

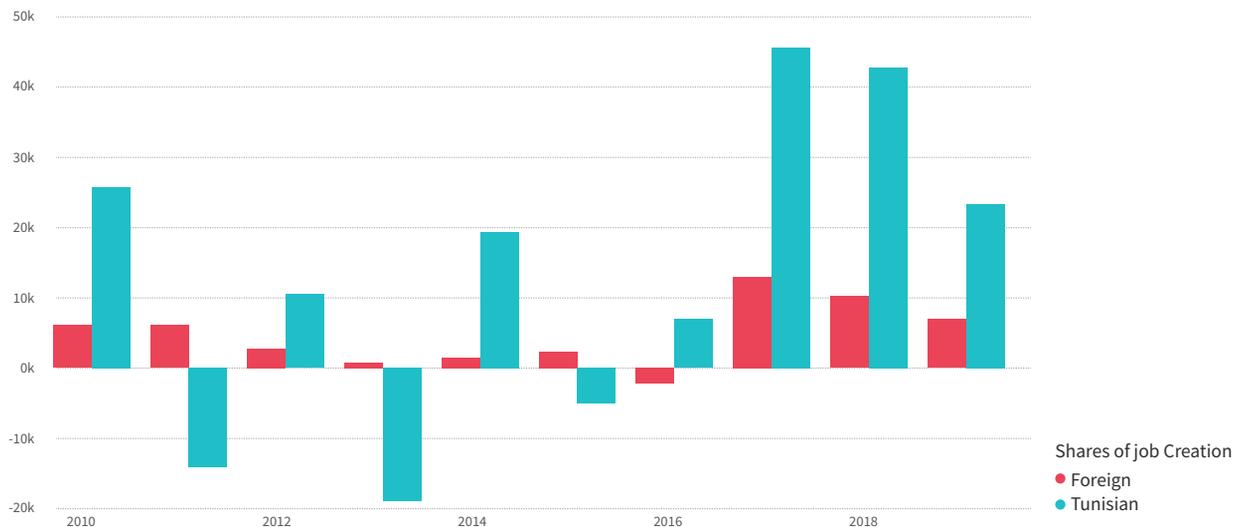
Although Tunisian companies are the driving force behind job creation the regulations favor foreign companies

Key highlights :

- During the last decade Tunisian private enterprises created 3 times more jobs than the foreign ones.
- Political and security conditions are vital for Tunisian companies who was most affected by these conditions in 2011, 2013 and 2015.
- Government regulations should sustain the national companies knowing that they are the main driver of job creation.

Title: Evolution of job creation in the Tunisian private sector by firm's nationality between 2009-2019

Sources : National Business Register



Tunisian private companies created over 137,000 new jobs between 2009 and 2019, accounting for 74% of the total and almost three times the contribution of foreign companies to the total amount of jobs created by the private sector over the previous decade. However, this important boost to the Tunisian labor market has been hampered by political instability, with nine separate governments sworn in over the last ten years and dire security conditions, resulting in reductions of 14,000, 19,000, and 5,000 in the number of jobs provided by Tunisian companies in 2011, 2013, and 2015, respectively. International companies' contribution, on the other hand, was less important. However, according to article 7 of the Investment Law 2016-71, "in comparable situations, the foreign investor enjoys a national treatment not less favorable than the Tunisian investor with regard to the rights and obligations provided for by the present law," which gave foreign investors preferential treatment believing that they would play a larger role in job creation. These foreign businesses displayed an even greater flexibility compared to their Tunisian counterpart because they are not only segregated from national economic instabilities, but they also benefit from recent investment laws and tax regulations. Nevertheless, in 2017, the number of jobs provided by the Tunisian private sector increased almost twelve times from 5,000 to 59,000 in a single year. This enhancement of economic activity driven by a sustained improvement in security, an improvement in services, and a good agricultural season, leads Tunisian businesses recovering and creating over 77% of the new jobs in 2017. A number that has been declining in recent years due to the shortage of government regulations to sustain our national companies and the return of the political instability.