1994 CONSULTATION WITH THE REPUBLIC OF TUNISIA
UNDER ARTICLE XVIII.12(b)

Basic Document Supplied by Tunisia

I. INTRODUCTION

Since 1987, Tunisia has been engaged in a vast programme of economic reform with the aim of stabilizing the national economy and creating the conditions for greater medium and long-term growth. The reform has been implemented through the adoption of the Structural Adjustment Programme which is designed to reduce macroeconomic imbalances and restore economic efficiency by reintroducing market mechanisms and liberalizing foreign trade and prices. By carrying out these reforms, Tunisia has demonstrated its determination to open its economy to the outside world and to take its place on the international economic stage.

In recent years, the Tunisian economy has recorded important achievements, notably:

- recovery of economic activity in 1992 and 1993 after the crisis in the Middle East in 1991;
- important progress in intensifying structural reform, particularly:
  - liberalization of imports and prices;
  - reform of the financial system;
  - revision of the system of investment incentives;
  - liberalization of foreign exchange and convertibility of the dinar for current account transactions.

It should be pointed out that the results achieved during 1992 and 1993 were in line with the forecasts under the VIIIth Development Plan (1992-1996), despite the deterioration in the international economic environment, which was marked by a slow-down in the rate of growth and trade and by monetary fluctuations of some significance. The results concern:

- Gross domestic product, which grew by 3.8 per cent in 1991, 8.1 per cent in 1992 and a provisional 2.6 per cent in 1993.

The growth levels in 1992 and 1993 were achieved by improving agricultural production and continued growth in manufacturing industries. Despite that, the difficult climatic conditions which have occurred this year may slow the rate of growth of GDP.

- Investment, which has been growing at an increasingly rapid rate during the last three years. The volume of investment, 23.3 per cent of GDP in 1991, rose to 24.6 per cent in 1992 and a provisional 25.5 per cent in 1993. Nineteen ninety-four has been marked...
by the introduction of a new investment incentives code, which should certainly give an impetus to investment.

- The improvement in the general economic environment. A feature of the period 1991-1993 has been the continuation of the foreign trade liberalization programme. This liberalization covered 86 per cent of imports by value and 60 per cent of production at the end of 1993.

Parallel to this process, a legal framework regulating various sectors has been adopted in order to make economic and trading activity more rational and more efficient. The legal framework mainly concerns:

- foreign trade;
- investment, free zones and international trading companies;
- domestic trade, competition and prices;
- the monetary and financial system and taxation.

In this document, we shall examine the balance of payments, management and framework of foreign trade, and the principal measures adopted for the liberalization of the economy and relaxation of foreign exchange regulations.

II. BALANCE OF PAYMENTS


During the first half of the 1980s, Tunisia experienced a serious deterioration of its terms of trade and an adverse trend, in terms of price and volume, in petroleum exports. The ensuing large deficit on current transactions was accompanied by an increase in borrowings at high rates of interest.

However, this trend was reversed during the period 1986-1992. Indeed, Tunisia made considerable progress in carrying through a global programme of macroeconomic adjustment and structural reform. Although in 1990-1991 the Tunisian economy suffered setbacks as a result of the Middle East crisis, the authorities intensified their adjustment efforts to attenuate the impact on the economy. The 1991 Middle East crisis seriously slowed the rise in exports and caused a reduction in tourist revenue and repatriation of funds by expatriate workers.

In order to attenuate the consequences of the crisis, the authorities made significant reductions in the investment programmes of public enterprises with a high content of imports. In the meantime, the demand for imports in the private sector was restricted by the application of a strict monetary policy and temporary administrative measures. For these reasons, the volume of imports slumped and the deficit on current transactions was contained within a limit of 4.7 per cent of GDP.

In 1992, several factors had a negative influence on the current account position. A marked deterioration in Tunisia’s terms of trade, a slow-down in the growth of markets in the main trading partners and a strong rise in imports linked to the construction of the gas pipeline contributed to the adverse foreign trade balance. Other factors also influenced external trade, such as the appreciation of the dinar in real terms, the sluggishness of the manufacturing sector and a weaker than expected recovery in the tourist sector.

As a result, the current external deficit rose to 6.4 per cent of GDP in 1992. Net capital inflows were higher than forecast mainly because of the big increase in direct foreign investment related to construction of the gas pipeline. In addition, Tunisia returned to the international financial markets
for the first time since 1986, obtaining a syndicated loan of US$110 million. Thus the total balance of payments showed a surplus MD 72.5 and gross international reserves reached the equivalent of 1.8 months of imports.

In 1993, the impact of weakening world demand and deterioration in the terms of trade continued. Nevertheless, thanks to the attenuation of the effects of the Gulf crisis on imports and the beginnings of a recovery in exports from the end of the first half, the current deficit for 1993 should be around MD 590. In the light of the above and the level of net capital inflows, foreign exchange reserves should have risen by MD 100.

The development outlook for 1994 relies on growth in exports at a rate exceeding that of imports, which is a necessary condition for achieving the Plan objectives relating to the reduction of the foreign payments deficit. On this basis, exports of goods and services should grow by 11.6 per cent at current prices in 1994 while imports should be contained at 3.2 per cent of GDP. This level of deficit, taken together with net capital inflows, would permit an increase of MD 200 in foreign exchange reserves.

### Status of current account balance

<table>
<thead>
<tr>
<th></th>
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</tr>
</thead>
<tbody>
<tr>
<td>Total current revenues</td>
<td>5,517.7</td>
<td>6,085.0</td>
<td>6,916.5</td>
<td>7,720.4</td>
</tr>
<tr>
<td>Total current expenditures</td>
<td>6,078.7</td>
<td>6,805.6</td>
<td>7,506.5</td>
<td>8,247.7</td>
</tr>
<tr>
<td>Current account deficit</td>
<td>-561.0</td>
<td>-720.6</td>
<td>-590.0</td>
<td>-527.0</td>
</tr>
</tbody>
</table>

Source: Ministry of Planning and Regional Development.

2. **Trade balance in goods**

Although it reflects a restimulation of the economy through exports following the shift towards economic liberalization, the foreign trade balance still shows a chronic deficit in the trading balance mainly due to a significant increase in imports. The trade deficit rose from MD 1,359.1 to MD 2,418 in 1993. The rate of cover of imports by exports fluctuated around 65 per cent during the period 1991-1993, in line with the national and international economic situation.

### Trade balance in goods

<table>
<thead>
<tr>
<th></th>
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</tr>
</thead>
<tbody>
<tr>
<td>Exports</td>
<td>3,429.9</td>
<td>3,549.7</td>
<td>3,818.1</td>
<td>4,491.6</td>
</tr>
<tr>
<td>Imports</td>
<td>4,789.0</td>
<td>5,688.8</td>
<td>6,236.1</td>
<td>6,867.1</td>
</tr>
<tr>
<td>Balance (deficit)</td>
<td>1,359.1</td>
<td>2,139.1</td>
<td>2,418.0</td>
<td>2,376.0</td>
</tr>
<tr>
<td>Rate of cover (in per cent)</td>
<td>71.6</td>
<td>62.4</td>
<td>61.2</td>
<td>65.4</td>
</tr>
</tbody>
</table>

Source: INS.
2.1 Movements and features of trade in goods/products

Exports

The strategy of boosting exports adopted in 1987 clearly allowed fairly sustained export growth until 1991, with a rate of some 11 per cent per annum. From 1991 onwards, export growth ran out of steam, particularly in the case of textile products, phosphates, derivatives, agri-food products and energy. The average rate of growth was about 4 per cent.

- The textiles sector showed signs of localized slow-down, particularly in knitwear where the annual average rate of growth slowed from 30 per cent during the period 1987-1990 to only 1 per cent in 1991.

- Exports of phosphate products and derivatives encountered difficulties in traditional markets, particularly the countries of Eastern and Central Europe (CECE). They showed an annual average fall at constant prices of 7.7 per cent.

- Among exports of agricultural and food products, sea products showed a substantial decline. This decline was offset, however, by the favourable trends in other products, notably olive oil, for which exports represent more than 50 per cent of all agri-food exports.

- Lastly, the decline in petroleum exports is mainly linked to stagnation of production and a rise in consumption.

The slow-down in export growth is mainly due to the world economic recession and the repercussions of the Gulf war. It should also be noted that a feature of the period 1990-1992 was the rise in the preferential export finance rate which came close to the money market rate.

Distribution of Exports by Utilization Group
(in MD)

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Food</td>
<td>494.7</td>
<td>335.5</td>
<td>399.1</td>
</tr>
<tr>
<td>Raw materials, semi-finished</td>
<td>815.9</td>
<td>871.3</td>
<td>822.1</td>
</tr>
<tr>
<td>Capital goods</td>
<td>153.1</td>
<td>172.0</td>
<td>245.4</td>
</tr>
<tr>
<td>Consumer goods</td>
<td>1,477.4</td>
<td>1,632.5</td>
<td>1,917.3</td>
</tr>
<tr>
<td>Trade excluding energy</td>
<td>2,941.1</td>
<td>3,011.3</td>
<td>3,383.9</td>
</tr>
<tr>
<td>Energy</td>
<td>488.8</td>
<td>538.4</td>
<td>434.2</td>
</tr>
<tr>
<td>TOTAL</td>
<td>3,429.9</td>
<td>3,549.7</td>
<td>3,818.1</td>
</tr>
</tbody>
</table>

Source: INS.

Imports

Imports grew rapidly during the period 1991-1993 both in terms of value and volume except in 1991 when they declined. The average rate of growth of imports at current prices was 18.8 per cent, much higher than the forecast 8.7 per cent.
Several factors contributed to this major increase in imports by Tunisia, the most important being:

- Higher in domestic demand for intermediate consumer goods and equipment, as a result of the upturn in the Tunisian economy;
- The rise in international prices of food products and raw materials, particularly sugar, wheat, vegetable oils, milk, non-ferrous metals, rubber, wood and cotton.

The pattern of imports by utilization group also changed, and shows the following features:

- Predominance of consumer goods, raw materials and semi-finished products, whose share rose from 15.3 per cent in 1981 to 31.3 and 29.4 per cent respectively in 1993.
- Decline in energy's share, which amounted to 7.3 per cent in 1993 against 19.9 per cent in 1981. This can be explained by the substitution of local petroleum for imported petroleum as a result of the fall in the price of oil in 1986.
- Importance of capital goods, which represented 25 per cent of imports of goods in 1992, after declining during the opening years of the Structural Adjustment Plan.

### Distribution of Imports of Goods by Utilization Group (in MD)

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Food</td>
<td>310.9</td>
<td>380.5</td>
<td>418.1</td>
</tr>
<tr>
<td>Raw materials and semi-finished</td>
<td>1,498.7</td>
<td>1,840.2</td>
<td>1,834.3</td>
</tr>
<tr>
<td>Capital goods</td>
<td>1,205.5</td>
<td>1,395.3</td>
<td>1,574.7</td>
</tr>
<tr>
<td>Consumer goods</td>
<td>1,408.1</td>
<td>1,675.7</td>
<td>1,951.9</td>
</tr>
<tr>
<td>Trade excluding energy</td>
<td>4,423.2</td>
<td>5,291.7</td>
<td>5,779.0</td>
</tr>
<tr>
<td>Energy</td>
<td>365.8</td>
<td>397.1</td>
<td>457.1</td>
</tr>
<tr>
<td>TOTAL</td>
<td>4,789.0</td>
<td>5,688.8</td>
<td>6,236.1</td>
</tr>
</tbody>
</table>

Source: INS.

### Geographical pattern of trade in goods

An analysis of changes in the geographical pattern of foreign trade during the years 1991-1993 shows the constant major importance of the countries of the European Union (more than three quarters of exports and two thirds of imports), although there was an effort to diversify trade with other countries.

Trade in goods between Tunisia and the AMU countries and some Asian countries developed over the period in Tunisia's favour. Trade with countries of Eastern and Central Europe and the American continent was to Tunisia's disadvantage. Foreign trade with Arab countries other than those in the AMU grew slowly during the period, and somewhat to Tunisia's disadvantage.
Countries of the European Union

The geographical pattern of our trade shows that the European Union continues to occupy a predominant place in both imports and exports. Our imports from the European Union further increased during the last few years, from 59 per cent in 1981 to 62.5 per cent in 1986 and 71 per cent in 1993. Similarly, our exports to the European Union grew in importance, reaching more than 79 per cent in 1991 against 59 per cent in 1981. This pattern is encouraged by the level of cooperation with the EEC, since more than 50 per cent of export-oriented investment in Tunisia during the period 1988-1990 was made by Community partners.

The AMU countries

Tunisia’s trade with the AMU countries now occupies second place on a regional basis, accounting for 7.6 per cent of exports in 1993 compared with 8.4 per cent in 1991 and 5.8 per cent in 1986. However, the pattern of this trade continues to be dominated by the level of trade with Libya, to which the value of exports was some MD 189 in 1993 compared with MD 33 in 1988, representing 65.1 per cent and 35 per cent respectively of all exports to AMU countries.

In addition, these exports continue to be characterized by the predominance of agricultural products and semi-finished goods, which account for an average of 67 per cent of all exports to these countries.

The EFTA countries and the American continent

Trade with the EFTA countries and the American continent continues to fall short of expectations despite efforts undertaken in the form of trade fairs and promotion activities. Their respective shares in exports in 1993 were 1 per cent and 0.7 per cent compared with 0.6 per cent and 2.3 per cent in 1989.

A feature of this trade is the chronic deficit. The rate of cover between 1989 and 1993 ranged from 25 per cent to 7.2 per cent for the American continent and from 13.5 per cent to 14.9 per cent for the EFTA countries.

The countries of Eastern and Central Europe

These countries used to account for a fairly important part of Tunisia’s foreign trade, particularly its exports of raw phosphates and fertilizers. However, since the changes in the region, Tunisian exports to that group of countries has been continually falling. Trade is dominated by the share of the former USSR, which accounts for an average of 45 per cent of all trade with that group of countries.

The Eastern Arab countries

With a total value of MD 81 in 1993 compared with MD 81.4 in 1989, exports to the Arab countries are relatively stable. The trend would have been more significant without the events of the Gulf war because of exports to Iraq, whose share in the export trade of Tunisian products was continually rising.

The Asian countries

Exports to Asian countries, amounting to MD 100 in 1993, continue to be dominated by phosphates and derivatives. They account for 60 per cent of all Tunisian exports to this continent (MD 166 or 4.4 per cent of total exports). Turkey, India, Indonesia, China and Iran are Tunisia’s main customers.
For imports, Japan holds first place, with 38 per cent of imports from the region in 1993.

The countries of Subsaharan Africa

The share of Subsaharan Africa in Tunisian exports continues to be very modest (0.6 per cent in 1993). Trade promotion initiatives in relation to this group of countries in the form of various trade fairs and organization of partnership actions have shown that the situation is the result of inadequate means of transport and lack of preferential financing and guarantees.

(in MD)

<table>
<thead>
<tr>
<th>Region</th>
<th>Imports</th>
<th>Exports</th>
<th>Growth rate (%)</th>
<th>Imports</th>
<th>Exports</th>
<th>Growth rate (%)</th>
<th>Imports</th>
<th>Exports</th>
<th>Growth rate (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>AMU</td>
<td>148.46</td>
<td>298.9</td>
<td>200.8</td>
<td>198.7</td>
<td>282.3</td>
<td>142.1</td>
<td>161.1</td>
<td>292.2</td>
<td>181.4</td>
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<tr>
<td>EEC</td>
<td>3,431.1</td>
<td>2,609.7</td>
<td>70.7</td>
<td>4,034.1</td>
<td>2,761.9</td>
<td>68.5</td>
<td>4,463.9</td>
<td>3,047.4</td>
<td>68.3</td>
</tr>
<tr>
<td>Eastern Arab countries</td>
<td>60.98</td>
<td>57.1</td>
<td>93.6</td>
<td>54.1</td>
<td>54.7</td>
<td>101.1</td>
<td>66.2</td>
<td>81.01</td>
<td>22.4</td>
</tr>
<tr>
<td>Africa</td>
<td>34.6</td>
<td>26.0</td>
<td>75.0</td>
<td>60.7</td>
<td>25.6</td>
<td>42.2</td>
<td>60.8</td>
<td>22.7</td>
<td>37.3</td>
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<tr>
<td>EFTA</td>
<td>190.5</td>
<td>29.8</td>
<td>15.6</td>
<td>194.3</td>
<td>25.4</td>
<td>13.1</td>
<td>236.6</td>
<td>35.5</td>
<td>14.9</td>
</tr>
<tr>
<td>CECE</td>
<td>185.0</td>
<td>83.9</td>
<td>45.3</td>
<td>223.1</td>
<td>56.3</td>
<td>25.3</td>
<td>193.4</td>
<td>39.9</td>
<td>20.6</td>
</tr>
<tr>
<td>North America</td>
<td>304.7</td>
<td>26.2</td>
<td>8.6</td>
<td>337.4</td>
<td>30.7</td>
<td>9.1</td>
<td>388.6</td>
<td>27.8</td>
<td>7.2</td>
</tr>
<tr>
<td>Other</td>
<td>433.7</td>
<td>299.2</td>
<td>69.1</td>
<td>586.3</td>
<td>312.8</td>
<td>53.4</td>
<td>665.5</td>
<td>271.8</td>
<td>40.8</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>4,789.0</strong></td>
<td><strong>3,429.9</strong></td>
<td><strong>71.6</strong></td>
<td><strong>5,688.8</strong></td>
<td><strong>3,549.7</strong></td>
<td><strong>62.4</strong></td>
<td><strong>6,236.1</strong></td>
<td><strong>3,818.1</strong></td>
<td><strong>61.2</strong></td>
</tr>
</tbody>
</table>

Source: INS.

3. External debt

Foreign debt contracted or guaranteed by the State increased at a markedly slower pace during the period 1986 to 1992 than during the first half of the 1980s. The debt/GDP ratio, which rose from 38 per cent to 63 per cent between 1981 and 1986, fell progressively until 1993, when it was around 51 per cent. As a percentage of current revenue, debt service payments fell from 28 per cent in 1986 to 19 per cent in 1993. According to 1994 forecasts, the expected level of the current account deficit and the financing model adopted will be reflected in continued improvements in debt indicators.

It is expected that the debt ratio will be 49 per cent of GDP in 1994, while the debt service ratio would fall to 18.5 per cent of current income.
External debt indicators

<table>
<thead>
<tr>
<th></th>
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</tr>
</thead>
<tbody>
<tr>
<td>Total debt MD</td>
<td>6,400</td>
<td>6,870</td>
<td>7,540</td>
<td>8,185</td>
</tr>
<tr>
<td>Debt ratio as a percentage of GNP</td>
<td>53.4</td>
<td>50.1</td>
<td>50.6</td>
<td>49.2</td>
</tr>
<tr>
<td>Debt service ratio as a percentage of current revenue</td>
<td>20.8</td>
<td>19.3</td>
<td>18.8</td>
<td>18.5</td>
</tr>
</tbody>
</table>

(in MD)

<table>
<thead>
<tr>
<th></th>
<th>Draw downs</th>
<th>Debt service (principal + interest)</th>
<th>Net transfers</th>
</tr>
</thead>
<tbody>
<tr>
<td>1991</td>
<td>1,017.8</td>
<td>1,149.9</td>
<td>-132.1</td>
</tr>
<tr>
<td>1992</td>
<td>1,177.9</td>
<td>1,173.3</td>
<td>-4.6</td>
</tr>
<tr>
<td>1993</td>
<td>1,290.1</td>
<td>1,300.0</td>
<td>-9.9</td>
</tr>
<tr>
<td>1994</td>
<td>1,357.2</td>
<td>1,430.0</td>
<td>-72.8</td>
</tr>
</tbody>
</table>

III. MANAGEMENT AND FRAMEWORK OF FOREIGN TRADE

1. General description of the import and export regime

Tunisian regulations on foreign trade are governed by Law No. 94-41 of 7 March 1994, which defines the regime applicable to imports and exports of products traded by Tunisia.

Such operations are unrestricted, with the exception of those restrictions set out in the Law which mainly concern products which affect security, public order, hygiene, health, morality, protection of fauna and flora and the cultural heritage.

Such products can however be imported or exported under authorizations granted by the Minister responsible for trade.

This Law established the principle of free trade in legislation and thus completes the process of opening the Tunisian economy to the international market which began in 1987.

Pending the implementing decrees for the Law of 7 March 1994, whose provisions take effect on 1 July 1994, the procedures and arrangements for foreign trade continue to be governed by the legislation in force, namely Law 76-18 of 21 January 1976, and Decree No. 77-608 of 27 July 1977 and Foreign Trade and Foreign Exchange Notice No. 10.

Foreign Trade and Foreign Exchange Notice No. 10

(JORT No. 9 of 7-11 February 1986) as amended by subsequent notices.

Foreign trade and Foreign Exchange Notice No. 10, as amended by subsequent notices, is both a regulatory text and a practical guide for the use of importers and exporters. The text codifies the main procedures applicable to operations and payment for imports and exports of goods from and to foreign countries.
It also lays down the form and content of the Foreign Trade and Foreign Exchange Document, and specifies the documents which must be annexed to it. The latter are established according to the nature of the operations to which they relate. The Notice also establishes the manner in which the Document is drawn up, how it is used and delivered and the conditions for domiciliation and term of validity.

Import certificate

The import certificate is primarily a financial document rather than an import document. Eighty per cent of the volume of imports are covered by this procedure. It allows the operator to deal directly with his commercial bank, without recourse to government authorization.

Import licence

This procedure is a means of allowing the government to monitor products which are still subject to restrictions. It consists of a prior administrative authorization.

Export licence

This document allows exports of products which figure on a restricted list annexed to a notice published in the Tunisian Official Gazette (JORT). It is granted by the Ministry of the National Economy and approved by the Central Bank of Tunisia.

It should be pointed out that these are not products whose export is subject to absolute prohibition but exports which are subject to prior authorization.

Products whose exports are restricted are in the main:

- certain agricultural products in order to conserve species (camels, snails, flowering plants);
- products intended to satisfy the needs of disadvantaged sections of society, the prices of which are given special treatment under the foreign trade policy (cereals, sugar);
- strategic or special products (petroleum, tobacco, mining products);
- products relating to security or the environment or dangerous items (arms, works of art).

2. State trading

Imports of certain products for mass consumption are the responsibility of certain State agencies in order to ensure adequate and regular supply in the country, on the best terms for price and quality.

The nature of the product is a basic criterion for its inclusion in the import monopoly regime. Such products are either mass consumption goods or products which have an impact on the national budget.

Following the adoption of the Structural Adjustment Programme, several activities which were under the monopoly regime were liberalized. Public enterprises which continue to be governed by the monopoly regime include the Cereals Office and the Tunisian Trading Office.
Cereals Office

The Cereals Office no longer has its former monopoly in collecting cereals. Decree No. 90-1083 of 26 June 1990 authorized private operators to carry out collection. The intention is to increase the rate of collection of cereals in the country, which is currently between 45 per cent and 50 per cent.

The Tunisian Trading Office

The Tunisian Trading Office is primarily responsible for supplying the country with mass consumption goods and traded commodities. These consist mainly of tea, coffee and sugar. It should be noted that these monopolies entrusted to State enterprises do not discriminate in relation to the method of purchase of products. Tunisia instituted monopolies for sectors which it considered strategic in order to ensure regular and constant supply of the domestic market. Procedures of invitations to tender and procurement are carried out in conformity with the rules of competition. In this connection, certain monopoly products have already been liberalized (olive oil, seed oil, rice, pepper).

IV. LIBERALIZATION PROGRAMME

1. Foreign trade

The liberalization of foreign trade is a fundamental element of Tunisia’s economic liberalization programme.

In the first phase, the programme set out to abolish quantitative restrictions, such as import licences and prior authorizations for raw materials, semi-finished products, spare parts and capital goods not manufactured locally. A second phase, which began in 1989 with the liberalization of all products similar to those manufactured locally, had the aim of progressively introducing competition for local production and promoting competitiveness of Tunisian enterprises and products. The introduction of foreign competition was preceded by liberalization of domestic production prices and distribution margins, in order first to promote local competition.

At the end of 1993, liberalization covered almost all exports and some 86 per cent of imports by value and 60 per cent in production terms, broken down as follows:

<table>
<thead>
<tr>
<th>Sector</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Industry</td>
<td>27.4 per cent</td>
</tr>
<tr>
<td>Agriculture</td>
<td>16.84 per cent</td>
</tr>
<tr>
<td>Energy</td>
<td>13.49 per cent</td>
</tr>
<tr>
<td>Mining</td>
<td>2.52 per cent</td>
</tr>
<tr>
<td>Total</td>
<td>60 per cent</td>
</tr>
</tbody>
</table>

In 1994 and 1995, Tunisia intends to continue its liberalization programme and will thus complete its liberalization of foreign trade. The rate of liberalization will reach 92 per cent of imports by the end of the programme. A list of products representing 8 per cent of Tunisian imports will remain subject to prior authorization. The list will concern only products affecting security, and dangerous, polluting or luxury products.

Parallel to this liberalization of foreign trade, Tunisia will continue to strengthen reforms, principal among which are:

- Introduction of administrative measures in application of the new legislation on foreign trade;
Further financial, monetary and foreign-exchange reforms.

V. FOREIGN EXCHANGE CONTROLS

In order to reinforce the process of opening up to the outside, Tunisia has taken a number of measures to relax exchange controls. The main measures are as follows:

- Special accounts in foreign exchange or convertible dinars;
- Business accounts in foreign exchange or convertible dinars;
- Foreign-exchange hedging;
- Institution of a system of hedging against foreign exchange risk;
- The foreign exchange money market.

In conjunction with the strengthening of macroeconomic policy and the application of structural reforms which intensified the role of market forces, the liberalization of exchange controls applicable to current account transactions enabled Tunisia to introduce the convertibility of the dinar for current account transactions. These measures were introduced by a new law passed in May 1993 which liberalized payments for current account transactions.

Finally, and to complement the decisions on the current account convertibility of the dinar, a money market was introduced on 1 March 1994. The creation of this market introduces a qualitative change in relations both between the Tunisian Central Bank and the banks, and between the banks and their customers, in the area of foreign exchange operations.