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 semi-arid 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

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GDP Composition %

- Agriculture: 10
- Services: 60
- Industry: 30
- 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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