The Government of Tunisia has transmitted to the secretariat the following note to support its request for provisional accession to the General Agreement.

A. GENERAL

1. After acquiring full independence and becoming a member of the United Nations in 1956 Tunisia, at the end of 1957, adhered to the International Monetary Fund and to the International Bank for Reconstruction and Development.

Tunisia signed its first trade and payments agreements in the second half of 1957 (the list of these agreements is included in Annex I). In 195 Tunisia also entered into an agreement for economic and technical cooperation with the United States of America.

Furthermore, on 5 September 1959, the Government of the Tunisian Republic signed a trade and tariff convention with the French Government which substituted a limited preferential regime for the French-Tunisian Customs Union of 28 December 1955, and a financial agreement which affords Tunisia a special situation within the French franc area.

Lastly, there are organized markets between France and Tunisia in respect of olive oil, wine and grains.

B. THE FOREIGN TRADE OF TUNISIA

2. General structure of Tunisian foreign trade

Tunisia has a very active foreign trade with most countries. However, the main suppliers and customers of Tunisia are as follows:

- the French franc area which takes up 55 per cent of Tunisian exports and supplies 60 per cent of Tunisian imports
- Italy
- Western Germany
- the United Kingdom
- the United States of America
- the Eastern European countries.

The main Tunisian export and import items are listed in Annexes II and III. Generally speaking, Tunisia exports agricultural products and raw materials and imports energy, finished products and capital goods.
Although the structure of the Tunisian economy is that of a developing country, the trade balance and the balance of payments of the country during the first three years since we acquired full independence have shown surpluses. The accumulated surpluses with the French franc area at present exceed 30,000 million French francs.

However, our programme for economic development will soon be in operation and this will no doubt result in considerable pressures on our trade balance and our balance of payments.

3. The import system

Imports of foreign goods into Tunisia are free from any quota limitations (liberalized items) or take place within the framework of global or bilateral quotas.

The relevant import licences are delivered by the Department for Finance and Foreign Trade with the concurrence of the Central Bank. However, in the case of liberalized items licences are issued freely with the visa of the Central Bank, alone.

Special administrative formalities are required in the case of goods imported from the French franc area.

(a) Liberalized items

As a result of the fact that Tunisia is a member of the French franc area, goods originating in this area are imported into Tunisian customs territory without quota limitation to the extent that we have no balance-of-payments difficulties.

Tunisia also imports goods originating in countries not members of the French franc area without any quota limitation. The number of these liberalized items has been considerably increased. They consist mainly in raw materials and capital goods which are essential for the economic development of the country (the list of the main liberalized items appears in Annex IV). Furthermore the liberalization of trade, which had been limited to OEEC members only, has now been extended without any restrictions or discrimination to all countries with convertible currencies including by countries in the French franc area.

(b) Global Quotas

In the near future, global quotas will be established for imports of staple commodities such as sugar, tea, coffee, pepper, wool fabrics and cotton fabrics etc. etc.

Furthermore, the global quota system will be applicable to imports from all countries and not only, as is the case now, to imports from OEEC members and their monetary areas.
(c) **Bilateral Quotas**

Bilateral quotas are applicable mainly to imports of luxury items or products originating in countries which have bilateral clearing agreements with Tunisia. The number of bilateral quotas is in fact declining.

The establishment of global and bilateral quotas has recently been examined from the point of view of the protection necessary to safeguard our balance-of-payments position.

But it also happens that reasons of security, the need to safeguard public morals or the need to protect newly created branches of production requires the establishment of quotas or even prohibitions on imports regardless of provenance, including the French franc area. Thus it has been necessary, for reasons of an economic nature, to prohibit imports of footwear, furniture, electric accumulators, tomato preserves, lump sugar, glass manufactures etc., although exceptions can be granted. The purpose of these prohibitions is to protect newly created industries.

4. **The Export System**

Exports take place under a system of export authorization (to the French franc area) or a licensing system (to other countries) wherever it is necessary to protect public safety, patents, trade marks and copyrights or to ensure, on the occasion of exportation, the enforcement of regulations or criteria for quality control, the protection of national treasures of artistic, historical or archaeological value, or relating to the conservation of exhaustible natural resources, or to prevent critical shortages of foodstuffs or other essential products.

In other cases, exports are free from any foreign trade formalities, the only existing formalities relate to the surrender of export proceeds.

A retention scheme involving between 8 and 15 per cent of currency earnings is applied in a number of cases.

5. **The Tariff System**

The new tariff system which entered into force on 1 October 1959 is based on the Brussels Nomenclature.

The rates are ad valorem rates; Tunisia takes account, to a large extent, of the recommendations of GATT and of the Brussels Customs Co-operation Council in respect of valuation.

The Tunisian tariff includes a minimum tariff and a general tariff which is about three times as high as the minimum tariff.
The minimum tariff is applicable to countries enjoying most-favoured-nation treatment under the G.T.T or under bilateral agreements. The minimum tariff is also applicable to French products to which preferential rates or duty-free admission are not applicable under the Trade and Tariff Convention of 5 September 1959. On the whole, the margin of preference for French products under the new system is less than under the 1947 system.

The general tariff is applicable in all other cases. Generally speaking, the incidence of the new Tunisian tariff is less than the incidence of the Customs Union Tariff of 1955 or the tariff in force in 1947. Furthermore, in cases where the new tariff might result in incidental increases in the cost of living, hamper the capital equipment of the country, or be an obstacle to adequate supplies being provided, temporary, total or partial suspension of customs duties can be granted.

The Government of the Tunisian Republic intends to apply the new tariff which meets the present needs of the Tunisian economy pending the 1960-61 tariff negotiations between contracting parties, in which we are prepared to participate.

C. THE EXCHANGE SYSTEM

6. The Tunisian Currency, the dinar

At the end of 1958 the Tunisian currency unit, which had been the Tunisian franc, became the dinar, with a value a thousand times greater than the Tunisian franc.

The dinar is related to gold and quoted in relation to the US dollar. The official parity for the dinar is 0.420 dinars per US dollar. The dinar is freely convertible into any currency within the French franc area. It can also be converted by any person who is a non-resident of the French franc area but is a resident of countries in the convertibility area. This is the meaning and purport of the restoration of external convertibility, in December 1958/January 1959.

7. Transfers between Tunisia and foreign countries

Transfers from Tunisia to countries or territories within the French franc area are subject to controls to prevent speculation. Such controls are exercised by the Central Bank of Tunisia in pursuance of the Law of 13 January 1959.

Transfers between Tunisia and countries outside the French franc area are subject to exchange control measures which are being gradually alleviated, in particular as regards capital transfers (by foreign investments and dis-investments).

8. Tunisian foreign payments

Transfer of payments between Tunisia and the French franc area are effected under the French franc account open in the name of the Tunisian Central Bank in the books of the Bank of France. To date, the account shows a surplus of 30,000 million French francs in favour of Tunisia.
Furthermore, payments between Tunisia and countries not members of
the French franc area are effected under the relevant provisions of the
multilateral or bilateral payments agreements entered into by the authorities
of the French franc area and come under the multilateral clearing scheme
provided for under the European monetary agreement. Since the entry into
force of the French-Tunisian Financial Agreement of 5 September 1959, such
payments have been entered in two dollar accounts opened on behalf of the
Central Bank of Tunisia on the books of the Bank of France. Tunisia is
free to utilize these accounts, which can be overdrawn. Lastly, it should
be made clear that certain payments from Tunisia to foreign countries do
not come within the French franc area system. These are the payments
effected through special clearing accounts within the framework of foreign
assistance to Tunisia. In addition, Tunisia, which has been receiving
assistance from the United States since 1957, has entered into clearing
agreements with the six following countries: the Peoples' Republic
of China, Spain UAR (Egyptian Province), Czechoslovakia, USSR and Yugoslavi
### Annex I

**Countries with which Tunisia has signed trade agreements**

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<thead>
<tr>
<th>No.</th>
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<tbody>
<tr>
<td>1</td>
<td>Austria</td>
<td>12</td>
<td>Peoples' Republic of China</td>
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<tr>
<td>2</td>
<td>Benelux</td>
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<td>Poland</td>
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<td>Czechoslovakia</td>
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<td>Spain</td>
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<td>6</td>
<td>Finland</td>
<td>17</td>
<td>Switzerland</td>
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<td>7</td>
<td>Germany (Federal Republic of)</td>
<td>18</td>
<td>Turkey</td>
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<td>8</td>
<td>Greece</td>
<td>19</td>
<td>USSR</td>
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<tr>
<td>9</td>
<td>Hungary</td>
<td>20</td>
<td>United Arab Republic (Egyptian Province)</td>
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<tr>
<td>10</td>
<td>Italy</td>
<td>21</td>
<td>United Kingdom</td>
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<td>11</td>
<td>Norway</td>
<td>22</td>
<td>Yugoslavia</td>
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Annex II

Staple Tunisian Export Products

1. Fresh fish
2. Fresh vegetables
3. Dates
4. Citrus fruit (oranges, tangerines)
5. Hard wheat
6. Barley
7. Olive oil
8. Preserved fish
9. Preserved fruits and vegetables
10. Wines
11. Salt
12. Hydraulic cement
13. Calcium phosphate and derivatives (triple superphosphates and hyperphosphates)
14. Flower essences (jasmine, rose, rosemary ...)
15. Cork and manufactures
16. Alfa
17. Iron
18. Lead
19. Zinc
20. Footwear
21. Rugs, carpets and other products of the small handicrafts
Annex III

Staple Tunisian Import Items

1. Milk
2. Butter
3. Cheese
4. Cage (straw mats for cheese fermentation)
5. Black and green tea
6. Pepper
7. Soft wheat
8. Powdered sugar
9. Cocoa
10. Tobacco
11. Coal
12. Petroleum products
13. Chemicals and pharmaceutical products
14. Rubber manufactures
15. Timber
16. Paper and paperboard
17. Textiles
18. Manufactures of pig-iron
19. Mechanical apparatus and machinery
20. Electrical apparatus and machinery
21. Railway equipment
22. Agricultural equipment
23. Motor cars and lorries
24. Fishing craft and ships
Annex IV

Main items liberalized for import into Tunisia

1. Cocoa
2. Tobacco
3. Chemicals and pharmaceutical products
4. Rubber manufactures
5. Timber
6. Paper and paperboard
7. Yarns and textiles
8. Manufactures of pig-iron
9. Mechanical and electrical equipment
10. Railway equipment
11. Agricultural equipment
12. Lorries