

Tunisia Country Report

LEGAL SYSTEM OVERVIEW

Tunisia ranks 73rd on the Transparency International index.¹ The judiciary in Tunisia is criticized for a lack of independence and corruption. Irregular payments are frequently made to obtain favourable judgments. The 2014 constitution provides the judiciary's independence, but in practice the government continues to assert influence over court cases.

Commercial disputes involving foreign companies rarely take place. Where disputes have happened, foreign companies have generally been successful through the local judicial system. Tunisia is a member of the International Centre for Settlement of Investment Disputes (ICSID) and is a signatory to the New York Convention 1958 on the Recognition and Enforcement of Foreign Arbitral Awards.²

Tunisia's Penal Code criminalizes attempted corruption, active and passive bribery, using public resources for private gain, bribing a foreign official, abuse of function, embezzlement, money laundering and extortion. The constitution contains a provision demanding public officials with high posts to declare their assets. Tunisians found bribing a public official outside the country may be prosecuted under the law. The government has escalated its anti-corruption efforts since May 2017, where number of high-profile businessmen, politicians, police, and customs officers have been arrested in an effort to rid Tunisia of corrupt officials.³

Tunisia has signed and ratified the United Nations Convention against Corruption (UNCAC) and is a founding member of the Middle East and North Africa Financial Action Task Force, which combats money laundering and terrorist financing. The country has not signed the OECD Anti-Bribery Convention or the AU Convention on Preventing and Combating Corruption.⁴

BUSINESS OVERVIEW

Tunisia is the 72nd largest export economy in the world and the 69th most complex economy according to the Economic Complexity Index (ECI). The top exports of Tunisia are Insulated Wire (\$2.08b), Non-Knit Men's suits (\$886m), Non-Knit Women's suits (\$543m), Crude Petroleum (\$490m) and Vehicle Parts (\$457m). Its top imports are Refined Petroleum (\$1.53b), Petroleum Gas (\$882m), Cars (\$681m), Low-voltage protection equipment (\$488m) and Insulated Wire (\$482m).⁵

Tunisia is ranked 80th on the Ease of doing Business index 2019⁶ and 125th on the Economic Freedom index 2019.⁷ Unemployment is at 15.4 % with inflation at 5.3%. In 2017 the government lost an estimate of \$816 million to corruption.

Tunisia's public procurement sector is exposed to corruption. Giving bribes and making irregular payments are commonly made when bidding on government contracts. To secure a government contract it is common to give gifts. Having the right connections makes it easier to overcome administrative barriers. Safeguards against corruption are inadequate in Tunisia. The procurement sector lacks governance. Companies can use the electronic public procurement

¹ Transparency international, <https://www.transparency.org/country/TUN>

² Tunisia Corruption Report, <https://www.ganintegrity.com/portal/country-profiles/tunisia/>

³ Tunisia Corruption Report, <https://www.ganintegrity.com/portal/country-profiles/tunisia/>

⁴ Tunisia Corruption Report, <https://www.ganintegrity.com/portal/country-profiles/tunisia/>

⁵ <https://oec.world/en/profile/country/tun/>

⁶ Ease of doing Business index 2019, <https://www.doingbusiness.org/en/data/exploreeconomies/tunisia>

⁷ Economic Freedom index 2019, <https://www.heritage.org/index/country/tunisia>

system, TUNEPS. Companies are also recommended to use a specialised public procurement due diligence tool to mitigate the corruption risks associated with public procurement in Tunisia.⁸

COUNTRY OVERVIEW

Tunisia is bordered by Algeria to the west and southwest, Libya to the southeast, and the Mediterranean Sea to the north and east. Capital city of Tunisia is Tunis. The official language is Arabic, and French is another common language spoken.⁹ The main religion in Tunisia is Islam.¹⁰ The current population of Tunisia is 11,795,356¹¹ and is equivalent to 0.15% of the total world population.¹² Tunisia ranks number 79th as the world's most populated country.¹³

The current president is Mohamed Ennaceur who took over Mohamed Beji Caid Essebsi after his death¹⁴ and the current prime minister is Youssef Chahed.¹⁵

Tunisia has risen in its ranks from 97th in 2018 to 72nd in 2019 in the World Press freedom index.¹⁶ In 2018 Tunisia showed its support for the International Declaration on Information and Democracy, however international NGO's express concern with the amount of time the government is taking in drafting the new legislation for the media.

Tunisia's revolution in 2010 became the start of the Arab Spring movement. The demonstrations were caused by high unemployment, corruption, lack of political freedom, poor living conditions and food inflation. The protests started on the 17th December 2010 when Mohamed Bouazizi set himself on fire. This led to president Ben Ali resigning as president in January 2011 where he then fled to Saudi Arabia, ending his 23 years of being in power.

⁸ Tunisia Corruption Report, <https://www.ganintegrity.com/portal/country-profiles/tunisia/>

⁹ Tunisia country profile, <https://www.bbc.co.uk/news/world-africa-14107241>

¹⁰ Tunisia country profile, <https://www.bbc.co.uk/news/world-africa-14107241>

¹¹ Tunisia population, <https://www.worldometers.info/world-population/tunisia-population/>

¹² Tunisia population, <https://www.worldometers.info/world-population/tunisia-population/>

¹³ Tunisia population, <https://www.worldometers.info/world-population/tunisia-population/>

¹⁴ Tunisia country profile, <https://www.bbc.co.uk/news/world-africa-14107241>

¹⁵ Tunisia country profile, <https://www.bbc.co.uk/news/world-africa-14107241>

¹⁶ World Press freedom index, <https://rsf.org/en/tunisia>