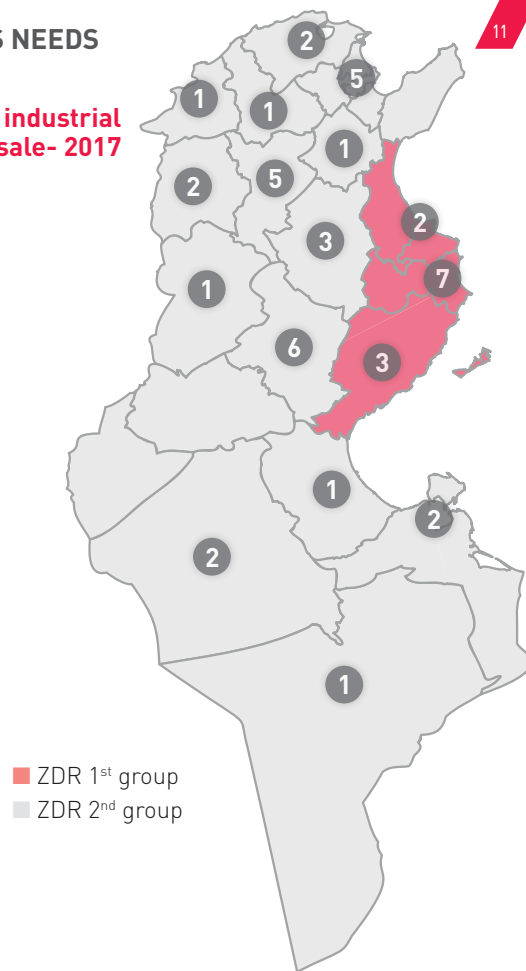


... and has set up  
a development  
program for  
industrial parks,  
in line with its  
national regional  
development  
strategy

## A LAND DEVELOPMENT PLAN THAT MEETS THE INDUSTRIAL SECTOR'S NEEDS

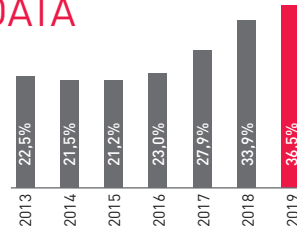
### New industrial parks and industrial parks currently up for sale- 2017

- Tunisia has more than **150 industrial parks** covering **more than 10 thousand hectares**.  
The average price per square meter in the areas currently up for sale is about 40 TD / m<sup>2</sup> equivalent to **around 12 € / m<sup>2</sup>**
- Tunisia has set up a **2016-2020 program for the development of industrial parks** aiming to develop **more than 65 industrial parks** for a total **surface area of more than 2,000 ha** at an estimated cost of more than 650 million Dinars, distributed as follows :
  - **51 regional development zones** over a surface area of 1,508 Ha
  - **18 industrial parks** over a surface area of 746 Ha in the rest of the country
- ...as well **as a program to renovate 60 industrial parks** for a total surface area of over 1,576 ha at an estimated cost of more than 150 million Dinars, distributed as follows :
  - **20 regional development areas** over a surface area of 400 Ha
  - **40 industrial parks** over a surface area of 1,176 Ha in the rest of the country



The penetration rates of fixed and mobile internet have been growing strongly over the 2013 – 2019 period driven by the democratization of 4G and Data Boxes

### PENETRATION RATE FOR FIXED TELEPHONY DATA

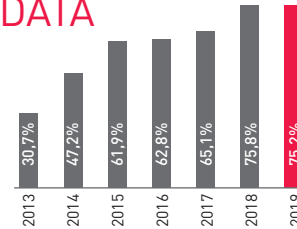


### DISTRIBUTION OF SUBSCRIBERS IN FIXED TELEPHONY DATA BY CONNECTION

	4Mb/s	8Mb/s	12Mb/s	Other
2017	67,5% ▼	24,7% ▲	3,6% ▲	4,2%
2018	54,2% ▼	34,1% ▲	8,0% ▲	3,7%
April 2019	47,2% ▼	38,0% ▲	11,3% ▲	3,5%

- The **fall in internet access costs** was accompanied by a significant improvement in ADSL access with speeds of 8.MB / s and 12MB / s

### PENETRATION RATE FOR MOBILE TELEPHONY DATA



- The growth in the number of internet connections **is driven by the democratization of mobile data**
- The **mobile data penetration** rate was **75.2%** at the end of April 2019
- Tunisia has started preparations for the launch of **5G networks** - a study on the advisability and the technical and economic conditions for the introduction of 5G is **scheduled for the end of 2021**

The ICT sector is one of the priority sectors mentioned in the new investment law which aims to promote investment, regional development and innovations (1/2)

Type of incentive	Rate of incentive / Tax Incentives	Incentive limit
<b>Regional Development</b> (except negative list)	Zone 1 : 15%/ investment cost	Zone 1: 1,5 MDT
	Zone 2 : 30%/ investment cost	Zone 2: 3 MDT
	Zone 1: <b>Total deduction at 100%</b> from the tax base <b>for 5 years</b> and payment of 10% after <b>Taking in charge of the employer's contribution= 5 years</b>	
	<b>Zone 2: Total deduction at 100%</b> from the tax base for <b>10 years</b> and payment of 10% after <b>Taking in charge of the employer's contribution = 10 years</b> Deduction from the corporate tax base, revenues or profits reinvested in the <b>subscription to the initial capital or in its increase</b>	
<b>Priority sectors</b>	15% /investment cost	1 MDT
	Taking in charge of the employer's <b>contribution= 3 ans</b>	
<b>Economic branches</b>	15% /investment cost	1 MDT
<b>Infrastructure subsidy (DR)</b>	Zone 1: 65%	10% /project cost
	Zone 2: 85%	Maximum limit 1MD

The ICT sector is one of the priority sectors mentioned in the new investment law which aims to promote investment, regional development and innovations (2/2)

Incentive Type	Incentive rate / Tax Incentives	Incentive limit
<b>Material investment :</b> New technologies and productivity enhancement	50% component cost	500 KD
<b>Intangible investment</b>	50% component cost	300 KD
<b>Research and development expenses</b>	50% component cost	500 KD
<b>Certified trainings expenses</b>	70% component cost	20 KD/company
<b>Employability incentive</b>	Taking in charge of the of salaries according to management rate	
<b>Sustainable development incentives</b>	50% component cost	300 KD

Mapping of bonuses and incentives for projects of national interest (PNI)

## PROJECTS OF NATIONAL INTEREST PIN

Eligibility criteria	Process for obtaining bonuses and incentives	Bonuses and incentives
Investment cost is higher than <b>50 MTD</b> or creation of minimum of <b>500 jobs over 3 years</b>	→ <b>Study of projects</b> at the level of <b>the l'Instance Tunisienne de l'Investissement (Tunisian Investment Authority)</b> →	Investment incentives within the limit of <b>1/3 of the investment cost</b> with a maximum <b>30 MTD</b> <b>Tax exemption</b> over a period up to <b>10 years</b>
Meets one of the <b>4 objectives of the investment law</b>	Submission to the <b>Investment Council</b> for <b>approval of advantages</b>	<b>Infrastructure works</b> taken in charge by the State <b>Support</b> for the employer's <b>contribution to the social security</b> scheme up to <b>10 years</b> <b>Granting of non-agricultural state land</b> : long-term rental or in symbolic dinar



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