

TUNISIA

BUSINESS OPPORTUNITY REPORT



AGRICULTURE



TABLE OF CONTENTS

1. Introduction
2. General Information
 - 2.1 History
 - 2.2 General Business Climate
3. Trade and Foreign Investment Regulations
 - 3.1 Trade Balance
 - 3.2 Free Trade Agreements
 - 3.3 Policies Towards the FDI
 - 3.4 Investment Constraints
 - 3.5 Foreign Exchange Policies
4. Institutional Context
 - 4.1 Sector Policies & Regulations
 - 4.2 Public Sector Partners
 - 4.3 Private Sector Partners
 - 4.4 Branch Organizations
5. Trade Relations between Tunisia and The Netherlands
6. Agriculture
7. Top 3 exporting subsectors
 - 7.1 Animal and vegetable by-products
 - 7.2 Fruits, vegetables and nuts
 - 7.3 Other food stuff
8. Business opportunities for Dutch companies
 - 8.1 Organic agricultural products
 - 8.2 Preserving, processing, packaging and cold storage
 - 8.3 Agricultural machinery and equipment
9. Experiences of Dutch entrepreneurs

1. INTRODUCTION

This report has been commissioned by the Foreign Investment Promotion Agency (FIPA) Tunisia and is carried out by the Netherlands-African Business Council (NABC). This report focuses on agribusiness. Apart from giving a general overview of the agricultural sector in Tunisia, it will specify in which areas there are opportunities for Dutch companies.

2. GENERAL INFORMATION

2.1 HISTORY

The republic of Tunisia, also known as *al-Jumhuriyyah at-Tunisiyyah*, is the most northern country of Africa. It borders Algeria on the west and Libya on the south-east. Discontent with the president Zine El Abedine Ben Ali's authoritarian rule as well as grievances over high unemployment, corruption and increasing food prices reached a climax in 2011 with mass street protests. Ben Ali was forced to step down and a 'national unity government' was established. The success of the uprising inspired a wave of similar protests across the region that became known as the Arab Spring.

Tunisia's political transition has been relatively peaceful and the country has made steady progress by adopting a new constitution, holding free and fair parliamentary and presidential



ASSIGNED BY:



elections in 2014.¹ The national dialogue platform, which was awarded the 2015 Nobel Peace Prize, played a crucial role in building consensus among all political parties. But despite Tunisia’s impressive social and political achievements, considerable challenges remain, such as reducing high levels of youth unemployment, lowering stark regional inequalities and bringing budget and current account deficits under control to meet an agreement with international donors. Following protests over anti-austerity measures in January 2018, the government of Tunisia announced to increase services for the poor as well as reforms for medical care and housing. Other top priorities of the government include: improving security, decentralization, and building key projects with the \$15 billion aid and proposed investments from the 2016 ‘Tunisia 2020’ conference.

2.2 ECONOMY AND GENERAL BUSINESS CLIMATE

Tunisia has a diverse, market-oriented economy with a historical dependency on natural resources (crude oil and phosphate), agricultural products, textiles, car manufacturing and tourism. Following the 2011 Jasmin Revolution, Tunisia’s economy shrank by 1.8% but slowly recovered in the following years. In 2017, the Tunisian economy grew by 2.3%, largely driven by the agricultural and service sectors.² Economic growth is projected to reach 3% in 2018 and 3.4% in 2019 through the recovery of strategic sectors such as tourism, phosphate mining and manufacturing. The tourism sector experienced a 25% drop in visitors after the 2015 Sousse attack, but seems to recover after several European countries lifted their negative travel advice³. Inflation, however, rose to over 6.4% in December 2017 due to the rise of imported

Tunisia Country Profile

Population: 11.5 million	Unemployment: 16%
Population growth: 1.1%	Official language: French, Arabic
GDP per capita: \$3,518	Other spoken languages: English and Italian
GDP growth: 2.3% (2017)	Adult literacy: 81.8%
Foreign direct investment: \$958 million	Life expectancy: 75
Exports: \$13.57 billion	Human Development Index: 0.725 (97th/188 countries)
Imports: \$18.37 billion	Freedom score: 78/100 (0= least free, 100=most free)
Public debt: 65% of the GDP	Mobile phone penetration: 126%
Inflation rate: 6.4%	Internet penetration: 50.9%

1 <http://www.fao.org/3/a-i7738e.pdf>
 2 <http://www.worldbank.org/en/country/tunisia/publication/tunisia-economic-outlook-october-2017>
 3 OECD

Ease of doing business (2017)

Regional Ranking (Middle East & North Africa)		
Rank	Country	Overall
1	United Arab Emirates	21
2	Bahrain	66
3	Morocco	69
4	Oman	71
5	Qatar	83
6	Tunisia	88
7	Saudi Arabia	92
8	Kuwait	96
9	Jordan	103
10	West Bank and Gaza	114

good and depreciation of the Dinar⁴. Unemployment is expected to fall but remains especially high among women and youth. The government plans on raising economic growth to 5% by 2020 and aims to halve the budget deficit from 6% in 2017 to 3% of its GDP.⁵

Tunisia has strong trade relations with Europe and ranks as EU’s 32nd largest trading partner.⁶ About 78% of all export products are exported to the European Union. France remains one of the most important trading partner of Tunisia, followed by Italy, Germany, Algeria and Spain.⁷ Key export products to the EU include: automotive , electronics and electrical components, textiles and clothing, agricultural products.

Tunisia has an attractive business climate due to its proximity to Europe, well-educated workforce at competitive salary levels and positive attitude towards foreign direct investments (FDI).⁸ The World Bank ‘Doing Business 2017’ report ranked Tunisia 77th out of a total of 190 countries when it comes to the ease of doing business.⁹ Among the ten indicators, Tunisia performs especially well in terms of ‘getting electricity’, ‘enforcing contracts’ and ‘resolving insolvency’. A similar report by the ICT on Tunisia’s SME competitiveness (2016) reveals that the country scores well on several connectivity-related indicators, such as the use of e-mails

4 <http://ins.tn/>
 5 <https://www.bloomberg.com/news/articles/2017-09-11/tunisia-targets-gdp-growth-currency-reform-to-boost-economy>
 6 http://trade.ec.europa.eu/doclib/docs/2006/september/tradoc_122002.pdf
 7 https://atlas.media.mit.edu/en/visualize/tree_map/hs92/export/tun/show/all/2016/
 8 <https://www.export.gov/article?id=Tunisia-Executive-Summary>
 9 <http://www.doingbusiness.org/-/media/wbg/doingbusiness/documents/profiles/country/tun.pdf>

in day-to-day operations and having websites.¹⁰ It is also relatively easy to receive business licenses and permits.

2.3 PROMISING TOP SECTORS OF THE TUNISIAN ECONOMY

The top 3 promising sectors of the Tunisian economy in terms of export are: agriculture, ICT and electronics. The export of electronics and electronic equipment to Europe has only recently record a significant growth. Products include: Insulated wire, video displays, telephones, low voltage protection equipment. This BOR focuses mainly on Agriculture.

3. TRADE AND FOREIGN INVESTMENT REGULATIONS

3.1 TRADE BALANCE

Tunisia has a favorable foreign investment climate with more than 3,410 foreign companies operating in Tunisia.¹¹ The Tunisian government has encouraged export-oriented Foreign Direct Investments (FDI) in sectors such as electronics, aerospace, automotive, textile and apparel, leather and shoes, and agro-food.¹² A large majority of the foreign investments are operating in Tunisia's capital city Tunis and its suburbs (67%) and the eastern coastal regions (27%).

3.2 FREE TRADE AGREEMENTS

In 1995 Tunisia signed an **Association Agreement with the European Union**, under the Euro-Mediterranean Partnership Program, which led to the establishment of a Free Trade Area between Tunisia and the EU. In line with this agreement Tunisia has removed all tariffs on imports of manufactured goods from the EU (with the exception of agricultural products). A 'Privileged Partnership' between the EU and Tunisia was established in 2012 to support Tunisia's democratic transition and comprehensive reforms. The EU and Tunisia are currently negotiating on the Deep and Comprehensive Free Trade Area (DCFTA) which aims at restoring investment and growth in Tunisia and further integrating Tunisia's economy into the EU single market.¹³ The new agreement would also strengthen the current free trade area between Tunisia and the EU and extend it to new sectors such as services and agriculture.

3.3 POLICIES TOWARDS THE FDI

Tunisia's newly adopted **Investment Law (2016)** offers substantial advantages to foreign investors. The law offers foreign investors more freedom to transfer funds, including profits,

out of the country, hire foreign workers (up to 30% of management staff during the first three years), and apply for specific investments grants in Regional Developments Zones (ZDR) covering up to 30% of their investment costs. Companies operating in these Regional Developments Zones receive a total tax exemption up to 10 years, whereas totally exporting companies enjoy a reduced tax rate up to 10%.

Tunisia distinguishes between two investment regimes: fully exporting companies (offshore) and non-exporting or partially exporting companies (onshore). Offshore investments benefit from a series of tax breaks and other incentives. Onshore investment on the other hand, often need to form a partnership with a local Tunisian company, and are subject to some exceptions.

3.4 INVESTMENT CONSTRAINTS

Despite Tunisia's openness towards foreign investments, substantial barriers remain. Tunisia's multiple and overlapping customs, taxes and financial schemes can be perceived as complex for foreign investors. Other barriers to investment include the perception of security challenges, the large role of the informal sector (40-60% of the overall economy) and state-owned companies, as well as corruption.

4. INSTITUTIONAL CONTEXT

Foreign companies seeking help in establishing business in Tunisia can contact a series of institutions when asking for assistance. Most important of this is FIPA, which commissioned this report, and has offices outside of Tunisia in major capitals in Europe, as well as in Japan and the USA. Here is the full list:

Foreign Investment Promotion Agency (FIPA): FIPA is Tunisia's main agency for promoting foreign investments in Tunisia. FIPA-Tunisia provides information on investment opportunities in Tunisia, assists foreign investors during various phases of project implementation and advise them on the appropriate conditions for success.

Agency for the Promotion of Industry and Innovation (APII): is a public institution that implements government policy for the promotion of the industrial sector and support to businesses. It is authorized to deal with all administrative and legal procedures involved in business registration, operates a network of business incubators and among other things, drafts technical audits for industrial modernization projects.

Agency for the Promotion of Agricultural Investment (APIA): APIA promotes private investment in agriculture, fisheries and other related services in Tunisia and transformation activities integrated into agricultural and fisheries projects.

Centre for Export Promotion (CEPEX): CEPEX offers support to exporting companies, providing them with information or guidance (training, funding, assistance). The center organizes campaigns to promote Tunisian products abroad (participation in trade fairs, etc.).

Technical Center for Agri-food (CTAA): CTAA is a technical center for professionals in the food industry. The center provides assistance to various branches of the sector, notably in the fields

10 <http://www.intracen.org/uploadedFiles/intracenorg/Content/Country/Tunisia/tunisia2016.pdf>

11 http://www.investintunisia.tn/En/favorable-fdi-destination_11_400

12 <https://www.state.gov/e/eb/rls/othr/ics/2017/nea/270002.htm>

13 <http://ec.europa.eu/trade/policy/countries-and-regions/countries/tunisia/>

of industrial performance, innovation, food safety, nutrition and sustainable development.

Technical Centre for Organic Agriculture (CTAB): CTAB promotes organic farming in Tunisia by organizing activities in areas such as training, applied research, promotion and information exchange.

The Association of Canned Food Industries (GICA): GICA is a public institution gathering the Tunisian industries involved in fruit, vegetable and fish processing sectors, under the authority of the Ministry of Industry and SMEs.

5. TRADE RELATIONS BETWEEN TUNISIA AND THE NETHERLANDS

In 2016 trade between Tunisia and the Netherlands accounted for 456 million euros¹⁴. The total value of export from the Netherlands to Tunisia amounted to 291 million euros, with export of business services accounting for 59 million euros (mainly telecommunications, computer and information services). Important Dutch export products to Tunisia are: machinery (air pumps), manufactured products, chemical products, plastics and medical instruments. Dutch export to Tunisia increased by 7.4% between 2015 and 2016 (see table on the next page). Main agricultural products exported to Tunisia include: edible vegetable and certain roots and tubers (potatoes); sowing seeds; cocoa powder; and dairy produce, eggs and other edible products of animal origin (cheese, whey, concentrated milk). Tunisia exports on the other hand, mainly textile, mineral fuel (crude petroleum), electronics (telephones, insulated wire), tropical fruits and tomatoes to the Netherlands. The Netherlands is 10th most important export partner of Tunisia and 19th in terms of import.

Tunisia has according to the ICT Export Potential Map, an untapped export potential of 218.9 million dollars in products to the Netherlands.¹⁵ Products with the largest export potential to the Netherlands include dates (fresh or dried), phosphates and electronics.¹⁶ An estimated 60 to 80 Dutch companies are active in Tunisia.

Table 1: Dutch export to Tunisia (x 1.000 euros)

Product category (SITC)	2013	2014	2015	2016
0 Food and live animals	23.198	22.209	18.942	17.747
1 Beverages and tobacco	827	739	500	696
2 Crude materials, inedible except fuels	5.947	5.383	6.534	8.154
3 Mineral fuels, lubricants and related materials	22.679	5.887	16.554	19.334
4 Animal and vegetable oils, fats and waxes	11.345	107	5.856	1.339
5 Chemicals and related products, n.e.s.	50.649	58.894	58.705	64.411
6 Manufactured goods	56.344	52.720	46.777	36.910
7 Machinery and transport equipment	61.810	87.131	76.488	106.445
8 Miscellaneous manufactured articles	32.626	34.134	40.530	36.023
9 Commodities and transactions not classified elsewhere	346	681	260	240
Total value of Dutch export to Tunisia	265.771	267.885	271.146	291.299

Table 2: Dutch import to Tunisia (x 1.000 euros)

Product category SITC	2013	2014	2015	2016
0 Food and live animals	3.245	4.133	6.398	7.843
1 Beverages and tobacco	0	1	0	2
2 Crude materials, inedible except fuels	4.296	4.445	3.301	3.695
3 Mineral fuels, lubricants and related materials	173.847	137.727	44.955	21.926
4 Animal and vegetable oils, fats and waxes	591	399	1.110	851
5 Chemicals and related products, n.e.s.	8.053	6.924	3.472	4.047
6 Manufactured goods	2.965	4.406	4.439	5.640
7 Machinery and transport equipment	3.902	5.135	3.861	6.849
8 Miscellaneous manufactured articles	122.291	115.675	108.678	112.838
9 Commodities and transactions not classified elsewhere	4	1	0	0
Total value of Dutch import to Tunisia	321.207	278.846	176.214	163.691

¹⁴ <https://www.rvo.nl/sites/default/files/2017/04/Dossier-Tunesie-april-2017.pdf>

¹⁵ <http://exportpotential.intracen.org/#/markets/geo-map?fromMarker=i&exporter=788&whatMarker=a&what=a&toMarker=j>

¹⁶ <http://exportpotential.intracen.org/#/products/tree-map?fromMarker=i&exporter=788&toMarker=j&market=528&whatMarker=k>

6. AGRICULTURE

Agriculture is one of the leading sectors of the Tunisian economy, and employs approximately 16% of the country's workforce¹⁷. The agricultural sector contributes around 11-12% to the country's GDP and generates up to 6% of the country's exports earnings.^{18,19} Tunisia's agricultural sector primarily consists of small-scale family farmers that grow subsistence crops, but larger agricultural companies are becoming more prominent (ibid fao). About two-third of all land is suitable for agriculture. Foreign investors cannot own agricultural land but public land can be leased from the Tunisian Ministry of Agriculture.²⁰

Tunisia is one of the world's largest producers and exporters of olive oil. Other important agricultural products include tomatoes, grain, citrus fruit, dates, sugar beets, dairy products, and almonds. Tunisia is one of the few African countries that is fully self-sufficient in terms of dairy products, vegetables and fruit.²¹ Leading agricultural import products include: wheat, corn, soybeans, raw sugar and barley.

In 2016, Foreign Direct Investment in the agricultural sector reached a total value of 754.8 million Tunisian Dinar (approx. 309 – 327 million dollars), with the largest share of FDI provided by France (32.1%), the Netherlands (14.5%) and the United Arab Emirates (9.5%)²². In 2016 the government launched a five-year plan, Tunisia 2020 in which it laid down its plans to increase the annual agricultural growth rate to over 4% by 2020. The plan identified five objectives: i) improve Tunisian farmers income and modernize farms; ii) increase agricultural contribution to Tunisia's GDP to 11%; iii) strengthen agricultural production; iv) create jobs in rural areas and v) improve national food security.²³ Growth in the agricultural sector will depend on the government's ability to tackle upcoming challenges such as the increase of droughts due to climate change, growing farmers' debt and land fragmentation²⁴.

17 <https://www.export.gov/article?id=Tunisia-Agricultural-Sector>

18 <http://www.fao.org/3/a-i7738e.pdf>

19 <https://www.export.gov/article?id=Tunisia-Agricultural-Sector>

20 <https://www.export.gov/article?id=Tunisia-Agricultural-Sector>

21 <http://www.nationsencyclopedia.com/economies/Africa/Tunisia-AGRICULTURE.html>

22 <http://www.investintunisia.tn/En/image.php?id=2405>

23 <http://www.fao.org/3/a-i7738e.pdf>

24 <https://oxfordbusinessgroup.com/tunisia-2017/agriculture>

7. TOP 3 EXPORTING SUBSECTORS

7.1 ANIMAL AND VEGETABLE BY-PRODUCTS

Tunisia is the second largest producer and fourth largest exporter of olive oil in the world. The east coast of Tunisia, also called the Tunisian Sahel, is famous for its olive cultivation. About 46% of all cultivated land is used for growing olives, equal to 1.68 million ha. Olive oil is one of the main agricultural products of Tunisia with up to 80% of the production intended for export. Most of the oil is exported in bulk to the EU (73%) and North America (18%). A large majority of Tunisian oil is exported in bulk to the EU where it is refined, bottled, marketed and re-exported to other EU countries.

In 2006 a government fund to promote packaged olive oil was created to increase the production of bottled oil to 50,000 ton in 2020.²⁵ The European Bank for Reconstruction and Development (EBRD) and FAO have partnered up with the Tunisia's Office National d'Huile to improve the quality, efficiency and competitiveness of the Tunisian olive industry.²⁶

7.2 FRUITS, VEGETABLES AND NUTS

Tunisia produces a wide variety of fruit crops, such as tropical fruits, dates, citrus, watermelons, apples and oranges; and among vegetables, tomatoes, peppers, potatoes, and carrots. Most produced nuts include almonds and pistachio's. Dates are the second most exported agricultural product after olive oil, with a value of 226.5 million dollars, equal to 12% of the total value of agricultural products in 2016.²⁷ About half of all Tunisian dates are exported to Europe. Despite Tunisia being the 11th producer of dates in the world, the country ranks as number one in terms of export value due to the high quality of the dates.²⁸ Other major agricultural export products include tomatoes (value of 25.3 million dollars) and citrus (value of 11.5 million dollars).²⁹ In comparison to 2016, fruit export grew with 38% in 2017.³⁰ Libya was the primary destination of Tunisian fruit, followed by France, Italy and Kuwait.

25 <https://oxfordbusinessgroup.com/overview/investing-future-foreign-financiers-are-seeing-growth-opportunities>

26 <https://www.oliveoiltimes.com/olive-oil-business/africa-middle-east/tunisia-sees-opportunity-organic-production/61517>

27 <https://www.mordorintelligence.com/industry-reports/tunisian-fruit-vegetable-market>

28 <http://research4agrinnoation.org/wp-content/uploads/2017/10/TunisiaDossier2017.pdf>

29 Ibid.

30 <http://www.freshplaza.com/article/187545/Tunisia-Fruit-exports-up-38-procent-in-2017>

7.3 OTHER FOOD STUFF

Tunisia exports on a much smaller scale raw sugar and sugar derivatives, pasta, couscous, tomato sauce, rolled tobacco, baked goods and confectionary. Although pasta and couscous are an integral part of Tunisian diet and mainly produced for the local market, export seems to be steadily rising. The export potential for pasta, couscous and other baked goods is however relatively limited because the country is unable to satisfy domestic demand for wheat and forced to import cereal. Local cereal production provides 70% of domestic demand in durum, 40% in barley and only 15% in wheat.³¹ Local cereal yields has been structurally low due to rainfall variation and inadequate irrigation. The Tunisian government has identified wheat production as a top priority and aims to be fully self-sufficient in the upcoming years.

8. OPPORTUNITIES FOR DUTCH COMPANIES

Tunisia's ambitious goals for the agricultural sector including the pursuit of efficiency, effectiveness and self-sufficiency, offers several business opportunities for Dutch agribusiness.

8.1 ORGANIC AGRICULTURAL PRODUCTS

Tunisia has benefited from the worldwide increasing demand for organic agricultural products. The development of local organic production has also been closely linked to the Tunisian government's commitment to make organic production a national priority. Many agricultural products in Tunisia, such as olives and dates, are produced naturally, which make it relatively easy for growers to switch to organic production. Tunisia is the second largest exporter of organic products in Africa with 2,987 organic farmers, of which 66 percent are exporters.³² Leading organic export products are olive oil, dates, almonds, oranges, dried fruits, honey, aromatic and medicinal plants, and several wines and spirits. In comparison to Spain, Tunisia produces more than three times the amount of certified organic olive oil. Tunisia is the only Arab and African country that has received the recognition of equivalence with the EU pertaining to organic agricultural production. The high demand for organic agricultural products offers numerous of opportunities for Dutch Agribusinesses. Dutch companies can support the sector by promoting better cultivation and harvesting techniques, such as upgrading equipment and installing irrigation systems, a further diversification of organic products, and improve branding, marketing as well packaging of organic products.

31 <https://oxfordbusinessgroup.com/overview/investing-future-foreign-financiers-are-seeing-growth-opportunities>

32 <https://www.oliveoiltimes.com/olive-oil-business/tunisia-second-among-africas-organic-exporters/53658>

8.2 PRESERVING, PROCESSING, PACKAGING AND COLD STORAGE

In addition to improving packaging of organic agricultural products, major improvements can also be made regarding the conservation, processing and packaging of conventional agricultural products. Across the entire sector, packaging and conservation segments are promising with significant opportunities for packaged olive oil, fruit and vegetables, and (semi-preserved) canned products (tomatoes, harissa). In 2006, the Tunisian government created the Fund for the Promotion of Packaged Olive Oil (FOPROHOC) to ensure that more olive oil is bottled and labelled before export.³³ For improving the preservation of agricultural products, investments are needed in terms of cold storages.

8.3 AGRICULTURAL MACHINERY AND EQUIPMENT

As one of the top exporters of agricultural machinery, the Netherlands is in an excellent position to sell agricultural machinery and equipment to Tunisian farmers. There is a sizeable market for agricultural equipment in Tunisia such as grain silos, elevators, tractors, harvesters, irrigation systems, and food processing/bottling machinery.³⁴ After the Tunisian government privatized grain storage, demand for grain silos and elevators have significantly increased.³⁵ The Tunisian government provides tax incentives up to 50% to encourage the acquisition of tractors, combine harvester and other related agricultural equipment.³⁶

33 <https://oxfordbusinessgroup.com/analysis/huile-fortune-olive-oil-exports-saw-unprecedented-rise-2015>

34 <https://www.export.gov/article?id=Tunisia-Agricultural-Sector>

35 Ibid.

36 Ibid.

9. EXPERIENCES OF DUTCH ENTREPRENEURS ACTIVE IN TUNISIA

INTERVIEWS WITH DUTCH AGRIBUSINESSES

Philip van Antwerpen, co-founder of Agro Care and Director at Desert Joy

Desert Joy is a joint initiative of Dutch horticulture company Agro Care, which is one of the largest tomato growers in the Netherlands, and Tunisian business-partner Mr. Zarrouk, who has more than 30 years' experience in the Tunisian fruit and vegetable sector. The company grows all year-round Fairtrade and conventional tomatoes in the Tunisian desert, and has about 10 ha of greenhouses. Desert Joy is an export-oriented company where 90% of all products are exported. Most of this is exported to Scandinavia (75%) and the Netherlands (15%). Mr. van Antwerpen confirmed Tunisia's ambition towards organic agriculture, especially in the olive oil branch, but explained that a transition to organic farming might take longer for smaller companies since the costs of attaining bio certificates can be quite high. Some of the main advantages of working in Tunisia were according to him; having good access to internet, electricity and gas as well as the availability of educated staff. Mr. van Antwerpen sees opportunities in working closer together with other Dutch companies, e.g. Bosman Van Zaal, to cover the whole horticulture chain in Tunisia (machinery, equipment). Desert Joy mainly imports its fertilizers from the Netherlands since local fertilizers contain too much sodium, and Mr. Van Antwerpen therefore sees opportunities for local businesses to step in using Dutch knowledge and technology. Local and Dutch companies are more than welcome to reach out to him for possible cooperation. He stresses the endless opportunities that Tunisia has to offer but also wants people to keep in mind that "realizing change takes time". Read an interview with Mr. Van Antwerpen at the NABC website.³⁷

Jan Mulder, Senior Project Manager at Grow Group (Grow Tunisia) and Rainbow Horticulture Tunisia

Mr. Mulder has been working in Tunisia for over 15 years, first for Grow Tunisia, a vegetable plant raising nursery, and since 2015 for Rainbow Horticulture Tunisia, a Tunisian-Dutch pepper producing company. Depending on the season, Grow Tunisia and Rainbow Horticulture Tunisia employ together over 300 people (99% Tunisians). Rainbow Horticulture Tunisia produces a wide variety of peppers (red, yellow, orange and bell peppers) for the European market, the United Arab Emirates and the local market (40%). Mr. Mulder explained that important advantages of working in Tunisia are the close proximity to Europe, Tunisia's favorable attitude towards FDI, affordable labor costs, the well-developed infrastructure and a modern, secular, western oriented population. The wide access to (solar) energy is especially very promising for the horticulture sector in Tunisia. Mr. Mulder stressed the importance of finding a good

local partner since onshore foreign investors are often required by law to work with a Tunisian firm. He sometimes had difficulties finding good transport for his products, applying for state subsidies, and importing high quality seeds. In the future, Rainbow Horticulture Tunisia would like to expand, diversify its products (e.g. mini peppers) and produce all year-round. Mr. Mulder confirmed Tunisia's interest in organic farming but highlighted that the sector still lacks adequate knowledge and technology. Most Tunisian farmers have little experience 'managing the climate' and using fertilizers that meet organic standards.

Salim Rabbani, Managing Director at Rabbani Trade & Consulting and Chairman of the Netherlands - Middle East Business Council

Rabbani Trade & Consulting (RTC) is an international business development and strategy consulting firm specialized in developing projects, strategies, networks and partnerships for European firms in the Middle East and North Africa and vice versa. Mr. Rabbani has been working for many years with companies from Tunisia and expressed that although Tunisia is relatively off the radar for many foreign investors, the country offers various opportunities. Tunisia is according to him a 'hub' for trade on the north (Europe), east/west (Libya, Morocco) and south side (Sub-Saharan Africa). Tunisia has a positive attitude towards foreign trade, has good contacts with the rest of the world (e.g. trade agreements), is relatively safe and has an emancipated population where minorities enjoy considerable freedom. Language (Arabic, French) used to be a barrier for many Dutch companies, but is nowadays less problematic since more and more Tunisians speak English. The Netherlands is a relatively small player in Tunisia but can have an added value in the sectors of agro/food processing, textile, transport, tourism and ICT/electronics. Although there is a high demand for young and innovative companies, entering the Tunisian market is often easier for companies with a 'proven track record' since they attract a lot of attention. Mr. Rabbani stressed that Dutch investors should take their time to find local partners and customers, and not expect results within one year. In contrast to the formal approach of many Dutch/European businesses, Tunisian companies often work primarily on the basis of trust.

³⁷ <https://www.nabc.nl/africa-business-news/6/world/404/dutch-tomatoes-flourish-in-the-tunisian-desert>

COLOPHON

This Business Opportunity Report was written by Myrthe van der Gaast,
Edits by Arne Doornebal,
Layout by Studio Koen Verbeek,
Published by NABC, February 2018.

NABC

Prinses Beatrixlaan 582 (WTC)
2595 BM The Hague
11th floor (C tower)
The Netherlands
T: +31 70 3043618
E: info@nabc.nl
W: www.nabc.nl

FIPA Bruxelles

31, Rue Montoyer
BTE 4 - 1000 Bruxelles
Belgium

