



الهيئة التونسية للاستثمار
TUNISIA INVESTMENT AUTHORITY



Opportunities for Investors in Tunisia's Tech Sector

5 KEY REASONS WHY TUNISIA IS THE RIGHT LOCATION FOR YOUR TECH BUSINESS



Availability of skilled labor

- More than 10,000 graduates per year in ICT related fields
- 1,200 vocational training institutions with more than 370 specialties
- Ranks 3rd in terms of human capital and lifestyle among African countries



Competitive costs

- Large pool of high-quality labour at low costs
- Low rents for office and industrial spaces as well as low utility costs
- Ranks 1st in terms of cost effectiveness among African countries



Leading ecosystem

- 3 IT-oriented technoparks, 18 cyberparks and 10 competitiveness clusters
- 150+ industrial parks covering more than 10 thousand hectares
- 910 Gb/s bandwidth capacity
- Ranked as the 5th best African tech ecosystems of the future



Innovative landscape

- 3rd most innovative economy in Africa
- 190+ tech start-ups specializing on IoT, AI, AR/VR, Blockchain and Big data
- 3.5+ M funding in 2020
- 169 technical and 135 financial support institutions as well as 22 facilitators
- 5th best start-up ecosystem in Africa

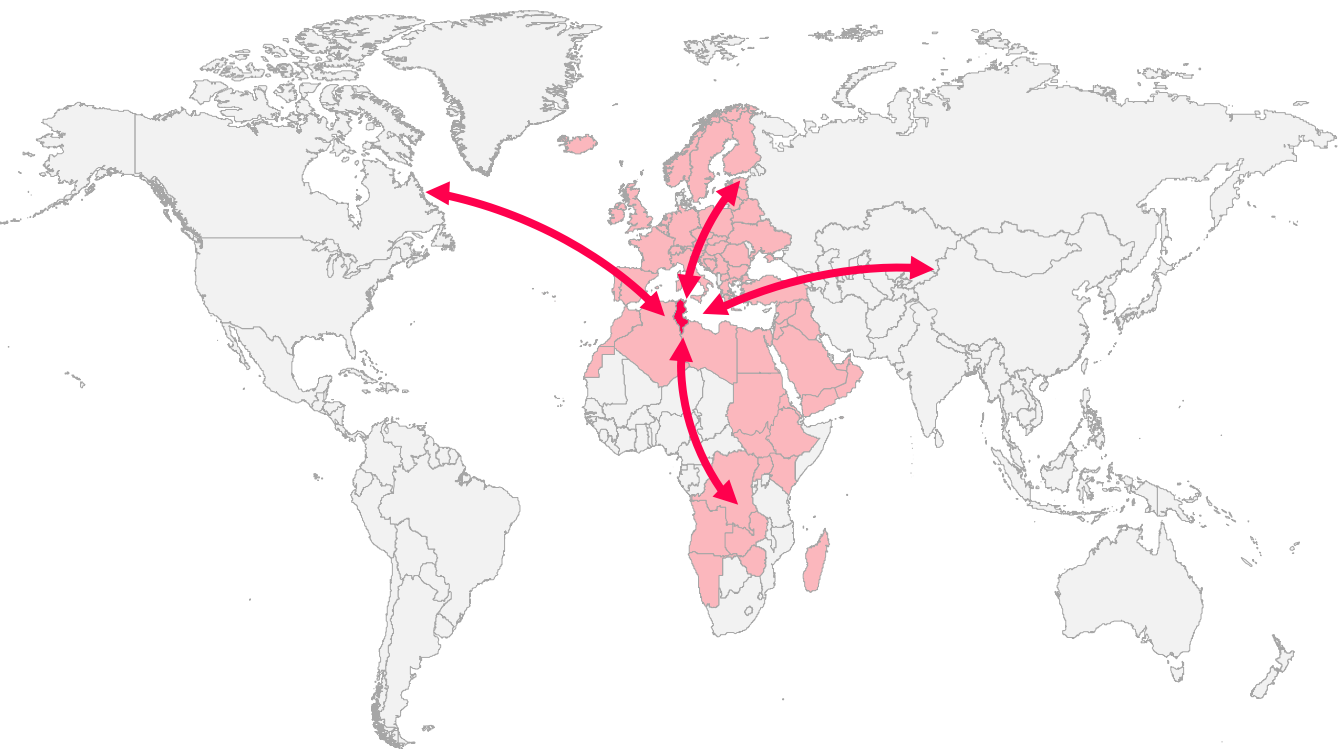


Attractive incentives for investors

- Investment grants and grants based on job creation capacity
- Freedom to hold 100% of the company's capital and to transfer profits and assets abroad in foreign currency
- Ranks 3rd in terms of business friendliness among African countries

Introduction to Tunisia

A GATEWAY TO SUB-SAHARAN AFRICA – FLEXIBLE CAPABILITIES TO SERVE THE EUROPEAN MARKET



■ Countries with which Tunisia has signed a free trade agreement and / or trade agreement

Main free trade / trade agreements ratified by Tunisia

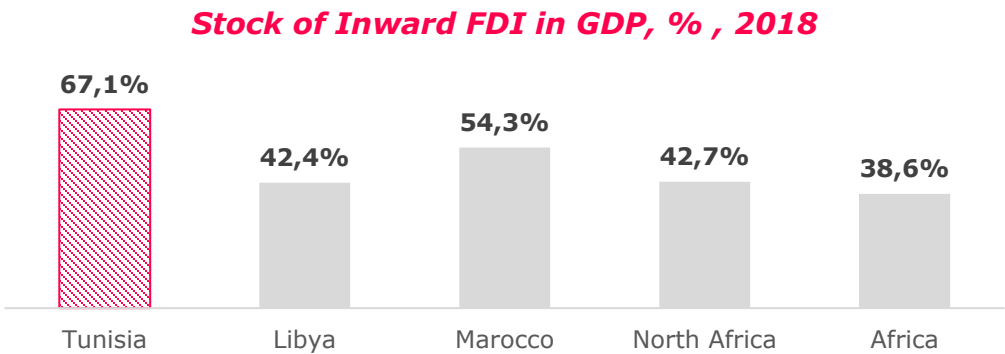
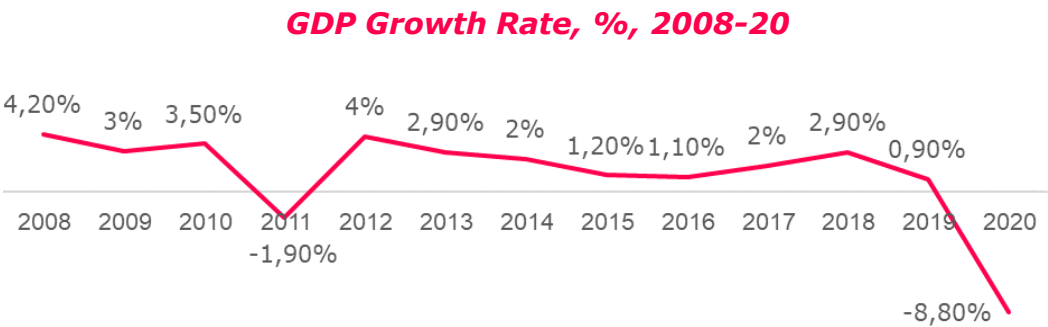


Tunisia benefits from a key geographic proximity to European countries and has signed free trade agreements with the markets of Sub-Saharan Africa, the Middle East and the European Union

Area	163,610 km²
Population (2018)	11.55 millions
Time Zone	1+ GMT
Languages	French, Arabic
Capital	Tunis
Economic openness rate	87.7% (in 2017)
Free Trade Agreements	UE, COMESA, UMA, GAFTA

Introduction to Tunisia

COMPARED TO OTHER NORTH AFRICAN COUNTRIES, TUNISIA HAS THE HIGHEST STOCK OF INWARD FDI IN GDP

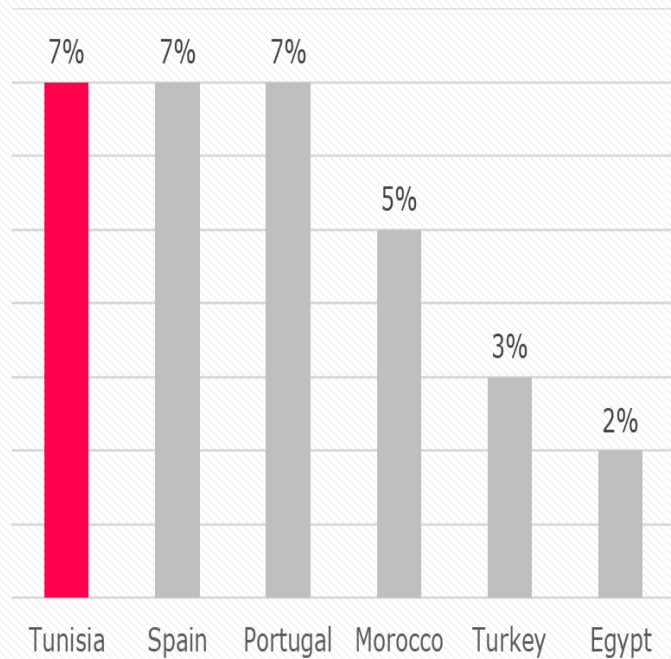


GDP (€, 2018)	32 M €
GDP Growth Rate (2018)	2,9%
GDP/Inhabitant (\$PPA 2018)	10,19 €
CPI Inflation (2020)	5,6 %
FDI Inwards Stock - 2018	21,97 M €
Flow of FDI (2018)	0,853 M €
# of FDI Projects announced (Destination Tunisia)	554
# of FDI Projects announced (source Tunisia)	93

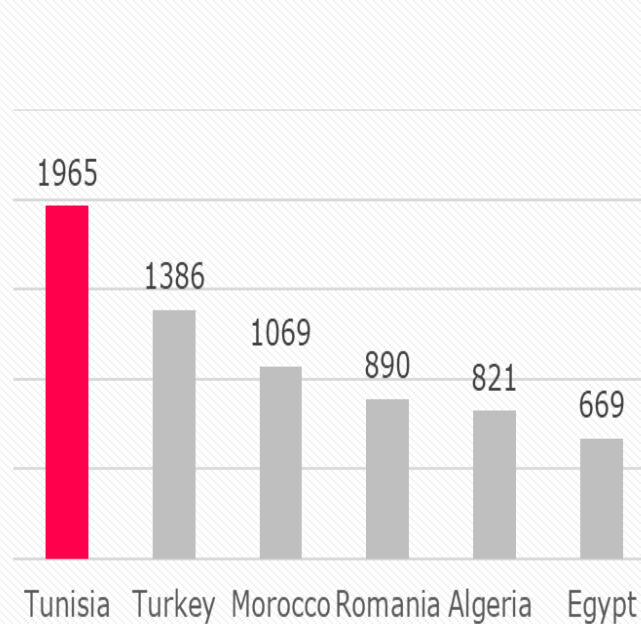
Introduction to Tunisia

TUNISIA'S TECH SECTOR IS THRIVING – A FAVORABLE POSITION IN TERMS OF HIGH-TECH EXPORTS, NUMBER OF RESEARCHERS AND INNOVATION AMONG ITS INTERNATIONAL COMPETITORS

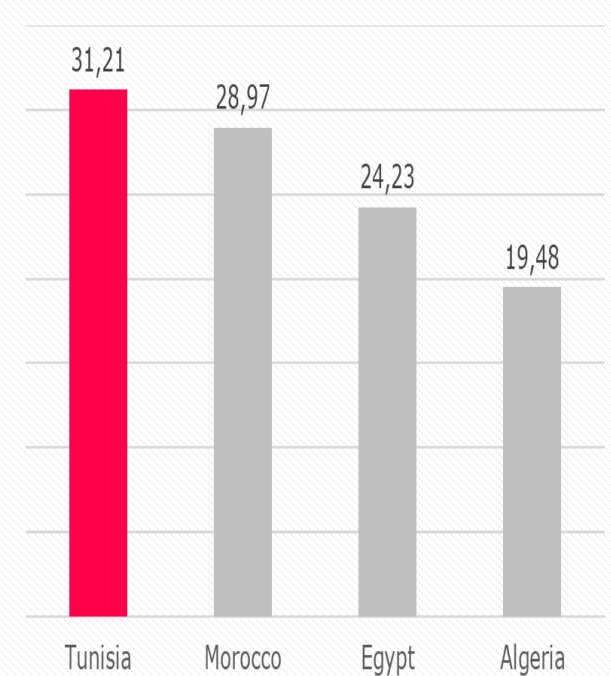
High-technology exports in percentage of manufactured exports



Number of researchers in R&D per million inhabitant



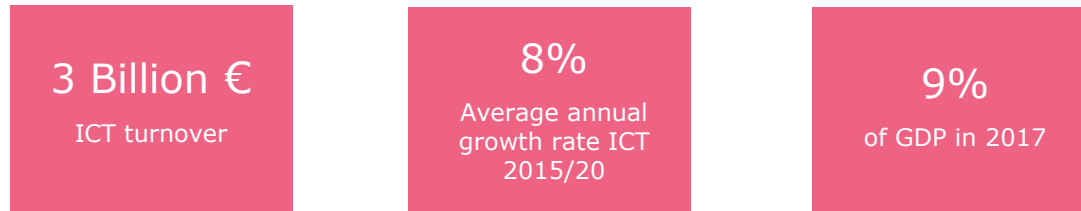
Global innovation 2020 Score



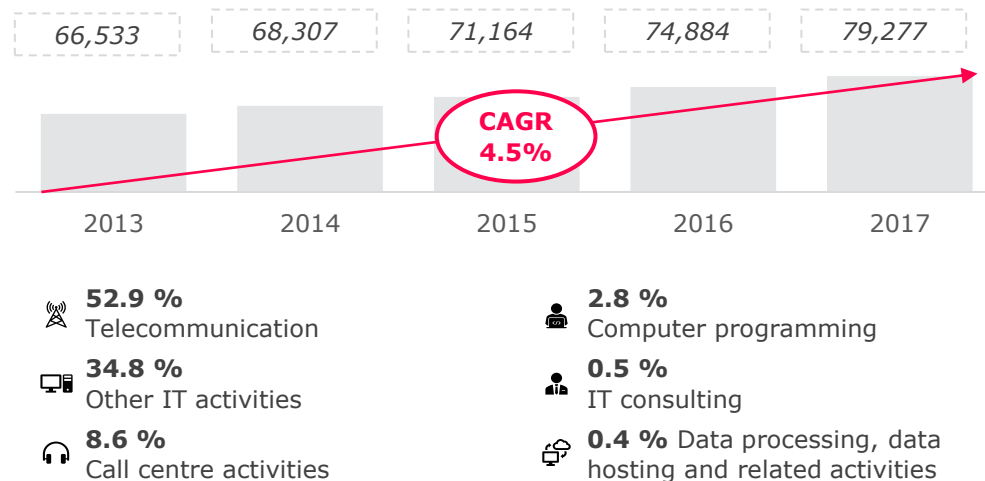
Introduction to Tunisia

THE ICT SECTOR CONTRIBUTED TO MORE THAN 9% OF THE NATIONAL GDP IN 2017 WITH AN AVERAGE ANNUAL GROWTH RATE OF 8% FROM 2015 TO 2020

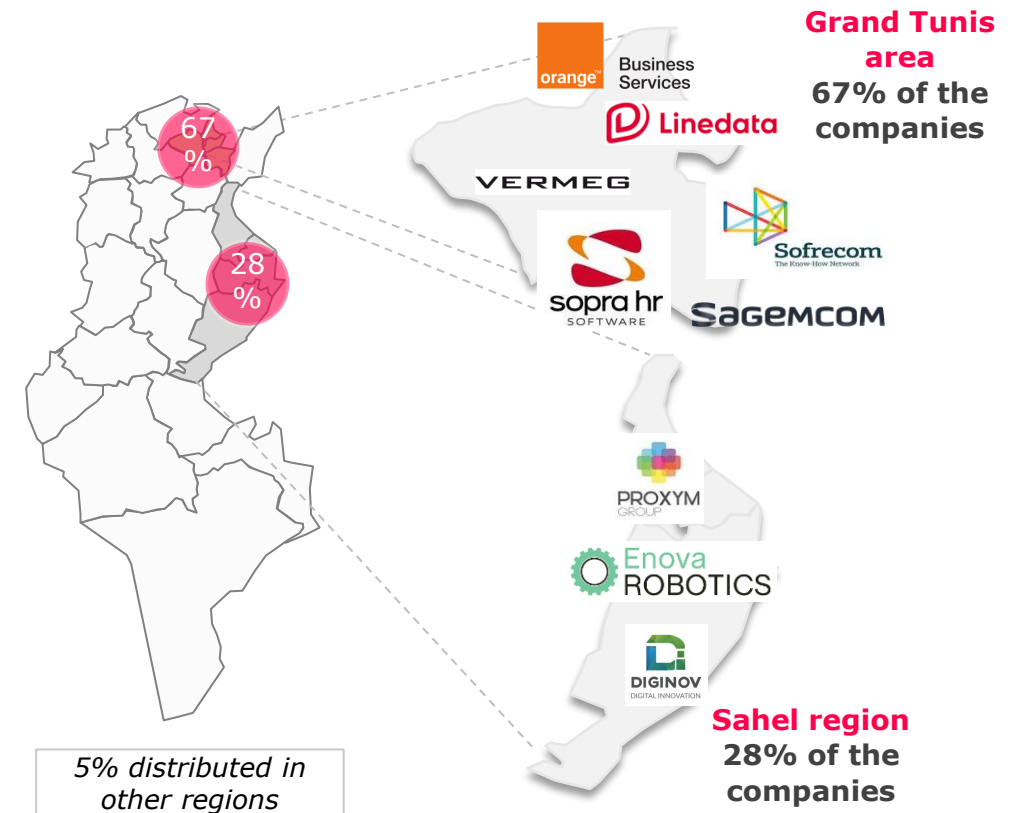
Key Facts



Development of Employability in the ICT Sector



TIC Territorial Network of ICT Companies



Market Opportunities – Education and Talent

TUNISIA IS A TALENT HUB - RANKING 1ST IN NORTH AFRICA ACCORDING TO VOCATIONAL TRAINING, GRADUATE’S SKILLS AND ACCESS TO SKILLED EMPLOYEES



➤ More than **37,000 students** enrolled in ICT related fields in 2019 - more than **10,000 graduates annually**



➤ About **1,200 vocational training institutions** in more than **370 specialties**

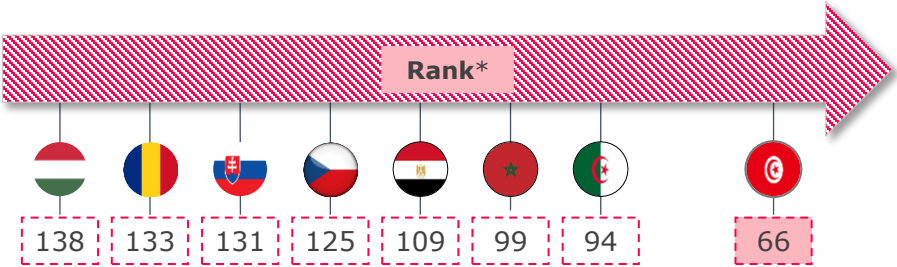


➤ **25 Higher institutes of technological studies** ensuring the training of qualified middle managers and technicians and meeting the needs of companies



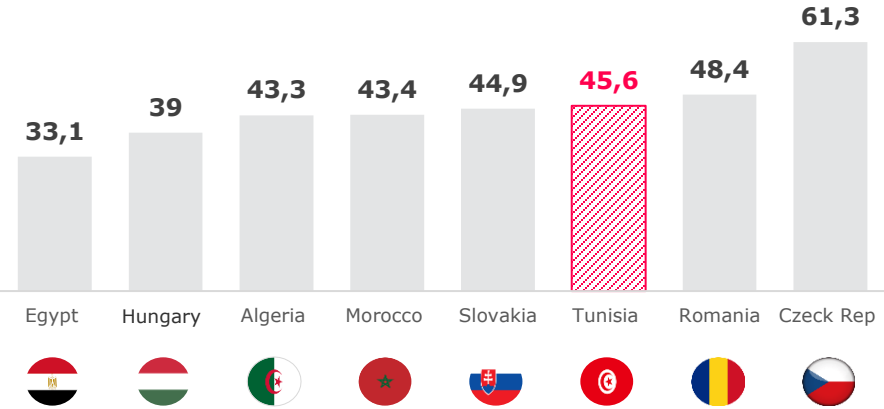
➤ **47 Schools and establishments** (public and private) offering **engineering training**

Country’s ranking according to ease of finding skilled employees

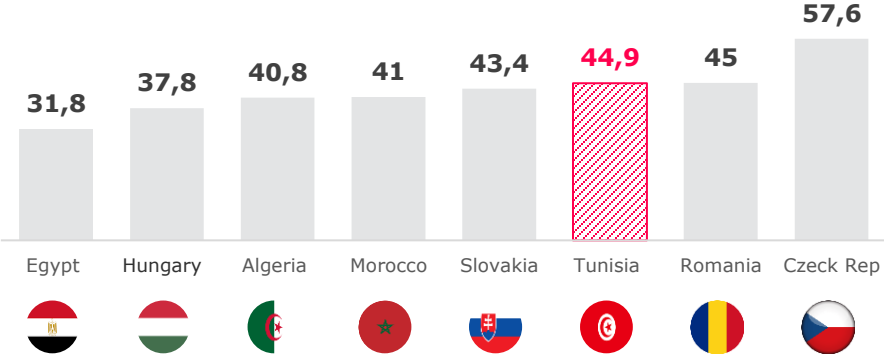


*Rank 1 = best

Quality of vocational training (score)



Graduate’s skills (score)



Market Opportunities

**Nearshoring
potential**

**Talent &
Education**

**Competitive
costs &
Incentives to
invest**

**Innovation &
Invention**

**Ecosystem &
Infrastructure**

Market Opportunities – Nearshoring Potential

GEOGRAPHICAL PROXIMITY TO GERMANY AND HIGH-QUALITY LABOUR AT LOW COSTS OFFERS GERMAN ICT COMPANIES A FAVOURABLE NEARSHORING OPPORTUNITY



2h 20min flight from
Tunis to Frankfurt



Time zone 1+ GMT



**270+ German
companies** are based
in Tunisia

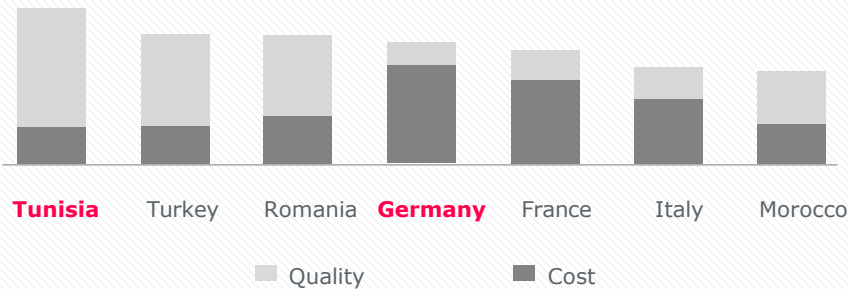


Large talent pool with
a high level of
multilingualism



Tunisia **ranks 1st in terms of ICT sector attractiveness**
among international competitors – Costs are relatively low and
quality is high

ICT Sector Attractiveness Index



Market Opportunities – Competitive Costs & Incentives to Invest

TUNISIA RANKS 1ST IN LABOR COSTS AMONG INTERNATIONAL COMPETITORS



Tunisia

Profile	Salary	Rank
Operational Manager	12,600 €	1 st
Senior engineer	15,900 €	1 st
Senior technician	9,850 €	1 st
Skilled worker	4,600 €	1 st



Romania

Profile	Salary
Operational Manager	17,600 €
Senior engineer	21,800 €
Senior technician	13,730 €
Skilled worker	8,000 €



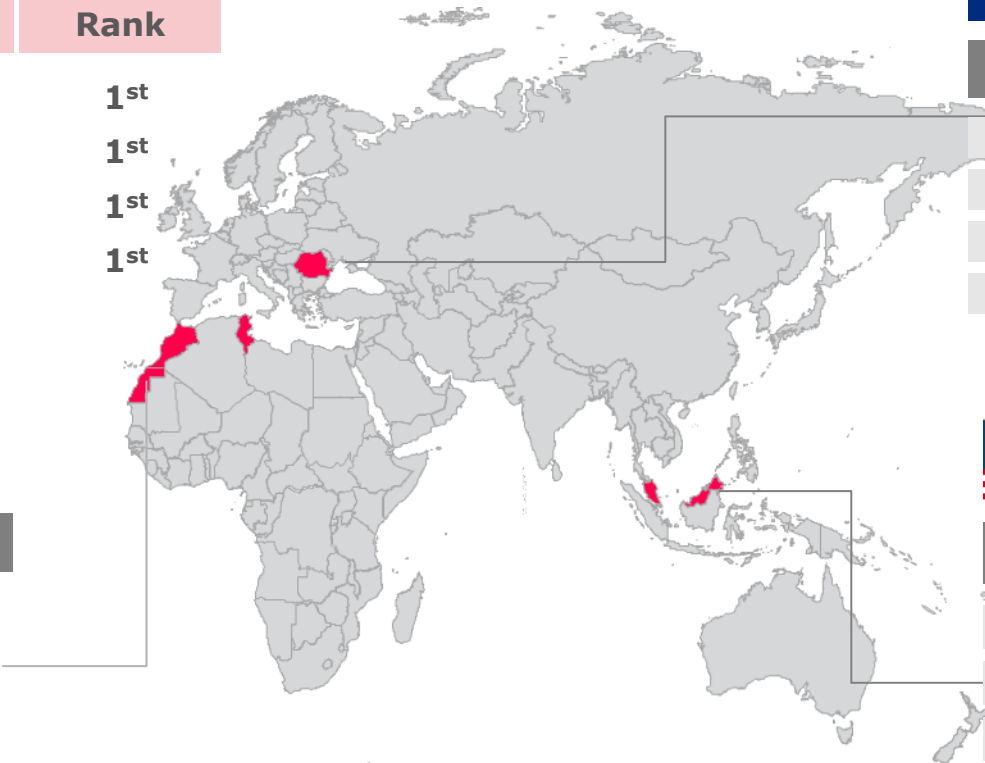
Morocco

Profile	Salary
Operational Manager	28,100 €
Senior engineer	34,830 €
Senior technician	19,000 €
Skilled worker	9,350 €



Malaysia

Profile	Salary
Operational Manager	15,700 €
Senior engineer	19,850 €
Senior technician	11,900 €
Skilled worker	6,300 €



Market Opportunities – Competitive Costs & Incentives to Invest

RENT FOR OFFICE AND INDUSTRIAL SPACES AS WELL AS UTILITY COSTS ARE LOWER IN COMPARISON TO OTHER SIMILAR MARKETS



Tunisia

Manufacturing factors	Cost	Rank
Annual industrial rent m ²	46 €	1 st
Annual office rent m ²	54 €	1 st
Electricity (cost Kwh)	0.08 €	1 st
Gas (cost m ³)	0.15 €	1 st
Water (cost m ³)	0.43 €	2 nd



Morocco

Manufacturing factors	Cost
Annual industrial rent m ²	46 €
Annual office rent m ²	111 €
Electricity (cost Kwh)	0.11 €
Gas (cost m ³)	0.34 €
Water (cost m ³)	0.54 €



Romania

Manufacturing factors	Cost
Annual industrial rent m ²	60 €
Annual office rent m ²	276 €
Electricity (cost Kwh)	0.07 €
Gas (cost m ³)	0.29 €
Water (cost m ³)	0.92 €



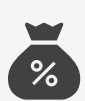
Malaysia

Manufacturing factors	Cost
Annual industrial rent m ²	125 €
Annual office rent m ²	203 €
Electricity (cost Kwh)	0.11 €
Gas (cost m ³)	0.19 €
Water (cost m ³)	0.36 €



Market Opportunities – Competitive Costs & Incentives to Invest

TUNISIA OFFERS A HIGH NUMBER OF INCENTIVES AND PROVIDES AN OVERALL FAVOURABLE BUSINESS ENVIRONMENT FOR FOREIGN INVESTORS



Taxes

- Reduced tax rate for the main economic sectors : 15%
- Corporate Tax exemption in the Regional Development areas until 10 Years



Investments Grants

- Investment grants **up to 15% of the investment cost for some priority sectors**
- Investment Grants **up to 30% of the investment cost in the regional Development areas and for the Project of National interest**



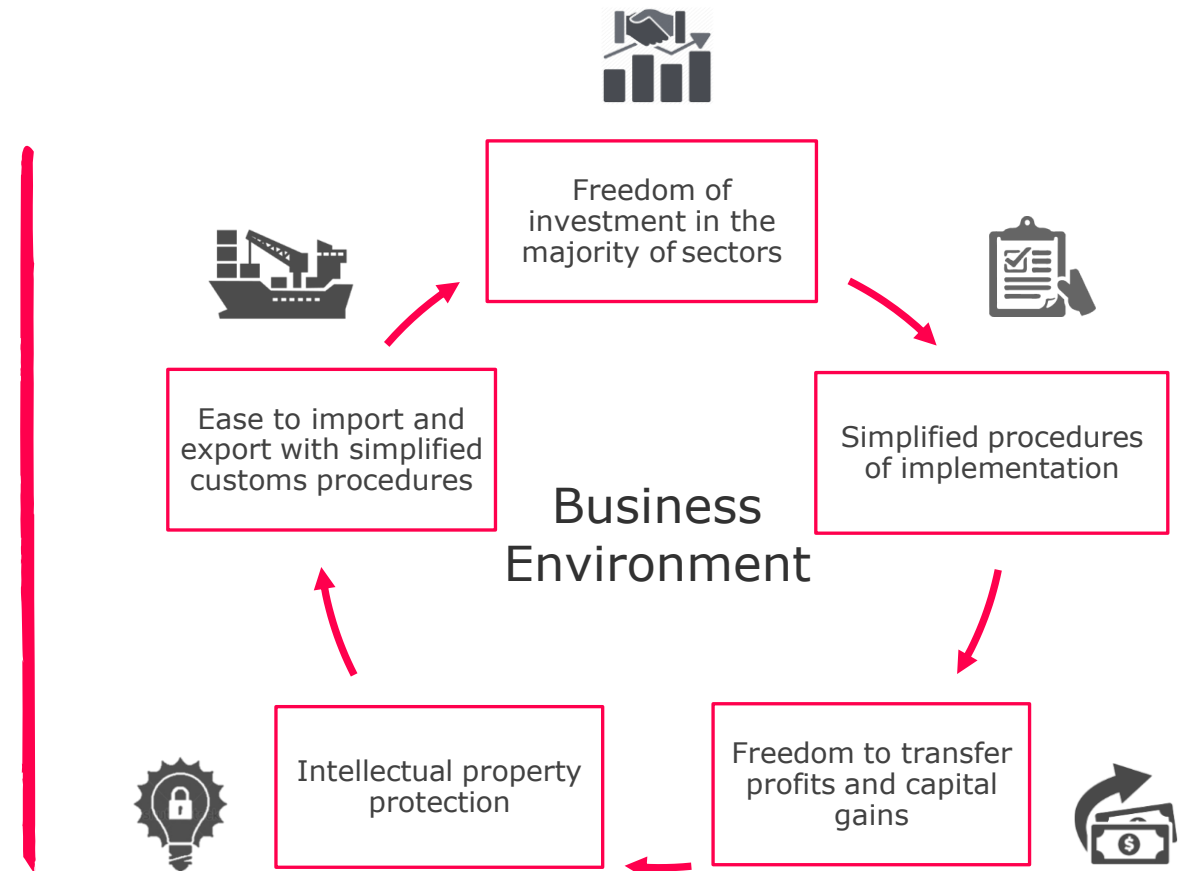
Grants based on Job Creation Capacity

- **Subsidy** of employer's contribution for the first 3 years



Other Provisions

- Freedom to hold **100% of the Company's capital**
- Freedom to **own properties** as part of investment projects
- Freedom to **transfer profits and assets abroad** in foreign currency
- Grants equal to **70% of employee training expenditures** leading to certification of skills in accordance with international standards with a maximum annual amount of **20,000 TND (~6,000 €)** per enterprise
- **Hiring foreign managerial staff within a limit of 30%** of the total number of managerial staff until the end of the third year



Market Opportunities – Innovation & Invention

THE START-UP ECOSYSTEM IN TUNISIA IS STRONGLY DEVELOPED - MORE THAN 190 TECH STARTUPS HAVE BEEN ESTABLISHED IN 2020



Tunisia is home to more than **190 Tech Startups**



Startups in Tunisia received **2.7 million € funding in 2020**



Ranks **5th** in terms of **ecosystems for start-ups** in Africa



The **ecosystem for start-ups** is strongly developed with **169 technical, 135 financial institutions and 22 facilitators**

SELECTED TECH START-UPS IN TUNISIA

AI	IoT	AR/VR	Blockchain	Big data

Market Opportunities – Innovation & Invention

TUNISIA OFFERS NUMEROUS SUPPORT PROGRAMS AND FACILITATORS TO START-UPS

169 Technical support institutions

135 Financial support institutions

37 Support programs

22 Facilitators

Inspiration ¹		NETWORKING
Ideation ²		MENTORING/ COACHING
Early stage ³		SKILLS/ TRAININGS
Take off ⁴		HOSTING

Market Opportunities – Innovation & Invention

TUNISIA WAS THE 1ST COUNTRY IN AFRICA TO IMPLEMENT THE START-UP ACT IN 2018 TO BOOST INNOVATIVE ENTREPRENEURSHIP

What is the Start-up Act about?

- **€ 100 M start-up fund** which aims to make Tunisia a Start-up-Nation at the crossroads of the southern shore of the Mediterranean, the MENA region and Africa
- Encourages entrepreneurship, provides **access to funding**, streamlines the process of **creating and liquidating a business**, and **promotes internationalization**
- **Lists 30 measures** designed to simplify administrative procedures and facilitate access to funding for start-ups
- Among others it grants **international start-ups**:
 - A non-resident status
 - Liberalization of rights and intellectual property
 - Exemption from the personal income tax
 - Support for international patent registration and even
 - The possibility of opening a special account in foreign currency
- Originated from an initiative **launched by 70 entrepreneurs and investors** in collaboration with local authorities to further enrich the dynamic ecosystem

Criteria that Businesses must meet to qualify as start-ups:



Business was created within the last 8 months



Less than 100 Employees



Revenues are less than 30 M TND (~9.06 M EUR)



At least 2/3 of its capital comes from either

- its employees (human capital)
- start-up financing
- investment sources



Has a strong business model and an innovative product or service → Primarily technology focused



Its sector, product or service has strong potential for growth

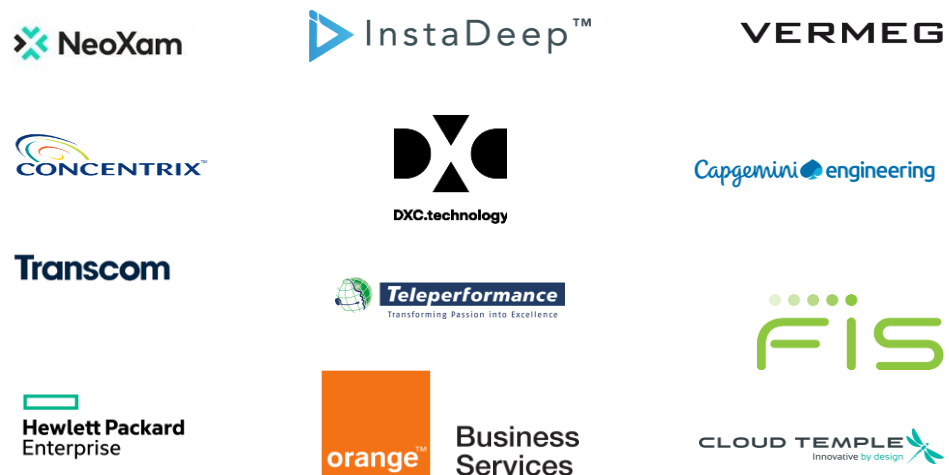
Market Opportunities – Ecosystem & Infrastructure

OVER 1,800 COMPANIES OPERATE IN THE ICT SECTOR IN TUNISIA, WHEREAS 12% OF THE COMPANIES HAVE 100% FOREIGN CAPITALIZATION

NATIONAL PLAYERS IN THE ICT SECTOR



FOREIGN PLAYERS IN THE ICT SERVICE SECTOR



FOREIGN PLAYERS IN THE ICT MANUFACTURING SECTOR



Market Opportunities – Ecosystem & Infrastructure

THE COUNTRY HAS NUMEROUS INTEGRATED AND NEW DEVELOPED FACILITIES AIMED AT PROMOTING R&D, PRODUCTION AND TRAINING ACTIVITIES

- **10 competitiveness clusters and 3 IT-oriented technoparks** spread over the Tunisian territory and focusing on the promising sectors of the Tunisian economy
- **18 regional cyber parks** support new entrepreneurs during the incubation phase of business projects



- One of the largest technology parks in Africa
- A surface area of 155 hectares
- Over 100 national and foreign ICT companies



- A surface area of 10.5 hectares
- A R&D center
- An integrated space intended to host activities of:
 - academic and research training
 - innovation and technology transfer
 - production and development



- A surface area of 60 hectares
- Over 65 companies
- The technopole brings together 3 laboratories:
 - Microelectronic systems
 - Advanced materials and nanophysics materials
 - Microsystems of physical chemical and biological weapons

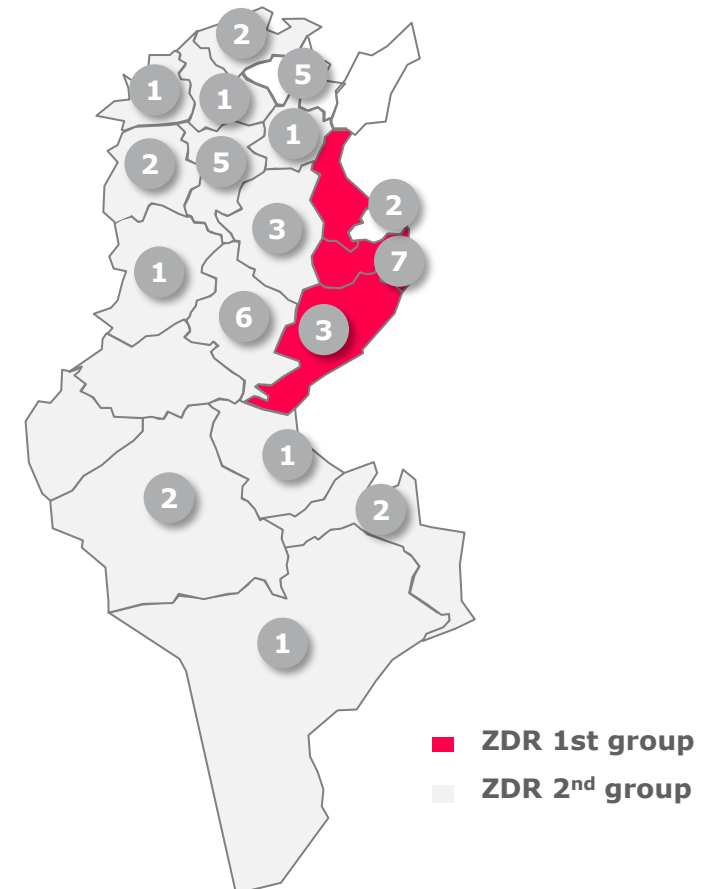


Market Opportunities – Ecosystem & Infrastructure

TUNISIA HAS SET UP A REGIONAL DEVELOPMENT STRATEGY WHICH MEETS THE TECH MANUFACTURING SECTOR'S NEEDS

- Tunisia has more than **150 industrial parks** covering **more than 10 thousand hectares**. The average price per square meter in the areas being marketed is around 40 TND / m² or the equivalent of about **12 €/m²**
- 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 M TND (~196 M €), 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 M TND (~45 M €), distributed as follows:
 - **20 regional development zones** over a surface area of 400 ha
 - **40 industrial parks** over a surface area of 1,176 ha in the rest of the country.

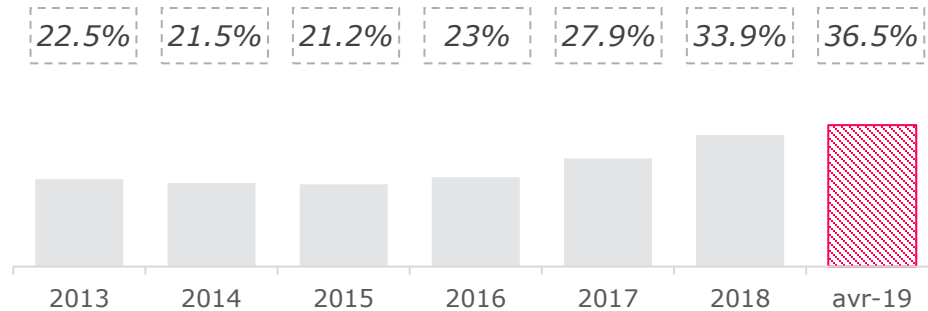
New industrial parks and industrial parks under commercialization - 2017



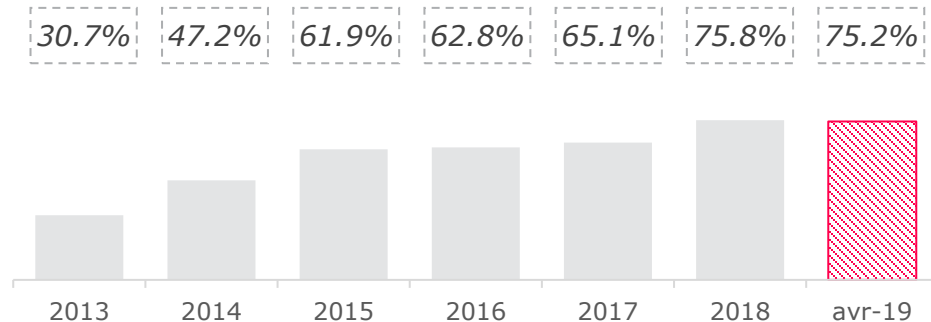
Market Opportunities – Ecosystem & Infrastructure

THE PENETRATION RATES OF BROADBAND CONNECTIONS AND MOBILE DATA PLANS HAVE SIGNIFICANTLY INCREASED FROM 2013 - 2019

Penetration Rate for Broadband Connections



Penetration Rate for Mobile Data Plans



Distribution of Broadband Subscribers by Connection Speed

	4Mb/s	8Mb/s	12Mb/s	Other
2017	67.5% ↓	24.7% ↑	3.6% ↑	4.2%
2018	54.2% ↓	34.1% ↑	8% ↑	3.7%
April 2019	47.2% ↓	38% ↑	11.3% ↑	3.5%

- The increase of broadband connections **is driven by the democratization of mobile data**
- The **penetration rate for mobile data plans** was **75.2%** in the end of April 2019
- The **decrease in internet access costs** was accompanied by a significant improvement in ADSL access with speeds of 8MB/s and 12MB/s
- Tunisia has started preparations for the launch of **5G networks** - a study about the opportunities as well as the technical and economic conditions for the introduction of 5G **is scheduled for the end of 2021**

Success Stories & Company Testimonials

Enova Robotics

Chifco

Sophrecom

Vermeg

Sophra HR

Linedata

Success Stories & Company Tesimonials

ONE OF TUNISIA'S SUCCESS STORY IS ENOVA ROBOTICS – THE 1ST COMPANY IN THE MENA ZONE IN ROBOTICS



1st company in the MENA zone in robotics

Establishment: 2014

Workforce: 35-40 in 2021

Office Locations: Sousse (Tunisia), Paris



Expertise:

- Security
- Education
- Healthcare



NEXT STEP ?

- Enova aims to target the connected home market with the development of a first self-adaptive and conversational security robot thanks to **deep learning**
- Raising another funding round in the end of 2021 (~6.6 M EUR)

Robots and AI at the service of humans

Security



- **P-guard, 1st fully autonomous security robot** launched in September 2015
- Lidar technology for navigation, thermal heat cameras, microphones, GPS, etc.
- Signed deal with Airbus and Louvre gallery in Paris
- Deployed by Tunisian police force

Education



- **MiniLab**, educational robot used for experimental **R&D purpose**
- Modular Sensory Sensors, IoT, Laser Mapping, Open-Source Control Architecture based on ROS system*
- **Ultra-competitive price** of 4,000 € vs 40,000 € market average

Healthcare



- **Healthcare robot, Veassense** is used in elderly care homes, home-care or healthcare centers
- Telepresence, continuous monitoring and televigilance
- Doctors can connect and make preliminary diagnostics
- Interaction with people in remote locations

Success Stories & Company Tesimonials

CHIFCO A START-UP WHICH DEVELOPS CLOUD, IOT AND BIG DATA SOLUTIONS WON 12 INTERNATIONAL AWARDS



12 international awards including French Tech Ticket and Microsoft Startup Sponsorship-Program
Establishment : 2011



Expertise:
- Predictive algorithms
- Big Data, Cloud
- Web development



NEXT STEP ? PUBLICATIONS
At the request of the World Economic Forum, Chifco is currently carrying out a study on energy optimization using IoT in the MENA region

Technical expertise at the service of versatility

Consulting



- Consultancy in **IoT, big data and optimized energy usage**
- Development of **cloud solutions** and B2B services with high added value
- **Field marketing** and **digital marketing** campaigns for clients
- **Integration of solutions** for corporate customers

Smart Home



- Launched in partnership with Tunisie Telecom, the 1st Tunisian **plug-and-play smart home and office applications** which can be monitored via smartphone, tablet or laptop
- Equipped with a set of sensors, small IoT devices and other functions all connected to the cloud and remotely accessible

IoT



- IoT solution technology
- **Ultra-sensitive and fine sensors** covering roads
- Sensors record, process and interpret data **using traffic analysis algorithms**

Success Stories & Company Testimonials

THE RISE OF INTERNATIONAL CHAMPIONS HAVE CONTRIBUTED TO THE ESTABLISHMENT OF TUNISIA AS A TOP DESTINATION FOR FDI ON THE AFRICAN CONTINENT



Linedata

Linedata

- **Linedata** 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

- 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**



SOPRA HR

- **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 **centre of excellence**, operational expertise and project execution, a **service centre**, and a **R&D centre** for innovation and the development of new solutions



Sofrecom

- 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 **centre 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

Quality of Life

TUNISIA OFFERS A PLEASANT LIVING ENVIRONMENT WITH A DEVELOPED HEALTH SYSTEM AND ONE OF MOST AFFORDABLE COST OF LIVING IN THE WORLD



Access to renowned education systems

- **10** French educational institutions
- Access to Canadian, British, American, Italian and Jordanian education systems



A developed health system

2nd African destination for medical tourism (after South Africa)



26 doctors (per 1,000 inhabitants)



A unique cultural heritage

8 Tunisian sites classified as World Heritage by UNESCO



A Mediterranean climate and a diversified nature

- **250** sunny days a year
- More than 1,400 km of beaches and diverse landscapes (beaches, forests, desert)
- Average temperature **18.1 °**



An emancipation of individual freedoms

- **1st** African and Arab countries in the field of **freedom of the press and civil liberties**
- **1st** African and Muslim country in terms of equality between man and woman



One of the most affordable cost of living in the world

- Tunis is the **least expensive metropolis in Africa** and at the level of the Mediterranean basin for expatriates according to the MERCER index

THANK YOU



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