



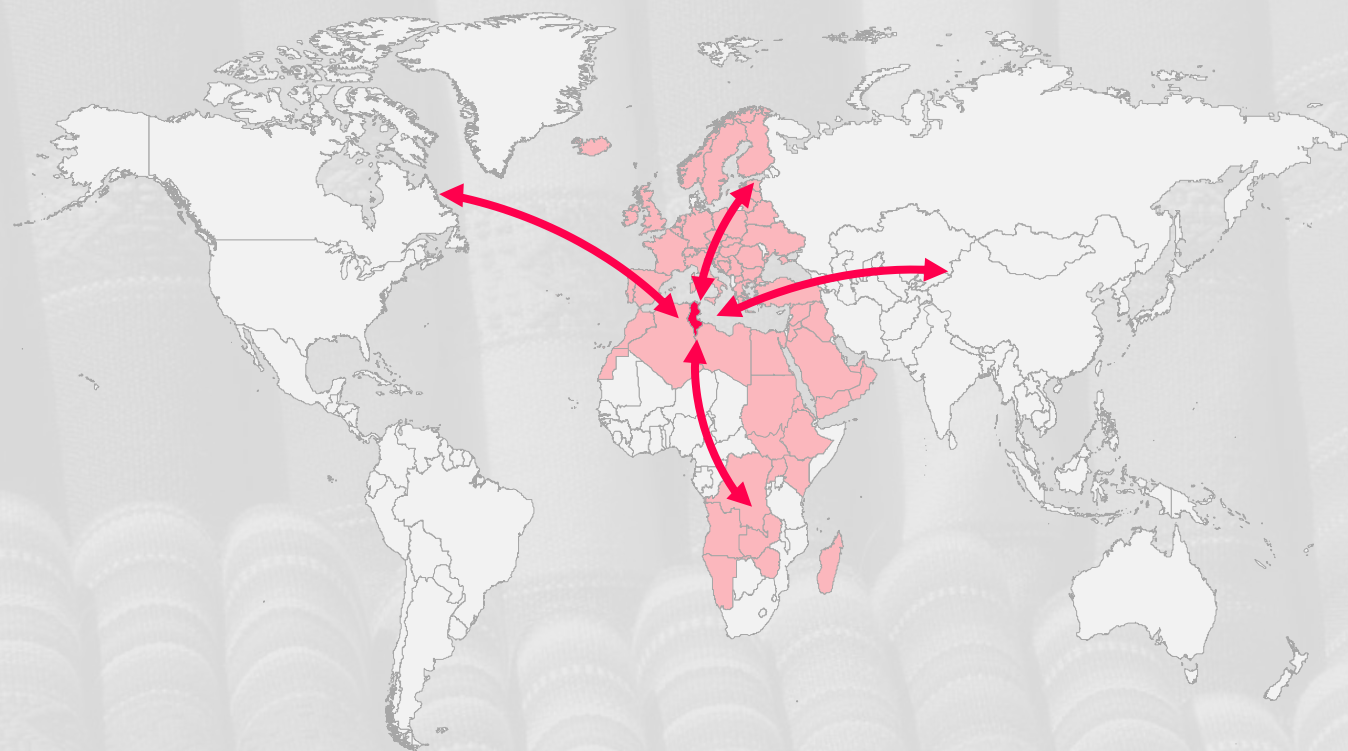
الهيئة التونسية للاستثمار  
TUNISIA INVESTMENT AUTHORITY



# Opportunities for Investors in Tunisia's Textiles Sector



# A GATEWAY TO AFRICA, EUROPE AND THE MIDDLE EAST – FLEXIBLE CAPABILITIES TO SERVE THESE MARKETS



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

Main free trade / trade agreements ratified by Tunisia



GAFTA



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 km<sup>2</sup>

Population (2018)

11.55 millions

Time Zone

1+ GMT

Languages

French, Arabic, English

Capital

Tunis

Economic openness rate

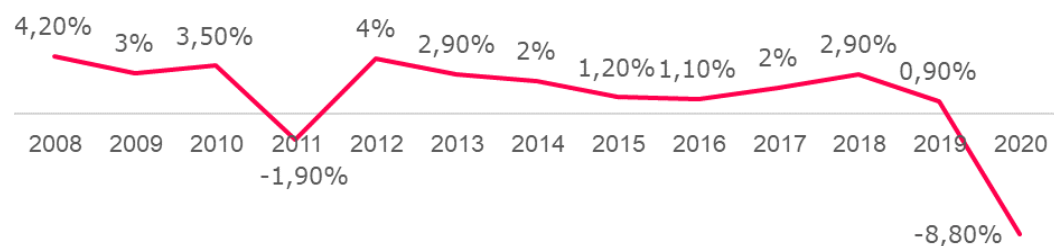
87.7% (in 2017)

Free Trade Agreements

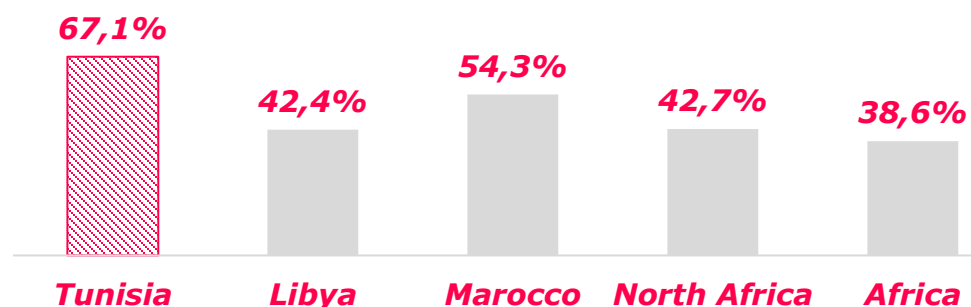
UE, COMESA, UMA, GAFTA

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

**GDP Growth Rate, %, 2008-20**



**Stock of Inward FDI in GDP, %, 2018**



**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**



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



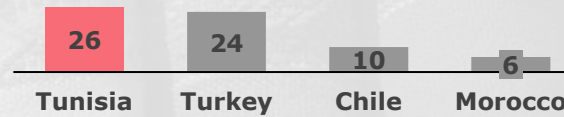
### Access to renowned education systems

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



### A developed health system

**2<sup>nd</sup>** 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

- **1<sup>st</sup>** African and Arab countries in the field of **freedom of the press and civil liberties**
- **1<sup>st</sup>** 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





# 5 REASONS WHY TUNISIA IS THE RIGHT LOCATION FOR YOUR TEXTILES BUSINESS



## Leading Sector & Market Niches

- Tunisian manufacturers are increasing in sophistication and are aiming to further attract high-end textile brands.
- Increasingly moving towards manufacturing finished products focused on innovation and R&D, involved in the full process, from spinning through to weaving to finishing.



## Availability of Skilled Labour

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



## Innovative Ecosystem

- 3<sup>rd</sup> most innovative economy in Africa
- 3.5+ M funding in 2020
- 169 technical and 135 financial support institutions as well as 22 facilitators
- 5<sup>th</sup> 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 3<sup>rd</sup> in terms of business friendliness among African countries



## Competitive Nearshoring Option

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





# ***Leading Sector & Market Niches***



## THE TEXTILE INDUSTRY IS A LEADING SECTOR IN TUNISIA



**+1,560**

Companies of which  
**1,270** are producing for  
the export market



**+40%**

are foreign invested  
companies



**+30%**

of total employment  
in the industry



**+1/3**

of industrial  
companies



**28%**

Of value added in  
manufacturing



**+160K**

employees



**+150K**

employees are working  
in export-oriented  
companies



**95%**

of the sector's  
exports are destined  
for the EU

# TUNISIA IS WORKING WITH INTERNATIONAL HIGH-END BRANDS AND AIMS TO BECOME A WORLD LEADER IN MANUFACTURING HIGH-END CLOTHING

  
YVES SAINT LAURENT

**DIESEL**

G U E S S

**Levi's**

**BOSS**  
HUGO BOSS

T O M M Y  
  
H I L F I G E R

 benetton

CHEVIGNON 

Guy Laroche  
P A R I S

Van de Velde

  
POLO  
RALPH LAUREN

  
MUSTANG GT

  
TED LAPIDUS  
P A R I S

*van Laack*

ck  
Calvin Klein



# THE EXPERTISE OF TUNISIAN TEXTILE MANUFACTURERS THROUGHOUT THE MANUFACTURING PROCESS OFFERS INVESTORS THE OPPORTUNITY TO TAP INTO KEY FASHION MARKET NICHEs

EXPERTISE	EXPORT-ORIENTED COMPANIES
 Spinning Industry	5
 Fabric	5
 Finishing	29
 Knitting	123
 Clothes manufacturing	1,072
 Other Activities	207

## TOP 6 TEXTILES NICHEs INTO WHICH INVESTORS CAN TAP IN TUNISIA



**High end Denim Manufacturing**



**Knitted Garments and High-Performance Sportswear**



**Technical & Functional Textiles**



**Mid to high-end lingerie**



**Apparel Accessories**



**High Tech Workwear & Protective Clothing**





# ***Availability of Skilled Labour***



# TUNISIA IS A TALENT HUB - RANKING 1ST IN NORTH AFRICA FOR GRADUATE SKILLS, ACCESS TO SKILLED EMPLOYEES AND LABOUR COST



- More than **10,000 students** enrolled in Textile and clothing fields in 2020 – Around **5,000 graduates annually**



- **58 vocational training institutions** provide courses on textile and clothing in more than **20 specialties**, among which **7 sectorial school** dedicated only to textile and clothing

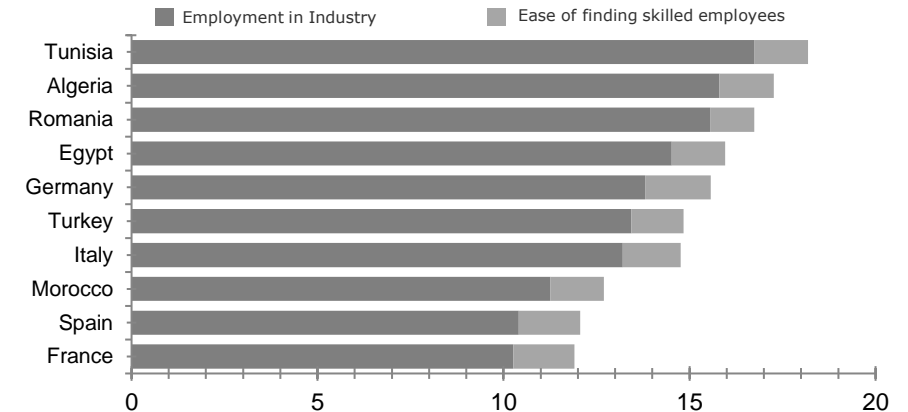


- **1 School** providing **engineering training** in textile and clothing, in textile finishing, in technical textiles and in logistics. The diplomas obtained the European accreditation EUR-ACE®Master

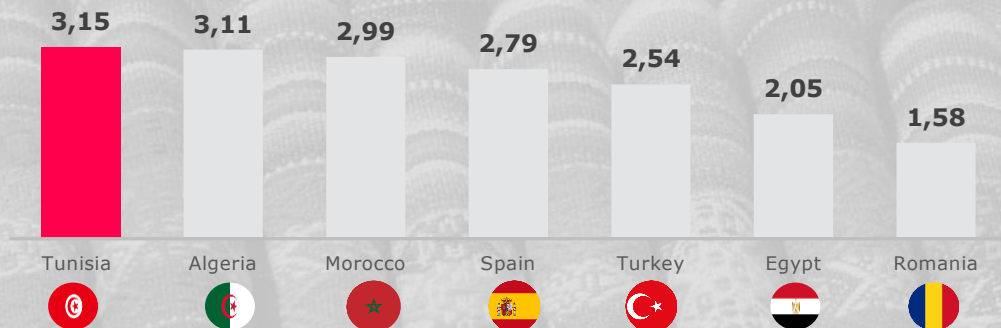


- **1 new pilot center for inter-company training** in the textile industries has been recently inaugurated in El Alia, in the governorate of Bizerte. The center was created thanks to a collaboration between the Tunisian Federation of Textiles and Clothing (**FTTH**) and the **German Federal Ministry for Economic Cooperation and Development**.

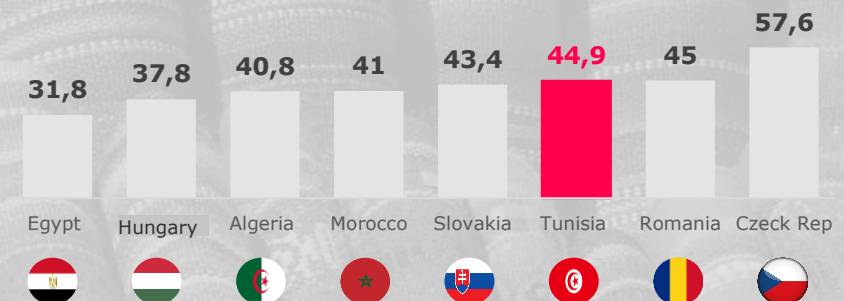
## Tunisia ranks 1<sup>st</sup> against its competing countries in terms of employment and ease of finding skilled employees in the Textiles Manufacturing sector



## Availability of labour force with higher education



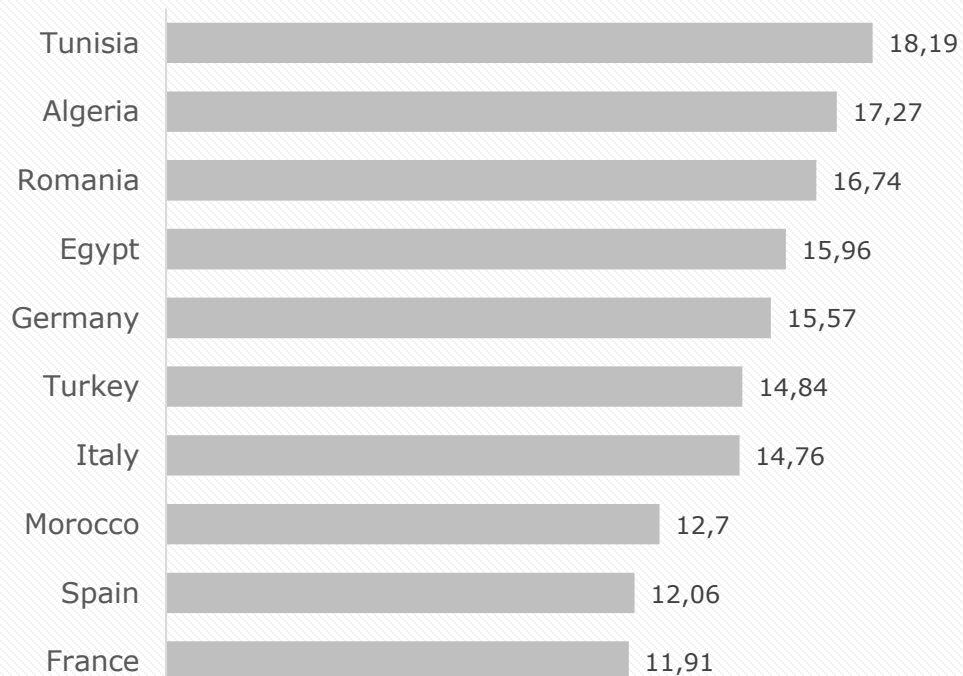
## Graduate's skills (score)



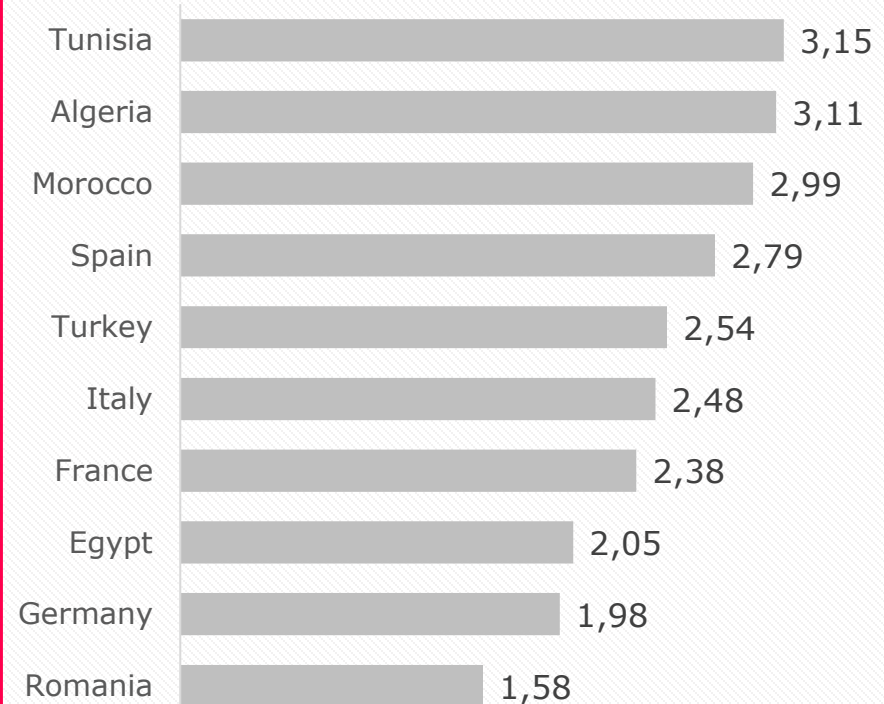


# TUNISIA IS LEADING IN TERMS OF SKILLED LABOUR FORCE

### Experienced Industry-specific Staff



### Skills, attitudes and productivity





# WITH A DEEP TALENT POOL, TUNISIA OFFERS AN EXCEPTIONALLY WELL-QUALIFIED AND INNOVATIVE WORKFORCE



### A Confirmed Expertise

Tunisia is ranked **1<sup>st</sup>** in North Africa in terms of “General Expertise”,  
*Global Talent Competitiveness Index 2018*



### A Strong R&D Activity

Tunisia holds the **greatest concentration of researchers** among Arab and African countries, is the **1<sup>st</sup> producer of scientific & technical articles** in North Africa and accounts for **50% of scientific publications** in the region



### A Strong Capacity for Innovation

Tunisia is the **1<sup>st</sup> most innovative economy** in North Africa and the **3<sup>rd</sup> in Africa**, *Global Innovation Index 2020*



### Availability Of Fresh Graduates

Highly educated graduates available with **+60,000 new graduates every year**, of which **35% are graduates in engineering and Textiles related fields**.



### Availability of Managerial Skills

Most foreign companies are **100% managed by Tunisian executives**, demonstrating the **availability of skills at all management levels** in Tunisia





# ***Attractive Incentives for Investors***



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



### Taxes

- **Reduced corporate tax of 15%** for wholly exporting regime
- **Corporate Tax exemption for 4 years** if the company is **established and entered production during 2020**



### Investments Grants

- Investment grants **up to 15% of the investment cost** with a maximum ceiling of 1 M TND (~300,000 €)



### Grants based on Job Creation Capacity

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



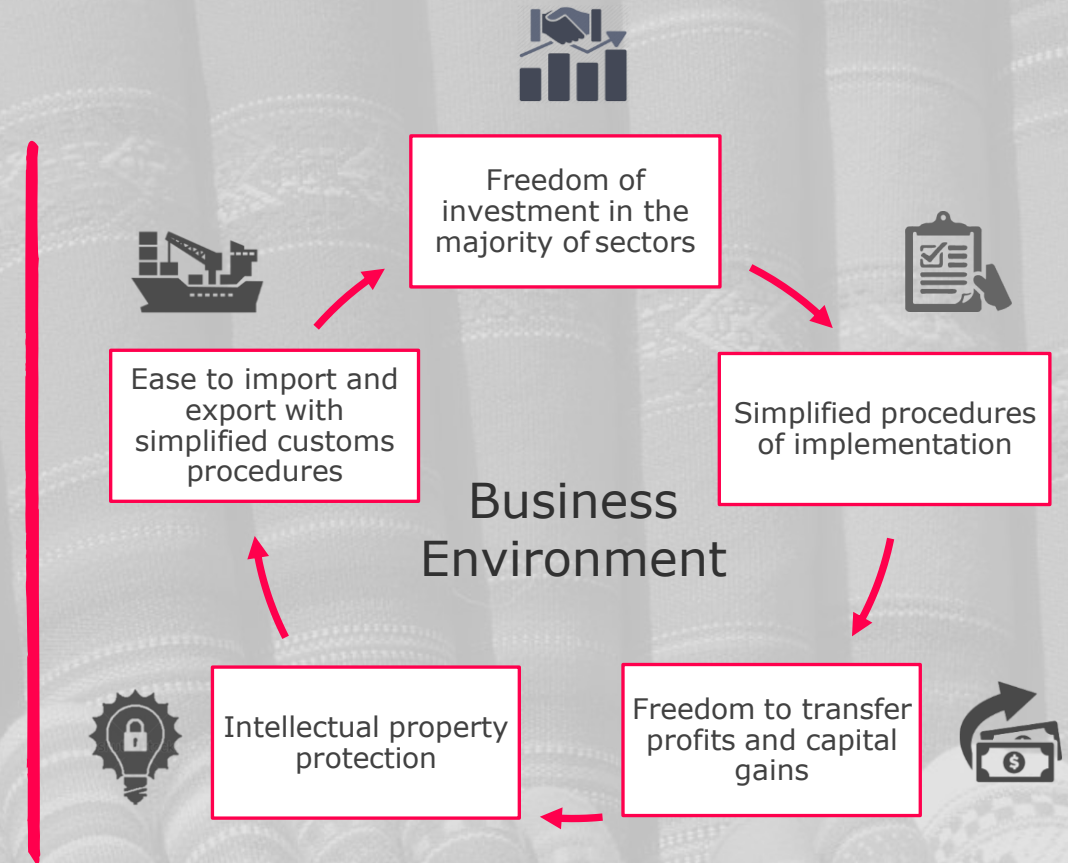
### Regional Development

- Investment grant between 15% (area 1) and 30% (area 2) worth up to **1.5M TND / ~300,000 €** (area 1) and **3M TND / ~600,000 €** (area 2).



### 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.
- To ensure that investments become operational, our investors may have up to **30% foreign staff** as part of their workforce for **up to three years**.





# TUNISIA ALSO PROVIDES OPPORTUNITIES FOR FOREIGN TEXTILE INVESTORS TO BENEFIT FROM SPECIFIC GOVERNMENT SUPPORT



A Textile Pact was signed on February 21, 2019 between the **Presidency of the Government, UTICA and the Tunisian Federation of Textile and Clothing.**



This Pact aims to include Tunisia among the **top five exporters** of textiles and clothing to the European Union.



The project is composed of **six axes** which are:



**Good  
Governance**



**Integration**



**Promotion  
of "Made in  
Tunisia"**



**Training**



**Infrastructure**



**Business  
Climate**



An investment fund of **100 million dinars** has been dedicated to the textile sector. It is expected that the fund will help generate **450 million dinars** after achieving the expected objectives.



The textile pact will provide about **50,000 additional jobs by 2023** in the textile and clothing sector.





# ***Innovative Ecosystem***



# ECOSYSTEM AND INFRASTRUCTURE

**The Technical Textile Center (CETTEX), a public institution**, under the supervision of the Ministry of Industry, provides advice and expertise to manufacturers in the textile and clothing sector and to public authorities, accompanies and supports companies in their technical, managerial and organizational development and offers them constant support in their growth and innovation process.

**The Monastir-El Fejja (la Manouba) competitiveness cluster**, mfcpole, founded in 2006 and based on the principle of Public - Private partnership, has as main mission the development of a sound ecosystem and the implementation of the strategy of smart specialization driven by the State around the Textile & Clothing sector by targeting promising activities.

**Territorial Textile Cluster of Monastir (CTTM)**, Sponsored by the town hall of the city of Monastir and that of Saint-Etienne, aims to improve the visibility of the governorate of Monastir as a textile hub and to promote the sector in the region. The CTTM aims to be a **resource center to promote innovation and partnerships** among its members and to contribute to the competitiveness of companies.

**The Tunisian Textile and Clothing Federation FTTH**, represents around 1600 companies, brings together professional employers' associations from the Textile and Clothing industry in Tunisia.

**Total Testing Service (TTS)**, a new accredited technical textile laboratory, located in the Monastir's Technopôle Neotex, equipped with high standard equipments, makes 85% of its turnover from export, and carries out more than 300 accredited tests.

**"2TS" SAHEL TECHNICAL TEXTILE CLUSTER**, based at the Monastir's technopole aims to promote the technical textile sector, enrich the value chain associated with the technical textile industry and develop the sector strategy at national level





# ***Competitive Nearshoring Option***



# ITS GEOGRAPHICAL AND CULTURAL PROXIMITY TO THE EUROPEAN MARKET MAKES TUNISIA A COMPETITIVE PARTNER OF EUROPE COMPARED TO OTHER ASIAN TEXTILES MANUFACTURERS



### Flexibility & Faster Delivery

Closer distance to European markets which also reduces wasteful overproduction



### Transparency

Reduced number of intermediaries in the supply chain



### Strong relationship with the EU

The EU is Tunisia's largest trade partner, accounting for 57.9% of its trade in 2020\*



### Due Diligence

Better management of supply chain risk



### World leader in environmental consideration in Textiles

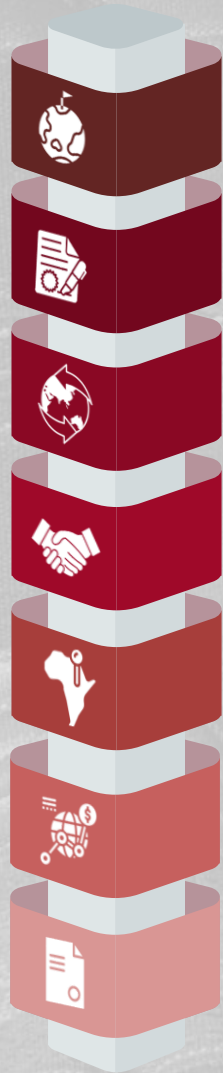
Thorough compliance and fast response to new customer demands for green products



### Increased Trust

The closer is the manufacturer, the more consumers will trust the brand

# TUNISIA TO BECOME AN EXPORT HUB FOR EUROPE, AFRICA AND MENA THANKS TO ITS GEOGRAPHIC POSITION AND INTERNATIONAL AGREEMENTS



### A GEOSTRATEGIC POSITION IN THE MED AREA

*At just an hour flight to Europe and less than three hours flight from the Middle East*

### AN ADVANCED STATUS WITH THE EU

*Deep and Comprehensive Free Trade Agreement (DCFTA) in progress*

### A REGIONAL AND INTERNATIONAL INTEGRATION

*Including 52 agreements on double taxation and 54 bilateral agreements to promote and protect investments*

### MEMBER OF COMESA

*a common Market for Eastern and Southern Africa with 625 Millions consumer*

### THE ECONOMIC COMMUNITY OF WEST AFRICAN STATES (ECOWAS)

*Ongoing discussions to join the ECOWAS and get access to 325 millions consumers*

### FREE TRADE AGREEMENTS

*with Morocco, Egypt and Jordan (AGADIR) and with Turkey*

### BILATERAL INVESTMENT TREATY (BIT) BETWEEN TUNISIA AND GERMANY

*Entered into force in 1964*



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



**2h 20min flight** from  
Tunis to Frankfurt



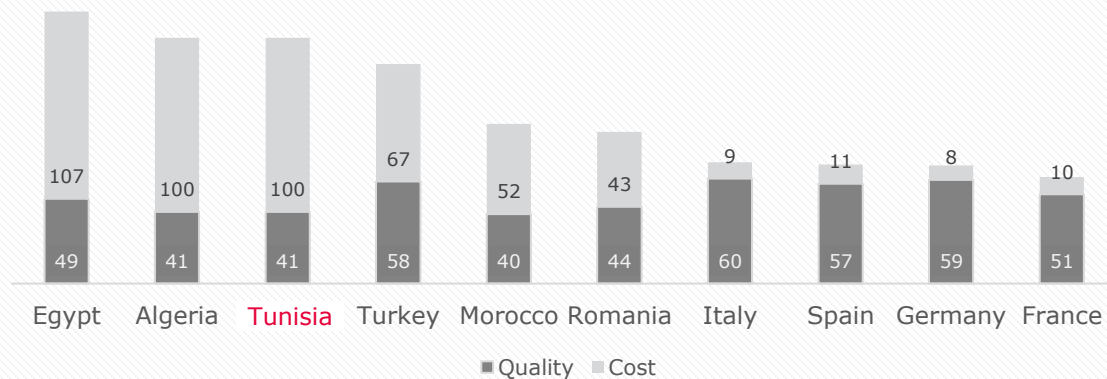
**Time zone 1+ GMT**



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



According to fDi Benchmark, for a typical **textiles manufacturing plant**, Tunisia is the **3<sup>rd</sup> most attractive country** relative to key competitors when combining operating cost and quality factors



Source: Based on FDI Benchmark proprietary scale

## Competitive Nearshoring Option

**NEARLY 90% OF FOREIGN INVESTORS IN TUNISIA'S TEXTILES SECTOR ARE EUROPEAN YET THERE REMAIN NUMEROUS UNTAPPED OPPORTUNITIES FOR GERMAN INVESTORS**

**FRANCE**

**41%**



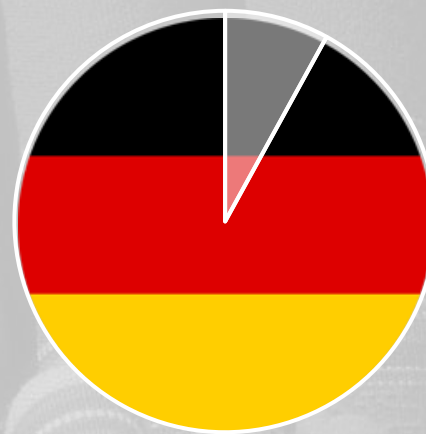
**ITALY**

**25%**



**GERMANY**

**8%**



**BELGIUM**

**6%**



Source: FIPA, 2020



# THE TEXTILES INDUSTRY IS MORE ESTABLISHED WITH GERMAN INVESTORS THAN WITH ANY OTHER SECTOR...

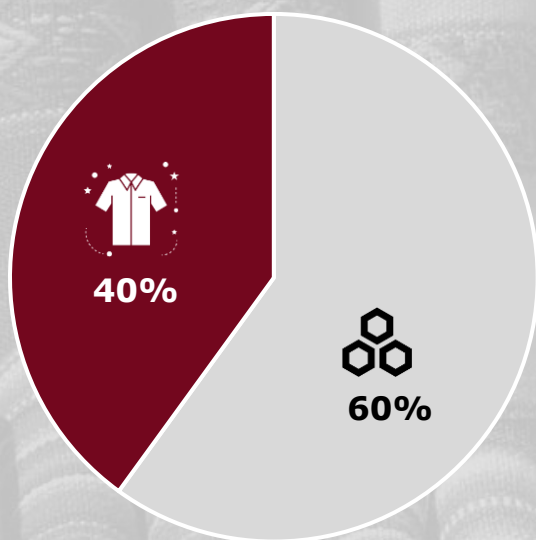


Clothing and Textiles



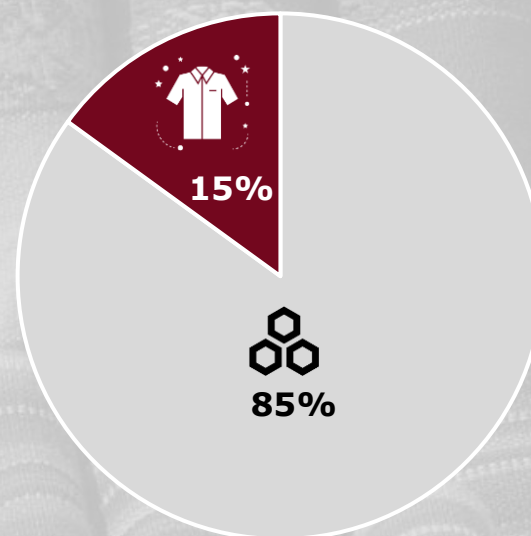
Other sectors

### GERMAN PROJECTS IN TUNISIA



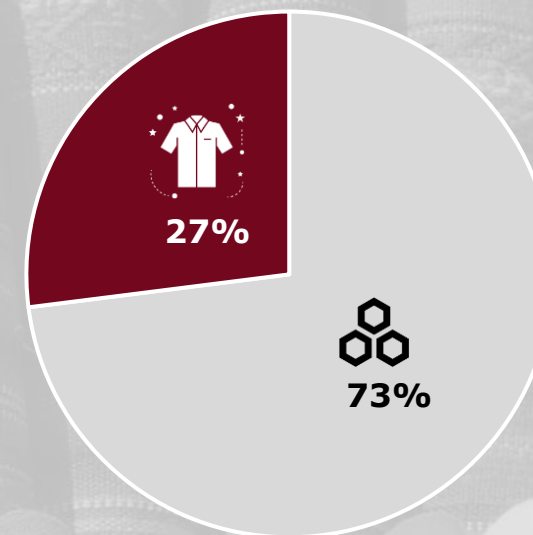
### GERMAN FDI IN TUNISIA

*3<sup>rd</sup> biggest sector in Tunisia in which Germany is investing*



### JOBS CREATED BY GERMAN COMPANIES IN TUNISIA

*2<sup>nd</sup> biggest sector in terms of jobs created by German investors in Tunisia*

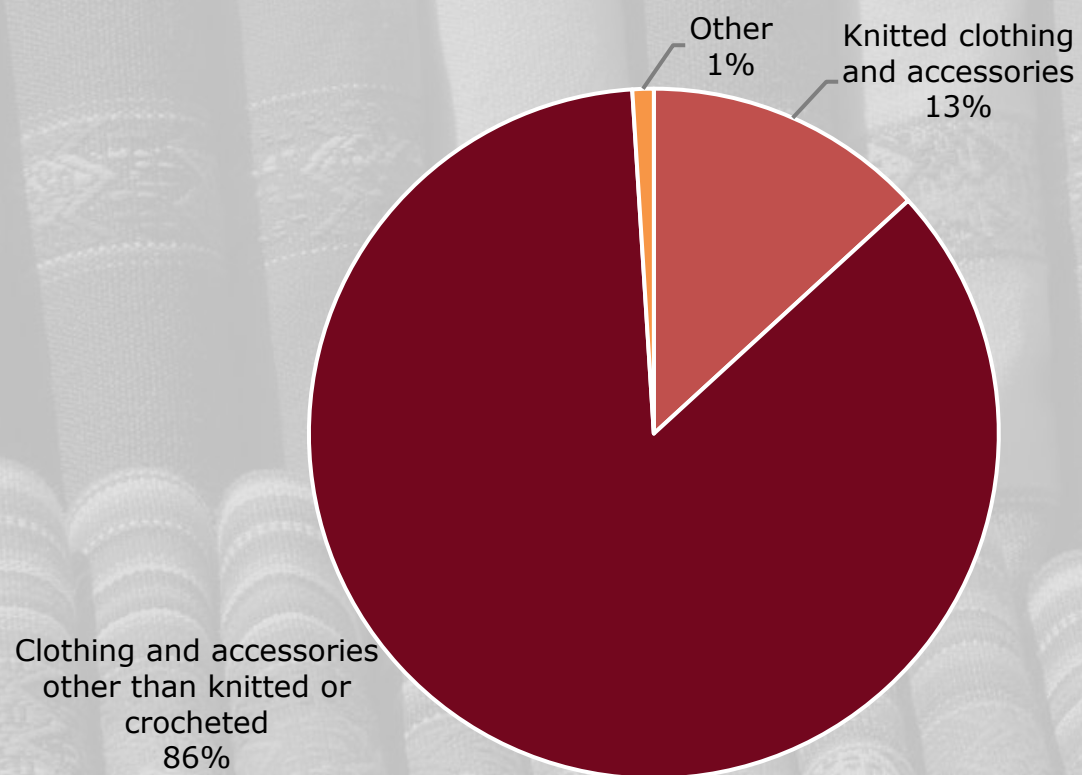


Other sectors include Electrical and Electronics, Construction materials, Tourism, Chemicals and Rubber, Food, etc.

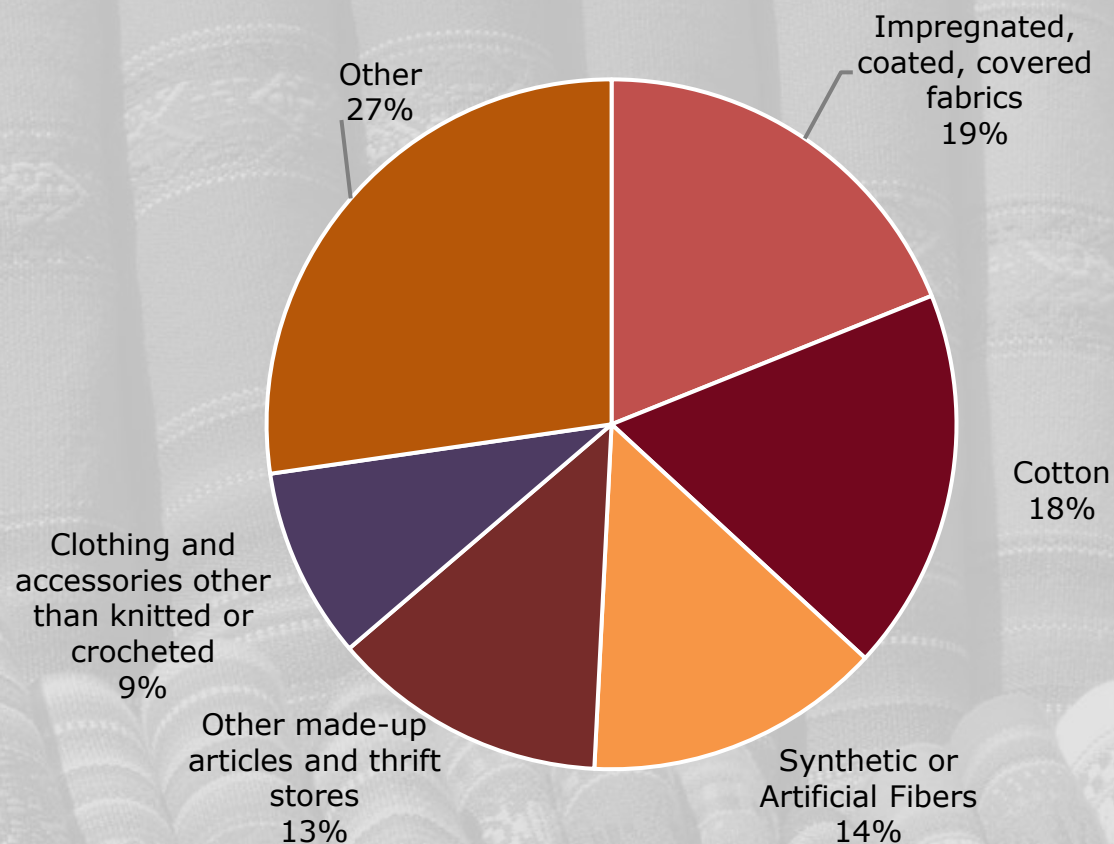
Source : FIPA 2020

## ...AND TRADE IN TEXTILES & CLOTHING BETWEEN TUNISIA AND GERMANY IS MUTUAL

**TEXTILE AND CLOTHING EXPORTS TO GERMANY**



**TEXTILE AND CLOTHING IMPORTS FROM GERMANY**





# **Success Stories & Company Testimonials**

**Van Laack**

**Concept to  
Shelf**

**Demco**

**Sartex**



# COMPANY 1 | VAN LAACK



### Profile

- ▶ **Establishment** - 1974, German company
- ▶ **Workforce** - 800
- ▶ **100% exporting**
- ▶ **Clients** - Europe & USA



### Products

- ▶ **High-end shirts**
- ▶ **outerwear**
- ▶ **clothes and accessories**
- ▶ **Gloves, ties, scarves**



### Key facts

- ▶ **VAN LAACK group has developed its own vocational training center in Tunisia, with the support of GIZ, to make staff suitable for multi-job tasks, in a more varied, more motivating and more progressive work organization practice.**

Source(s) : APII, FIPA, VANLAACK Tunisia



# COMPANY 2 | CONCEPT TO SHELF



## Profile

- ▶ **Establishment** - 1983, French investment
- ▶ **Workforce** - 5000
- ▶ **100% exporting**



## Products

- ▶ **Pullovers and similar articles of knitted fabrics**



## Key facts

- ▶ **11 production facilities**
- ▶ **15 millions garments/year**

Source(s) : APII, FIPA, Concept to Shelf Tunisia

### COMPANY 3 | DEMCO



#### Profile

- ▶ **Establishment** - 1991, Belgium
- ▶ **Workforce** - 800
- ▶ **100% exporting**
- ▶ **Clients** - Tommy Hilfiger, Decathlon, Lee Cooper, Cameleon, Liabel, Salsa Jeans, Hackett, Big Star, Zilton, Pepe Jeans, etc.



#### Products

- ▶ **Jeans clothes, underwear, t-shirts, jogging**



#### Key facts

- ▶ **DEMCO has invested from 2005 to 2015, 25 million Euros in its manufacturing, research and development**
- ▶ **The two branches, Jeanswear & Knitwear, are fully integrated and produce finished products of renowned international brands**
- ▶ **Certificates: iso90012015, ISO 14004:2015**

Source(s) : APII, FIPA, DEMCO Tunisia



### COMPANY 4 | DEMCO



#### Profile

- ▶ **Establishment** - 1984, Tunisia- - Leader in Tunisia's Textile sector
- ▶ **Workforce** - 3000
- ▶ **Totally exporting**
- ▶ **Clients** - Levi's Dockers, Timberland, Ober, Mustang, Big Star, Rip Curl



#### Products

- ▶ **Jackets, Pants, skirts, Bermuda shorts, sports wear, street wear**



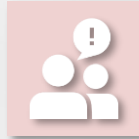
#### Key facts

- ▶ **SARTEX** awarded by the Arab organization of corporate citizens
- ▶ **GIZ** has helped to set up a modern training centre. 445 young Tunisians have received training and have been employed by the company
- ▶ **Cogeneration facilities** with electricity production capacity~ 1,500 kWh (40% gain in the price of electric kWh)
- ▶ **New station biological treatment and wastewater recycling** (A cost reduction of around 80%, and an improvement in quality of waste water ejected into the public facilities: compliant water to the NT106 standard.

Source(s) : APII, FIPA, Sartex Tunisia

# HOW CAN FIPA & TIA SUPPORT YOU IN TUNISIA

## Information



*On investment opportunities in Tunisia and the main reasons why Tunisia is such an attractive site for FDIs*

## Contact



*Our approach is to present the most satisfactory Tunisian offer for companies seeking internationalization*

## Advice



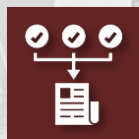
*On the appropriate conditions for the success of projects, regions of operation, investment plans, financing methods etc.*

## Assistance



*To investors on exploratory visits to Tunisia and in the various phases of project implementation*

## Support



*To improve the sustainability of the company through personalized monitoring*



الهيئة التونسية للاستثمار  
TUNISIA INVESTMENT AUTHORITY





# THANK YOU



## Contact us

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