Introduction

Tunisia is a country in Northern Africa bordering the Mediterranean Sea. Neighboring countries include Algeria and Libya. The geography of Tunisia is varied and consists of mountains in the north and a semiarid south that merges into the Sahara. The government system is a republic; the chief of state is the president, and the head of government is the prime minister. Tunisia has a mixed economic system in which there is a variety of private freedom, combined with centralized economic planning and government regulation. Tunisia is a member of the League of Arab States (Arab League).

Key Economic Facts

- **Income Level (by per capita GNI):** Upper Middle Income
- **Level of Development:** Developing
- **GDP, PPP (current international $):** $154.32 billion (2022)
- **GDP growth (annual %):** 2.52% (2022)
- **GDP per capita, PPP (current international $):** $12,489.72 (2022)
- **External debt stocks, total (DOD, current US$):** $41,607,768,860.30 (2021)
- **Manufacturing, value added (% of GDP):** 14.42% (2021)
- **Current account balance (BoP, current US$):** -$2.78 billion (2021)
- **Inflation, consumer prices (annual %):** 8.31% (2022)
- **Labor force, total:** 4,247,339 (2022)
- **Unemployment, total (% of total labor force) (modeled ILO estimate):** 16.12% (2022)
- **Imports of goods and services (current US$):** $27.63 billion (2022)
- **Exports of goods and services (current US$):** $22.49 billion (2022)

**GDP Composition %**

- Agriculture: 10
- Services: 60
- Industry: 23
- Manufacturing: 0

*Risk Assessment (Provided by Coface)*

**Country rating:** C - A very uncertain political and economic outlook and a business environment with many troublesome weaknesses can have a significant impact on corporate payment behavior. Corporate default probability is high.

**Business Climate rating:** B - The business environment is mediocre. The availability and the reliability of corporate financial information vary widely. Debt collection can sometimes be difficult. The institutional framework has a few troublesome weaknesses. Intercompany transactions run appreciable risks in the unstable, largely inefficient environments rated B.

**Strengths**

- Support from international, multilateral, European and Arab donors
- Economy in the process of diversification
- Proximity to the European market and association agreement with the EU
- Tourism potential
- Natural resources (phosphates and hydrocarbons in particular)

**Weaknesses**

- High social and geographical inequalities, high unemployment - especially among young people (41%) - leading to increased social unrest and demonstrations
- Economy strongly impacted by COVID-19 and the political crisis
- Fragmentation of political representation reflecting that of society
- Tourism confronted with security problems, increased foreign competition, lack of investment, and little diversification in both range and themes

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