

Report No. 1539-TUN

# Tunisia: Economic Position and Prospects of Tunisia; Review of the Fifth Development Plan, 1977-1981

Special Economic Report

May 2, 1977

Europe, Middle East and North Africa Region

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CURRENCY EQUIVALENTS

Currency Unit = Dinar = 1000 Millimes

Dinars per US Dollar

<u>Period</u>	<u>End of Period</u>	<u>Period Average</u>
1970	0.5208	0.5208
1971	0.4807	0.5157
1972	0.4840	0.4772
1973	0.4451	0.4200
1974	0.4065	0.4365
1975	0.4253	0.4023
1976	0.4309	0.4288
) I	0.3915	0.3925
) II	0.3804	0.3850
1975 ) III	0.4327	0.4119
) IV	0.4253	0.4196
) I	0.4299	0.4238
) II	0.4352	0.4314
1976 ) III	0.4223	0.4323
) IV	0.4309	0.4277

Source: IMF, International Financial Statistics, March 1977.

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This report is based on the findings of a special economic mission that visited Tunisia in November/December 1976. The mission was composed of Messrs. Werner Schelzig (Chief of Mission), Michel Devaux (Adviser), Abed-Alla Malki (Financial Economist), Fernan Ibanez (Industrial Economist), Malcolm Purvis (Consultant, Agricultural Economist), and Mrs. Fan Fan Walker (Economic Analysis and Projections Department).

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ANNEX I: RECENT PERFORMANCE AND PROSPECTS OF AGRICULTURE

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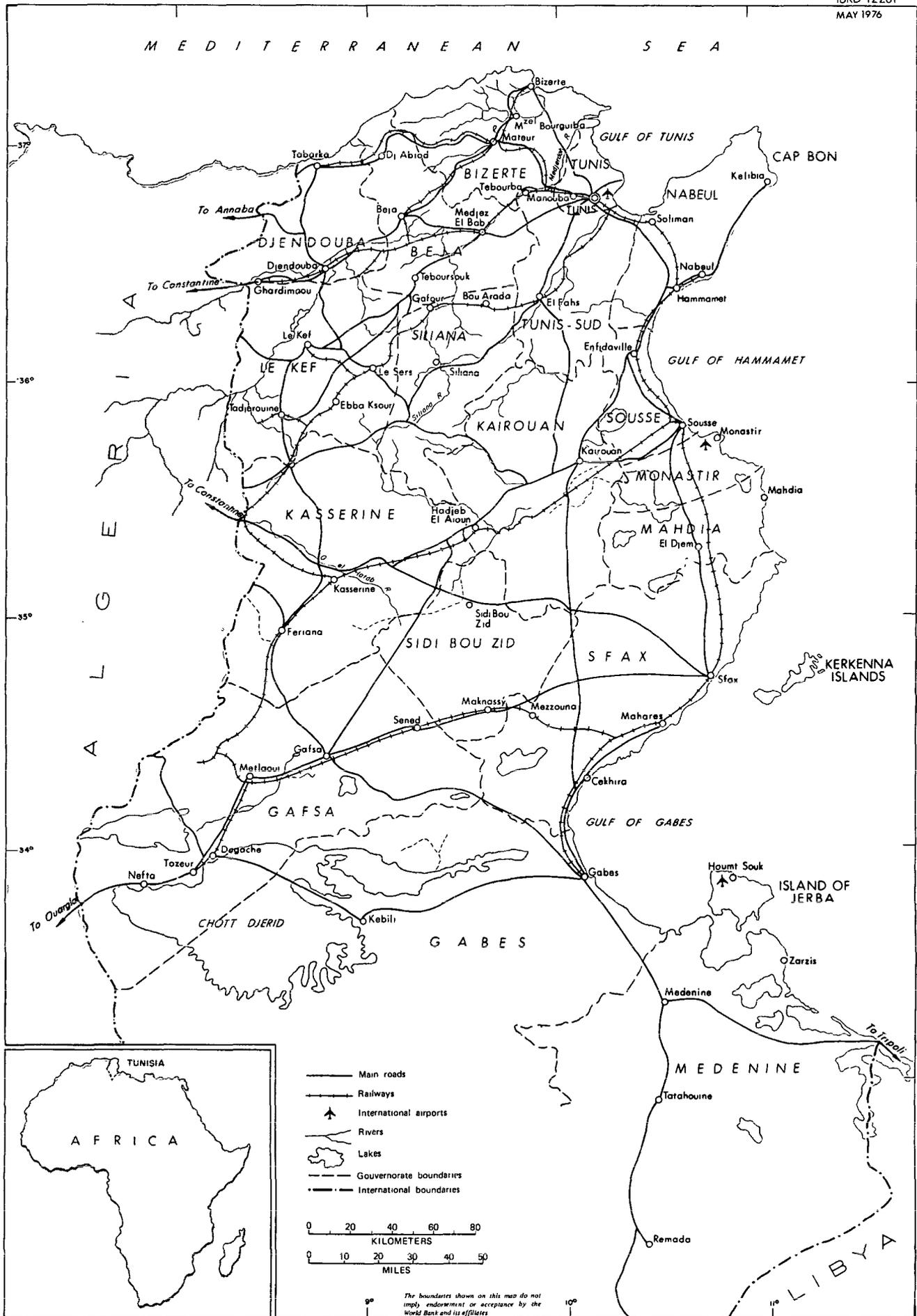
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STATISTICAL APPENDIX

# TUNISIA

IBRD 12281  
MAY 1976



The boundaries shown on this map do not imply endorsement or acceptance by the World Bank and its affiliates.



## COUNTRY DATA TUNISIA

AREA: 164,150 Km<sup>2</sup>POPULATION: 5.73 million (mid 1976)  
Rate of Natural Increase: 2.6 (1966-1975)  
Rate of Annual Growth: 2.3 (1966-1975)DENSITY: 34.9 per Km<sup>2</sup>  
107.5 per Km<sup>2</sup> of arable land <sup>1/</sup>

POPULATION CHARACTERISTICS (1975)  
Crude Birth Rate (per 1,000) 40  
Crude Death Rate (per 1,000) 14  
Infant Mortality (per 1,000 live births) 128

DISTRIBUTION OF LAND OWNERSHIP (1970)  
% owned by top 10% of owners 53<sup>2/</sup>  
% owned by smallest 10% of owners 0.5<sup>2/</sup>

INCOME DISTRIBUTION  
% of national income, highest quintile ..  
lowest quintile ..

ACCESS TO ELECTRICITY  
Percentage of housing units with electric lighting 24 (1966)  
Electric power consumption (Kwh per capita) 195 (1976)

NUTRITION (1964-1966)  
Per capita calorie supply as % of requirements 94  
Per capita protein supply, total (grams per day) 63

ACCESS TO PIPED WATER  
Percent of occupied units with piped water 40 (1966)

HEALTH (1971)  
Population per Physician 6,486  
Population per hospital bed 400

EDUCATION  
Adult Literacy Rate % 55<sup>3/</sup> (1972)  
Adjusted primary school enrollment ratio 107 (1968)

GNP PER CAPITA IN 1976 <sup>4/</sup> US\$ 782GROSS NATIONAL PRODUCT IN 1976 (at current prices)ANNUAL RATE OF GROWTH (% constant 1972 prices)

	<u>US\$ Min.</u>		<u>ANNUAL RATE OF GROWTH (% constant 1972 prices)</u>					
	<u>US\$ Min.</u>	<u>%</u>	<u>1970-1976</u>	<u>1972</u>	<u>1973</u>	<u>1974</u>	<u>1975</u>	<u>1976</u>
GNP at Market Prices	4480	100.0	9.8	18.2	0.3	9.8	9.2	11.3
Gross Domestic Investment	1413	31.5	11.5	24.8	-15.3	25.8	30.6	9.8
Gross National Savings	1110	24.8	14.2 <sup>5/</sup>	36.4 <sup>5/</sup>	-23.8 <sup>5/</sup>	47.1 <sup>2/</sup>	9.6 <sup>2/</sup>	2.8 <sup>2/</sup>
Current Account Balance	-303	-6.8						
Exports of Goods NFS	1327	29.6	10.7 <sup>5/</sup>	21.2 <sup>5/</sup>	-4.2 <sup>5/</sup>	42.0 <sup>5/</sup>	-9.7 <sup>5/</sup>	1.7 <sup>5/</sup>
Imports of Goods NFS	1581	35.3	10.6	16.9	0.4	28.4	5.3	5.0

OUTPUT, LABOR FORCE AND PRODUCTIVITY IN 1975

	<u>Value Added (at factor cost)</u>		<u>Labor Force</u>		<u>V. A. Per Worker</u>	
	<u>US\$ Min.</u>	<u>%</u>	<u>Min.</u>	<u>%</u>	<u>US\$</u>	<u>%</u>
Agriculture	815	20	.704	37.4	1158	54.8
Industry	1192	30	.392	20.8	3041	143.9
Services	1968	50	.521	27.7	3777	178.8
Unemployed	-	-	.264	14.1	-	-
Total	3975	100.0	1.881	100.0	2113	100.0

GOVERNMENT FINANCE

	<u>General Government</u>			<u>Central Government</u>		
	<u>Dinar Min.</u>	<u>% of GDP</u>		<u>Dinar Min.</u>	<u>% of GDP</u>	
	<u>1976</u>	<u>1976</u>	<u>1973-75</u>	<u>1976</u>	<u>1976</u>	<u>1973-75</u>
Current Revenue	519.8	26.7	35.1	441.7	22.7	29.9
Current Expenditure	420.2	21.6	28.5	349.1	18.0	23.6
Current Surplus	98.6	5.1	6.7	92.6	4.8	6.3
Capital Expenditure	246.0	12.7	16.7	224.9	11.6	15.2
External Financing (net)	43.5	2.2	2.9	32.5	1.7	2.2

1/ IBRD estimate, excluding pastures and forests.

2/ Covering 4.5 million ha of private land, excluding 0.8 million ha in public ownership, and 2.1 million ha of collective land.

3/ Over 15 years old.

4/ All conversions to dollars in this table are at the average exchange rate prevailing during the period covered.

5/ Including terms of trade adjustment.

## COUNTRY DATA TUNISIA

<u>MONEY, CREDIT AND PRICES</u>	<u>1966</u>	<u>1968</u>	<u>1970</u> (Millions of Dinars, end of period)	<u>1972</u> (Millions of Dinars, end of period)	<u>1974</u>	<u>1975</u>	<u>1976</u>
Money and Quasi Money	186.6	224.0	259.5	368.9	569.5	704.0	825.2
Bank Credit to Government	85.4	87.4	93.4	75.2	88.7	105.7	77.5
Bank Credit to Rest of Economy	178.9	223.1	255.6	331.6	519.5	674.7	763.4

(Percentages or Index Numbers)

Money and Quasi Money as % of GDP	33.7	35.3	34.2	34.2	37.3	40.5	42.5
General Price Index <sup>1/</sup>	82.4	86.1	91.8	100.0	129.3	135.2	134.6
Retail Price Index	83.3	88	92.5	100.0	117.7	128.9	135.8
Annual percentage change in:							
General Price Index	1.7	0.7	2.8	3.1	20.3	4.6	-0.4
Retail Price Index	3.9	2.5	1.1	1.9	4.1	9.5	5.4
Bank Credit to Government	6.6	3.8	-1.1	-13.8	21.4	19.2	-26.7
Bank Credit to Rest of Economy	29.2	12.2	8.9	16.1	30.8	29.9	13.1

BALANCE OF PAYMENTS

	<u>1972</u>	<u>1973</u>	<u>1974</u>	<u>1975</u>	<u>1976</u>	<u>MERCHANDISE EXPORTS</u>		<u>1976</u>			
			(Millions US\$)			<u>Average 1972-75</u>		<u>US\$ Min.</u>	<u>%</u>		
								<u>US\$ Min.</u>	<u>%</u>		
Exports of Goods, NFS	567	714	1254	1356	1327	Olive Oil	101.6	16.3	81.6	10.1	
Imports of Goods, NFS	593	782	1242	1565	1581	Other Agric. and food-stuffs	70.0	11.2	85.1	10.5	
Resource Gap (deficit = -)	-26	-68	12	-209	-254	Crude Oil	214.5	34.4	296.2	36.7	
						Rock phosphate	66.1	10.6	74.9	9.3	
Interest Payments (net)	-18	-13	2	-5	-19	Superphosphate	41.2	6.6	33.6	4.2	
Workers' Remittances	62	98	119	146	135	Other mining and raw materials	66.4	10.6	96.5	12.0	
Other Factor Payments (net)	-66	117	-139	-153	-168	Manufacturing products	63.4	10.2	139.0	17.2	
Net Transfers	6	4	1	-3	2	Total	623.2	100.0	806.9	100.0	
Balance on Current Account	-42	-96	-5	-224	-303	<u>EXTERNAL DEBT, DECEMBER 31, 1975</u>					
Direct Foreign Investment	31	57	49	48	63			<u>US\$ Min.</u>			
Net MLT Borrowing	63	76	89	88	210						
Disbursements	138	151	161	182	301	Public Debt, Inc. Guaranteed <sup>3/</sup>		1571			
Amortization	75	75	72	94	91	Non-Guaranteed Private Debt		..			
Subtotal	94	133	138	136	273	Total Outstanding and disbursed		1071			
Capital Grants	37	45	43	50	42						
Other Capital (net) <sup>4/</sup>	-12	10	-73	-5	-12						
Increase in Reserves (+)	77	92	103	-43	0						
Gross Reserves (year end)	248	348	481	446	410	<u>DEBT SERVICE RATIO</u>					
Net Reserves (year end)	192	284	387	344	344			<u>1973</u>	<u>1974</u>	<u>1975</u>	<u>1976</u>
						In % of Exports of Goods, NFS		14.7	8.5	10.0	10.0
						In % of Exports of Goods, NFS and Workers Remittances		13.0	7.8	9.1	9.1
<u>IBRD/IDA LENDING December 31, 1976 (Million US\$)</u>											
		<u>IBRD</u>	<u>IDA</u>								
Outstanding and Disbursed		127.9	64.1								
Undisbursed		159.3	6.1								
Outstanding incl. Undisbursed		287.2	70.2								

<sup>1/</sup> GDP price deflator<sup>2/</sup> The following exchange rates of dinars per US dollar have been used:

	<u>1972</u>	<u>1973</u>	<u>1974</u>	<u>1975</u>	<u>1976</u>
Average annual rate	0.4772	0.4200	0.4365	0.4023	.4288
End of period rate	0.4840	0.4451	0.4065	0.4253	.4309

<sup>3/</sup> Including undisbursed<sup>4/</sup> Including errors and omissions  
..Not available  
..Not applicableCountry Programs Department II  
Europe, Middle East and North Africa Region  
March 18, 1977

## SUMMARY AND CONCLUSIONS

### Past Performance

i. Tunisia's overall economic performance during the 1970's has been excellent. During 1970-76, real GDP grew at an average annual rate of 9 percent, about twice as fast as during the 1960's. The shift in policy orientation from a controlled towards a market economy, the drive towards industrial development and increased export orientation, proved highly beneficial for the country. Two other factors also contributed to this performance: favorable weather conditions resulted in good agricultural crops and the change in world commodity prices during 1972/74 brought sizable windfalls. Thus, in the midst of world recession, Tunisia experienced a boom.

ii. The excellent performance so far during this decade also reflects the successful completion of the country's fourth Development Plan (1973-1976). The Fourth Plan's priorities centered on generating increased mobilization of the country's human, physical and financial resources, increased productivity and competition in the economy, and on improving the welfare of the Tunisian people. The Tunisian economy underwent important structural and institutional changes that should be beneficial to future development. Substantial economic gains could be distributed to the Tunisian people through a number of policy measures reflecting the government's concern with social balance.

iii. Most of the Plan's macro-economic objectives have been met or were exceeded. A notable exception is investment which was 10 percent short of target, because Government investment remained 30 percent below target. Investment performance during the Fourth Plan showed that the Government's and public enterprises' capacity to identify, prepare and implement projects still needs considerable strengthening. The measures taken by the Government since the beginning of the decade to shift greater responsibility to the private sector, and supporting it through a generous incentive system, were reflected in the excellent investment performance of this sector that exceeded its target.

iv. Some of the planned policy measures were only incompletely implemented. In spite of some decontrol measures taken during the Plan, economic management continued to rely heavily on a complex system of administrative controls. Tunisia's trade control system remains comprehensive although the government reduced such controls in 1973 by liberalizing a large number of items. Little progress was made during the Plan to reduce price controls and to adjust prices to changing economic conditions. The credit system continued to rely on administrative credit controls and much of investment finance continued to be generated by the budget. Interest rates are low and inflexible with commercial bank lending rates having remained unchanged since 1966. These rigidities continue to hamper domestic and international competition, restrict domestic development, entail great cost to the budget, and tend to foster inefficiencies throughout the economy.

v. Income distribution seems to have improved since 1966 in the wake of increased employment creation, minimum wage legislation, tax exemptions and family allowances for low income earners, as domestic price inflation

during 1966-75 was kept to an average of 4.0 percent, mainly because of strict price controls and government subsidies for basic consumer goods, housing and services. The share of the population living in absolute poverty declined from 30 percent in 1966 to 18 percent in 1975. Because of great internal migration, the majority of the population below the absolute poverty line (55 percent) now lives in urban centers. Important disparities continue to exist between the income levels along the coast and in the interior. The increased standard of living during the period is reflected in the reduced share of food expenditure in the average household budget and in the increased share of housing expenditure. Per capita GNP in 1976 amounted to \$782 which in real terms was 21 percent greater than in 1972.

vi. The single most important problem facing the Tunisian economy is widespread open and hidden unemployment. Employment creation was one of the main objectives of the Fourth Plan. Chiefly because of the Government's generous incentives to - and the consequent growth in - private investment, the planned creation of new jobs was exceeded by 37 percent. This was a very significant achievement, but some form of unemployment still affects close to one third of the labor force. About 14 percent of the labor force is unemployed and there is widespread underemployment particularly in agriculture. This is of major concern to the authorities, especially since the European outlets for Tunisian surplus labor have been all but closed, and an increasing number of women is joining the labor force. The new Fifth Plan was drawn up against the pressing need for employment creation.

#### Prospects (1977-81)

vii. The main objectives of the new Five-Year Plan are (i) full employment of most of the additional labor force, (ii) self-sufficiency in major food-stuffs, defined as a balanced trade account for agricultural goods, (iii) increases in the standard of living, and (iv) social stability. To reach these objectives, the Plan foresees an average annual rate of real GDP growth of 7.6 percent, the same as the one achieved during the Fourth Plan. <sup>1/</sup> This growth is to be generated by investments projected at D 4.2 billion (\$9.8 billion) in current prices during the Plan. In real terms average annual investment would be 54 percent greater during 1977-81 than during the preceding Plan. However, the targeted average annual rate of growth of real investment during the Fifth Plan is only 5.2 percent, compared with 14 percent achieved during the Fourth Plan. It should be noted that both rates are influenced by the very high investment level in 1976, when great efforts were made to make up delays in investment, which had occurred during the earlier years of the Fourth Plan.

viii. The Fifth Plan's strategy will emphasize in particular export-oriented industrial development and agricultural growth. Special attention would be given to employment creation to absorb the available labor force and to balance of payments considerations to maintain financial stability. Substantial investments are to be made in hydrocarbons, manufacturing, water development, transport and housing. The draft Plan prescribes increased

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<sup>1/</sup> See footnote 1, page 4.

domestic processing of Tunisia's mineral resources (phosphates, petroleum) to export as much value added as possible. The strategy proposed for the Fifth Plan does not represent any major departure from the strategy pursued during the preceding Plan.

ix. The 7.6 percent target set for the average annual real growth of GDP in the draft Plan is well in line with the possibilities of the Tunisian economy. Progress in agriculture is slow and depends much on weather conditions. Therefore, major emphasis has rightly been placed on industry, especially manufacturing. Since the possibilities of labor absorption by the agricultural sector are limited, most of the employment generation is expected to come from the industrial sector. This strategy is consistent with the employment objectives and also aims at increasing the value added content of Tunisian exports.

x. The investment priorities formulated in the draft Plan are considered necessary to support the sectoral strategies. Because of the need to absorb a large labor force about two thirds of the planned investment is concentrated in directly productive activities. The manufacturing sector is the largest beneficiary, increasing its share from 18 percent in the Fourth Plan to 23 percent in the Fifth Plan. The initiation of a number of large, capital intensive projects mainly in gas exploitation, cement, and in processing phosphate rock and petroleum, and the current inability of the private sector to mobilize large amounts of capital, are responsible for public sector investment to continue to play a major role. Foreign and domestic private initiative, stimulated by a series of incentives, are expected to complement the public sector program and play a vital role in absorbing the labor force.

xi. The planned target for investment growth does not seem excessive. However, only about two thirds of the planned investment has been identified. Most of the unidentified projects are expected to be in the private sector and will depend to a large extent on factors (export market developments for instance) outside of the government's control. In addition, there might again be unanticipated slippages in project execution in the public sector; past performance points in this direction.

xii. In order to finance investment during 1977-81, Tunisia would have to generate total domestic savings of D 3 billion, equivalent to some 18 percent of GDP. This implies a substantial effort in domestic resource mobilization. The government sector would continue to be an important agent in domestic resource mobilization. In order to meet its substantial savings target government would have to follow appropriate current expenditure and revenue policies. There seems to be little leeway to stem expenditure growth especially since the Government has committed itself to increase salaries of public employees by some 30 percent as of February 1977. The only feasible option would be to reduce subsidies to public enterprises and to the Price Equalization Fund. This would imply a new price policy which would be advisable not only for budgetary reasons, but also to adjust relative prices throughout the economy and provide adequate incentives for increased and more efficient production.

xiii. The brunt of the saving effort in the government sector would have to come from increased revenues. As a first step, a number of new tax measures were introduced on January 1, 1977. Much more will need to be done,

however. Efforts to improve tax collection seem to be of foremost importance, since Tunisia's tax base is fairly broad and tax revenues could be increased significantly at existing rates.

xiv. A new price policy would also help the public enterprises to generate more savings that have been comparatively very small in the past and that would have to be substantially greater during 1977-81 to meet the overall savings target. There seems to be great need to revise the pricing policy of these enterprises.

xv. The private sector, especially households, is expected to generate the greater part of national savings. Households are expected to contribute a very sizeable share to national savings, especially since wages and salaries were recently increased significantly and since new measures might be taken during the Plan to draw additional financial savings into the organized financial markets.

xvi. There is a great need to improve financial mediation outside the government sector through a comprehensive reform of the financial system. The authorities intend to take appropriate measures to generate additional financial savings and to channel these savings into productive investment activities through strengthened institutions. This could be done through increasing existing lending and deposit rates and by improving their structure, in order to provide viable alternatives to land speculation, stock building and reinvestment in the relatively less productive traditional sector. In addition, the capital market structure would be improved to bring it closer to the changing needs of rapidly growing financing requirements of the economy.

xvii. With respect to the balance of payments, the Plan puts great emphasis on expanding exports. With one of the major exports, olive oil, expected to stagnate throughout the Plan, export growth will have to come from petroleum and phosphates, especially from their derivatives, from manufactured goods in general, and from tourism. The outlook to achieve the target is reasonably good provided that Tunisia successfully introduces vigorous export promotion policies as planned. A crucial element in the prospects for the balance of payments is the extent to which import demand will rise in response to the expected growth of investment, consumption and production, given a greater potential for import substitution.

xviii. To cover the current account deficit, amortize foreign debt, and maintain reserves at an adequate level for confidence and liquidity (i.e. 3 months of imports of goods and NFS), total financing requirement needs are forecast by the mission at \$3.5 billion during 1977-81. Tunisia will need to adopt increasingly active policies in order to mobilize such capital inflows which would be about four times larger than during the preceding five years. External borrowing requirements (disbursement basis) would total \$2.8 billion during 1977-81. The mission estimates that the cumulative contribution of Tunisia's traditional bilateral and multilateral loan sources would total about \$1.8 billion. About \$1.0 billion would have to be financed by private commercial sources. Borrowing from private sources in this magnitude would be new for Tunisia. However, given the country's creditworthiness and successful efforts during 1976 to attract off-shore banks to Tunisia, it seems reasonable

to assume that Tunisia can mobilize such an amount. Tunisia's debt service would increase from about 10 percent of exports of goods and non-factor services in 1976 to about 17 percent by 1981.

xix. Increasing reliance on medium term borrowing from private commercial sources during 1977-81 would be reflected in rapidly rising amortization payments after 1981. Provided there are no changes in the underlying trends of current account developments, about one third of gross external borrowing by 1986 would have to be used to amortize the foreign debt compared with one fifth in 1976. This sharp increase in amortization payments could push debt service up to some 20 percent of exports of goods and non-factor services by 1986. However, Tunisia is expected to accelerate exports further and also to progressively reduce growth of intermediate goods imports. Thus continued efforts to reduce the resource deficit are foreseen based on current and planned government policies. Long term prospects are for a manageable debt service and continued creditworthiness of Tunisia.

#### Main Sectoral and Social Policies

xx. The main objective of the draft Fifth Plan for the agricultural sector is self-sufficiency in food production by 1981, defined as balanced commodity trade in agricultural products. To achieve this objective, agricultural growth would be sought through intensification of production, increased use of inputs and modernizing technology. The draft Plan envisages investment in the sector of D 500 million in current prices during 1977-81. This implies that in constant 1972 prices the average annual investment in agriculture would be 43 percent greater than during the Fourth Plan. A major increase in the share of water development in total agricultural investment is foreseen and it is a striking feature of the investment program that only one third of planned investment pay off during the Plan itself. Substantial support measures are needed to bring about the intensification of production and its subsequent marketing, and the institutional framework needs to be strengthened in commodity research, extension, land reform and agricultural credit. To bring about the objectives of the Plan agricultural price policies need to be reviewed.

xxi. The Fifth Plan objectives for the hydrocarbon sector are as follows: (i) increasing production of crude petroleum by 12 percent p.a., (ii) development of the newly discovered off-shore gas fields; (iii) the building of a new oil refinery; and (iv) increased electricity generation to meet an expected increase in demand of 17 percent p.a. To reach these objectives a total investment program of D 710 million is planned, equivalent to 17 percent of total planned investment. The introduction of the recently discovered off-shore gas into the Tunisian energy market would have an important impact on the country's economy and especially on its industrial development. The major problem of the hydrocarbon sector is the price system that does not reflect existing economic costs of supply. The internal prices of crude oil and petroleum products are three to four times lower than international prices. This runs the risk of encouraging wasteful use of energy and distorting energy consumption patterns. The Government is currently undertaking an energy pricing study, and as a first practical step has already increased the retail prices of petroleum derivatives on January 1, 1977.

xxii. For the manufacturing sector, the Fifth Plan objectives are essentially the same as those of the Fourth Plan with the following emphasis: (i) satisfying growing domestic demand for construction materials, metal and electrical products, and processed foodstuffs; (ii) developing a more integrated manufacturing sector to transform more of the domestic natural resources into finished products; (iii) continuing to expand export industries and develop new markets. The investment effort in the sector is expected to increase and is targeted to account for 23 percent of total investment, compared with 18 percent during the Fourth Plan. The public sector will take the leading role in implementing the strategic projects of a capital-intensive, high-technology nature and will be responsible for implementing 54 percent of the proposed program. Private investment is expected to be predominant in export-oriented manufacturing industries, such as electrical and mechanical goods assembly, garments, leather products, and textile manufacture. The export-oriented strategy and accelerated growth of manufacturing, and its increasing reliance on small and medium size industries, are expected to increase employment creation for the sector to 100,000 during the Plan.

xxiii. Solving the pressing housing problems might become a vital aspect in maintaining social stability during the Fifth Plan, a target that ranks high among the Government's objectives. Besides building more lower-income-type public housing units, construction of private rental housing is to be fostered through an incentive system for private construction of apartment buildings. Efforts to reduce the costs of public sector housing and to bring the supply side of the housing market more into line with housing demand continue to be of priority.

xxiv. Given the importance of the construction industry for carrying out the investment program of the new Plan, particularly in housing, transportation infrastructure and hospital and school construction, further efforts need to be undertaken to make the sector more efficient. Until this can be achieved, foreign contractors will continue to dominate an important share of the Tunisian market. The cost of using foreign contractors to carry out the more complicated construction projects of the Plan is officially estimated to be half a billion dollars during 1977-81 or 4 percent of total current accounts payments during this period.

xxv. Tourism is expected to grow rapidly during the Fifth Plan and to make an important contribution to the balance of payments. The sector faces the following constraints: (i) inadequate development of infrastructure and trained manpower, (ii) insufficient recreational facilities, and (iii) deficiencies in marketing. Strong efforts are indicated to implement the well-oriented strategy of the Fifth Plan. Special care should be taken to establish Tunisian tourism in new markets and to ensure repeater demand. This implies that the practice of overbooking is eliminated, recreational support facilities improved, and that service is impeccable. The promotional approach should be strengthened further and marketing improved, in order to encourage individual tourism in Tunisia, to ensure a stronger Tunisian position vis-à-vis foreign tour operators and to establish Tunisia's market position in the Mediterranean tourism.

xxvi. The Tunisian economy is characterized by a high degree of regional fragmentation. Government efforts to reduce the rural/urban and regional imbalances have met with serious conceptual and practical difficulties. Insufficient information concerning concrete development possibilities in the less developed regions and shortages of experienced staff hampered progress in policy formulation and implementation. For the Fifth Plan five "economic regions" have been defined that include three to four governorates grouped according to their socio-economic characteristics, resources and developmental potential.

xxvii. The growing trend of open unemployment is a cause of serious concern for the authorities who are searching for possible adjustments to their investment strategy during the Fifth Plan. Among the possibilities that might be explored is the implementation of a comprehensive rural development program to discourage increasing numbers of people from leaving the rural areas. Another would be the introduction of more labor intensive methods of agricultural production, centering on tree crops, vegetable and livestock production. In the non-agricultural sectors there would be a possibility of favoring more systematically the most labor intensive activities, namely small scale manufacturing and possibly also non-government services. Finally, a reform of the education system is being studied to align it more closely with the needs of the economy. Vocational training needs to be stressed more, which together with a structured apprenticeship system could produce the skilled workers the Tunisian economy needs.



## I. INTRODUCTION

1. This report assesses Tunisia's development prospects during the Fifth Development Plan (1977-81) against the background of the performance during the Fourth Development Plan (1973-76). A detailed analysis of the more distant past is contained in the Basic Economic Report (274 TUN, December 27, 1974) which also discussed the country's long-term objectives and strategies as expressed in the Ten-Year Perspectives 1972-81.

2. During the Fourth Plan (1973-76) real GDP grew at an average annual rate of 7.6 percent, compared with 4.6 percent during the 1960's. The major stimulus to economic growth came from the reorientation of economic policies which from 1970 onwards replaced the rigid centralization of economic management during the 1960's with an increased market orientation. This encouraged private initiative and resulted in increased production. There were also fortuitous factors which contributed substantially to economic growth during the Plan. Favorable weather conditions increased agricultural output and the sharp increases in world market prices for Tunisia's most important exports resulted in sizable windfalls.

3. Tunisia is rather poorly endowed with natural resources, but it is close to European markets and has large untapped labor reserves and tourism potential. Much of the country is arid or semi-arid and there is an acute shortage of surface water. Most of the agricultural activity is concentrated along the coast and in a few oases. The main crop is wheat, which is subject to sharp year-to-year fluctuations because of irregular rainfall. The main export crop is olives, but good olive harvests are also subject to a natural output cycle. Tunisia's most important raw materials are phosphates, petroleum and natural gas. However, except for phosphates, proven deposits are relatively small. Tunisian phosphate rock is of low quality and exploitation costs are comparatively high. The production and export of petroleum have become increasingly important. Recently some significant deposits of natural gas were discovered off-shore in the Gulf of Gabes, which might become very important for the future development of the country. Industrial development, albeit quite impressive, has been hampered by a shortage of industrial entrepreneurs and skilled labor. The service sector, a quarter of which consists of government administration, remains the most important one, generating about half of GDP in 1976.

4. One of Tunisia's main assets is its people and labor force. School attendance has attained a high degree, although the system needs further improvement to respond fully to the needs of the economy. There is a long tradition of commerce and handicraft in the population. Tunisian farmers are characterized by the great stamina of a people that for centuries has battled the adversities of a hostile nature. A growing group of industrial managers

and entrepreneurs has been fostered by industrial protection and incentives, and now is beginning to constitute a basis for increased private economic activity. The civil service, too, is becoming increasingly efficient, although there are still shortages in qualified staff, which have caused delays in the implementation of important programs and projects. The authorities are aware of this and are taking measures to tackle this problem.

5. The country's political leadership is committed to rapid economic growth and the participation of all strata of the population in the fruits of development. This is to be accomplished within a system that relies largely on market forces to achieve its development goals. Following the structural changes in 1969, the role of the public sector in investment and production has been gradually reduced, although it is still important. Some aspects of command management also still exist (price, credit and trade controls), but they, too, are being gradually reduced.

6. The Government's long-term development objectives, as reflected in the Ten-Year Perspectives (1972-81), are: (i) accelerating growth based on export-oriented industries by encouraging private initiative, reducing direct Government involvement in production and eliminating unnecessary administrative controls; (ii) creating employment, reducing population growth and increasing education and training; (iii) maintaining internal and external financial stability and (iv) improving the standard of living of all Tunisians.

7. As discussed below, substantial progress has been made already towards achieving these objectives. The continuity of political leadership, the willingness of the authorities to introduce structural changes in the economic system, and the determination shown in pursuit of development, have greatly contributed to creating an environment in which the economy could prosper as planned. Foreign and domestic private investments are stimulated by a comprehensive incentive system. Because of the favorable investment climate, investment activity has increased rapidly. An additional stimulus is provided by the 1976 agreement between Tunisia and the European Communities, which allows duty-free entry into the Community of nearly all Tunisian industrial products. This agreement should encourage additional foreign investment in Tunisia leading to increased transfers of modern technologies.

8. Tunisia stands at the beginning of its Fifth Development Plan (1977-81) which represents the second stage of the Ten-Year Perspectives (1972-81). The new Plan proposes a strategy designed to achieve the long-term objectives. In carrying out its Fifth Plan, Tunisia probably will have to discount the fortuitous factors that so greatly contributed to rapid growth during the first stage. The comprehensive objectives of Tunisia's long-term development strategy represent a major challenge. However, the Tunisian economy has reached a position in its drive for development that should allow continued high achievement. A great deal of the infrastructure needed is already in place and the political and economic climate is favorable to maintaining the momentum of growth that has been achieved earlier in this decade. The authorities intend to introduce appropriate policies and to establish the necessary institutions to carry them out and thus to create an environment conducive to continued successful performance.

9. Tunisia's main challenge remains employment creation and the related issues of income distribution, population growth, regional balance, and rural and urban poverty. The new Plan responds to this challenge with an ambitious investment program and new policy proposals which are analyzed below.

## II. RECENT ECONOMIC PERFORMANCE, 1973-76

### A. Growth and its determinants

10. Tunisia's overall economic performance during the recently completed Fourth Development Plan (1973-76) has been excellent. Most of the Plan's macroeconomic objectives were met or exceeded, with the notable exception of investment. Real GNP grew at an average annual rate of 7.6 percent, compared with a target rate of 7.0 percent 1/. Per capita GDP reached \$782 in 1976, which in real terms was 21 percent greater than in 1972. Thus, in the midst of world recession, Tunisia experienced a boom.

11. The continued shift in policy orientation from a controlled towards a market economy, the drive towards industrial development and increased export orientation, proved highly beneficial for the country. Two other factors also contributed to this performance. Favorable weather conditions resulted in strong agricultural output growth. The change in world commodity prices during 1973/74 meant markedly improved terms of trade and hence an increased capacity to save and import. External demand for Tunisia's most important exports remained comparatively strong during most of the Plan, especially for manufactured goods, petroleum and phosphate derivatives. While exports in real terms continued to increase slowly there were sharp increases in export prices, and the gains from the improved terms of trade added about 4 percent to Tunisia's resource base during the Plan in spite of rapidly increasing import prices. Strong external demand and rising export prices encouraged private investment which exceeded the Plan's target in a commendable performance. The availability of financial resources also helped public enterprises to accelerate their investment during 1975/76 to make up some of the ground lost in the first two years of the Plan. Workers' remittances during the Plan accounted for 3.3 percent of GNP, compared with 2.4 percent during the preceding four years. The remittances and the gains from the improved terms of trade, were reflected in a very high level of national savings that increased from 20 percent of GNP in 1972 to 25 percent in 1976. Private consumption in current prices increased less rapidly than GDP, but in constant prices private consumption increased faster than GDP, as increases in consumer prices were smaller than the concurrent increases in the implicit GDP deflator, because of effective price controls. Government consumption increased somewhat more rapidly than GDP in current and constant prices, because of rapidly increasing employment and general salary increases.

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1/ These and all other period growth rates in this report are calculated as compound growth rates between end points. The Tunisian Ministry of Planning uses a different method to calculate such rates, which takes into account the annual changes in growth rates during a period. The medium term growth rate ( $r$ ) of a statistic  $G_0$  is determined in such a way that the sum of the calculated values during the years of the period (1, 2, ... t) is equal to the sum of the actual values ( $G_1, G_2, \dots G_t$ ),  
i.e.:  $G_0 [(1+r) + (1+r)^2 + \dots + (1+r)^t] = G_1 + G_2 + \dots + G_t$ .  
Based on the Tunisian method the Fourth Plan target for GDP growth was set at 6.6 percent and the actual growth during 1973-76 was 6.0 percent.

12. Sectoral growth rates and the changing structure of GDP are shown in Table 1, against the Plan's targets. Agriculture in particular contributed to the faster than expected growth. Cereal and olive crops benefited from exceptionally good weather conditions. Value added in the mining and transport sectors was increased substantially in the wake of new investments. In contrast, growth in manufacturing was less than targeted. Delays in the execution of important public sector projects, notably in construction materials (cement) and textiles (spinning), as well as declining demand abroad (chemicals), were mainly responsible for the weaker performance in this sector. The construction sector developed rapidly, but remained a bottleneck in carrying out important investment projects. The supply of construction materials did not meet the booming demand.

Table 1: GROWTH AND STRUCTURE OF GDP  
(in percent)

	1973-76		1976
	Average Annual Target	Real Growth Actual	Structure
Agriculture	2.0	4.6	20.5
Industry	9.6	8.6	30.0
of which: Petroleum	5.0	-	5.9
Manufacturing	11.0	9.6	10.8
Construction	10.9	12.7	9.8
Services	7.0	8.5	49.5
of which: Tourism	13.9	8.4	4.5
Government	<u>7.1</u>	<u>10.9</u>	<u>13.3</u>
GDP at factor cost	6.8	7.6	100.0

Source: Tables 2.2 and 2.3.

#### B. Investment and Savings

13. The main growth factor was fixed investment which in real terms increased at an average annual rate of 14 percent during the Plan compared with a target of 12 percent. Nonetheless, aggregate fixed investment in absolute real terms during the entire Plan period remained about 10 percent below target. Most of investment was bunched in the last two years of the

Plan, when public investment picked up momentum in quantum jumps in order to make up for slippages during the first two years. Public enterprises increased their investment volume by 50 percent in 1975 and again by 44 percent in 1976, but their total investment still remained some 5 percent below the Plan's target. Government investment fell short of its target by 30 percent as important infrastructure projects were not implemented during the Plan. Private investment benefited from the generous incentive system and excellent business climate; it exceeded its target by 2 percent.

14. Investment performance during the Fourth Plan showed that the Government's and public enterprises' capacity to identify, prepare and implement projects still needs considerable strengthening. The recent experience has also shown that the existing weaknesses could not be overcome entirely by increased recourse to foreign firms. The disappointing performance of public investment in agriculture, services and infrastructure illustrates this point. While public investment in industry met its target with the help of foreign involvement, in agriculture and services, where external participation was lacking, investment fell short of target by 21 percent and 19 percent, respectively (Table 2). The measures taken by the Government since the beginning of the decade to shift greater responsibility to the private sector contributed to the excellent performance of this sector.

Table 2: FIXED INVESTMENT BY SECTOR AND AGENT, 1973-1976  
(in millions of dinars, constant 1972 prices /1)

	<u>Public Sector</u>		<u>Private Sector</u>		<u>Total</u>	
	Target	Actual	Target	Actual	Target	Actual
Agriculture	103	60	75	80	178	140
Industry	227	229	156	222	383	451
Services and Infrastructure	<u>377</u>	<u>316</u>	<u>257</u>	<u>196</u>	<u>634</u>	<u>512</u>
Total	707	605	488	498	1,195	1,103

/1 The overall period deflator of fixed investment has been used to calculate fixed investment in constant prices. Because of this and rounding, figures in this table do not exactly correspond to those elsewhere in this report.

Source: Republique Tunisienne: IVe Plan de developpement 1973-1976, and Ve Plan de developpement 1977-1981.

15. The dynamism in the private sector, actively supported by Government incentives (para. 29) contributed towards achieving the Plan's targets.

Private investment increased from 32 percent of total investment during the 1960's to 45 percent during 1973-76. This structural change partly reflected the shift in investment strategy away from the large infrastructure investment during the 1960's towards directly productive investment during the recent Plan. As a result, the share of the latter increased from some 35 percent during the 1960's to 62 percent during the Fourth Plan. Thus, two important structural objectives of the Fourth Plan were met.

16. The marginal capital output ratios declined. In the 1960's, when about two-thirds of investment was allocated to so-called "non-productive" investment in infrastructure with a long gestation period, these ratios were comparatively high (between 5 and 6). During the Fourth Plan they moved closer to 3, as past infrastructure investments contributed important externalities to directly productive investments. Overall investment in Tunisia has become more efficient, because of improved allocation in a more supportive environment.

17. In spite of the 10 percent shortfall in total fixed investment volume during the Plan, real GDP growth exceeded its target by a comfortable margin. During the Plan much growth originated in such sectors as agriculture and services, especially administrative services, which do not depend closely on investment in the short run. Also, productivity increases had been underestimated in the Plan, mainly because of a poor data base and the lack of studies of existing capacities. While investment in public enterprises and in the government sector fell short of target, investment in the private sector increased where it was apparently more productive. The recent past suggests that the public sector perhaps tried to handle too many projects, exceeding the absorptive capacity of the implementing agencies.

18. Industry received the largest share of investment. In the public sector, large projects were undertaken in phosphate mining, steel, fertilizers and the energy sector. Private investment centered on manufacturing, especially on textiles, food processing, construction materials, and light mechanical and electrical industries that produce for both export and domestic markets. Private investment in manufacturing exceeded the Plan target by 34 percent. It significantly contributed to employment creation in direct response to the promotional activities of the government and the incentives offered. The share of investment in agriculture was less than expected. Public investment in the sector, mainly in irrigation, forestation, erosion control and the development of extension services, fell short of target, although private investment exceeded its target. Investment in tourism remained much below its target, as many private investors shifted to manufacturing in reaction to the sharp decline in tourism during 1973-74 and greater incentives being offered in manufacturing. The Government decided to reduce public investment in light of excess capacity in the sector.

Table 3: STRUCTURE AND GROWTH OF FIXED INVESTMENT, 1973-76  
(in percent)

	Structure		Average Annual Real Growth	
	Target	Actual	Target	Actual
Agriculture	14.9	12.0	16.0	5.8
Industry	32.0	40.9	7.4	20.8
of which: Petroleum	9.3	12.9	3.2	26.0
Mining	6.6	3.1	-7.5	26.0
Manufacturing	13.2	17.1	17.7	26.2
Services	53.1	46.6	14.4	11.5
of which: Transport	16.4	16.3	12.5	13.8
Tourism	9.5	3.3	18.2	-18.0
Housing	12.1	14.7	8.0	21.8
Infrastructure	<u>13.5</u>	<u>11.8</u>	<u>23.0</u>	<u>23.0</u>
Total Fixed Investment	100.0	100.0	12.3	14.3

Source: Republique Tunisienne, IVe Plan de Developpement, 1973-76, and Table 2.5.

19. During the Fourth Plan the Tunisian economy generated a high level of national savings which on average were equivalent to 23 percent of GNP. To no small degree this reflected the improvements in the terms of trade during the period. National savings financed about 85 percent of investment during 1973-76, somewhat more than the targeted share of 77 percent. By far the greatest share of national savings was generated in the private sector. Private enterprises in particular increased their saving performance in the excellent business climate in Tunisia following the increase in world market prices when profits were high. An important factor explaining increased profitability seems to have been the relatively slow rise in energy and labor costs domestically, due to the Government's policy of subsidizing prices of energy products and essential consumer goods (paras. 20 and 23). Savings of the private households nonetheless benefited from sharply increased incomes, while consumer prices increased by only about 6 percent per annum. Total private savings accounted for 68 percent of national savings and government contributed 27 percent. Savings of the public enterprises amounted to a rather disappointing 5 percent of the total, although their fixed investment absorbed one-third of all net financing flows in the economy.

C. Domestic Resource Mobilization

20. The consolidated budget of the general government, which includes the central and local governments, as well as the social security system and other funds, showed sharp increases in current revenue and expenditure (Table 4). The rise in current revenue was mainly due to increased receipts from direct taxes, reflecting a growing revenue base in the wake of the newly introduced levies on phosphates and olive oil. Total tax revenues during 1973-76 amounted to 22 percent of GDP. The tax performance anticipated in the Plan was realized although not because of better tax collection as planned, but because of newly-introduced surtaxes. Current expenditure increased rapidly, mainly because of sharp increases in the wage bill and large price support payments for basic consumer goods and certain intermediate goods. In 1976, price support payments amounted to 9 percent of current expenditure or 2 percent of GDP. At the same time, about 6 percent of current expenditure was disbursed as transfers to public enterprises to cover their operational deficits. This once again highlights the problems of some of the public enterprises which still were not able to generate sufficient cash flows to cover their operational expenditure, not to mention capital outlays.

Table 4: GENERAL GOVERNMENT ACCOUNTS  
(in million of dinars)

	1972	1973	1974	1975	1976
Current Revenue	252.8	290.3	400.6	491.9	518.8
Current Expenditure	206.5	234.6	289.8	370.4	420.2
Current Surplus	46.3	55.7	110.8	121.5	98.6
Capital Expenditure	86.4	96.9	176.0	193.8	246.0
Overall Deficit	40.1	41.2	65.2	72.3	147.4
External Financing (net)	18.6	29.8	30.8	34.7	43.5
Domestic Borrowing (net)	21.5	11.4	34.4	37.6	103.9

Source: Tables 5.1 and 5.2.

21. The general government's capital expenditure as a share of GDP increased from 8 percent in 1972 to 13 percent in 1976, in line with the Plan's target. About 56 percent of this capital expenditure was in the form of capital transfers to public enterprises. This was more than the 44 percent foreseen by the Plan, as most of the public enterprises did not manage to improve their self-financing capacity as expected and in spite of their

not fulfilling their investment target. A major part of Tunisia's investment finance during the Fourth Plan continued to be generated by the budget. Its capital expenditure was equivalent to about 11 percent of GDP, as targeted, although its fixed investment fell 30 percent short of target. Government current surplus financed about 54 percent of the budget's capital expenditure. This was more than expected.

Table 5: MONETARY SURVEY  
(increase in percent)

	1973	1974	1975	1976 /1
Foreign Assets (net)	35.9	24.5	-6.1	-
Claims on Government	-3.2	21.0	14.6	15.0
Claims on rest of the economy	19.8	30.8	29.9	10.6
Assets = Liabilities	19.3	28.3	20.7	15.4
Money	15.9	25.1	17.6	15.0
Quasi-Money	18.4	25.2	16.8	22.6
Other Items (net)	16.0	29.1	14.3	10.0

/1 Based on estimates of preliminary plan document.

Source: Table 6.1 and Ministry of Plan.

22. Money supply, narrowly defined, increased more rapidly than planned, but remained in line with the growth of GDP, if one considers the increased monetization of the economy. Quasi-monetary balances also increased rapidly, as incomes increased and higher deposit rates and new incentives such as the housing-deposit scheme of the National Savings and Housing Fund (CNEL) attracted financial savings into the organized financial system. On the asset side, most increases came from credit to enterprises, especially in the form of short-term credit, whereas claims on government and net foreign assets increased moderately by comparison.

23. The official consumer price index increased at an average annual rate of 6.0 percent only. This index is representative of relatively low income groups in the Tunis area whose basket has a low import content and who represent the bulk of the industrial labor force. Most of the goods it contains are basic consumer goods which are price controlled. It is likely that inflationary pressure in Tunisia during the Fourth Plan was greater than indicated by the official consumer price index. For example, the implicit GDP and investment deflators rose at average annual rates of 7.7 percent and 13.2 percent, respectively. Increases in these deflators more accurately reflect

inflationary developments in the economy emanating from abroad. Monetary policy was geared primarily toward long-term development rather than to short-term demand management and therefore was less responsive to inflationary pressure. Instead the authorities continued to rely on administrative price controls. Interest rates remained inflexible and quantitative credit controls were the only active instrument of monetary policy.

D. The Balance of Payments

24. The balance of payments performance during the Fourth Plan was strongly influenced by the unprecedented improvement in the terms of trade. As prices of Tunisia's most important exports (petroleum, phosphates, olive oil) increased rapidly, an increase in export volume of only 2.6 percent sufficed to sustain an increase in import volume of 9.2 percent, without undue strain on the country's external financial position. Export growth in real terms came mainly from crude petroleum, phosphate derivatives, textiles and especially from non-factor services. Tourism and other non-factor services performed well, although tourism had to stage a strong recovery during the second half of the Plan from its decline in the first two years of the Plan. With respect to factor services, workers' remittances held up well considering the sharp decline in net emigration of workers during the Plan. Increased wages in Europe and transfers of accumulated savings of returning workers outweighed the decline in numbers. Workers' remittances accounted for some 9 percent of current receipts in 1976.

Table 6: SELECTED TRADE INDICES  
(1972 = 100)

	1973	1974	1975	1976
<u>Value Indices</u>				
Exports	110.9	202.3	201.6	210.3
Imports	116.1	191.6	222.6	239.7
<u>Volume Indices</u>				
Exports	90.8	96.3	103.5	110.9
Imports	100.4	128.8	135.7	144.4
<u>Price Indices</u>				
Exports	122.1	210.0	194.9	189.7
Imports	115.7	148.7	164.1	168.2
<u>Terms of Trade Index</u>	105.5	141.2	118.8	112.8

Source: Tables 2.1 and 2.4.

25. Import volume increased in response to strong demand: food, other consumer goods, intermediate and capital goods all showed substantial increase. This was facilitated by partial easing of import restrictions in 1973 when a large number of import goods (spare parts, intermediate and capital goods) were liberalized. In addition, import prices increased sharply. The deficit on net factor service payments was substantially greater than expected as a result of increased payments to foreign capital invested in Tunisia and to foreign consultants and contractors. However, given the strong increase in current receipts, the current account deficit during the Fourth Plan in relation to GDP was much smaller than anticipated, i.e. 4.1 percent instead of 5.9 percent.

26. Net foreign long-term capital inflows in relation to GDP also remained below Plan projections. Delays in the implementation of the Government's investment program and increases in domestic resources reduced the need for foreign finance. Direct foreign investment picked up momentum during 1973-76 and Plan projections were met. Most of this investment went to the oil sector, but other sectors also benefited, as Tunisia's political stability, economic advantages and favorable incentive program became increasingly attractive to foreign investors.

Table 7: SUMMARY BALANCE OF PAYMENTS  
(in millions of dinars /1)

	1972	1973	1974	1975	1976
Resource Balance	-12.3	-28.4	5.4	-84.1	-109.0
Current Account Balance	-20.2	-40.3	-2.3	-90.0	-130.0
Capital Account Balance	55.2	73.7	33.3	78.9	130.0
of which:					
Direct investment (net)	14.8	23.9	21.4	19.3	27.0
Loans and grants (net)	50.9	54.4	56.8	60.5	77.0
Short-term movements (net) /2	-7.8	-1.1	-45.7	4.0	-5.0
Net Reserves	92.9	126.3	157.3	146.2	146.2

/1 A summary balance of payments in US dollars is included in the country data at the beginning of this report.

/2 Including errors and omissions.

Source: Table 3.1.

27. The public foreign debt disbursed and outstanding at the end of 1976 is estimated at \$1.4 billion, compared with \$0.7 billion at the end of 1972, which was equivalent to about 28 percent and 31 percent of GDP, respectively.

The relative burden of debt servicing declined during the Plan from 18 percent of exports of goods and non-factor services in 1972 to about 10 percent in 1976. This marked decline was mainly due to the sharp increase in Tunisia's export earnings. Cautious debt management policies were followed by the Tunisian authorities during recent years. They consolidated the country's debt position by shifting away from contracting short-term credit and instead concentrated on obtaining increasingly long-term debt from public sources at preferential terms. Average terms nonetheless hardened somewhat on new commitments (Table 4.3).

#### E. Economic and Social Policy Achievements

28. The Fourth Plan's priorities centered on generating an increased mobilization of the country's human, physical and financial resources, increased productivity and competition in the economy and on improving the welfare of the Tunisian people. The Government has taken measures to implement these priorities in an attempt to combine rapid economic growth with increasingly equitable distribution of its benefits. The Tunisian economy underwent important structural and institutional changes that should be beneficial to continued development in line with the country's long-term targets. Substantial economic gains could be distributed to the Tunisian people through a number of policy measures resulting from the government's concern with social balance. The following paragraphs highlight the areas in which the government was particularly successful as well as those in which progress was more difficult. Sectoral policies and their achievements are discussed in Part IV.

29. As mentioned above (paras. 13-15) the Government was especially successful in its effort to foster private investment through a comprehensive set of investment incentives and an effective promotional structure for industrial development. The laws of 1972 and 1974 encouraged investors in manufacturing industries with an export base, high labor content, backward linkages, and that contribute to decentralization <sup>1/</sup>. The Investment Promotion Agency (API) efficiently implemented the incentives and began to promote foreign and domestic investments and to assist investors. The rapid development of private investment in manufacturing during the Plan testifies to the effectiveness of the system. Given the growing expertise of API and the increasing rate of project implementation, prospects for further progress are promising. The program of industrial estates in major cities also has progressed. It has been supplemented by a program for the development of industrial sites in the interior, as part of the incentive system for decentralization. However, this program was not quite as successful as others. It seems that the incentives offered have not yet appeared to outweigh the perceived disadvantages of

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<sup>1/</sup> For a detailed description of the incentive framework for private investment see the Basic Report, Chapter 7 and the 1975 Updating Memorandum (No. 767-TUN), Part II.

locating businesses away from the existing centers of economic activity. A Fund for the Promotion and Decentralization of Industry (FOPRODI) was created during the Plan to provide financial and technical assistance to small scale industry. Although it started its operations with some delay only in late 1975, it quickly expanded its activities during 1976. FOPRODI may yet become an important institution for providing financial assistance to small-scale enterprises, whose future development might well provide an important aspect of structural changes in Tunisia's future growth.

30. The government introduced some of the planned policies to decontrol the economy in order to increase domestic competition and efficiency. The government reduced trade controls in 1973 (para 25). Further liberalization of imports was deferred halfway through the Plan, when trends in the balance of payments turned less favorable (Table 7). Tunisia's trade control system remains comprehensive and there are strict controls on imports of consumer goods, and on all imported goods that are also produced domestically.

31. Little progress was made during the Plan to reduce price controls and to adjust prices to changing economic determinants. In view of the sharp rises in import prices for most imported foodstuffs and intermediate goods, the government felt that decontrol would have led to increased inflationary developments which would have endangered the economic as well as the social objectives of the Plan. Therefore, the government opted to continue its price support program at great expense to the budget, and despite some disincentives resulting from the program with respect to increasing domestic production and competition.

32. The government's controls on resource allocation also remained comprehensive. An important part (43 percent) of Tunisia's fixed investment finance during the Plan continued to be generated by the budget. The role of the banking system in mobilizing financial savings and in allocating them to productive investments remained restricted by administrative controls. Although increased bank deposit rates in 1973 resulted in sharply increased time and savings deposits, the authorities were reluctant to introduce additional rate increases which would have led to higher lending rates and thereby might have stifled private investment efforts. However, in view of the rapid development of private enterprise, the existing rigidities of the financial system may become increasingly felt and may be an obstacle to future growth. A study was initiated in 1975 on how to stimulate and organize the mobilization and allocation of domestic resources.

33. In spite of some decontrol measures taken during the Plan, economic management on balance continued to rely heavily on a complex system of administrative controls. This entailed great cost to the budget in foregone revenue as well as in transfer payments. The government estimates that the pricing system for hydrocarbons caused a loss of D 100 million in potential revenues during 1974-76. Transfers from the Price Equalization Funds increased from D 9 million in 1972 to D 38 million in 1976. All direct transfers rose from D 42 million to D 111 million during the same period. In addition, there were economic costs arising from the restraining effects of price controls on domestic production activity that seemed to have been rather strong in the agricultural sector (Annex I).

34. The single most important problem facing the Tunisian economy is widespread open and hidden unemployment. Employment creation was one of the main objectives of the Fourth Plan. Chiefly because of the Government's generous incentives to, and the subsequent growth in, private investment, job creation exceeded the Plan target by 37 percent. While this is a remarkable achievement, some form of unemployment still affected close to one-third of the labor force in 1976. (For details see para. 138 and Table 1.2).

35. With many of the European outlets for surplus labor all but closed, an increasing number of women joining the labor force, and the retention rate of the education system declining, the unemployment problem remains of major concern. The young and the untrained are especially affected. Concurrently, there is a shortage of skilled labor, which has proven to be a constraint on more rapid economic growth and development generally. This may partly be attributed to the inadequacies of the educational system that generally turned out too many liberal arts and too few science graduates. Also, the education system does not respond fully to the economy's need for skilled workers through vocational training facilities. The authorities are aware of the need for school reform and the new draft Plan for 1977-81 very extensively analyzes the issues.

36. Public health services have been greatly expanded and many are provided free. A family planning program has been successfully implemented with the number of new acceptors increasing rapidly. In 1976, for instance, the rate of births averted was about 16 percent of actual births. As a result, the natural rate of population growth declined from 3.0 percent in 1966 to 2.6 percent in 1976. (For details see paras. 130 to 134.) Government expenditure on health and education during 1973-76 increased by 42 percent in real terms and by 1976 amounted to 7 percent of GDP.

37. During the Plan the Government introduced a comprehensive incomes policy in order to give the poorer strata of the population greater access to the benefits of development. The incomes policy measures included sharp increases in minimum wages, increased tax exemptions and family allowances for low income earners, and improved old age and disability pension schemes. Minimum agricultural and industrial wages increased by 50 and 40 percent, respectively. In order to safeguard the results of these measures, domestic price inflation during the 1973-76 was kept at an average annual rate of 6.0 percent, mainly through strict price controls and government subsidies for basic consumer goods, housing and services. The total wage bill increased from D 371 million in 1972 to D 600 million in 1975, which in real terms amounted to an increase of 36 percent during the period. Minimum pensions were indexed to increases in salaries.

38. As a result of rapid real growth and effective incomes policies, the share of the population living in absolute poverty 1/ declined from about 30 percent in 1966 to 18 percent in 1975. Because of internal migration

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1/ The absolute poverty income level as defined by the Bank is derived from the food expenditure of the 20th percentile of the population adjusted to meet nutritional requirements to which is added the non-food expenditure of the 20th percentile adjusted to meet minimal needs.

during the period the majority of the absolute poor (55 percent) now lives in urban communities. Nonetheless, the average per capita spending levels are still significantly greater in urban centers than in rural areas (Table 8). This disparity is probably the most important factor in generating continued internal migration that in turn causes increasing urban problems. The increase in the standard of living implied by the increase of per capita spending of 56 percent in real terms from 1966 to 1975, is also reflected in the reduced share of food expenditure in the average budget (from 50 percent in 1966 to 42 percent in 1975), and in the increased share of housing expenditure (from 19 percent to 28 percent).

Table 8: DISTRIBUTION OF ANNUAL SPENDING PER PERSON

(in dinars, at constant 1975 prices)	<u>1966</u>			<u>1975</u>		
	Urban	Rural	Total	(in percent)		
				Urban	Rural	Total
0 - 49	19	37	27	8	25	16
50 - 99	34	39	40	31	39	34
100 - 199	32	18	24	35	28	32
200 - 399	11	5	7	18	7	13
400 and more	<u>4</u>	<u>1</u>	<u>2</u>	<u>8</u>	<u>1</u>	<u>5</u>
Total	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>

Source: Ministère du Plan, Note sur les résultats provisoires de l'enquête "budget-consommation".

39. In 1975, a significantly smaller percentage of the population than in 1966 was in the lowest spending group. However, the poorest 25 percent of the population accounted for only 8 percent of total spending in 1975, whereas the richest 10 percent of the population spent 30 percent of the total. There are still important disparities between the income levels obtained in the modern sector located mainly along the coast and those obtained in the traditional sector, mostly in the interior (see para 143).

### III. OVERALL DEVELOPMENT PROSPECTS, 1977-81

40. The analysis of the Fifth Plan in this report is based on the draft document which was issued in August 1976, which was essentially a detailed quantitative outlook. At the time of this writing, the sectoral commissions were in session to determine the policy proposals which needed to be put forward in order to achieve the quantitative targets set in the draft Plan. This report has been written therefore without the benefit of knowledge of such proposals, and it may well be that some of its policy suggestions will have been overtaken by actual policy proposals in the final version of the Plan. It may well be also that some statistics of the base year 1976 and some of the quantitative projections of the Draft Plan will have been revised in the final version of the Plan expected to be available by June 1977. 1/

#### A. Objectives and Strategy

41. The Fifth Plan (1977-81) forms the second stage of the Ten Year Perspectives 1972-81. The major objectives and strategies of these Perspectives were outlined above (para 6). Given the successful completion of the Fourth Plan and in recognition of some of its shortcomings, the new Fifth Plan will center its explicit attention on four major objectives. These are: (i) full employment of nearly all of the incremental labor force, (ii) self-sufficiency in food production by 1981, defined as balanced trade in food products, (iii) increases in the standard of living, and (iv) social stability through wage and price harmonization and incomes policies.

42. To reach these objectives, the draft Plan foresees an average annual rate of real GDP growth of 7.6 percent, the same high rate as the one achieved during the Fourth Plan. This growth is to be generated by an investment program projected at D 4.2 billion (\$9.8 billion) in current prices during the Plan, equivalent to 32 percent of GDP compared with 25 percent during the Fourth Plan. In real terms, average annual investment would be 54 percent greater during 1977-81 than during the preceding Plan. However, the targeted average annual rate of growth of investment during the Fifth Plan is only 5.2 percent, compared with 14 percent achieved during the Fourth Plan. It should be noted that both rates are influenced by the very high investment level in 1976, when great efforts were made to make up delays in investment, which had occurred during the earlier years of the Fourth Plan.

43. The Fifth Plan's strategy will emphasize in particular export-oriented industrial development and agricultural growth. Special attention would be given to employment creation to absorb the available labor force. Balance

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1/ To the extent possible, the latest developments will be included following the discussion of this report in Tunis in April 1977.

of payments considerations would nonetheless receive priority with a view to maintaining financial stability. Substantial investments are to be made in hydrocarbons, manufacturing, water development, transport and housing. The draft Plan prescribes increased domestic processing of Tunisia's main mineral resources (phosphates, petroleum) to export as much value added as possible. In addition, the Plan would continue to give special attention to the formulation of appropriate policies to support investment and the building of institutions to carry them out. The strategy proposed for the Fifth Plan does not represent a major departure from the strategy pursued during the preceding Plan, except perhaps for the more explicit stress on agricultural production. Discussions of the sectoral strategies are included in Part IV and their importance for the social objectives is outlined in Part V.

44. Because of the number of large public sector projects (gas development, dams, cement, etc.), the share of private investment in total investment would decline after its significant increase during the Fourth Plan. This is not a break with the stated objectives, but the consequence of projects demanding large lump sum investments that exceed the current capacity of the private sector. In order to prevent delays in project implementation -- a serious problem in the public sector during the Fourth Plan -- the Government has opted to rely even more than in the past on foreign technical assistance and/or supplier responsibility for the preparation and implementation of large public sector projects. It is planned to follow schemes similar to that employed in executing the Gabes cement plant; under this project a Tunisian counterpart team was established that received training on operating and managing the unit, while working on the various construction phases. At the same time, efforts will be undertaken to increase the government's capacity for project identification, preparation and implementation. One proposal currently discussed would be to establish sectoral holding companies which would aim to streamline project preparation and execution by branch of industry and improve coordination of management in the large public projects. These companies would coordinate all government interests in a sector, monitor all investment activity and thus would serve as important planning instruments.

**Table 9: CHANGES IN MAIN MACRO-ECONOMIC MAGNITUDES**  
(average annual rates in percent, based on data in constant 1972 prices)

	1973-76 Actual	1977-81 Target/ <u>1</u>
Gross Domestic Product	7.6	7.6
Exports	2.6	9.3
Imports	9.2	4.3
Consumption	8.6	6.6
Fixed Investment	14.4	5.2
Memoranda:		
Indices, end of period, (1972 = 100)		
Export Price Index	189.7	202.8
Import Price Index	168.2	227.1
Terms of Trade Index	112.8	89.3
Investment in percent of GDP, period average, current prices	25.2	31.6
Domestic savings in percent of GDP, period average, current prices	23.6	25.0

/1 Preliminary draft Plan.

Source: Tables 2.1 and 2.4.

45. The preliminary macro-economic targets of the draft Fifth Plan are summarized in Table 9 along with the actual performance during the Fourth Plan. The most striking among these targets is the very low forecast of export price increases during the Plan (1.3 percent p.a.) which, given the import price assumptions, would result in a very sharp deterioration in the terms of the trade. Due to this pessimistic projection of terms of trade developments, the draft Plan calls for a very strong saving effort in order to achieve the low targets for consumption and import growth. In order to achieve the financing of planned investment without undue strain on the balance of payments, national savings would have to be 23 percent of GNP to finance 71 percent of investments. As noted in paragraph 40, no comprehensive set of policy proposals had been designed at the time of writing on how to achieve the savings target, although some new tax measures were introduced with the 1977 budget (para. 58).

B. Prospects

1. Growth and Investment

46. Tunisia's existing resource base, its institutional and infrastructural framework already in place, its political stability, its excellent performance in the earlier part of this decade, and the desire of the authorities to promote further development, are fundamental ingredients pointing towards continued rapid economic growth during the Fifth Plan. There are also some less favorable signs, however. Tunisia's development recently benefited from the structural changes in world market prices and excellent weather conditions. It would be unreasonable to expect that these fortuitous factors will continue to work in Tunisia's favor to the same extent as in the past.

Table 10: SECTORAL DISTRIBUTION OF INVESTMENT AND GROWTH OF GDP  
(in millions of dinars, in constant 1972 prices)

	1973 - 1976			1977 - 81		
	Fixed Invest- ment	Change in Value Added	Average Annual rate of growth of value added (in percent)	Fixed Invest- ment	Change in Value Added	Average Annual rate of growth of value added (in percent)
Agriculture	138.5	44.6	4.5	253.0	52.3	3.6
Industry	450.8	90.2	8.6	966.6	232.7	11.5
of which:						
Energy	192.6	3.8	1.7	359.3	45.3	12.0
Manufacturing	194.7	43.8	9.6	480.8	114.7	12.5
Services	512.8	188.1	8.5	905.9	278.5	7.2
of which:						
Transport	179.7	24.7	9.8	303.6	36.0	7.8
Tourism	36.3	14.0	8.4	40.5	22.6	7.7
Housing	162.0	5.8	2.4	303.6	11.8	3.4
Total	1,102.1	322.9	7.6	2,125.5	562.7	7.6

Source: Tables 2.1, 2.3, 2.5, and Republique Tunisienne, Ve Plan de developpement 1977-81.

47. The 7.6 percent target set for the average annual real growth rate of GDP in the draft Plan does not seem excessive. It is well in line with the possibilities of the Tunisian economy. Progress in agriculture is slow and depends significantly on weather conditions. Hence, the draft Plan calls for a special effort to develop water resources inter alia for irrigation, which

would reduce farm output fluctuations due to the vagaries of weather. Still, major emphasis would be placed on industry which is to contribute 41 percent to total growth compared with 28 percent during the preceding Plan. The manufacturing and construction sectors are projected to increase at a very rapid pace and are expected to account respectively for 20 percent and 11 percent of the overall growth. This strategy is consistent with the employment objective and also aims at increasing the value added content of Tunisian exports. Since the possibility of labor absorption by the agricultural sector is limited, most of the employment generation has to come from the industrial sector. The excellent performance of the industrial sector during the earlier part of this decade is a very encouraging factor.

48. The investment priorities formulated in the draft Plan are considered necessary to support the sectoral strategies outlined above. Because of the need to absorb a large labor force, about two thirds of the planned investment is concentrated in directly productive activities. The manufacturing sector is the largest beneficiary and its share would increase from 18 percent in the Fourth Plan to 23 percent in the Fifth Plan. The initiation of a number of large, capital intensive projects mainly to process phosphate rock and petroleum, and the current inability of the private sector to mobilize large amounts of capital, are the main reasons for continued heavy reliance on public sector investment. Foreign and domestic private investment, stimulated by a series of incentives, are expected to complement the public sector program and play a vital role in absorbing the increments in the labor force.

49. The investment effort in the energy sector developed during the Fourth Plan is expected to continue. This is coherent with the general strategy of development of intensifying the exploitation of Tunisia's natural resources. Although large investments have already been carried out in infrastructure, and therefore its priority has been somewhat reduced, the transport sector continues to require a substantial share of the investment program. Housing is also one of the priority areas in the investment program. This effort will directly benefit the population and will also continue to absorb a substantial part of the labor force available. Investment in agriculture, although substantially higher than in the Fourth Plan, does not increase its relative share. Half of it is scheduled for water development and will be executed by the public sector; the rest will be left to private initiative and will be allocated as discussed in Part IV.

50. As a result of the composition of the investment program the incremental capital output ratio is not expected to change significantly during the next five years from the current level of about 3. Better utilization of capacity, especially in public enterprises, tourism and agriculture, will tend to bring down the ratio while capital intensive projects with long gestation periods will tend to raise it.

51. The planned target for real investment growth does not seem excessive, but for several reasons it is not certain that it can be achieved. Only about

two thirds of the planned investment has been identified. Most of the unidentified projects are expected to be in the private sector and will depend to a large extent on factors (export market developments for instance) outside of the government's control. In addition, there might again be unanticipated slippages in project execution in the public sector; past performance points in this direction. Although most of the major public projects again are to be executed with participation of foreign technical assistance and/or under supplier responsibility, slippage cannot be excluded, particularly in sectors where external services are less readily available. Moreover, some important projects depend on foreign participation which has not yet been secured. The draft Plan itself specifies that there might still be bottlenecks in the supply of construction materials and skilled personnel, which might delay some projects.

52. The authorities are aware of these difficulties and have begun to focus their attention on how to improve the public sector's efficiency in project identification, preparation and implementation. There are, however, important human constraints, that probably cannot be overcome in time to eliminate their impact on the Fifth Plan. In particular, there are staffing and organizational constraints in the public sector. Government administration is often not sufficiently integrated and sometimes seems to pay undue attention to formalistic preoccupations. This also has a bearing on private initiative which is often restricted by administrative regulations and cumbersome procedures. A solution to these problems would require administrative reforms which at best can become effective in the longer run.

53. Therefore, there is a possibility of overall slippage in the investment program. The Fourth Plan's investment target was implemented to 90 percent, and even this fulfillment rate could only be achieved after a very sharp acceleration of investment during the last two years. Now that the investment plan seems to rely on a number of very large projects (gas, oil, refinery, cement, electricity, dams), any slippage in them would have a marked impact on the overall investment level achieved. Because of the still existing human and organizational constraints, but also because of the increasing technical and financial complexity of the investment program, the actual implementation of the program might fall short of target.

54. All further discussion of the investment program in this report, especially its implications for domestic and external financing, is based on an investment volume that, as a working assumption, has been discounted by 10 percent across the board. The average annual volume of fixed investment under this assumption would be some 39 percent greater than during the Fourth Plan, quite a remarkable increase. Like in the Fourth Plan, growth of GDP probably would not be adversely affected because of expected productivity increases (para. 50).

Table 11: OVERALL RESOURCES AND USES: MISSION PROJECTIONS  
(millions of dinars, constant 1972 prices)

	1976	1981	Average annual rate of growth in percent 1977-81
Gross domestic product	1,444	2,084	7.6
Gains from terms of trade <u>/1</u>	39	60	-
Gross domestic income	1,483	2,144	7.6
Consumption	1,191	1,759	8.1
Gross fixed investment	365	423	3.0
Changes in stocks	-3	7	-
Exports	300	468	9.3
Exports, adjusted <u>/2</u>	339	528	9.3
Imports	409	573	7.0
Resource Gap	70	45	-
Domestic Savings	292	385	5.7
Memoranda:			
Export price index (1972 = 100)	189.6	276.6	7.8
Import price index (1972 = 100)	167.9	245.2	7.9
Terms of trade index (1972 = 100)	112.9	112.8	-
GDP deflator (1972 = 100)	142.0	203.0	7.5
Investment deflator (1972 = 100)	164.6	237.2	7.6

/1 Difference between exports adjusted /2 and exports in constant prices.

/2 Exports in constant prices times terms of trade index.

Source: Tables 2.1, 2.4 and Mission estimates as outlined in Table 10.1.

55. The overall macro-economic framework for the Fifth Plan period in the light of the mission's assumptions is summarized in Table 11. It assumes that export price developments - and thus the terms of trade - will be more advantageous than assumed in the draft Plan and that investment will be somewhat less. Consequently, consumption and import growth could be more rapid without endangering the financing of the Plan. Nonetheless, domestic savings would still have to be some 18 percent of GDP, which would imply a substantial effort in domestic resource mobilization. In addition, the net external financing need would still be some \$2.8 billion during the Plan, which seems to be a feasible maximum considering the country's long term debt servicing capacity. The details of the financing scheme and its most important policy implications are discussed below.

2. Domestic Resource Mobilization

56. The mission's projections indicate that about three quarters of total investment during 1977-81 would be financed by national savings. In current prices, national savings would amount to some D 3 billion, distributed as shown in Table 12.

Table 12: NATIONAL SAVINGS, 1977-81

	in billions of dinars	in percent of total	in percent of GDP
Government	0.8	26.7	4.9
Public enterprises	<u>0.4</u>	<u>13.3</u>	<u>2.5</u>
Public sector	1.2	40.0	7.4
Private enterprises	0.8	26.7	4.9
Households	<u>1.0</u>	<u>33.3</u>	<u>6.2</u>
Private sector	1.8	60.0	11.1
National savings	3.0	100.0	18.5

Source: Mission estimates.

57. The government sector would continue to be an important agent in domestic resource mobilization. In order to meet its substantial savings target, the government would have to follow appropriate current expenditure and revenue policies. Given the government's commitment to improve salaries 1/ as well as its commitment to improve education and health services, there is relatively little scope to tighten current expenditure growth. The only option would be to reduce subsidies to public enterprises and to the Price Equalization Fund. This would imply a new price policy which would be advisable not only for budgetary reasons, but also to adjust relative prices throughout the economy and provide better incentives for increased and more efficient domestic production. (Details with respect to agriculture and hydrocarbons are discussed in Part IV.) The guiding principle of such policy should be that once structural changes have occurred, prices should be allowed to adjust and subsidies should be changed accordingly.

58. The brunt of the saving effort in the government sector would have to come from increased revenues. The draft Plan calls tentatively for new

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1/ The government announced a 30 percent increase in wages and salaries of government workers and employees in February 1977.

fiscal measures to generate some D 195 million or about 6 percent more revenue than could be expected to be forthcoming from the existing system if it remained unchanged throughout the period, relying solely on its inherent buoyancy. Now that Government salaries have been increased in February 1977, the need for additional revenue would be even greater. As an illustration, the mission estimates that current revenues would have to be increased from about 25.6 percent of GDP in the "no new measures" case to 27.0 percent in the "new measures" case and to 29.5 percent in the "salary increase" case. The Government fully realizes that these are high levels that are difficult to achieve, but it has expressed its determination to introduce the needed measures to reach them. As a first step, a number of new tax measures were introduced on January 1, 1977. Income taxes on high incomes were increased as were customs duties on automobiles and TV sets, and the annual registration tax on motor vehicles. A new capital gains tax was imposed on real estate transactions. Some measures to improve tax collection were put into effect. The prices of petroleum products, cigarettes and alcohol were increased. Much more will need to be done, however. Efforts to improve tax collection seem to be of foremost importance, since Tunisia's tax base is fairly broad and tax revenues could be increased significantly at existing rates. Further, it is likely that rate adjustments would be needed on an appropriately selective basis, as well as introduction of some new taxes.

59. The savings performance of the public enterprises during 1977-81 is projected to improve, although it still would not measure up to the full potential of these enterprises. During the Fourth Plan, the saving performance of the public enterprises is estimated by the mission to have been a disappointing 5 percent of total national savings. This was partly due to some recognized inefficiencies in the sector's management, but mainly because existing price policies are not based on the cost principle and do not allow economically justified profit margins. Cost increases were often not covered by appropriate cash flow generation and many public enterprises had to rely on budget transfers to cover operating expenses. There is a need to undertake studies of the pricing policy of these enterprises with a view to determining price adjustments. For instance, prices for petroleum, gas, cement, water, electricity and public transportation, all of which are currently fixed by the government at relatively low levels, need to be reviewed. A guiding principle should be to avoid condoning high costs due to inefficiencies. The government has already begun to increase prices of petroleum and is carrying out a detailed study on prices in the entire energy sector. In addition, with new cement capacities coming on stream, the supply situation should sufficiently improve so as no longer to warrant controlled prices for this product. The mission tentatively estimates that the contribution of the public enterprises to national savings could be about 13 percent of total, a share more than twice as large as during the Fourth Plan.

60. The saving effort of private enterprises is expected to continue to be strong, although their share in total national savings is expected to

decline. This would be due to the increased share of public enterprises, but also to the expected changes in the business situation. It should be remembered that savings by private enterprises were greatly influenced by the unusually favorable demand during the Fourth Plan, and the concomitant slow rise in domestic energy and labor cost. Since this is not expected to continue during the Fifth Plan, the mission has chosen a cautious saving projection for this sector. Nonetheless, savings of private enterprises in absolute terms would still be about twice as large as those of the public enterprises.

61. Private households are expected to make the single most important savings effort during the Plan. While it is true that the private households have contributed greatly to the overall savings effort in the past, some uncertainty surrounds their likely savings performance during the Fifth Plan. The government's objective to improve the standard of living of the poorest segments of the population means that incremental incomes will be increasingly received by people whose marginal propensity to consume is very high, and this may restrain household savings as a whole. On the other hand, aware of the need to attract such savings increasingly into the banking system, the Government has been introducing measures such as the housing deposit scheme, designed to increase financial savings, which have been very successful indeed during the Fourth Plan. The mission thus expects that households would contribute again a very sizeable share to national savings, especially since wages and salaries were recently increased significantly.

62. As part of the effort to encourage private savings and direct their allocation to priority purposes there is a need to improve financial mediation outside the government sector through a reform of the financial system. Appropriate measures should be taken to generate additional financial savings and the institutional framework should be widened to channel these savings into productive investment activities. This could be done through increasing existing lending and deposit rates and by refining their structure, and through creation of a broader bond and stock market, in order to provide viable alternatives to land speculation, stock building and reinvestment in the relatively less productive traditional sector.

63. The authorities have launched two studies on financial intermeditation. The Central Bank is preparing a study on interest rates, while the Ministry of Finance is preparing a paper on how to create more efficient financial markets. These studies should provide important background information on which measures will be needed to achieve greater efficiency in domestic resource mobilization and allocation. Decisions on these subjects are to be taken when the studies are available.

### 3. The Balance of Payments

64. The expected growth of major exports in constant 1972 prices is summarized in Table 13. For olive oil there would be no increase in export volume, because the per capita consumption in the industrial countries is

probably close to the saturation point. The growing demand for oils and fats in developing countries is not likely to be for high priced olive oil, but rather for oils whose price is less than a third that of olive oil (soybean, coconut). In addition, access to the traditional olive oil markets in the European Communities may become more difficult for Tunisia, particularly if Greece joins the market as a full member. Exports of Tunisian crude petroleum seems to be guaranteed given its excellent quality that commands a premium in existing markets. Exports of crude will decline, however, as those of refined products will increase once the new refinery begins production in 1980. Exports of rock phosphates are expected to make up ground lost recently and keep rising moderately until 1980 when a quantum jump is expected after new mining capacities come on stream. There are new European grinding capacities for direct application rock for which Tunisian rock appears to be very suitable. Rapid export growth of phosphate derivatives at the beginning and the end of the Plan reflects new capacities for triple superphosphate (TSP) and diammonium phosphate (DAP) production in Tunisia and a specific Tunisian effort to establish itself in these markets. Volume growth in agricultural exports (excluding olive oil) is based on expected world demand for wheat, fruit and vegetables. In manufacturing, especially in textiles, the outlook is considered good, because an increasing share of Tunisia's exports in these branches will be produced by joint ventures and/or under subcontracting arrangements for which markets are assured. The growth in exports of non-factor services chiefly reflects growth in tourism which is assumed to be more or less in line with the expected growth of total Mediterranean tourism during the Plan. Total exports of goods and non-factor services during 1977-81 would grow at an average annual rate of 9.3 percent in real terms.

Table 13: EXPORTS AND EXPORT PRICES, 1977-81

	Exports in current prices (in millions of dinars)		Average annual growth at con- stant 1972 prices (in percent)	Average annual price increase (in percent)
	1976	1981		
Olive oil	35.0	30.1	-7.0	3.8
Crude petroleum	127.0	126.2	-7.5	7.5
Refined petroleum	7.0	114.4	62.5	7.5
Rock phosphate	32.1	43.3	8.1	-1.7
Phosphate derivatives	39.6	187.4	23.7	10.2
Agricultural products	36.5	77.2	10.7	5.0
Textiles	38.7	152.0	23.5	6.6
Other manufactured goods	30.1	79.2	13.8	6.6
Non-factor services	<u>223.0</u>	<u>484.3</u>	<u>8.6</u>	<u>7.6</u>
Total exports	569.0	1,294.1	9.3	7.9

Source: Mission estimates, Table 10.2.

65. The need for vigorous export promotion policy is recognized by the government. It has signed an agreement with the European Communities which gives preferential treatment to Tunisia's exports to this important market. It plans to strengthen the Export Promotion Agency considerably. Tunisia also intends to follow a more aggressive marketing policy and in particular to keep prices of major export goods competitive. The mission's projections for increases in export prices are summarized in Table 13. These projections are based on current IBRD forecasts for world commodity prices. However, given Tunisia's need to gain market shares and the authorities' intent to pursue this through - among other things - a competitive price policy, the mission has adjusted these forecasts downward, in some cases by substantial percentages. For instance, average annual price increases for olive oil and phosphates and its derivatives assumed by the mission in its projections are lower than the forecasts (Table 10.2). Overall, the export price index would rise by 7.8 percent p.a. during 1977-81, compared with the low assumption of 1.3 percent in the draft Plan.

66. Imports are derived from consumption, investment and output in industry using essentially relations observed during the Fourth Plan. Imports of foodstuffs are estimated as a function of private consumption, but also taking into account Tunisia's growing agricultural capacities as well as recent trends to consume more imported foods. In the case of other consumer goods, the mission followed corresponding arguments. Imports of capital goods are projected as a constant share of fixed investments in view of the limited import substitution capacity. Imports of intermediate goods are calculated as a function of output in industry, but given the greater share of industries with relative little import content during the Plan (e.g. construction materials), the elasticities were adjusted downward from year to year. Altogether, imports in constant 1972 prices are projected to increase at an average annual rate of 7.0 percent. The overall elasticity of imports with respect to GDP would be 0.9 during the Plan. It was higher during the Fourth Plan (1.3) because of stock building that was facilitated by a partial relaxation of import controls, and because the rapidly growing domestic demand for some time exceeded the pace of domestic production increases. With rapidly expanding domestic capacities, more domestic output is expected to be available to cover the growing domestic demand during the Fifth Plan and changes in stocks should become more normal. Using the Bank's price forecasts for the various import categories (Table 10.3), import prices are projected to rise at an average annual rate of 7.9 percent during 1977-81 (Table 14). Hence, Tunisia's import bill in current prices would increase at the high annual rate of 16 percent compared to the growth of export receipts in current prices of 18 percent.

Table 14: IMPORTS AND IMPORT PRICES

	Imports in current prices (in millions of dinars)		Average annual growth of import volume 1977-81	Average annual price increases 1977-81
	1976	1981	(in percent)	
Foodstuffs	71.0	215.8	7.6	12.1
Other consumer goods	93.0	206.6	9.0	7.6
Energy products	60.0	50.6	-11.5	7.7
Intermediate goods	176.0	421.2	10.8	7.6
Capital goods	210.0	363.5	3.7	7.6
Non-factor services	68.0	147.7	8.5	7.6
Total imports	678.0	1,405.4	7.0	7.9

Source: Mission estimates, Table 10.3.

67. Tunisia's external resource deficit would therefore rise to a peak of about \$0.4 billion in 1979 and tend to decline thereafter (Table 15). The cumulative resource gap of the 1977-81 period would be equivalent to 4.2 percent of GDP. The deficit on factor services is expected to increase progressively, because of increasing payments for interest and technical assistance from abroad, and because remittances from Tunisian workers are expected to level off as emigration declines. The current account deficit is projected to increase until 1979 and like the resource gap tend to decline thereafter with new capacities in phosphate and petroleum refining coming on stream.

Table 15: SUMMARY BALANCE OF PAYMENTS 1977-81  
(in million of dollars)

	1977	1978	1979	1980	1981
Exports	1,566	1,849	2,138	2,546	3,015
Imports	1,836	2,176	2,526	2,882	3,275
Resource balance	-270	-327	-388	-336	-260
Current account balance	-336	-424	-524	-517	-486
Capital account balance	454	509	611	606	584
Change in reserves (increase -)	-118	-85	-87	-89	-98

Source: Mission estimates, Table 10.4.

68. To cover this deficit, amortize the foreign debt, and maintain reserves at an adequate level for confidence and liquidity, total financing requirement is tentatively forecast at \$3.5 billion during the Plan as a whole. The mission assumes that a level of net reserves equivalent to three months of imports of goods and non-factor services would be an adequate level. Maintaining reserves at such a level is of major importance, as any liquidity or confidence crisis or even the mere appearance of there being one, could greatly impair Tunisia's creditworthiness and thus its access to private financial markets, which plays an important role in the financing of the Fifth Plan.

69. Tunisia will need to adopt increasingly active policies in order to mobilize capital inflows of \$3.5 billion during the Plan, which would be about four times larger than during the preceding five years. The draft Plan counts realistically on obtaining about \$0.7 billion (net) through grants and direct investments, although it would seem that with special efforts an even greater amount could be mobilized from foreign investors.

70. External borrowing requirements on a disbursement basis would total \$2.8 billion during 1977-81. About \$300 million of disbursements would be forthcoming from the pipeline of existing commitments. Another \$800 million from official bilateral and multilateral sources might be forthcoming, which would correspond to average annual commitments of about \$240 million. In addition, Tunisia could mobilize about \$700 million in suppliers' credit, i.e. up to 25 percent of projected annual imports of capital goods. The cumulative contribution of these traditional loan sources would total about \$1.8 billion. The remaining gap of \$1.0 billion would have to be financed by private commercial sources. Borrowing from private sources in this magnitude would be new for Tunisia. However, given the country's creditworthiness and successful efforts during 1976 to attract off-shore banks to Tunisia, it seems reasonable to assume that Tunisia can mobilize such an amount under the general assumptions underlying the projections of this report.

Table 16: EXTERNAL FINANCING REQUIREMENTS, 1977-81  
(in millions of dollars)

	1977	1978	1979	1980	1981	1977-81
Gross capital inflows	527	596	740	783	832	3,478
of which:						
Direct investments and grants (net)	120	126	150	161	171	728
Medium term and long term loans	407	470	590	622	661	2,750
Public sources	213	211	212	227	228	1,091
Private sources	194	259	378	395	433	1,659
Suppliers' credit	77	88	134	189	212	700
Financial credit	117	171	244	206	221	959
Amortization	-73	-87	-129	-177	-248	-714
Net capital inflow	454	509	611	606	584	2,764

Source: Mission estimates, Table 10.4.

71. The projected borrowings would change the composition of Tunisia's debt towards relatively more short-term financing (suppliers' credits, financial markets), and harder terms. Hence, Tunisia's debt service would increase from about 10 percent of exports of goods and non-factor services in 1976 to about 17 percent by 1981 (Table 17). The outstanding and disbursed debt by 1981 would have increased to \$3.3 billion, equivalent to 34 percent of GDP.

Table 17: MISSION PROJECTION: EXTERNAL DEBT AND DEBT SERVICE, 1977-81  
(in millions of dollars)

	1977	1978	1979	1980	1981
Total debt outstanding	2,059.6	2,451.2	2,924.2	3,382.6	3,725.3
Total debt (disbursed only)	1,614.6	1,997.7	2,459.4	2,904.5	3,318.2
- in percent of GDP	29.6	31.4	33.3	33.8	33.5
Debt service					
- in percent of exports	10.7	11.6	13.7	15.1	16.5
Net transfers <u>/1</u>	286.4	314.1	368.0	319.1	256.8

Memoranda:

Average interest rate (percent)	6.8	6.8	7.1	7.0	7.0
Average maturity (years)	15.3	14.6	12.8	12.9	12.3
Average grace (years)	4.1	3.9	3.5	3.6	3.6

/1 Loan disbursements minus interest payments and amortization.

Source: Mission estimates, Table 10.5.

72. Increasing reliance on medium term borrowing from private commercial sources during 1977-81 will be reflected in rapidly rising amortization payments after 1981. Provided there are no changes in the underlying trends in current account developments, debt repayments would represent about one third of gross external borrowing by 1986, compared with one fifth in 1976. This sharp increase in amortization payments could push debt service up to some 20 percent of exports of goods and non-factor services by 1986. However, Tunisia is expected to accelerate exports further and also progressively to reduce import growth of intermediate goods. The initiatives to be taken during the Fifth Plan to increase and to diversify exports will probably gain their full impact only after 1981. Similarly, the import content of domestic output is likely to decline as new domestic industries based on domestic resources and strong backward linkages come on stream. In addition, there probably will be an increasingly important substitution of domestically produced agricultural and consumer goods for imported goods. Continued efforts to reduce the resource deficit are foreseen based on current and planned Government policies. Long term prospects are for a manageable debt service and continued creditworthiness of Tunisia.

#### IV. MAIN SECTORAL DEVELOPMENT POLICIES

##### A. Agriculture

73. During 1973-76, the Plan targets for agricultural production were reached or surpassed. The growth of the sector during the Plan is estimated by the mission to have been an impressive annual average of 5.5 percent. <sup>1/</sup> This good performance was partly due to exogenous factors. Between 1972 and 1976 Tunisia had some of the best weather (rainfall) in recorded history, which had a particularly beneficial impact on production of dryland agriculture (cereals, forages, olives, livestock, melons). An added stimulus came from abroad as the terms of trade for agriculture were most of the time favorable, especially for olive oil, the major export. Production increases were also due to internal factors. Most notable of these is the resurgence of the private sector since 1969, supported by government policies. The public sector played a greatly reduced role in production compared with the preceding decade. The Government Land Agency (OTD) turned over some 270,000 hectares of land to the private sector and greater emphasis was placed on the private sector in the irrigated areas. The private sector contributed very significantly to the increases in dryland production, especially cereals and livestock. Total output in 1976 exceeded the Plan's target by 3.3 percent (Table 18).

Table 18: AGRICULTURAL OUTPUT IN 1976  
(Million of dinars; 1972 Constant Prices)

	Target	Actual
Cereals	48.6	48.8
Tree crops	67.1	77.0
Vegetables	41.5	39.4
Livestock	108.3	106.0
Other	<u>8.3</u>	<u>12.2</u>
TOTAL	274.3	283.4

Source: Mission calculations; See Annex I, Appendix 2.

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<sup>1/</sup> The rates of growth of agricultural production used in this section differ from those in the Tunisian draft Plan in that they are based on sector trend rates as derived in Annex I, Appendix 2, below.

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Banks (CLCM), increased supervised credit, and new methods of reaching small farmers, (iii) more vigorous performance of the state lands as a modernizing example to the private sector, and (iv) integrated extension and "industrialization" of agricultural production. Serious difficulties were encountered in trying to implement such policies which thus will have to be pursued during the new Plan.

79. Important initiatives were taken toward the end of 1976 to reorganize and strengthen the Land Agency's (OTD) management by decentralizing authority to the level of individual production units. Further OTD is moving in the direction of becoming more concerned with production and less with its other responsibilities in extension, tractor hire, credit, and input supply to the private sector. Also, progress was made with respect to agricultural credit policies. Lending policies and procedures for the various types of agricultural credit extended by the National Bank of Tunisia (BNT) and the Government's Agricultural Development Fund (FOSDA) are being improved. A major step towards unified interest rates applying to agricultural investment credit was taken late in 1976 when it was proposed to raise investment credit rates for commercial farmers to 7 percent (compared with industrial investment credit rates of 8 percent) and that for small farmers to 6 percent. In addition, the Government intends gradually to shift to agricultural lending institutions the risk on small farm credit. The government has recognized the need to reduce the number of credit institutions serving the sector and improve coordination among them, and it is now reviewing measures to increase the efficiency of short term lending institutions.

80. On the eve of the Fifth Plan, the following constraints on agricultural development can be singled out: (i) limited investments made in soil and water conservation (and hence concern for long term availability of essential resources); (ii) insufficient training capacity, especially at the post-graduate and farmer level; (iii) insufficient and limited staff and financial resources allocated to agricultural research; (iv) inefficiencies in extension benefitting small and medium sized farmers; (v) inadequate supply of credit to small farmers; (vi) inadequate development of institutions which serve agriculture in general and carry out development projects in particular.

81. The main objective of the draft Fifth Plan for the agricultural sector is self-sufficiency in food production by 1981, defined as balanced commodity trade in food products. To achieve this objective, output growth would have to be about 6.7 percent p.a. between 1977 and 1981 (mission estimate based on trend and assuming normal weather). Such growth would be sought through intensification of production, increased use of inputs and modernizing technology.

82. The draft Plan envisages that investment in the agricultural sector would be D 500 million in current prices during 1977-81. This implies that at constant 1972 prices the average annual investment in agriculture would be 43 percent greater than during the Fourth Plan. A major increase in the share of water development in total agricultural investment is foreseen, from 23 percent in the Fourth Plan to 44 percent in the Fifth Plan. The increase in average annual investment effort by sub-sector (in 1972 prices) would be as follows:

	<u>1973-76</u> (in million of dinars)	<u>1977-81</u>	<u>Increase in Percent</u>
Water Development	8.3	22.4	170
Tree crops	4.6	5.5	20
Equipment	10.4	7.6	-27
Livestock	4.0	6.1	52
Fisheries	3.2	4.5	41
Other	<u>4.8</u>	<u>4.5</u>	<u>-6</u>
Total	35.3	50.6	43

83. Output growth during the Plan targeted at 6.7 percent yearly would be consistent with the targeted growth of internal food demand of 5.7 percent, p.a. Given the expected import substitution effort for meat, milk, cereals, etc., projected growth of food imports (tea, coffee, etc.) of only 2.2 percent is foreseen in the Draft Plan. Such growth appears quite low, however, and might well be exceeded due to stronger than expected food demand as incomes rise. The self-sufficiency objective as defined may therefore be difficult to achieve (for details see Annex I).

84. Water development projects account for 44 percent of planned investment. Only one-third of total planned investments would begin to pay off during the Plan itself. The private sector is expected to invest some D 180 million - especially for dryland farming and vegetable crops. It is anticipated that the Agricultural Development Fund (FOSDA) will finance about D 60 million, leaving some D 120 million to be financed by the private sector. A similar picture emerges in regard to short term institutional credit for operational expenditure. Despite a quintupling of planned annual institutional credit by 1981, farmers are expected to finance most of the intensification of agricultural production with their own resources. One estimate is that by 1981 the private sector would finance about 60 percent of input use out of retained earnings, even if the planned increases in credit do occur.

Table 19: SHORT TERM AGRICULTURAL CREDIT BY SUBSECTOR  
(in millions of dinars)

	<u>1975 /1</u>	1981	Fifth Plan Total
Cereals	5.8	20.0	83.0
Tree crops	1.6	15.0	50.0
Truck crops	2.7	12.5	52.5
Fishing	-	5.0	23.0
Livestock	1.0	1.5	6.0
Industrial crops	0.4	1.4	5.8
Other	<u>-</u>	<u>0.1</u>	<u>0.2</u>
Total	11.5	55.5	220.5

/1 Mission estimate based on fragmentary evidence.

Source: Rep. Tun., Min. Ag., Com. Credit Agricole, Rapport Final de la Sous - Commission du Credit Agricole, 1976.

85. The intensification of production also requires substantial growth in the use of real resources and improvements in the marketing of inputs and outputs. The draft Plan calls for new and untested institutions to perform the following critical functions: (i) new institutes for cereals, olives, wines, dates, truck crops and sugarbeet, to carry out commodity research, extension and commodity programming; (ii) new service cooperatives to distribute inputs among private farmers; (iii) numerous new Mutual Guarantee Societies (SCM) to guarantee the vastly enlarged credit needs of a greater number of farmers; (iv) a new Agricultural Land Agency to help solve land reform problems.

86. The capacity of the private sector to finance projected investments depends critically on the profits earned in agriculture. Yet the outlook for increased profits in agriculture is rather poor, unless a new agricultural price policy is introduced (para 87). Relative prices of agricultural products have declined in recent years, reflecting the authorities' concern with the stability of the urban cost of living. On the input side, fertilizer and feedgrain are already heavily subsidized, although input prices have generally been increasing due to increases in import prices. For instance, prices of imported seeds and tractors have increased drastically. The minimum wage in agriculture was increased by one-third in early February 1977 and the availability of seasonal labor is forcing many farmers to pay even higher wages during peak periods.

87. A re-assessment of the Government's price policy concerning farm output and inputs seems called for, to determine changes which would be needed to bring farmers' profits in line with output targets set by the draft Plan. A continued drifting of internal prices away from world price is also undesirable. Since the capacity of the public sector is being strained at current proposed funding levels, the private sector must be given the profit incentives to play its part. Price policy is one of the few policy instruments that can be effective in the short to medium term.

88. The long-term alternative to price policy is tax policy. Currently, taxes on agriculture are primarily levied on export commodities (wine, olive oil) and direct taxation is slight. More usefully tax policy should aim not simply at raising revenues but, more importantly, at guiding production decision of farmers and influencing income distribution. A prerequisite for introduction of such tax policy would be the completion of land surveys and the issuance of titles in order to identify the potential tax base.

89. The funding of research in the Fifth Plan appears to be declining (para 82), while at the same time there is a call for decentralization of research into new specialized institutes. Agricultural research in Tunisia is already underfunded and understaffed. Creating new Institutes might further spread scarce resources. The future of Tunisian agriculture critically depends on yield increasing technology. This requires a strong and vigorous research capacity. A more detailed discussion of the sector's problems is included in Annex I.

B. Energy

90. Tunisia's main energy resources are petroleum and natural gas. In addition, there is a small hydropower potential and some poor-quality lignite. Known petroleum reserves amount to about 265 million tons of which approximately 130 million tons, or about 30 years' supply at current production rates, are economically recoverable at present prices. There are an additional 25 million tons of probable recoverable and marginally economical reserves which would add another 5 years of supply at current rates. Proven natural gas and natural gas liquids (NGL) reserves equal 33 million tons of oil equivalent (toe) of which 21 million toe are considered economically recoverable. In addition, probable recoverable reserves amount to about 47 million toe, all of which would lie in the recently discovered Miskar field offshore in the Gulf of Gabes. Some 30 MW of the hydropower potential has been developed. The only additional favorable site permitting further development is that of a 25 MW power plant at Sidi Salem, which is part of a multipurpose project (irrigation, water supply, power) proposed for the Fifth Plan. There are some poor quality lignite beds, but no investigation has been undertaken to determine whether they could be economically developed.

91. Exploration for oil and gas has accelerated since 1973, and is arranged on an ad hoc basis. It is carried out exclusively by foreign companies who supply nearly all of the risk capital. If exploration is successful, the companies are allowed to amortize exploration investments during the first five years of production. Under some existing arrangements the Government levies a 50 percent tax (including royalties) on profits of the foreign operators. Under other agreements the government's total share is 75 percent of the profits, 50 percent as taxes and 25 percent as participation profits. Other companies operate under joint venture arrangements whereby the government share remains 75 percent, but is treated entirely as taxes.

92. Tunisia is a net exporter of petroleum. During 1973-76 Tunisia exported some 16 million tons of petroleum and imported some 4 million tons; the petroleum sub-sector absorbed 13 percent of total investment, produced 7 percent of GDP and 38 percent of merchandise exports. The remainder of the energy sector is made up by electricity which contributed 1 percent of GDP during the Plan and absorbed 5 percent of total investment.

93. The Fifth Plan objectives for the energy sector are as follows: (i) to increase production of crude petroleum by 12 percent p.a.; (ii) to develop the newly discovered off-shore gas fields; (iii) to build a new oil refinery; and (iv) to increase electricity generation to meet expected increases in demand of 17 percent p.a. To reach these objectives a total investment program of D 710 million is planned, equivalent to 17 percent of total planned investment. The major projections of the Plan for the sector are as follows:

	<u>Production</u>		<u>Exports</u>		<u>Investment during 1977-81</u>	
	<u>1976</u>	<u>1981</u>	<u>1976</u>	<u>1981</u>	<u>in million of dinars</u>	<u>as percent of total investment</u>
Crude Petroleum (million tons)	3.9	5.3	3.9	2.7	202	4.8
Refined Products (million tons)	1.1	3.5	0.2	1.7	49	1.2
Natural Gas (billion m3)	0.3	1.7	-	-	248	5.9
Electricity (billion kWh)	1.1	2.1	-	-	210	5.0

94. The introduction of the recently discovered off-shore gas to the Tunisian energy market would have an important impact on the country's economy, especially on its industrial development. Studies are underway to confirm and evaluate the gas reserves. Feasibility studies for the production, transmission and distribution of natural gas are also undertaken. In addition, there are important new institutional arrangements to be made and a solution to training needs are to be found.

95. The domestic prices of hydrocarbons do not reflect existing economic costs. Internal prices of crude oil and petroleum products are much lower than international prices. The Societe Tunisienne Industrielle de Raffinage (STIR) buys domestic or swapped crude oil from the Enterprise Tunisienne d'Affaires Pétrolières at \$4 per barrel (\$30/ton) compared to international prices of \$12/barrel (\$90/ton). At the wholesale level, residual fuels and natural gas used to sell internally at about US\$19 per toe, exrefinery and at Gabes (the terminal point of the El Borma gas pipeline) compared to international prices of US\$75-80/toe, but in January 1977 the internal price was increased to \$45 per toe (see para 96). These two fuels are the most heavily subsidized. Other liquid fuels wholesale internally at prices also significantly lower than those prevailing internationally. This policy is part of a deliberate effort to promote industrialization, but runs the risk of encouraging wasteful use of energy and distorting energy consumption patterns.

96. The Government is currently undertaking an energy pricing study. In the meantime, it increased retail prices of petroleum products on January 1, 1977 and has stated that gas prices would be increased further in due course to render gas exploitation profitable. Petroleum prices would be increased to levels higher than those of gas in order to encourage substitution of gas for oil. Such price policy should free petroleum for export. At the same time, the government intends to recover the additional revenues which would result from a new price policy. The Government estimates that the existing price policy has accounted for D 100 million in foregone revenues during 1974-76 and will account for another D 145 million during 1977-81, unless domestic prices were increased.

97. The Government's energy pricing study also covers electricity whose prices are strongly influenced by hydrocarbon prices. The Electricity Company (STEG) currently buys oil, which accounts for about 40 percent in the cost of its power generation, at prices only about one-fourth of international prices. STEG thus can achieve satisfactory earnings without significant tariff increases. At current consumption levels, the implied subsidy to STEG on this account is equivalent to about D 5 million a year or about 22 percent of its operating expenses.

### C. Manufacturing

98. Given Tunisia's relatively small endowment with natural resources, development of manufacturing industries has been singled out by the planners as a major vehicle for economic growth and employment creation. During the 1960's the stress was on import substitution, but the relatively small domestic market very quickly proved to be the limiting factor to further expansion. Since the early 1970's the stress has increasingly shifted towards earning foreign exchange rather than saving it. The bulk of manufacturing investment is still concentrated in industries catering to the local market, but a strong effort has been made to promote economic growth through export oriented manufacturing industries and to prevent the expansion of import-substitution activities beyond the limits of efficiency set by the small domestic market. Simultaneously, the manufacturing sector was restructured. The predominant role of the public sector diminished and its share in total investment declined from 86 percent in the late 1960's to less than half during the Fourth Plan. This structural change was supported by a generous incentive system for private investment (para 29), and a supportive wage policy, especially in export oriented manufacturing.

99. During the Fourth Plan value added in manufacturing increased at an average annual rate of 9.7 percent in constant prices, compared with the Plan's target rate of 11 percent. This shortfall was mainly due to weakening demand abroad, especially for chemicals and to a lesser extent to delays in the implementation of important public sector projects, notably in construction materials (cement) and textiles (spinning). The total investment target was exceeded, however, by 20 percent in real terms, mainly because of greater than expected private investment, especially in food processing, construction materials and mechanical industries. The successful operations of the support agencies (see para. 29) proved especially beneficial to private investment performance. Employment creation exceeded the target of creating 41,000 new jobs in the sector by nearly 50 percent. The relative importance of the manufacturing sector for the Tunisian economy is reflected in Table 20.

Table 20: THE MANUFACTURING SECTOR

	<u>1969-72</u>	<u>1973-76</u>		<u>1977-81</u>
		Target	Actual	Target
Investment				
in percent of total investment	11.6	13.4	17.7	22.6
share of public investment	58.4	49.0	44.3	53.7
Value added				
in percent of GDP	9.9	11.4	10.7	13.3
Employment creation				
in percent of total employment creation	n.a.	40,800	60,400	100,000
Exports				
in percent of total exports	29.3	56.5	13.7	46.4

Source: Republique Tunisienne, IV Plan de Developpement 1973-76, and V Plan de Developpement 1977-81.

100. The structure of the Tunisian manufacturing sector in percent of total value added in the sector is as follows:

	<u>1972</u>	<u>1976</u>	<u>1981 (Target)</u>
Food processing	42.7	33.0	22.5
Textiles, leather	18.6	26.5	26.7
Mechanical and electrical	12.9	13.6	14.6
Construction materials	6.8	8.4	12.7
Chemical	9.6	7.6	13.0
Other	<u>3.4</u>	<u>11.0</u>	<u>10.5</u>
Total value added	100.0	100.0	100.0
In percent of GDP	10.4	10.8	14.0

The most recent published manufacturing census (1973) shows that there are 1,116 firms employing five and more workers. There were 285 enterprises employing more than 50 workers. Including small workshops with less than 5 workers and handicraft shops, the total number of manufacturing units is estimated by the mission at close to 18,000.

101. In 1973, about 71 percent of all manufacturing production was generated in the North East and 59 percent in Tunis alone. The authorities

recognize the need for a more even regional distribution of manufacturing away from Tunis and the coast towards the interior. The newly established FOPRODI (para. 29) and the Agence Fonciere Industrielle (AFI), were slow to start their activities, but the preparatory work already done seems to indicate that their performance may be significantly better during the Fifth Plan once they have become fully established. Both agencies so far have been active mostly in Tunis and the other urban centers along the coast. Of the 57 projects approved by FOPRODI during the first year of operations, only 10 were in the interior, accounting for less than 10 percent of approved investment.

102. The Fifth Plan objectives are essentially the same as those of the Fourth Plan, with the following emphasis: (i) satisfying growing domestic demand for construction materials, metal and electrical products, and processed foodstuffs; (ii) developing a more integrated manufacturing sector to transform more of domestic natural resources into finished products; (iii) continuing to expand export industries and develop new export markets. The investment effort in the sector is expected to increase and is targeted to account for 23 percent of total investment, compared with 18 percent during the Fourth Plan. The public sector will take the leading role in implementing strategic projects of a capital-intensive, high-technology nature and will be responsible for implementing 54 percent of the proposed investment program. Private investment is expected to be predominant in export oriented manufacturing industries, such as electrical and mechanical goods assembly, garments, leather products, and textile manufacture. The export-oriented investment strategy, accelerated growth of manufacturing, and increasing reliance on small and medium size industries, are expected to increase employment creation for the sector to 100,000 during the Plan, compared with 65,000 during the preceding five years.

103. One of the most striking features of the Tunisian Fifth Development Plan as a whole is the sharp increase that has been targeted for real investment during 1977-81. Investment activity in manufacturing will have to generate some 23 percent of the total investment volume, which implies that manufacturing is expected to double its average annual investment volume compared with the Fourth Plan actuals. The list of projects to be implemented, the dates for their implementation, the methods of construction, and, for some, their geographic location are not yet firm. Only about 54 percent of planned investment in the sector has been identified so far. Much of the remaining unidentified projects are private and cannot be identified at this early stage.

104. Absorptive capacity constraints have become apparent for investment in manufacturing. One such constraint is project identification, as reflected by the large share of still unidentified projects. Although absorptive capacity has been increasing during the last Plan, there is some question whether available institutions could indeed expand as rapidly as needed to handle the large number of new projects, especially in view of the increasing complexity of

technology and financing for several of these projects. The capacity of the construction industry and of the supply of construction materials might continue to hinder the implementation of some projects on time. Financing of such a large investment program will be a complex task, implying strenuous mobilization efforts.

105. The authorities intend to take measures to strengthen the institutions involved in the identification, preparation and implementation of projects. New capacities are planned in building supplies to eliminate existing bottlenecks. Existing marketing organizations are to be strengthened. Financial mediation is to be improved. Nonetheless, there may be slippages in the investment program.

106. The public sector has retained control on a sizeable number of large industries in Tunisia and will participate, either alone or in joint ventures, in the majority of large projects in the Fifth Plan (cement, refinery, fertilizers, steel, textiles, etc.). However, the financial position of some state-owned enterprises is weak; in the past this has necessitated great budgetary transfers even for their operational needs. Factors that explain the financial weakness of these public enterprises include management deficiencies and low initial capitalization in the face of heavy fixed capital investment. Since sizable budgetary transfers had to be used to compensate for these weaknesses the authorities are aware of the shortcomings of some of the public enterprises. They propose to change the official policy from supporting public enterprises through budgetary transfers towards establishing autonomous, self-financing units reporting to sectoral holding companies. This change has already begun with the public textile company (SOGITEX), which is being reorganized as a group of four plants, operating as separate companies and serving as the base for a Textile Sectoral Holding Company soon to be established. If the Government were to divest gradually its public enterprises, this would also contribute to the supply of marketable paper and the eventual development of the securities market.

107. The manufacturing sector is expected to generate 100,000 new jobs during 1977-81, but investment in the sector must be viewed under the dual aspect of employment creation and balance of payments needs. For the latter reason, a large public investment program is planned in highly capital intensive projects in cement, petroleum refining, gas exploitation, the chemical industry, foundry, energy and food processing. Private initiative is expected to deal with direct employment creation and to concentrate its efforts in the textiles, leather, mechanical and electrical industries. The identified share of investment is mostly in capital intensive public projects which would account for 54 percent of investment and generate only 29 percent of the new jobs at an investment cost of D 9,000 per job (1972 prices). In contrast, the real cost of job creation by the non-identified projects is expected to be about D 3,700 per job. The average real cost per job during the Fifth Plan would be D 4,800 compared with D 3,250 during the Fourth Plan. The sharp rise in capital intensity could be mitigated perhaps, and the

employment target in manufacturing met or even exceeded, if unidentified private sector investments could indeed be oriented towards small and medium size labor intensive enterprises with capital/labor ratios not significantly exceeding D 2,300 per job in constant 1972 prices, as was the case during the Fourth Plan. This would help to alleviate some of the very pressing unemployment problems the country is facing.

108. Increased attention to small scale industry might prove highly beneficial to the country in some other respects as well. The fast growing process of industrial development in the last two decades has focussed first on large scale public enterprises and then, more recently, on modern medium-sized private enterprises. However successful in purely quantitative terms of total growth this was, this process could force small entrepreneurs out of the market and discourage conversion of informal sector enterprises into modern competitive units. As a result, the natural entrepreneurial dynamism and investment potential of a large number of small scale Tunisian entrepreneurs and a long tradition of craftsmanship have gone underutilized to the detriment of the organic development of Tunisia's industrial sector, which, given the size of the Tunisian domestic market, offers limited scope for economies of scale. Greater stress on small scale industrial development would also favor greater regionalization of economic growth which under the existing circumstances would create important externalities and economic benefits. The challenge and difficulty of helping the small entrepreneurs to become suitable partners in the export-oriented manufacturing expansion should not be underestimated. It is a task, however, that might prove to be one of the country's best investment opportunities at the moment.

#### D. Transportation

109. Great progress was made during the Fourth Plan to bring the sector's capacity closer to demand. Important investments in infrastructure (roads, airports, ports) as well as in the means of transportation (buses, trains, trucks) were made. Except for the port of Sfax, which is approaching capacity, the existing capacity of the Tunisian seaports is adequate for the next five to ten years. There appears to be a need for improvement of existing domestic airports in the South to meet increasing demand for domestic air services. The present road and railway network is generally adequate in coverage and length. However, it needs to be improved in many areas to handle the growing traffic. Probably the most important problem area during the Fourth Plan was urban transport that lagged behind the needs of the rapidly growing urban population, especially in Greater Tunis and Sfax. Meanwhile, the private car population increased very rapidly in spite of strict administrative measures to prevent it (taxes, import licenses, restrictive traffic regulations).

110. The main objectives of the draft Fifth Plan for the transport sector are: (i) to promote a more efficient use of the existing infrastructure as well as to maintain and improve it as needed; (ii) to promote rural development by increasing and improving feeder roads; (iii) to improve urban transport; and

(iv) to reorganize the regional transport companies (SRT). In order to achieve these objectives, investments of D 600 million have been planned for the sector. Projects amounting to only about D 330 million have been identified so far which are deemed to be absolutely indispensable for achieving the Plan's sector objectives. For the unidentified part, decisions are to be taken once priorities have been determined. The Ministry of Planning is currently conducting a review of the sector's most pressing requirements for investment, while the Ministry of Transport and Communications is preparing the updating of the 1978 Transport Survey, which will be the basis for a long term transport investment plan.

111. Reorganization of the regional transport companies (SRT) that administer the sector is called for by the Plan. Many of these companies are characterized by underutilization of existing equipment. The productivity of personnel is frequently low for lack of motivation and generally low pay. All transport tariffs are fixed by the Government. This is not conducive to promote efficient operations in the sector. It would thus be advisable to increase tariffs in order to improve the sector's performance. However, instead of lifting price controls, the Government seems to have opted to increase budgetary subsidies.

#### Housing

112. Increasing urbanization, changes in the traditional forms of family housing, and the rising standard of living have put great demand pressure on the capacity of the housing sector. The 1975 consumption survey would suggest that the share of housing in the average household budget increased from 19 percent in 1966 to 28 percent in 1975. The Fourth Plan had set a target of 71 thousand new housing units to be built during 1973-76. This target was exceeded by 4 percent, but demand was not fully met. The most important difficulties encountered by the sector were shortages of building materials and limited capacity of the construction industry. In addition, there were financing bottlenecks that were only partly relieved by government subsidies. About 58 percent of the new housing units were built by the public sector.

113. Subsidized conventional housing continued to be the cornerstone of shelter programs although major institutional changes have been undertaken. In 1973, the Government established a land development agency for housing (AFH), endowed with wide powers of land acquisition, expropriation and infrastructure development. In 1974, the Government also established the Caisse Nationale d'Epargne Logement (CNEL) as the main financing institution for public housing programs and instituted a savings and loan scheme for individuals seeking to finance their housing. These two institutional changes somewhat diminished the former predominant role of the SNIT (Societe Nationale Immobiliere de Tunisie), the public housing developer. SNIT should act mostly as any other housing builder buying serviced land from the AFH and having other institutions finance mortgages to individuals.

114. The Fifth Plan foresees an investment program of D 600 million for the construction of 125 thousand new housing units, 64 percent of which are planned to be executed by the public sector. However, investments amounting to some D 500 million of the program have not yet been identified. Tunisia's new housing policy, as reflected in the Fifth Plan, basically consists of shifting the bulk of public sector housing to the lowest two categories, known in Tunisia as "logements ruraux et suburbains". In contrast to the Fourth Plan, when these two categories together accounted for 58 percent of all public sector units built, the Fifth Plan would raise this proportion to 81 percent. This shift would take place at the expense of the so-called "logements économiques" and "logements standing", addressed to higher income groups.

115. The shift away from housing programs for higher to middle income urban groups and the increased stress on "rural" housing, represents a major step in meeting perceived demand pressure and social needs. It seems, however, that the housing needs of urban low income group have not yet been fully recognized by the Plan. Instead, the Plan apparently approaches the problem in terms of shifting low income urban residents back to rural areas as reflected in the sharp increase in "rural" housing. It may be noted that about 60 percent of Tunisian households can probably not afford a "suburbain" type unit which costs some D 3,600 (\$8,400). Local authorities (like the Tunis Municipality) have suggested that upgrading of squatter settlements may provide a partial solution to addressing the housing needs of lower urban income groups, i.e. CNEL savers with type A and B contracts of D 2,000 and less. This together with efforts to reduce building costs seems to be worth pursuing.

116. The authorities realize that solving the pressing housing problems might become a vital aspect of maintaining social stability during the Fifth Plan, a priority that ranks high among the Government's objectives. Besides building more lower-income-type public housing units, construction of private housing is to be fostered through a new Fund that would make the needed down payment available to low income earners wishing to purchase "suburban"-type housing. This Fund would be administered by CNEL and its capital supplied by budgetary subsidies and contributions by employers. Measures against real estate speculation were introduced on January 1, 1977, and it is hoped that this would contribute to keeping housing costs down. Finally, the government is considering legal provisions for the protection of tenants.

117. The quantitative targets for the sector will probably be met and the new housing program contains some promising elements such as shift away from high cost units for instance. Efforts to reduce the costs of public sector housing and to bring the supply side of the housing market more into line with housing demand continue to be of priority. The draft Plan foresees but a 5 percent annual increase in construction cost during the period and already this raises some questions with respect to available financing capacities. However, prices of important building materials (especially cement) have recently been increased by 40 percent, which renders the financing questions even more problematic. CNEL probably will have no easy stance in mobilizing sufficient additional resources, as its counterpart funds become increasingly scarce in the face of sharply increasing demand. There is a possibility that capacities in construction and the supply of construction materials might

still establish bottlenecks to the fulfillment of the targets set for the housing sector. However, the latter should no longer be of the same importance as in the past once new capacities in the building materials industry come on stream as planned.

### Construction

118. The Tunisian construction industry grew rapidly during the Fourth Plan; its value added in constant 1972 prices increased at an average annual rate of 12 percent. Nonetheless, it often proved to be a bottleneck to the implementation of important projects whose construction component could not be completed on time. More often than not insufficient supplies of building materials, especially cement, delayed construction projects.

119. In general, Tunisian contracting firms are small private enterprises that are frequently understaffed and have little technical equipment. Their financial resources are weak as they are generally under capitalized. As a result, they have a very limited capacity to tackle large and complex construction jobs. There is a shortage of qualified engineers and highly skilled workers, as well as of sophisticated construction machinery. There are no service companies that could ease the operating burden of contractors through leasing of stationary public works equipment, ready mix concrete and the like. In order to implement highly technical construction jobs foreign contractors have to be used frequently.

120. Despite the generally good business climate during the Fourth Plan, many heads of contracting companies hesitated to make the organizational change from family owned enterprises to partnerships or stock companies in order to increase their resources for expanding their activities. Most firms are general contractors without specialization in a particular field of construction (e.g. hospital, schools, water towers). Industrialized building methods have hardly been used. Although some experiments have been made in prefabrication methods, they generally have been carried out without any national standards.

121. Given the importance of the construction industry for carrying out the investment program of the new Plan, particularly in housing, transportation infrastructure and hospital and school construction, further efforts need to be undertaken to make the sector more efficient. In particular, it appears that there is an urgent need for appropriately trained staff and workers, as well as for the supply of leasing facilities for equipment and the installation of ready mix concrete plants and prefabricated components. Until this can be achieved, foreign contractors will continue to dominate an important share of the Tunisian market. The cost of using foreign contractors to carry out the more complicated construction projects of the Plan is officially estimated to be half a billion dollars during 1977-81, or 4 percent of total external current payments during this period. This is a large cost, as it is equivalent to the total expected inflow of direct foreign investment to Tunisia during the Plan.

122. The new Plan foresees substantial growth in the supply of the building materials. A new school of civil engineers is to begin operations during the Plan; this should alleviate some of the skilled manpower constraints and

returning workers from abroad are also expected to contribute to this end. It also would be advisable to facilitate access to credit and provide modernization incentives for Tunisian firms. The creation of a sectoral holding company might be considered which would help to create specialized companies and support them with appropriate financing and technological and market studies. The authorities are currently undertaking a detailed study of the construction sector, from which definitive recommendations are expected.

G. Tourism

123. After a record year in 1972, tourism declined markedly in 1973 and 1974. A sharp revival during the last two years of the Fourth Plan was not enough to outweigh the losses in the first half. Plan targets were not met. The main macroeconomic indicators for the tourism sector may be summarized as follows:

	<u>1973-76</u>		<u>1977-81</u>
	<u>Target</u>	<u>Actual</u>	<u>Target</u>
Value added in percent of GDP	5.0	3.7	4.0
Tourism exports in percent of current account receipts	25.7	19.2	24.1
Fixed Investment in percent of total fixed investment	10.5	3.3	1.9
Employment creation in percent of total employment creation	11.3	4.5	2.6

124. The disappointing performance of tourism during the Fourth Plan was partly due to exogenous factors, including the energy crisis, the depreciation of some European currencies vis-a-vis the dinar, and some cases of cholera in Tunisia. It was also due to endogenous constraints, including: (i) inadequate development of infrastructure and trained manpower, (ii) insufficient recreational facilities, and (iii) deficiencies in marketing that has been left nearly exclusively to foreign tour operators. Nights spent in Tunisian hotels remained on average 28 percent below target and the average occupancy rate was but 37 percent.

125. Given the slack in tourism development early in the Fourth Plan, investment activity in the sector was sharply reduced. In hotel construction it was 53 percent below target. Bed capacity in 1976 amounted to 64,000 instead of 84,000 projected by the Plan. Important infrastructure investments needed to establish six tourist zones were delayed, largely because of difficulties in financing and regional planning.

126. Important policy measures were introduced during the Fourth Plan which recognized existing deficiencies in the sector and were aimed at

increasing the sector's quality and competitiveness abroad. In order to enforce certain minimum quality standards, a standard classification of hotels was introduced. Hotel training facilities were improved. The incentive system was revised. Furthermore, approval of hotel investment became increasingly strict, as selective qualitative requirements were enforced with respect to recreational facilities, infrastructure, location, accommodation capacity and service. Plans for integrated recreation facilities were prepared, and building codes and master plans for tourism zones were established. The authorities actively encouraged increased Tunisian marketing. The Tunisian Tourism Agency (ONTT) has undertaken several market studies and two Tunisian tour operators, one public, one private, have commenced operation. The Government also encouraged cooperatives of hotel owners to market their own product and attracted charter flights by offering a 30 percent reduction of the price of jet fuel.

127. As shown in the paragraph 123, the relative importance of tourism during the Fifth Plan is expected to increase with respect to value added and export receipts, but to decrease as regards investment and employment creation. The basic objectives of the new Plan essentially are better capacity utilization (46 percent during 1977-81, compared with 37 percent during 1973-76) and a 27 percent increase in total bed capacity during the Plan. Increased infrastructure investments, training, and thus better service, are expected to contribute towards easier marketing of a better product abroad. Tourism should yield increasingly important receipts for the balance of payments, and the economy in general.

128. The draft Plan expects that the total Mediterranean tourism will increase by 10 percent per annum during 1977-81. Tunisia wishes to participate in this expansion and plans on increasing the number of nights spent in Tunisian's hotels by 8 percent per annum during 1977-81. This increase should be achieved by improved marketing and promotion of a qualitatively better and more diversified product. The Plan foresees an extension of the tourist season to year round operation of speciality offers to specific groups. The Plan expects that about 1.7 million tourists will visit Tunisia by 1981, compared with about 1.1 million in 1976.

129. The main constraints to a rapid expansion of tourism mentioned in paragraph 124, still exist, although they seem to be decreasing. Strong efforts are, therefore, indicated to implement the well-oriented strategy of the Fifth Plan. Special care should be taken to establish Tunisian tourism in new markets. The new Sousse-Nord development, part of which caters to the Arab market, is particularly interesting in this context. It is also important that measures be taken to expand repeater demand. This implies that overbooking should be eliminated, that recreational support facilities be improved, and that service, in particular, be impeccable. The Plan foresees important additions to training facilities for skilled personnel. The promotional approach should be strengthened further and marketing improved, in order to ensure a stronger Tunisian position vis-a-vis foreign tour operators and to strengthen Tunisia's market position in Mediterranean tourism. The attraction of Tunisia as a tourist destination should be enhanced and individual foreign tourism in Tunisia encouraged.

V. SOCIAL DEVELOPMENT ISSUES

A. Population and Employment

130. Tunisia's demographic development between the two most recent population censuses (1966, 1975) was characterized by a comparatively high rate of natural population growth, strong internal migration towards urban centers and net emigration of surplus labor. Employment creation during 1966-75 did not proceed at the same fast rate as the addition to the labor force although some significant progress was made during the Fourth Plan. As a result, about one third of the labor force in 1976 was without a steady source of income. Concurrently there was a shortage of skilled labor, which has proven to be a constraint to more rapid economic growth in the past.

Population

131. According to the 1975 Census, Tunisia had a resident population of 5.6 million in mid-1975, 53 percent of which lived in rural areas. Between 1966 and 1975, the rate of natural increase was 2.6 percent, but the average annual rate of population growth was 2.3 percent, because of net emigration of surplus labor to European and Arab countries. It is estimated that expatriates number close to a quarter of a million. Inside Tunisia, the period was characterized by large rural-urban migration as a substantial number of underemployed rural workers moved into the cities in search of employment. Between 1966 and 1975, the rural population increased at an average annual rate of only 0.5 percent whereas the urban population increased by 4.7 percent per annum; internal migration, the expansion of existing urban centers and the creation of new municipalities, all contributed to this rapid urban growth. In 1975, about one third of the population was concentrated in the four biggest urban centers (Greater Tunis, Sousse, Sfax, and Bizerte) and one fifth in Greater Tunis alone.

132. A family planning program has been implemented. It has met with considerable success, particularly since March 1973 when the Family Planning Agency (ONPFP) was established. By the end of 1976, there were 482 consultation centers, half of which were in rural areas. The number of consultations rose from 273,000 in 1973 to 420,000 in 1976, and the number of new acceptors has been increasing rapidly from 44,000 in 1973 to 93,000 in 1976. In that year about 300,000 women participated in the family planning program. The percentage of women in the fertile age group (15-49 years) protected by contraceptives increased from 8.5 percent in 1973 to 17 percent in 1976. The birth rate declined from 43.8 per thousand in 1966 to 35.4 per thousand in 1975 and the rate of natural increase from 3.0 to 2.6 percent, respectively. In 1976, for instance, the number of births averted was estimated at about 39,000, equivalent to about 16 percent of actual births in that year. Since January 1976 oral contraceptives are distributed at a nominal fee (50 millimes or 12 US cents) by prescription, which increased the use of this contraceptive by about 80 percent during the year. The same policy is envisaged for condoms and IUDs, to be introduced in 1977. Tubal ligations are performed free of charge on women having five living children. Abortions are legal and performed free of charge in public hospitals for working women.

133. The Fourth Plan projected that 55,000 births would be averted by 1981. Given the success of the family planning program in recent years the Fifth Plan projects that 87,000 births would be averted by 1981 and that the rate of natural increase would decline to 2.4 percent. This target requires that about 25 percent of all women in the fertile age group would be protected by that time. It also presupposes that a greater share of women living in rural areas will be reached. Rural women currently represent only 12 percent of all new acceptors, whereas they represent 53 percent of the target group. The long-term objective is to reduce the projected population in the year 2000 by 5 percent from what it would have been in the absence of family planning. The family planning program, if successful as planned, would thus have a very significant impact on demographic trends, the rate of unemployment and the standard of living. Partly as a result of family planning measures, the median age of the population has been increasing from 16.8 years in 1966 to 18.3 years in 1975.

134. In 1975, Tunisia's population between the ages of 15 and 64 accounted for 3 million people, equivalent to 53 percent of the total resident population and equally distributed between males and females. During the Fourth Plan, the population of working age grew at an average annual rate of 3.36 percent. It is projected to increase by 3.41 percent during the Fifth Plan (1977-81), as the young born during high birth rate years are moving into this age group and emigrants are returning home.

#### The Labor Force

135. Tunisia's labor force in 1976 is estimated at 1.9 million, equivalent to some 33 percent of the resident population and about two thirds of the working age population. During the Fourth Plan the labor force grew at an average annual rate of 2.8 percent. The Ministry of Planning projects an accelerated average annual growth of the labor force of 3.1 percent during the Fifth Plan, as the population of working age increases, school retention rates decline, and a rising number of females join the labor force. In absolute terms, the estimated growth in the labor force during the new Plan would rise by 304,000, of which one fifth would be females.

136. Available figures show that there have been substantial structural changes in the Tunisian labor force. The number of women joining the labor force has increased rapidly during the past ten years and in 1976 the female participation rate was 27 percent compared with 23 percent in 1966. The proportion of women in the total labor force increased from 28 percent of the female working age group in 1966 to 33 percent in 1976. The male participation in the labor force reached a peak of 91 percent in 1966 and then declined to 89 percent in 1976. Both participation rates are expected to decline during the Fifth Plan, the female to 31 percent and the male to 88 percent in 1981.

137. It appears that the participation rates expected during the Fifth Plan are underestimated. The rising cost of living and the growing aspiration for an increased standard of living are likely to draw more people into the labor force, particularly women. This will be especially true if rural-urban

migration continues with increasing numbers of the rural underemployed being attracted to the amenities of urban life. In addition, growing expectations of better work opportunities are probably a strong stimulus to attract persons seeking work for the first time. Already during the Fourth Plan, school retention rates were declining and there is no obvious reason why this trend should not continue during the Fifth Plan. In addition, the spread of education among women and their growing emancipation have certainly increased their propensity to seek employment in the past. This, too, is likely to continue. Hence, additions to the labor force may well turn out to be larger than anticipated in the Plan.

### Employment

138. The single most important problem facing the Tunisian economy is widespread open and hidden unemployment. Employment creation was one of the main objectives of the Fourth Plan. Chiefly because of the government's incentives to - and the subsequent growth in - private investment, the planned creation of new jobs was exceeded by 37 percent. This is a great achievement, but some form of unemployment still affected close to one third of the labor force by the end of the Plan. According to census figures some 14 percent of the labor force were outrightly unemployed in 1975. Underemployment in agriculture is estimated to affect some 40 percent of the agricultural labor force, much of it reflecting seasonalities. In the non-agricultural sectors, unemployment in 1976 amounted to 22 percent of the registered labor force. In 1976 there were some 265 thousand people unemployed, 54 percent of which were young people seeking their first employment. With many of the European outlets for surplus labor closed and an increasing number of women joining the labor force, the unemployment problem remains a major concern. Concurrently, there is a shortage of skilled labor, which has proven to be a major constraint to more rapid growth. The Fifth Plan was therefore drawn up against the pressing need for employment creation and training.

139. The Fifth Plan estimates that the labor force would grow by 304,000 persons during 1977-81, but that jobs for only 263,000 could be provided. About 88 percent of the additions to the labor force would hence be absorbed into gainful employment. This is an improvement over the performance during the Fourth Plan when only 75 percent were absorbed permanently. Unemployment in the non-agricultural sector will probably reach 27 percent by 1981, compared with 22 percent in 1976.

140. It is possible that the economic activity generated by the Fifth Plan investment program will create more jobs than anticipated, especially in services and manufacturing, as it did during the Fourth Plan. However, this may not entail a lower unemployment rate, for the following reasons: (i) underemployment is still prevalent in the agricultural sector, and urban centers will continue to attract the underemployed agricultural population where they will become registered unemployed; (ii) Tunisian workers are returning from Europe, and alternative employment opportunities in the Arab countries are not sufficient to absorb all the returning emigrants, nor would the existing opportunities necessarily correspond to the aspirations and skills of the returning workers; (iii) school retention rates are declining as many young people are attracted by the possibility of consumption, yet they

have no professional qualification and thus join the ranks of the unskilled unemployed; and (iv) females may participate in the labor force in greater numbers than anticipated.

141. The growing trend towards open unemployment is a cause of serious concern for the authorities who are searching for possible adjustments to their investment strategy during the Fifth Plan. While this search is particularly difficult, the following possibilities might be explored. A rural development program might, if well conceived, provide permanent productive jobs to larger numbers of rural workers and prevent increasing numbers of people from leaving rural areas. Introducing more labor intensive methods in agricultural production, which would center on tree crops, vegetable and livestock production would also help achieve this objective. In the non-agricultural sectors, there would be a possibility of systematically favoring labor intensive activities, namely manufacturing and possibly also non-government services. A promising solution in manufacturing would be to promote vigorously small scale enterprises as noted in para 107. Another would be to review the industrial incentive system with a view to removing existing biases favoring capital intensity. Finally, reform of the education and training system, which is under study, could both serve to adapt the system more closely to the needs of the economy and produce more easily employable workers. Vocational training needs to be stressed more; together with a structured apprenticeship system, new vocational training programs could produce the skilled workers the Tunisian economy needs and thus both increase and upgrade employment opportunities.

#### Regional Development

142. The Tunisian economy is characterized by a very high rate of regional fragmentation. This is caused by great differences in soil, water and climatic conditions in various parts of the country, a skewed distribution of population and infrastructure, and historical factors. Much of Tunisia's population and economic activity is concentrated along the coast, especially in a few big urban centers. The unequal endowment of various regions with exploitable resources and the fact that distances in the country are comparatively small would a priori justify population rather than capital movements to achieve greater income equality and economies of scale. However, rural-urban migration has resulted in certain diseconomies of rapid urban growth and the government now encourages increased rural and regional development.

143. The 1975 consumption survey shows that great income disparities exist among the different regions. The average per capita expenditure in the poorest region (the North West) amounted to only 31 percent of that of the richest region (Greater Tunis) and to 64 percent of the national average. Disparities also exist between the average annual spending per person of urban dwellers and of the rural population (Table 21). From 1966 to 1975 average annual spending per person in urban areas increased by 43 percent whereas that in rural areas increased by 41 percent. The spread between these two spending averages in constant 1975 prices increased from D 59 in 1966 to D 86 in 1975, i.e. by 46 percent. This may be an important factor encouraging rural-urban migration.

Table 21: AVERAGE ANNUAL EXPENDITURE PER PERSON BY LOCATION  
(in dinars; constant 1975 prices)

	1975		1966	1975
Greater Tunis	296	Big cities	n.a.	235
North East	134	Other communities	n.a.	148
North West	92	All urban areas	129	185
Center	130	Rural areas	70	99
South	130			
National average	144	National average	94	144

Source: Ministère du Plan; Note sur les résultats provisoires de l'enquête "budget-consommation".

144. The Government has taken steps to redress these imbalances through an attempt at regional planning and a policy of resource allocation aimed at alleviating some of the more obvious regional disparities. Regional planning has been seen as a way both to complement sectoral planning and to serve as a framework for rural development. However, until recently (para 149) there has been little consensus on the regionalization of administrative and economic authority currently vested in central services. Many ministries have decentralized their services to some extent, but the effort has not been consistent as individual ministries created different agglomerations of governorates for their own sectoral purposes. Decentralization of authority varied widely, but on the whole decision-making remains highly concentrated in, and controlled by, Tunis.

145. One indicator of the degree of decentralization is the extent of fiscal autonomy of local authorities. Local governments' financial resources in Tunisia relative to those of the Central Government are very small and have decreased in recent years. Local revenues were equivalent to 3.5 percent of general revenues in 1969 and declined to 2.3 percent in 1976. The local governments require increasing transfers from the Central Government to balance their current accounts.

146. In the new investment code enacted in 1974, the Government has committed itself to encourage the location of manufacturing industries in zones in the interior by offering various fiscal incentives and assuming expenses for infrastructure. The Agence Foncière Industrielle has begun working towards this end. A special fund (FOPRODI) was established to offer financial assistance to investors in small and medium scale industries and to encourage decentralization. However, both agencies thus far have concentrated their efforts in the regions along the coast (see para 101).

147. The Government instituted a rural development fund in 1973. The objectives of the fund were to correct imbalances in regional development and reduce rural-urban migration by improving the quality of life in the country-

side. Total funds for the Fourth Plan period (1973-76) were D 60 million or D 20 per capita of the rural population. The bulk of the funds, about 75 percent, were allocated to a "minimum program" to meet the most urgent needs in vocational training, employment creation and social investments, and were distributed evenly by governorate, to be used ad hoc at the discretion of the governor. As a result of this distribution, nearly half the funds were allocated to the most developed governorates on the coast, obviating to some degree their impact on improving life in the rural areas of the most disfavored regions of the interior. No target groups were identified and no provision made for follow-up evaluation. The fund made a quite worthwhile attempt to bring the planning effort to the local level, and implement urgently needed programs, but it operated without an integrated plan of action, and very small funds, as an interim measure responding to immediate needs as perceived by individual governors.

148. Three regional development programs have been quite successfully carried out: the development of the Gabes industrial zone, the Djerba tourism development and the establishment of the Tunis District. In these cases the authorities came to grips with a variety of problems that were solved to the benefit of the areas concerned. These examples also show that the government's regional development policies face a basic dilemma: should the development effort be directed to regions where the resources, infrastructure and the people are (i.e. the already relatively developed stretches along the coast) or should investments be made in the interior where developable natural resources are scarce, or non-existent, and the necessary infrastructure investments would benefit only a small fraction of the total population. It is imperative that some equitable solution be found. This would require in the first instance the Government to consolidate the approach to regional development on the basis of a detailed inventory of the existing resources by region. Second, an opportunity cost analysis would then have to assess the development potential of these resources with due attention being paid to the social implications. Finally, investment opportunities would be ranked according to priorities and sectoral planning targets would be distributed according to regional priorities. However, this would require a considerable commitment of human capital and the creation of an appropriate institutional and incentive framework. The costs of such a program need to be assessed against its potential benefits.

149. The new Five Year Plan provides for cautious changes in the regional development approach. The rural development fund has been retained with an allocation of D 100 million for 1977-81 which in real terms is the same as during 1973-76 on an annual basis. The authorities have also tried to draw up governorate development plans based on suggestions received from the governorates. Given the delays in developing a structured regional development policy during the Fourth Plan, efforts are under way to define such a policy, establish regional planning structures, strengthen regional administration and develop incentives for the decentralization of productive activities. Five "economic regions" have been defined that include three to four governorates

grouped according to their socio-economic characteristics, resources and developmental potential: (i) Greater Tunis (the District of Tunis), (ii) the North-East (Tunis-South, Bizerte, Nabeul), (iii) the North-West (Beja, Jendouba, Le Kef, Siliana), (iv) the Center (Sousse, Monastir, Mahdia, Kairouan, Kasserine), and (v) the South (Sfax, Gabes, Medenine, Gafsa, Sidi Bouzid). Increased efforts would be made to improve infrastructure on a regional basis (transport, telecommunications, housing, water, electricity, schools). New measures would be taken to improve the use of agricultural resources in the regions. The regional activities of the various land agencies would be increased (i.e. Agence Fonciere Industrielle, Agence Fonciere Agricole, Agence Fonciere Habitation), and the Fund for the Promotion and Decentralization of Industry (FOPRODI) would be strengthened with respect to regional priorities.

150. This brief look at the past and planned approach to regional development policy indicates that Government efforts undertaken to the present to reduce the rural/urban and regional imbalances in Tunisia have met with serious conceptual and practical difficulties. A lack of sufficient information concerning concrete development possibilities in the less developed regions has hampered progress in policy formulation. There was hesitation in defining organizational responsibility. Staff specifically assigned to work on a regional approach to the country's development needed to acquire experience in this difficult and complex task. The cautious changes proposed in the new Plan indicate that these difficulties may be progressively overcome, and that the development of the poorer regions will be increasing towards their economic potential.

RECENT PERFORMANCE AND PROSPECTS OF AGRICULTUREI. Performance During the Fourth Plan

1. The agricultural sector did very well during the Fourth Plan. Significant increases occurred in dryland cereal, forage and livestock production and in herd numbers; citrus and tomato production also increased rapidly. It is impressive to note that in every category, the Plan's targets for 1976 were almost equalled or exceeded. Total output in 1976 exceeded its target by 3.3 percent (Table 1). As a result of these increases in output, food imports were held constant in volume terms and the trade account for agriculture and foodstuffs was in balance throughout the Plan.

Table 1: AGRICULTURAL OUTPUT IN 1976  
(in million of dinar; constant 1972 prices)

	Target	Actual
Cereals	48.6	48.8
Treecrops	67.1	77.0
Vegetables	41.5	39.4
Livestock	108.3	106.0
Other	<u>8.3</u>	<u>12.2</u>
Total	274.3	283.4

Source: Mission calculations; see Appendix 1.

2. This good performance was partly due to exogenous factors. Between 1973 and 1976 Tunisia has had some of the best weather (rainfall) in living memory. This has had a particularly beneficial impact on production of dryland agriculture (cereals, forages, olives, livestock, melons). An added stimulus came from abroad as the terms of trade for agriculture were generally favorable especially for olive oil, the major export. However, production increases were also due to internal factors. Most notable of these is the resurgence of the private sector after 1969, supported by government policies. The public sector played a greatly reduced role in production compared with the preceding decade. The Government Land Agency (OTD) turned over some 270,000 hectares of land to the private sector and greater emphasis was placed on the private sector in irrigation areas. The private sector contributed very significantly to the increases in dryland production, especially cereals and livestock.

3. It should be pointed out that the rates of growth of agricultural output used in this annex differ from those in the Tunisian Plan documents, in which the use of 1972 as a base year tends to conceal the growth of the

sector as 1972 was an exceptionally good year. Moreover, 1976--the end year--was a relatively poor year for cereals, although not for olive oil. For those reasons mission estimates of sector trend rates are based on underlying growth in a manner which is less sensitive to year to year fluctuations in output. However, these estimates do not remove the effects of favorable weather during the period or of the impetus on growth following the restructuring of the sector after 1969, but smooth production figures to reveal underlying trends. These estimates and procedures are discussed in Appendix 1.

4. The annual rate of output growth in the agricultural sector during the Fourth Plan is estimated by the mission to have been an impressive 5.5 percent (Table 2). The livestock and industrial crop subsectors showed the most vigorous performance. Fisheries also did well with a 9 percent growth rate compared to a 7.5 percent target rate. Cereals and irrigation received the greatest amounts of Plan investment.

Table 2: SELECTED INDICATORS IN AGRICULTURE  
(in percent)

	Share in Output 1976	Share in Invest- ment <u>/1</u> 1973-76	Average Annual Rate of Real Growth <u>/2</u> 1973-76
Cereals	18	46	4.8
Tree Crops	23	23	4.4
Vegetable Crops	15	6	5.4
Livestock	40	20	6.7
Other	<u>4</u>	<u>4</u>	<u>7.6</u>
Total	100	100	5.5

/1 Estimates of sector investments are only approximate. The total of D 113.6 million used here includes only investment directly attributable to the subsectors shown. It excludes investments in water development (D 47 million), in forestry (D 14.6 million), research and extension (D 22 million) and fisheries (D 19.6 million).

/2 Mission estimates: see Appendix 1.

Source: Appendix 2, Tables 1 and 5.

5. Agricultural investment during the Fourth Plan fell short of targets by some 20 percent despite a strong performance by the private sector. The shortfalls in planned investments were greatest in public sector livestock

investments and the construction of dams and fishing ports. The vigorous performance of the private sector, and in particular in the re-equipment in farm machinery (D 41.8 million in constant 1972 prices, compared with a projection of D 23.3 million) for the dryland sector, accounted for the overall satisfactory performance. Investments by the private sector in machinery were encouraged by low interest credit policies and reflected a renewing of the tractor fleet. Public investments generally lagged behind target, a problem that has been highlighted in the main report for other sectors as well.

Table 3: INVESTMENT IN AGRICULTURE, 1973-76

	Planned (in million of dinar, constant 1972 prices)	Actual	Fulfillment (in percent)
Administration	66.2	41.5	63
Public enterprises	36.4	18.6	51
Private enterprises	<u>75.1</u>	<u>81.9</u>	<u>109</u>
Total investment	177.7	142.0	80

Source: Republique Tunisienne, I<sup>ve</sup> Plan de developpement economique et social, 1973-1976, and Ve Plan de developpement economique et social, 1977-81.

6. The rapid increases in fertilizer imports and in the area under high yielding variety (HYV) wheats shows that some real advances were made in capacity growth in the all-important cereals sector. However, the area planted to HYV's is still only about 15 percent of total wheat acreage and the use of fertilizer is confined to the farms with 20 ha or more, which are only 16 percent of all farms. Further expansion of seed fertilizer technology will be more difficult. Moreover, fertilizer imports have stagnated at about 90,000 tons during the last two years of the Plan and the area under HYV's has not continued to grow as rapidly.

7. In regard to export volume, performance was somewhat disappointing. In part this was due to production problems and lack of expansion of output, but also to marketing problems. There was a temporary loss of the Libyan olive oil market and increasing problems of access to and competition in the European and world markets. Dates, citrus, olive oil, canned fruit, canned vegetables and wine showed no real growth in physical terms. During the period, only fish and live animals exports increased substantially and these are relatively minor items. Nonetheless, total agricultural exports in current prices during the Plan were nearly equal to food imports (on average D 74 million exports yearly compared to D 76 million imports). This was a remarkable achievement.

8. The growth of agricultural output during the Fourth Plan is also somewhat surprising given the fact that agricultural prices actually declined relative to non-agricultural prices during the Plan. Farm prices of citrus, table grapes, almonds, apricots, potatoes, artichokes, chickens, eggs and milk have remained unchanged during prolonged periods of the Plan (Appendix 2, Table 16). Wholesale prices for domestically produced foodstuffs increased by 28 percent during the Plan while those of industrial goods increased by 47 percent. Wholesale prices for imported foodstuff increased by 54 percent during the period.

9. Except for fruits and vegetables, retail prices for food also increased by less than the consumer price index, especially for meat, eggs, milk and oil. Food prices in Tunisia were remarkably stable apart from an increase in cereal prices in mid 1975 and fruits and vegetables in 1973. The Price Equalization Fund has contributed significantly to the containment of import led inflation. Prices of imported cereals, meat, oil, sugar and coffee have been subsidized by the Fund. Sugar subsidies are gradually being eliminated, but cereals and oils subsidies remain important, as they are budgeted to reach D 15.7 million and D 8.0 million, respectively, in 1977 out of a total for all commodities of D 39.7 million.

Table 4: CONSUMER PRICES  
(1970=100)

	General Index	All Food	Cereal Products	Fruits and Vegetables	Meat	Eggs, Milk and Oil
1972	108.0	113.0	100.2	105.4	149.9	104.0
1973	113.1	120.5	100.6	141.0	144.6	106.4
1974	117.1	121.5	102.4	133.5	143.7	108.7
1975	128.9	133.1	123.1	152.4	142.4	116.9
1976	135.5	141.1	120.4	159.6	150.3	118.6
(Jan-Oct)						
Increase						
1973-76						
in percent	25.5	24.9	20.1	51.4	0.3	14.0

Source: Banque Centrale de Tunisie, Statistiques Financieres.

10. The downward drift in real agricultural prices and of most consumer food prices was sustained through increased productivity by Tunisian farmers, which was certainly helped by the good weather. Tunisian farmers and marketing agents made a major, albeit probably unwilling, contribution to the general stabilization of prices through the lowering of real prices in the agricultural sector.

11. Improvements were made in credit policy toward the end of the Plan period (increases in interest rates and some rationalization of programs).

Major new initiatives were taken in agricultural training (increased specialization especially at the sub-degree level) and in reorganizing and re-equipping the extension service. Over 300 college graduates, 1,150 extension agents, nearly 400 cars and 550 motorbikes were added to the extension effort. However, as discussed below, the Fifth Plan recognizes the limited success of those efforts and calls for a major reorganization of extension and research.

12. In the areas of agricultural policy, the picture is also somewhat mixed. A greater awareness of policy issues now exists in the Ministry of Agriculture as well as an enhanced capacity for planning and policy. Important efforts were made to subsidize modernizing inputs--notably fertilizer and animal feed. The liberalization of trade and customs policy in 1973 in regard to agricultural inputs (spare parts, tractors) has also been beneficial. The problems of cumbersome administration and restrictive interpretation of rules and regulations continue to limit the availability of inputs for the agricultural sector, as witnessed, for example, by the shortages of HYV and potato seeds, as well as of spare parts in 1976.

13. There were important initiatives to meet the problems of the irrigated areas. Progress was made in carrying out the planned land reform of irrigated lands and about 70 percent of the planned area for the application of the land reform in the Fourth Plan was achieved. Irrigated crop production increased at an average annual rate of 5.4 percent during the Fourth Plan, considerably less than the targeted rate of 9 percent. This was largely due to the low growth rate of yields of irrigated crops, which was one percent per annum compared with the targeted rate of 6.1 percent. Problems in the area of research, extension, pricing, credit, input supply, and marketing all contributed to these results. The authorities have become increasingly aware of these problems and propose to take appropriate measures during the Fifth Plan.

14. A number of new policy measures were included in the Fourth Plan in (i) marketing, through the creation of service cooperatives and greater intervention of the profession in marketing and prices; (ii) credit, through seeking solutions to the problems of the Local Mutual Credit Banks (CLCM), through supervised credit, and through new methods for reaching small farmers, (iii) more vigorous performance of the state lands as a modernizing example for the private sector, and (iv) integrated extension and "industrialization" of agricultural production. These policies generally proved difficult to implement. The creation of service cooperatives, the definition of the role of technical personnel, the reorganization of small farm credit and extension, and the precise definition of the role of the Land Agency (OTD) continued to pose difficult problems whose solution has been deferred into the Fifth Plan.

15. Some important new initiatives have nonetheless been taken toward the end of 1976 in reorganizing OTD and strengthening its management ability by decentralizing authority to the level of individual production units. The

OTD is moving in the direction of becoming more concerned with production and less with its other responsibilities in extension, tractor hire, credit, and input supply to the private sector. Also, some progress was made in 1976 with respect to agricultural credit policies. Lending policies and procedures for the various types of agricultural credit extended by the National Bank of Tunisia (BNT) and the government's Special Fund for Agricultural Development (FOSDA) were improved. A major step towards unified interest rates applying to agricultural investment credit was taken late in 1976 when investment credit rates for commercial farmers were set at 7 percent (compared with industrial investment credit rates of 8 percent) and that for small farmers at 6 percent. In addition the government has recognized the need to reduce the number of different credit institutions serving the sector and to improve coordination among them, but no comprehensive reorganization plan has yet emerged.

16. In its evaluation of the Fourth Plan the Ministry of Agriculture noted that a number of elements which could impede future development were not resolved during the Fourth Plan. It singled out the following:

- (i) The limited investments made in soil and water conservation (and hence concern for long term protection of natural resources).
- (ii) Insufficient training capacity especially at the post graduate and farmer level.
- (iii) Insufficient and limited human and material resources given over to agricultural research.
- (iv) Inefficiency of an extension program adapted to the needs of the small and medium sized farmers.
- (v) Lack of a clearly defined policy for the development of those institutions which service the agricultural sector and carry out development projects.

The mission shares these concerns and in particular the last three. New initiatives in the areas of research, extension and service will have a major bearing on the outcome of the Fifth Plan.

17. In summary, despite an overall growth rate of 5.5 percent per annum for the sector during the Fourth Plan a number of problems remain unresolved. The weather was unusually favorable. Tunisia will be fortunate if the weather is as good during the Fifth Plan. The growth of "capacity" in the sector as measured by investment, input use, export performance, prices, policy development, etc., seems to have been rather less than the growth of output. Tunisia cannot, therefore, project the output performance during the Fourth Plan as a reliable guide to the performance in the next Plan. More vigorous action will be needed to sustain the growth of the sector.

## II. Objectives of the Fifth Plan

18. The objective of the Fifth Plan for the agricultural sector is self-sufficiency in food production by 1981, defined as balanced commodity trade in food products. The objective of agricultural self sufficiency as defined is important to overall plan success, because of the foreign exchange impact. If agriculture did not make this contribution external financing of the Plan would become more difficult.

19. The agricultural sector draft plan is exclusively concerned with production to meet this target. The sector plan makes no mention of other quantitative objectives such as income distribution and employment creation. Employment is considered only as a consequence of the output (and investment) targets by sub-sector. It should be noted, however, that this annex analyzes the draft Plan document of August 1976 which is the synthesis of the first phase of planning, giving only a detailed quantitative framework. In this respect the draft Plan does not yet deal with the questions of policy and implementation. It should be expected that the final plan would contain a number of policy proposals that were, in the formative stage during the mission's visit.

20. The draft Plan's projections are based on the assumption that the overall growth of food expenditure in Tunisia will be 5.7 percent per annum. The latter is based on the results of the 1975 consumption survey. It is expected that per capita food expenditure during the Fifth Plan will increase from D 73.1 in 1975 to D 108.9 in 1981. The share of cereals in total food expenditure will decline as meat and animal products increase. The projections are based on assumptions of a 2.3 percent population growth rate and a 6.6 percent growth rate of total private consumption. The projection of more rapidly growing urban and large city populations (i.e. continued rural exodus) leads to more rapid rates of growth in the urban areas even through elasticities of demand for food are higher in rural areas. Of course, if consumption expenditure cannot be held down to a 6.6 percent growth rate, food demand will increase even more rapidly. On the other hand a reversal of the "cheap food policy" of the past and increasing relative food prices would tend to restrict demand growth somewhat.

21. In order to meet the target of self sufficiency as defined, agricultural production will also have to grow at a high rate. The mission estimates that a 6.7 percent growth rate of production is needed during 1976-81 (see Appendix 1). This is consistent with the high rate of growth of internal demand and the effort partly to substitute existing imports of wheat, sugar and meat with domestic production. The draft Plan projects food imports to grow at an average annual rate of only 2.2 percent during 1977-81. This may be rather low given the high marginal propensity to consume imported luxury foods. Exports of agricultural commodities are also to be expanded, especially for durum wheat. The development of agricultural output during 1977-1981 is shown in Appendix 1, Table 1.

22. The draft Plan proposes to continue the Fourth Plan's strategy. Output growth is to be achieved by intensification of production through increased use of inputs, modernizing technology and irrigation. The intensification of input use necessary to achieve the projected growth of output is quite substantial. For example a doubling of the area under HYV's, of the use of nitrogen and phosphatic fertilizer, and the area treated with chemical weed killer is needed to meet the target for cereals production. For live-stock production the use of artificial insemination, imports of in-calf heifers and the feeding of concentrates are to be more than doubled and imports of soybean meal are to increase four-fold from 15 to 60 thousand tons and that of maize from 30 to 150 thousand tons. To meet the output targets for vegetable production, improved seeds are needed and the use of fertilizer and pesticides will have to increase rapidly. All this requires the putting in place and intensification of appropriate extension, supply and marketing systems.

23. The draft Plan foresees total investment of D 500 million in current prices. In constant 1972 prices, this is equivalent to D 253 million or an average of D 50.6 million per year of the Fifth Plan. The actual investment in agriculture during the Fourth Plan was D 201.5 million in current prices, D 141.4 million in constant 1972 prices or D 35.3 million per year. Thus the Fifth Plan calls for an increase of real investment in agriculture by 43 per cent. In particular, the Fifth Plan foresees a major increase in the share of investment in water development from 23 percent in the Fourth Plan to 44 percent in the Fifth Plan, as many of the delayed projects of the Fourth Plan are planned to be implemented in the Fifth. The increase in average annual investment efforts by subsector in million of Dinars at constant 1972 prices is projected as follows:

	<u>1973-76</u>	<u>1977-81</u>	<u>Increase</u> (in percent)
Water Development	8.3	22.4	170
Tree Crops	4.6	5.5	20
Equipment	10.4	7.6	-27
Livestock	4.0	6.1	52
Fisheries	3.2	4.5	41
Other	<u>4.8</u>	<u>4.5</u>	<u>-6</u>
Total	35.3	50.6	43

The distribution of investment in agriculture, excluding overhead investments in water development and infrastructure and the expected growth rates of output by subsector are shown in Table 5. Cereals and tree crops appear to receive a disproportionate share of investment compared to livestock and vegetable crops, which have the highest expected rates of output growth (Table 5).

Table 5: MAIN INDICATORS, 1977-81

	Share of Output 1976 (constant 1972 prices)	Distribution of Planned Investment <u>/1</u> (1977-81)	Planned Average Annual Rate of Growth <u>/2</u> (1977-81)
Cereals	18	32	5.3
Tree Crops	23	29	5.3
Vegetable Crops	15	5	7.9
Livestock	40	32	7.1
Other	<u>4</u>	<u>2</u>	<u>12.1</u>
Total	100	100	6.7

/1 Excludes investments in water development and infrastructure, forestry, research and fisheries.

/2 Mission estimates: see Annex 1.

Source: Republique Tunisienne, Ve Plan de developpement economique et social, 1977-81.

24. An additional D 100 million, or 20 percent of agricultural investment during the Fifth Plan, are to be spent through a separate rural development fund 1/. This is equivalent to about D 10 million per annum in constant 1972 prices or about the same annual spending in real terms as during the Fourth Plan. These funds for rural development, which constituted a new initiative of the Fourth Plan, are used by the governorates primarily for projects, many of which are aimed at improving the quality of rural life, e.g. through rural roads, schools, dispensaries, electrification, drinking water et al. An evaluation of the Fourth Plan's rural development program will be made in early 1977. Some problems have been encountered in regards to implementation and project preparation, as the planning structures were not well developed. The program which is under the control of the Ministry of Planning could provide a beginning for regional planning and integration with sector planning. Currently the program does not have such a capacity and its funds are employed more or less ad hoc at the discretion of the various governors.

1/ It may be noted that the term "rural development" used in the draft Plan, and thus in this report, is not identical to the Bank's definition. While the Government's policies provide for subsidization in helping the rural population, the Bank stresses increases in productive capacity and the replicability of projects oriented towards the target group of the rural poor.

### III. Development Issues

25. The success of the agricultural plan hinges on the resources deployed in production which are necessary for the intensification of production. The anticipated growth of output of 6.7 percent is vigorous by any standards. As has been noted above the average annual investment effort in real terms in the Fifth Plan is to be 43 percent greater than during the Fourth Plan. However, much of this is going to important, but long run investments in infrastructure which will not pay off during the Plan.

26. Irrigation projects account for 44 percent of total planned investment in agriculture. Nearly three-quarters of this is for new projects (Sidi-Salem, Sidi-Saad, and for the Medjerda - Cap Bon Canal). Only one-eighth is for small-scale private irrigation development. There will actually be a decline in the investment effort for equipment, principally tractors for dry land agriculture, and "other", mainly research, soil conservation and forestry.

27. In the Fourth Plan irrigation was only 23 percent of total investment in the sector. At present, irrigated agriculture contributes only about 15 percent of total agricultural output and of exports. 1/ By the end of the Fifth Plan production will have increased to about 17 percent of sector output. The irrigable area is currently 144,000 hectares compared to an area under dryland farming 2/ of about 3.1 million hectares, i.e. it is about 5 percent of the cultivated area. Output from the irrigated sector during 1973-76, at an average annual growth rate of 5.4 percent. This rate is somewhat lower than the projected rate of growth for the entire agricultural sector during 1977-81.

28. The irrigated sector has been beset by problems. The readaption of public irrigation perimeters to private land ownership, the application of land reform, the establishment of appropriate research and extension systems, credit and supply of inputs, incentives and prices, water pricing and management have all been of major concern to the Ministry of Agriculture. Major improvements in the direction and management of the public sector irrigation schemes were made during the Fourth Plan, but the productivity of the irrigated sector remains lower than expected. Many farmers do not commonly use or use poorly modern selected seeds, fertilizers and pesticides. There have also been shortcomings of both competent extension agents and systems of reaching farmers. Marketing and distribution of inputs remain problems and

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1/ The irrigated sector is defined here to include vegetable crops (except melons), citrus, and dates. Forage production is also important from the irrigated sector, but not included here. In 1981, 25 percent of irrigated area, but not water, will be used for forage production. Exports are measured by fresh fruits and vegetables, dates, citrus, canned fruits and vegetables. Somewhat less than a quarter of all irrigated products are exported.

2/ Cereals, tree crops, pulses and industrial crops.

supplies of inputs are sometimes interrupted. The availability and amounts of credit obtainable remain inadequate. As a consequence yields did not grow as rapidly during the Fourth Plan as expected:

	<u>Average Annual Growth Rates (in percent)</u>	
	<u>Fourth Plan Target</u>	<u>Actuals</u>
Tomatoes	11	4
Peppers	8	2
Potatoes	1	0
Artichokes	8	2
Melons	8	1

29. Although Tunisia needs to develop all her scarce water resources, difficulties with production of irrigated crops may persist. It is anticipated that the Fifth Plan will permit irrigable area to be increased by 25 percent from 144,000 ha to 180,000 ha and to rehabilitate some 25,000 ha (Medjerda, Nebhana, Cap Bon) and protect about 6,000 ha of oases in the South. About 72 percent of the total investment in irrigation is for new projects which will not enter into production until after 1981 (e.g. Sidi Salem, Sidi Saad). The increased utilization of past investments still remains in urgent need, of which the Government is quite aware.

30. The most striking feature of the Fifth Plan's agricultural investment program is that only 36 percent is for directly productive investment which pay off during the Plan itself. More than 60 percent of these directly productive investments are to be made by the private sector, especially in dryland farming and vegetables (Table 6). The principal source of medium- and long-term credit for these private investments of D 180 million is through the Agricultural Development Fund (FOSDA) -- as the banking system in the past has made few long-term or medium-term loans of its own resources to agriculture. It is anticipated that FOSDA will finance about D 50 million, leaving D 130 million to be self-financed by the private sector.

Table 6: PLANNED INVESTMENT IN AGRICULTURE BY SECTOR, 1977-81  
(in million of dinars, in current prices)

	Total	Private
<u>Long-term Investment</u>		
Water development	221.8	17.7
Tree crops	54.7	51.3
Forestry and soil conservation	27.0	-
Research	17.3	-
Subtotal	320.8	69.0
<u>Directly Productive Investment</u>		
Livestock	60.0	33.3
Machinery /1	74.8	65.0
Other	44.4	12.7
Subtotal	179.2	111.0
Total	500.0	180.0

/1 Principally for dryland farming of cereals, forages, pulses and sugar beets.

Source: Ministry of Planning.

31. A similar picture emerges in regard to short-term credit. Despite a quintupling of planned annual credit by 1981 (Table 7) the private sector is expected to finance the intensification of agricultural production in large part out of its own resources. One estimate is that by 1981 the private sector would finance some 60 percent of the greatly increased input use out of retained earnings. The capacity of the private sector to finance these investments and the needed inputs depends critically on the profits earned in agriculture (capacity to finance out of earnings) and the growth of credit and other institutions to service farmers.

Table 7: SHORT TERM AGRICULTURAL CREDIT BY SUB-SECTOR  
(in million of dinars)

	1975 <sup>/1</sup> Actual	1981	Fifth Plan Total
Cereals	5.8	20.0	83.0
Tree crops	1.6	15.0	50.0
Vegetable crops	2.7	12.5	52.5
Fishing	-	5.0	23.0
Livestock	1.0	1.5	6.0
Industrial crops	0.4	1.4	5.8
Other	-	0.1	0.2
Total	11.5	55.5	220.5

/1 Mission estimate on basis of fragmentary evidence.

Source: Commission Credit Agricole, Rapport Final de la Sous - Commission du Credit Agricole, 1976.

32. The level of profits depends in large part on prices received and paid by farmers. As noted above (para 8) prices of agricultural products in recent years have declined in real terms and the gap between them and the rest of the economy seems to be widening. In general food prices and farm-gate prices in Tunisia would seem to be below world prices. This situation deserves careful study. Low prices not only encourage domestic consumption and may represent loss of foreign exchange earnings, but also are not conducive to expansion of production. This seems to be particularly acute for some of the principal products of the irrigated subsector (potatoes, tomatoes, artichokes, etc.), which explains in part the poor performance of this sector. The domestic wheat price is below world prices. This is a reversal of the historical picture in which Tunisian wheat prices were above world prices. However, the emergence of the National Farmers Association in the last few years as a pressure group for increased producer prices has kept the issue of producer prices open and some concessions have been obtained, e.g. permission for export of a few thousand tons of potatoes in 1976 when prices were very high in Europe.

33. Agricultural prices are controlled in Tunisia in a number of ways. For the major commodities of cereals, olive oil and wine there are fixed producer prices and state monopoly agencies are responsible for the purchasing, importing and exporting of these commodities and for their domestic distribution at fixed prices. These agencies also establish pricing margins in food processing. For a number of industrial products minimum prices are established (e.g. tomatoes for canning) or contract prices fixed by processing companies (milk, sugarbeet). For some other commodities prices are regulated by import

policy and the operation of state trading companies in conjunction with subsidies from the Price Equalization Fund (e.g. meat). Similarly export licensing is used to prevent domestic supplies being shipped abroad (e.g. potatoes). Prices of these last two sets of commodities are "free" on domestic markets, but by regulating excess supply or demand through import and export licensing internal prices are effectively controlled. There is also considerable government regulation of marketing margins and market operation at the wholesale and retail level.

34. Prices of agricultural products in Tunisia have long reflected the government's concern with the stability of the urban cost of living. The government is fearful of inflating the economy after several years of successful efforts to restrict commodity price increases. Yet price expectations are important factors in production and investment decisions. It does not seem likely that at present Tunisian farmers will have high expectations that this policy will change and that agricultural prices will be increased.

35. On the input side there is little opportunity of any major improvements in input prices. Fertilizers and feedgrain are already heavily subsidized. Input prices have generally been increasing due to increases in offshore prices as prices of imported seeds and tractors have increased drastically. The minimum wage in agriculture (SMAG) was increased during the Fourth Plan by 50 percent. The shortage of seasonal labor is forcing many farmers to pay even higher wages at peak periods. Outmigration, rising aspirations, women's emancipation and decline in migratory workers seem to be some of the reasons. The SMAG was increased again from D 0.9 a day to D 1.2 on February 1, 1977.

36. The immediate outlook for rapidly increasing profits in the agricultural sector therefore appears to be poor. The question arises how the massive financial resources foreseen by the Plan are to be mobilized by the private sector. The projected public contribution to production increasing investments and to purchases of inputs through credit is insufficient. The incentives for the private sector to pick up the slack are not strong enough.

37. This leads to a related problem of the institutions which have to be developed to service agriculture. The intensification of production requires substantial growth of use of real resources and improvements in marketing of inputs and outputs. The Plan calls for new, untested and in most cases not yet existent organizations to perform these critical functions. The authorities plan to create seven new institutes for cereals, olives, wine, dates, vegetables and sugarbeets, which not only will be responsible for commodity research, but also for extension and programming in each of their commodity areas. New service cooperatives are to be established for the distribution of inputs (fertilizers, seeds, tractor services) to private farmers. Numerous new Mutual Guarantee Societies (SCM) are to be developed to share the risk on the vastly enlarged short-term credit needs of the increased number of private farmers to be served.

38. The government recognizes that the existing institutional superstructure which services the private sector (research, extension, credit, inputs and marketing) is deficient and that new initiatives are needed. However, these new institutions may not be able to develop at the rate at which it is necessary to become fully effective during the Fifth Plan. The training of managers, creating institutional linkages with client farmers, and developing coordinating mechanisms, to name a few, is a slow process that requires a considerable gestation period before becoming fully effective. The Plan seems to expect their coming on stream during 1977-81 and a great deal of faith is placed on these new untried and untested institutions to contribute to the fulfillment of the Plan. Although Tunisia has shown imagination and boldness in proposing these new institutional arrangements, their development to full effectiveness may take some time and their impact may be limited during most of the Plan.

39. Although some significant changes have been introduced in late 1976 (para 14), there is still a great need to bring the credit system closer to the sector's requirements. The main issues during the Fifth Plan will be the access to institutional short-term and investment credit, the appropriateness of the level and structure of interest rates, the gradual shift of risk from the Government to credit institutions, especially BNT, and the efficiency of the existing credit systems to meet the need of all farmers, especially the small ones.

40. Agricultural credit in Tunisia is available through the Ministry of Agriculture's Special Fund for Agricultural Development (FOSDA), the commercial banks, especially the National Bank of Tunisia (BNT), and the Mutual Credit Banks (CLCM). Short-term credit is granted to larger farmers by the BNT and other commercial banks, and to smaller farmers by the CLCMs and by several government agencies under specific programs for certain crops, mostly in kind, as part of an input package. In 1975 the banking system provided about D 8 million to 12,000 farms and the government agencies about D 4 million to 40,000 farms. Investment credit is mostly extended by special funds financed through the budget or foreign aid. The banks themselves rarely use their own funds in medium- and long-term loans to agriculture, as loans to other sectors usually are less risky and more profitable. In 1975 total investment credit amounted to D 14 million and was distributed to some 15,000 borrowers.

41. The most important source of investment credit for agriculture is FOSDA, financed by budget appropriations and channelled exclusively through BNT. Lending conditions are revised each year and generally have provided for low interest rates (up to 4.5 percent) and maturities related to the life of investment, ranging from 2 years to 25 years. All repayment risk is currently carried by the Government budget; recoveries in the past have been about 65 percent. Most FOSDA clients tend to be small farmers.

42. In 1975 only about 15 percent of all farmers had access to institutional credit. Small farmer's access probably has been even more limited mainly because of security requirements (many hold no title to their land)

and also because BNT had not developed a small farmers' lending program. However, in late 1976 the government and BNT initiated credit policy measures that should allow for increased servicing of small farmers.

43. The great number of institutions involved in agricultural credit and the diversity of financing terms under various funds allows a certain flexibility in credit terms, but has had detrimental effects both in institutional and economic terms, which were compounded by the easy lending terms and conditions (low interest rates, high grant element). In institutional terms, the control of credit is difficult because of the many institutions involved and because their roles are not always clearly defined. In economic terms, the availability to farmers in some cases of several credit sources under different lending terms has often led to a competitive situation, with a high demand only for the funds with low rates, cursory project appraisal, little supervision and low repayment pressure. The situation has been only partly corrected by administrative decisions on eligibility of farmers for specific funds. The subsidized credit policy, particularly interest rates subsidies and investment grants, constitutes a heavy burden on the budget and it discourages banks from providing funds to agriculture (especially investment loans). The low interest rate level encourages capital-intensive investments.

44. The mission expects that the recent changes in the agricultural credit system (gradually being implemented in the wake of the second agricultural credit project financed by the Bank) will contribute towards its rationalization. Nonetheless, much remains to be done in order to meet the expected demand for financing during the Fifth Plan, and to channel available funds to their most productive use through an efficient interest rate policy. It is also hoped that the government's intentions will lead to the desired restructuring of the institutional framework.

#### IV. Some Policy Problems

45. Prices. Declining real agricultural prices, rising input prices and increasing distortions between domestic and world prices are causes for concern. Although the agricultural plan is clearly directed at production increases, current Tunisian price policy seems to reflect a greater concern with stabilizing the cost of living rather than with promoting increased production through decontrolling prices. The case for an optimal price policy in regards to production objectives is not vigorously argued in Tunisia and yet there is a pressing need that more attention should be given to the role of prices and the development of a positive price policy, one which is geared to plan performance. A continued drifting of internal prices away from equilibrium world prices is also undesirable.

46. The alternative to private investment funding of agricultural growth is to increase public financing. This seems undesirable, however. The institutional constraints alluded to previously effectively rule out this alternative.

Annual credit is already being increased fivefold. The capacity of the public sector is being strained at currently proposed funding levels.

47. More liberal use of price policy is one of the few policy instruments that can be used in the short- to medium-term although careful prior analysis is needed. There is some evidence which suggests that the problems of the irrigated sector may largely be related to prices. Under the existing price system, returns to investment, labor and land are low and do not adequately encourage farmers to use water resources efficiently. There is also a widespread belief in Tunisia that marketing margins are excessive and that farm prices could be increased without affecting consumer prices if marketing efficiency were improved. Even if this was true, the solutions in relation to the institutional capacity to creating alternative, more efficient marketing systems are not apparent.

48. Raising agricultural prices alone will not automatically ensure Plan success as it is by no means obvious that the price elasticity of supply is very high. The availability of yield increasing technology and the means of achieving increased productivity through better seeds, fertilizer, feed are equally important. Nevertheless, if farmers are to be encouraged to use and pay for increased levels of inputs, then prices and profits have a major bearing on the farmers' willingness to undertake these activities as well as on their ability to finance them.

49. Taxes. The long-term alternative instrument to price policy is agricultural tax policy. Currently taxes are primarily levied on export commodities such as wine and olive oil. In 1976 direct taxes from agriculture were only 4.5 percent of all direct taxes, from a sector which accounted for 20 percent of GDP. First, it appears that since direct taxes in agriculture are slight, agricultural taxes could be increased. However, the situation is obviously more complex than that and there seems to be a need for a study of the real tax burden on agriculture. Second, there is a need for an effective tax policy, whose aim was not simply to raise revenues but, more importantly, also to guide investment and production decisions of farmers and provide a basis for a positive output and incomes policy. This would require the completion of land surveys and issuance of titles. Progress in this area has been slow particularly in dryland agriculture although some significant progress has been more in titling holdings in irrigated areas (para 13). In addition, taxation policy could be of major importance in dealing with such issues as recovery of public investment costs, pricing policy and income distribution (through a progressive land tax), resource allocation and ownership and use of land (absentee landlordism versus new entrants into farming). Although some such measures already exist, e.g. a betterment tax in irrigated areas, their enforcement is not always adequate and it maybe politically difficult to implement new and existing tax measures.

50. The establishment of an effective tax instrument is a long-term effort. It increases the urgency of pressing ahead with the completion of land registration. A start has already been made in the public irrigation perimeters. The Ministry of Agriculture, without firm control of price policy and without the ability to use tax instruments, has little power in controlling the production and investment decisions of the private sector. It is hardly surprising that it should frequently find administrative controls more appealing and advocates public sector intervention in direct production under these conditions.

51. Income distribution. As shown in Table 8 the distribution of farm size in Tunisia is quite unequal, although farm size as such gives not automatically an indication of income distribution, because of the nonhomogeneous nature of the various farms. However, the impact of new seed-fertilizer technology has been greatest on larger farms which are mechanized. The spread of technology and providing extension, credit, and inputs to make this possible is increasingly difficult as more and more, smaller and smaller farms have to be reached. Eighty percent of all Tunisian farms have a gross revenue of less than 500 dinars; 36 percent have a gross revenue of less than 100 dinars which is hardly equivalent to 1 hectare of wheat. A comparison of the 1975 consumption survey with the results of the 1966 survey has shown a decline in persons below the absolute poverty 1/ level from 30 percent in 1966 to 18 percent in 1975. However, the distribution of incomes showed no improvement and the gap between urban and rural spending actually increased. Rural spending which was D 59 per person less than urban spending in 1966, was D 87 lower in 1975 (in constant 1975 prices). Although average per capita expenditures (in constant 1975 prices) increased from D 93.5 to D 146.8 dinars, 50 percent of the total population and 64 percent of the rural population still has a per capita expenditure of less than 100 dinars.

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1/ As defined in main report page 15.

Table 8: DISTRIBUTION OF LAND AND FARMERS BY SIZE OF FARM

Size of Farm (ha)	Proportion of Total Area (in percent)	Proportion of Farmers (in percent)
0 - 0.9	0.3	8.7
1 - 1.9	0.8	9.1
2 - 4.9	4.5	23.1
5 - 9.9	10.8	23.3
10 - 19.9	16.0	19.8
20 - 49.9	21.0	11.4
50 - 99.9	12.0	2.7
100 - 199.9	9.0	1.2
200 - 499.9	9.1	0.3
500 or more	<u>16.5</u>	<u>0.4</u>
	<u>100.0</u>	<u>100.0</u>
Total	5,437,620 ha	326,000 farmers

Source: Ministry of Agriculture, Enquete Agricole de Base 1976, October 1976.

52. Questions may be raised about the income distribution impact of the Fifth Plan. First, the expansion of production, particularly of livestock, is to come largely from modern, intensive enterprises (broilers, feedlots, large dairies) which are out of reach of the small farmers who own 50 percent of the livestock. Second, if the new service institutions do not develop as planned, this will most seriously affect the small farmers. Large farmers are currently quite well serviced by the National Bank of Tunisia (BNT), the Office of Cereals (for feed) and other institutions. Third, the emphasis of the plan on production probably tends to encourage the solution of modern, capital intensive production of the state farms and large private farms, especially if plan performance should show some slippages. Finally, the impact of price subsidies on inputs and of price policy in the absence of offsetting tax policy is bound to further distort income distribution and agricultural employment. This would occur because of the unequal distribution of farm size and greater productivity and market orientation of large farmers. These same farmers have the capacity to capture much of the benefits of such policies. In dryland farming increased income concentration could lead to further pressure on land acquisition and mechanization.

53. The draft Plan does not analyze the impact of production increases on regional or farm income distribution. It is, perhaps, gratuitous to criticize the Plan for being overly preoccupied with production, given the substantial

problems that exist in this regard. However, in view of the Government's expressed interest in more equitable distribution of the fruits of economic growth, some thought should be given to these problems. The Ministry of Agriculture has the capacity to analyze them.

54. Export Marketing. Tunisian exports of olive oil, wine, fresh and processed fruits and vegetables are facing increasing problems of competition in traditional foreign markets. This increases the need for developing more modern, vigorous marketing structures vertically integrated with production. This is a tough, sophisticated business and Tunisia needs modern management and marketing skills. The problems of foreign markets and marketing need further attention.

55. Research. The funding of research in the Fifth Plan appears to be declining (para 23) and at the same time there is a call for decentralization of research into new specialized institutes. Agricultural research in Tunisia is underfunded and understaffed. The risk in creating these new institutes is to spread scarce resources even thinner. The future of Tunisian agriculture critically depends on yield increasing technology. It needs a strong and vigorous research capacity that moreover can follow an adequate interdisciplinary approach and that guarantees an appropriate tie in with farmer problems.

56. Policy Coordination. Apart from individual policy questions which are of concern for plan success as well as for long term development of the agricultural sector, there are a number of other improvements which could be made in the Fifth Plan. These include consistency with respect to the interpretation of the Plan and proposed actions on land use, incomes, supply/demand balances, input requirements, credit needs, regional distribution of output and incomes, the profitability of projects and relationship to annual budgets. The Ministry of Agriculture has the human resources and tools to do this which would help in better decision making in regard to the execution, control and updating of the plan. It remains to be seen which of these problem areas will be treated in the final Plan Document before firm conclusions can be made.

## V. Outlook

57. The Fifth Plan is indeed ambitious in that substantial increases in output are called for. A number of reservations that could make Plan fulfillment difficult have been discussed above. The purpose of this section is to make a judgment as to the probable outcome of the Plan and to examine what effects possible shortfalls may have on the balance of payments. A brief review of the physical targets by commodity as shown in Appendix 1, Table 16 is made of each subsector.

58. Cereals. Tunisia expects to maintain a vigorous growth of cereals production by increasing yields and actually with a slight decline in area planted. The yield increase to be obtained by increased use of new varieties increased fertilizer use, increased emphasis on weed control and storage are targeted as follows:

	<u>Yields</u>	
	(tons per hectare)	
	<u>Actual 1975</u>	<u>Target 1981</u>
Hard wheat	0.87	1.14
Soft wheat	1.34	1.20
Barley	0.70	0.75

The principal yield increases are to be obtained in hard wheat. This in turn will permit exports of hard wheat to cover imported soft wheats at a commercial gain due to higher prices of hard wheat. As noted above the area under the HYV's and the use of fertilizer and modern equipment still is limited and confined to the larger farms. Extension of the use of new technology means reaching proportionately larger numbers of small farmers who may well suffer from relative resource disadvantages like poorer soils, smaller field size and thus increasing costs. It is unlikely that weather will be as favorable during the Fifth Plan as it was during the Fourth Plan. Cereals production during the Fourth Plan was more or less stable. The Plan target growth rate of 5.3 percent seems to be fairly optimistic.

59. Tree Crops. The targeted growth of the tree crop sector, including olives, generally seems reasonable. These are consistent with achievements of the past plan with additions to trees of bearing age coming into production (olives, dates, almonds, citrus, etc.), and of production capacity. Trees that will be in production by 1981 are already planted.

60. Vegetable Crops. The Plan calls for a 6.5 percent growth of production or 7.9 percent if melons were excluded. Growth during the Fourth Plan was 5.4 percent. While there will be a 2.7 percent annual rate of increase in area from 1976 to 1981, the majority of the increase is to come from increased yields. Given the existing levels and structure of prices, market and service institutions and the backlog of other unresolved problems in the sector, this growth of productivity seems rather optimistic. The private sector is being called upon to make 91 percent of the productive investments for the subsector, if overhead investment in water development is excluded.

61. Other Crops. These principally industrial crops are to grow at 12.1 percent, mainly because of a fivefold increase in sugar production which would be sufficient to cover 27 percent of projected consumption. This subsector only accounted for 4.6 percent of output in 1976 and has little effect on overall plan performance.

62. Livestock. The Plan looks for a 7.1 percent annual growth of livestock production compared with 6.7 percent during the Fourth Plan. The rapid growth of the early years of the Fourth Plan was partly due to favorable weather and hence grazing and forage supplies, and the reconstitution of the national herds. During the Fifth Plan increases in production are to come from intensification of production, improved management, feeding, health care and breeding. The principal commodities in which production increases are expected are as follows:

	<u>1976</u>	<u>1981</u>
	-----tons-----	
Beef	55,900	76,300
Poultry	29,300	52,300
Milk	247,800	363,856
Eggs (in million)	376	671

Although total value of livestock production is to increase by 38 percent during the Fifth Plan these commodities will increase by 81 percent or at an average annual rate of increase of 16 percent. The Ministry of Agriculture so far has identified 62 separate livestock projects for the Fifth Plan.

63. The poultry and egg production increases are to come entirely from new modern broiler and layer operations. These activities will lead to some very large increases in animal feed, i.e. 19.5 percent per annum, much of which will have to be imported. Imports of maize and soybean meal are projected by the Ministry of Agriculture to increase from 50,000 tons to 190,000. Although many other Mediterranean countries have developed their livestock by similar strategies of imported feedgrains (Spain, Italy, Greece), this does add to the commodity import bill, although less than if final products were imported. However, it is noted that the Bank forecasts that by 1985 world prices of maize and soybeans will increase fivefold which would increase the cost of dependency on imported feed. Some other inputs that are also to be more than doubled are artificial insemination and the number of pure bred cattle.

64. Yet, to achieve this phenomenal growth, the livestock sector is to receive only D 60 million or 12 percent of total investment in agriculture. The OTD is to be given responsibility for 42 percent of these investments. The intensification of production calls into question, as for cereals, the capacity to finance (annual and investment credit) this expansion as well as the physical capacity for managing the growth in inputs and outputs.

65. On the basis of these considerations, some estimates are made as to alternative outcomes of the Plan as a means of arriving at some appreciation of the importance of Plan fulfillment in agriculture to overall Plan success. The mission estimates that real growth in agriculture 1977-81 may be some 4.0 percent (Table 9).

Table 9: MISSION ESTIMATE OF AGRICULTURAL GROWTH IN FIFTH PLAN  
(in percent)

	Target Trend Growth <u>/1</u>	Mission Estimates
Cereals	5.3	2.0
Tree Crops	5.3	5.3
Vegetable Crops	7.9	4.0
Livestock	7.1	4.0
Other	12.1	6.0
Total	6.7	4.0

/1 Source: Appendix 1, Table 2.

66. If only this rate of 4.0 percent were achieved, output (in constant 1972 prices) in 1981 would be D 345 million or D 22 million short of the Plan's target. To this should be added additional imports of feed which seem to have been excluded from Ministry of Planning's import projections, i.e. 60,000 tons soybeans and 130,000 tons maize, which given the Bank's price forecasts, would add some D 14 million to the import bill. This would imply a total sectoral resource gap in 1981 of 36 million in constant 1972 prices.

Estimation of Trend Growth of Agricultural Output

1. In order to estimate the growth of agricultural output a production series 1969-1981 in constant 1972 prices has been constructed. The purpose of this series is to provide a basis for estimation of the underlying trends. The period prior to 1969 is of less interest due to the structural changes in Tunisian agriculture, and unusually bad weather.

2. There are a number of different time series in use in Tunisia which give somewhat conflicting data (1966 base year, 1972 base year). The series used here is based on physical production data in Appendix 2, Table 1 valued at constant 1972 prices. The data are presented in Table 1.

3. These data show that agricultural production increased from D 146.4 million in 1969 to D 283.4 million in 1976, i.e. at a very large average annual rate of growth of 9.9 percent. If the data are adjusted for fluctuations due to olive production 1/ the growth rate is reduced, but is still an impressive 7.8 percent. The adjusted total output of agriculture has been relatively stagnant during 1974-76, i.e. most of the Fourth Plan.

4. Part of the overall growth of output has been due to recovery from the pre-1969 period and very favorable weather since 1972. Agricultural production in 1969 was below that of 1963.

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1/ The adjustment was made by assuming the average annual production during 1969-76 to have occurred each year.

Table 1: AGRICULTURAL PRODUCTION BY SUBSECTOR, 1969-81  
(in million of dinars, constant 1972 prices)

	Cereals	Tree Crops	Vege- table Crops	Live- stock <u>/1</u>	Other	Total	Adjusted Total <u>/2</u>
1969	16.7	33.4	24.9	64.4	7.0	146.4	157.6
1970	24.7	31.9	27.2	62.2	7.0	153.0	171.3
1971	37.8	46.9	30.2	58.7	9.1	182.7	185.7
1972	51.9	72.1	31.7	80.2	9.1	245.0	226.9
1973	49.4	47.9	33.4	87.3	9.2	227.2	233.7
1974	53.8	65.1	36.9	94.8	10.7	266.6	260.2
1975	54.7	56.3	36.9	99.4	11.4	258.7	260.9
1976	48.8/ <u>3</u>	77.0	39.4	106.0	12.2	283.4	266.7
1977/ <u>4</u>	53.0	62.7	40.2	117.1	12.3	185.3	301.7
1978/ <u>4</u>	51.9	71.6	44.6	124.5	15.5	308.1	301.7
1979/ <u>4</u>	56.2	67.1	47.4	131.5	17.3	319.5	320.2
1980/ <u>4</u>	60.4	80.3	49.8	143.6	19.2	353.3	342.2
1981/ <u>4</u>	66.8	75.3	54.1	149.1	21.6	366.9	369.7

/1 74 percent of 1969-75 estimate from actual data; the "other" animal products for those years estimated as a constant proportion except for 1972 which is complete.

/2 After smoothing of olive oil production; average production 514,000 tons, 1969-76.

/3 Includes adjustments to production made in December 1976.

/4 Ministry of Plan, December 1976, for 1976-81.

Source: Appendix 2, Table 1, multiplied by prices supplied by Ministry of Plan, December 1976, and various mission estimates.

5. The attempt has been made to estimate from the data the underlying growth during the Fourth Plan. The mission estimates that annual average growth rate for the sector was 5.5 percent. This was obtained in the following manner from the following estimates of subsector growth rates:

Cereals - The trend of 4.8 percent during 1969-76 was used in order to avoid the statistical trap of comparing 1976, a relatively poor year with 1972, a record year.

Tree Crops - The actual data 1972-76 were used adjusted for olive production at constant 514,000 tons (average 1969-76) resulting in an average annual growth of 4.4 percent for this subsector.

- Vegetable Crops - The actual data 1972 to 1976, excluding melons and watermelons which have been produced in prodigious amounts on dryland farms due to exceptional rainfall, i.e. this is an estimate of irrigated vegetable crop production which is estimated to have grown by 5.4 percent.
- Livestock - Since livestock production soared in 1972 and 1973 as a result of rebuilding of the national herds and hence understatement of production in previous years, it was felt better to use the actual growth rate 1973 to 1976, namely 6.7 percent.
- Other - These, primarily industrial crops, were estimated from the actual 1972-76 data and the growth rate was 7.6 percent.

The overall growth rate was then obtained by weighting the subsector growth rates by their share in total output in 1972.

Table 2: COMPARISON OF TUNISIAN AND MISSION ESTIMATES  
OF SUBSECTOR GROWTH RATES

	<u>Fourth Plan Actual</u>		<u>Fifth Plan Projected</u>	
	Tunisian Estimate	Mission Estimate	Tunisian Target	Mission Estimate
Cereals	-1.6	4.8	5.6	5.3
Tree crops	-6.3	4.4	-2.5	5.3
Vegetable crops	5.8	5.4	6.1	7.9
Livestock	7.5	6.7	7.7	7.1
Other	n.a.	7.6	n.a.	12.1
Total	2.0	5.5	4.8	6.7

Source: Republique Tunisienne, Ve Plan de developpement economique et social, 1977-81 and mission estimates.

6. It is noted that these trend growth rates are very different from those contained in the Tunisian plan documents (Table 2). The Tunisian use of 1972 (a record year) as a base year for the Fourth Plan leads to these somewhat misleading negative growth rates for cereals and tree crops. The substantial, albeit not record, olive crop of 1976 has the same effect for the Fifth Plan targets. However, both sets of rates are based on identical production data. It is the interpretation of these data which is important and the mission estimates are presented as giving a clearer picture of the underlying trends in agricultural production. It is emphasized that these estimates of output have neither eliminated the effects of reconstruction nor have they isolated the favorable effects of weather during the 1972-76, except for olives and the irrigated vegetable sector which is less vulnerable to changes in rainfall.

7. As far as the Fifth Plan is concerned, the unadjusted figures for 1977-81 give a growth rate of 5.5 percent. However, on the basis of adjusted (normalized) olive production, the rate of growth for the sector is 6.7 percent as 1976 was a favorable year for olives and 1981 is projected to be below average. Apart from olives only for cereals can it be claimed that 1976 is a poor base year. A better choice might be average production 1972-76 for cereals. Making similar adjustments as for the Fourth Plan period, a weighted average growth rate of 6.7 percent is still obtained. The growth rates in percent for the subsector are thus:

Cereals actual 1975 to 1981	6.5
Average 1973-1976 to 1981	5.3*
Tree crops actual 1977 to 1981	-0.4
Adjusted 1977 to 1981	5.3*
Vegetable crops actual 1977 to 1981	6.5
Excluding melons 1977 to 1981	7.9*
Livestock actual 1977 to 1981	7.1*
Other actual 1977 to 1981	<u>12.1*</u>
Weighted average (* rates)	6.7

8. Thus it can be concluded that the targeted growth trend for the Fifth Plan is some 6.7 percent which compares to an "actual" trend rate of 5.5 percent in the Fourth Plan.

Table/Tableau 1

VOLUME OF AGRICULTURAL PRODUCTION, 1969-1977 (in thousand tons)  
PRODUCTION AGRICOLE EN VOLUME, 1969-1977 (en milliers de tonnes)

	Actuals Réalizations						Esti. Esti.	Proj. Prév.		
	1969	1970	1971	1972	1973	1974	1975	1976		1977
Hard Wheat	220	300	460	707	655	655	803	700	770	Blé dur
Soft Wheat	80	142	260	258	235	202	200	180	180	Blé tendre
Barley	96	150	160	245	282	228	272	270	300	Orge
Artichokes	10	7	11	14	10	15	17	13	14	Artichauts
Tomatoes	153	165	167	173	227	238	256	250	270	Tomates
Potatoes	61	68	90	99	71	100	110	105	100	Pommes de terre
Peppers	85	91	86	84	92	103	85	100	120	Piments
Melons	75	107	138	162	171	200	195	250	210	Melons et pastèques
Other vegetables	215	214	248	256	252	258	267	267	279	Autres légumes
Citrus	108	101	77	120	75	107	131	163	150	Agrumes
Olives	275	125	450	900	375	650	468	870	500	Olives
Dates	18	46	39	42	52	52	43	50	55	Dattes
Wine grapes	87	73	125	142	133	155	140	114	134	Raisin de cuve
Table grapes	23	17	20	20	24	25	29	25	30	Raisin de table
Apricots	16	19	20	22	19	22	23	29	30	Abricots
Almonds	6	11	13	15	20	23	25	24	30	Amandes
Other fruits	56	57	65	66	73	78	72	80	83	Autres fruits
Esparto grass	74	79	76	75	75	75	75	60	65	Alfa
Tobacco	3	3	2	2	2	2	3	4	4	Tabac brut
Cork	6	9	8	12	8	16	15	11	10	Liège
Sugar beet	32	36	24	35	44	45	47	83	90	Betteraves à sucre
Legumes and pulses	30	26	57	56	56	71	86	91		Légumineuses
Animal products:										Produits d'origine animale
Cattle	33	31	28	40	45	49	52	55	64	Bovins
Sheep	44	42	37	56	56	59	62	65	67	Ovins
Goats	7	7	8	6	7	7	9	10	13	Chèvres
Poultry	11	12	14	17	21	25	24	27	30	Volailles
Fishing	36	23	31	33	37	43	46	50	58	Pêche

Source: Ministère du Plan

Imports of Principal Agricultural Products, 1972-1976 (in thousand of tons)  
Importations des Produits Agricoles Principales, 1972-1976  
(en milliers de tonnes)

Commodity	1972	1973	1974	1975	1976 <sup>1/</sup>	
<u>Agricultural Products</u>						<u>Produits agricoles</u>
Hard wheat	114	--	--	--	--	Blé dur
Soft wheat	182	216	235	249	200	Blé tendre
Animals	6	7	11	13	12	Animaux
Maize	29	31	37	41	40	Maize
Tropical products <sup>2/</sup>	15	16	14	15	16	Prod. tropicales
<u>Processed Products</u>						<u>Produits aliment.</u>
Wheat flour	15	13	15	15	15	Farine
Soybean oil and other veg. oils	57	45	73	73	--	Huiles végétales
Sugar	126	95	154	127	130	Sucre
Milk	10	11	13	11	14	Lait
Butter	2	3	2	4	5	Beurre
Meat	--	--	--	2	3	Viandes
<u>Inputs</u>						<u>Entrants</u>
Fertilizer	38	64	88	96	90	Engrais

Source: Ministère du Plan

<sup>1/</sup> Estimate / Estimation<sup>2/</sup> Coffee, tea, bananas, each of commodities are about 5,000 tons. /  
Café, thé, bananes; chacune de ces marchandises est de 5.000 tonnes environ.

Table / Tableau 3

Exports of Principal Agricultural Commodities, 1972-1976 (in tons)  
Exportations des Biens agricoles principaux, 1972-1976 (en tonnes)

Commodity	1972	1973	1974	1975	1976 <sup>1/</sup>	
<u>Agricultural Products</u>						<u>Produits Agricoles</u>
Animals	949	1,213	1,568	2,252	2,600	Animaux
Fish and shellfish	2,900	2,996	2,883	3,657	4,000	Poisson & crustacés
Vegetables	13,302	12,373	6,244	15,000	15,800	Légumes
Dates	7,048	6,857	3,999	5,127	5,500	Dattes
Citrus	30,611	25,080	31,707	23,395	30,000	Agrumes
Almonds	1,692	3,480	2,669	2,565	3,000	Amandes
<u>Processed Products</u>						<u>Produits Alimentaires</u>
Olive Oil	130,956	51,763	92,961	42,245	70,000	Huile d'Olive
Canned vegetables	7,894	10,298	8,992	5,623	11,000	Conserves de lég.
Canned fruits	7,132	7,770	8,246	6,299	n.a.	Conserves de fruits
Wine	59,029	143,287	91,543	89,096	80,000	Vin
Sugar	19,000	15,020	13,307	22,129	20,000	Sucre

Source: Ministère du Plan

<sup>1/</sup> Estimate / Estimations

Table/Tableau 4

Exports and Imports of Agricultural Goods, 1972-1976 (in million of dinars, current prices)  
Exportation and Importation des biens agricoles, 1972-1976 (en millions de dinars, prix courants)

	1972	1973	1974	1975	1976 <sup>1/</sup>	
<b>Exports</b>						<b>Exportations</b>
Agriculture and fisheries	11.8	14.4	12.6	15.1	16.4	Agriculture et pêche
Agricultural industries	<u>58.2</u>	<u>44.7</u>	<u>88.0</u>	<u>53.3</u>	<u>55.1</u>	Industries alimentaires
Total	70.0	59.1	100.6	68.4	71.5	Total
Total Exports (FOB)	160.5	178.8	397.7	345.6	346.0	Total des exportations (FOB)
Agricultural exports in percent of total commodity exports	43.6	33.0	25.0	20.0	21.0	Exportations agricoles en pourcentage des exportations totales
<b>Imports</b>						<b>Importations</b>
Agriculture	21.1	29.1	41.6	41.0	38.0	Agriculture
Agricultural industries	26.0	27.4	54.7	61.9	38.4	Industries alimentaires
Fertilizer	<u>1.0</u>	<u>2.5</u>	<u>7.8</u>	<u>7.2</u>	<u>6.8</u>	Engrais
Total	48.1	59.0	104.1	110.1	83.2	Total
Total Imports (CIF)	234.9	286.0	488.7	572.8	610.0	Total des importations (CAF)
Agricultural imports in percent of total commodity imports	20.0	21.0	21.0	19.0	14.0	Importations agricoles en pourcentage des importations totales

Source : Ministère du Plan

<sup>1/</sup> Estimate/Estimation

Table / Tableau 5

Investment in Agriculture, 1973-1976 (in millions of dinars, in constant 1972 prices)  
Investissements en Agriculture, 1973-1976 (en millions de dinars, en prix constant de 1972)

Sector	Planned	Probable Achievements	
Water development	47.3	32.3	Hydraulique
Livestock	32.1	15.8	Elevage
Fisheries	19.0	12.7	Pêche
Tree crops	21.3	18.2	Arboriculture
Machinery	23.3	40.6	Matériel agricole
Forestry and soil conservation	16.3	10.0	Forêts et CES
Research and extension	9.7	5.3	Etude & vulgaris.
Other	<u>8.9</u>	<u>3.5</u>	Divers
Total	177.9	138.4	Total

Source: Ministère du Plan

Table / Tableau 6

Area under High Yielding Varieties of Wheat 1968076 (in hectares)  
Superficie sous variétés de blé à haut rendement ( en hectare)

	Soft Wheat Blé tendre	Durum Wheat Blé dur
1968	800	--
1969	11,700	--
1970	53,500	--
1971	100,000	--
1972	56,50	3,500
1973	70,000	55,000
1974	55,000	100,000
1975	52,540	162,000
1976 <sup>1/</sup>	36,300	189,400

Source: Ministère de l'Agriculture, Les Céréales en Tunisie: Tendances Perspectives et Programmes de Développement, Avril 1975

<sup>1/</sup> Estimate for 1976, may not be comparable with previous years/  
Estimation pour 1976, n'est probablement pas comparable avec les années précédentes.

Table/Tableau 7

Cereals Area and Production  
Superficie céréalière et Production

	<u>Area/Superficie</u>			<u>Production/Production</u>		
	Hard Wheat/ Blé dur	Soft Wheat/ Blé tendre	Barley/ Orge	Hard Wheat/ Blé dur	Soft Wheat/ Blé tendre	Barley/ Orge
	Thousand Ha./ milliers d'hect.			Thousand tons milliers de tonnes		
1962-64	861	138	507	400	92	165
1965-68	747	153	415	317	66	111
1969-71	683	227	337	306	140	129
1971/72	940	260	385	707	258	245
1972/73	980	230	410	655	235	282
1973/74	991	195	384	655	202	228
1974/75	917	149	387	803	200	272
1975/76	995	219	498	700	180	300
Target 1981	790	220	570	900	265	435

Source : Ministère de l'Agriculture Les Céréales en Tunisie : Tendances, Perspectives et Programmes de Développement (Avril 1975) et Ministère du Plan.

Table/Tableau 8

Proportion of Land Area, Cattle, Sheep, Nitrogen and Tractor Users by Farm Size, 1976/  
Superficie utilisée par tête de bovins et d'ovins, nitrogène et utilisateurs de tracteur,  
par taille d'exploitation, 1976

(in percent of total/en pourcentage du total)

Size of Farm/ Taille des exploitations ha/hectare	Land Area/ Superficie totale	No. of Cattle/ Tête de bovins	No. of Sheep/ Tête d'ovins	Users of Nitrogen on Cereals/ Utilisateurs de Nitrogène sur céréales <u>1/</u>	Users of Tractors for Cereals/ Utilisateurs de tracteur pour céréales
0 - 0.9	0.3	42.9	41.9	0.5	0.9
1 - 1.9	0.8	3.1	1.5	0.7	3.0
2 - 4.9	4.5	8.7	4.7	3.2	14.5
5 - 9.9	10.8	15.8	8.8	8.5	24.4
10 - 19.9	16.0	10.6	12.3	7.7	28.2
20 - 49.9	21.1	9.0	13.6	19.5	19.9
50 - 99.9	12.0	4.5	6.4	9.9	5.5
100 - 199.9	9.0	1.3	6.0	11.7	2.1
200 - 499.9	9.1	1.1	1.3	22.3	1.0
500 or more	<u>16.4</u>	<u>3.5</u>	<u>3.5</u>	<u>16.0</u>	<u>0.5</u>
Total	100.0	100.0	100.0	100.0	100.0

Source : Ministère de l'Agriculture, Enquête Agricole de Base 1976, Octobre 1976

1/ Ammonium nitrate, 33 percent/33 pour cent

Table / Tableau 9

Share of Total Expenditure on Food by Commodity, All Locations (in percent of total)  
Composition des dépenses alimentaires pour l'ensemble de la population (en pourcentage)

Commodity	1975 Survey	1981 Projection	
Cereals	20.4	17.6	Céréales
Pulses	2.4	2.3	Légumineuses
Vegetables	13.4	12.7	Légumes
Fruits	7.4	7.9	Fruits
Meat	19.1	20.6	Viande
Fish	2.3	2.5	Poisson
Milk and Milk Products	5.9	6.2	Laits et Produits
Eggs	1.9	2.2	Oeufs
Sugar and Sugar Products	4.1	3.8	Sucre et Produits
Oil	7.5	7.6	Huile
Butter and fats	0.9	1.0	Beurre et matière grasse
Salt and Spices	0.8	0.8	Sel et épices
Drinks	8.8	8.9	Boissons
Meals Out of Home	5.1	5.9	Repas hors maison
Total	<u>100.0</u>	<u>100.0</u>	Total
Value (Dinars)	73.1	108.2	Value (en dinars)

Source: Ministère du Plan, Projection de la consommation des ménages à l'Horizon 1981 et 1986, Partie 1: Projection de la Consommation Alimentaire, Octobre 1976.

Table / Tableau 10

Projected Rates of Growth of Total and Food Expenditure, by Location, 1977-81 (in percent)  
 Taux de croissances projetés pour les dépenses de consommation totale et des  
 dépenses alimentaires suivant le type de populations, 1977-1981 ( en pourcent)

	Rural	Urban	Large Cities	Total	
Total Expenditure	5.6	7.9	7.3	6.6	Dépense totale
Food Expenditure <sup>1/</sup>	4.87	7.02	6.4	5.9	Dépenses Alimentaires
Total Expenditure Per Person	4.3	4.3	4.3	4.3	Dépenses totales par personne
Food Expenditure Per Person	3.37	3.27	3.27	3.46	Dépenses Alimentaires par personne
Population	1.3	3.6	3.0	2.3	Population

Source: Ministère du Plan, Projection de la consommation des ménages de l'Horizon 1981 et 1986, Partie 1: Projection de la Consommation Alimentaire, Octobre 1976.

<sup>1/</sup> Because of certain statistical adjustments this rate of growth does not correspond to the sum of population growth and the growth of per capita expenditure.  
 Certains ajustements font que le taux de croissance ne conforme pas à la somme des taux de croissance de la population et du taux de croissance des dépenses par tête.

Table / Tableau 11

Elasticities of Expenditure for Food by Location in 1975  
Elasticités des dépenses Alimentaires par Population en 1975

Commodity	Rural	Urban	Large Cities	
Cereals	0.27	0.20	0.18	Céréales
Pulses	0.94	0.60	0.38	Légumineuses
Vegetables	0.71	0.55	0.49	Légumes
Fruits	1.06	1.10	1.16	Fruits
Meat	1.18	1.12	0.83	Viande
Fish	1.63	1.17	0.68	Poisson
Milk	1.30	1.04	0.74	Lait
Eggs	1.40	1.48	1.13	Oeufs
Sugar	0.34	0.46	0.51	Sucre
Oils	0.88	0.85	0.82	Huile
Butter and fats	1.99	1.28	1.28	Beurre et matière grasse
Salt and spices	0.68	0.57	0.57	Sel et épices
Drinks	0.68	0.69	0.93	Boissons
Meals out of home	0.78	1.62	1.49	Repas hors maison

Source: Ministère du Plan, Projection de la consommation des ménages à l'Horizon 1981 et 1986, Partie 1: Projection de la Consommation Alimentaire, Octobre 1976.

Table/Tableau 12

Principal Grains Used for Feed and Feed Concentrate, 1976 and 1981  
Principales Graines utilisées pour l'alimentation et ses composants, 1976 et 1981

(in thousand of tons/en milliers de tonnes)

	<u>Local Production/ Production locale</u>		<u>Imports/ Importations</u>		<u>Total/ Total</u>		
	1976	1981	1976	1981	1976	1981	
<u>Principal Grains Used for Food:</u>							<u>Principales graines pour l'alimentation</u>
Barley	150	350	-	-	150	350	Orge
Maize	2	30	35	130	37	160	Maïs
Soybean Meal	2	12	15	60	17	72	Tourteau de soja
Other /1	<u>201</u>	<u>370</u>	<u>-</u>	<u>-</u>	<u>201</u>	<u>370</u>	Divers <u>1/</u>
Total	355	762	50	190	405	952	Total
<u>Feed Concentrate</u>							<u>Composants de l'alimentation</u>
Poultry	100	245	-	-	100	245	Volaille
Other	<u>45</u>	<u>130</u>	<u>-</u>	<u>-</u>	<u>45</u>	<u>130</u>	Divers
Total	145	375			145	375	Total

Source : Ministère de l'Agriculture, Préparation du Ve Plan : Rapport Pré-définitif,  
Juin 1976.

/1 Oats, millings, sugar beets, pulp, etc./ avoine, moutures, betterave à sucre, pulpe, etc.

Table/Tableau 13

ANNEX I  
Appendix 2  
Page 13Producer Prices for Major Agricultural Commodities, 1972-1977 (in dinars per ton)  
Prix de production des produits agricoles principaux, 1972-1977 (en dinars par tonne)

	1972	1973	1974	1975	1976	Proj./Prév. 1977	
<u>Cereals</u>							<u>Céréales</u>
Hard Wheat	48	48	58	63	63	63	Blé dur
Soft Wheat	43	43	53	58	58	58	Blé tendre
Barley	28	28	38	43	43	43	Orge
<u>Tree Crops</u>							<u>Arboriculture</u>
Olives	47	51	97	90	60	60	Olives
Citrus	53	62	50	62	64	64	Agrumes
Wine grapes	41	44	46	52	52	52	Raisin de cuve
Table grapes	67	93	68	68	68	68	Raisin de table
Almonds	284	223	223	200	200	200	Amandes
Apricots	55	78	70	70	70	70	Abricots
Dates	112	104	118	118	130	130	Dattes
Other Fruits	92	110	122	122	130	140	Autres fruits
<u>Vegetable Crops</u>							<u>Cultures marafchères</u>
Potatoes	37	71	66	66	68	70	Pommes de terre
Tomatoes	30	22	26	30	30	30	Tomates
Artichokes	53	62	60	62	62	62	Artichauts
Peppers	72	83	87	105	105	105	Piments
Melons	38	47	50	54	35	54	Melons et pastèques
Other vegetables	40	63	58	70	70	70	Autres légumes
<u>Livestock</u>							<u>Elevage</u>
Cattle	479	475	483	500	519	519	Bovins
Sheep	532	516	563	575	595	595	Ovins
Goats	452	458	435	500	545	545	Caprins
Chickens	483	488	509	509	500	500	Volaille
Hogs	338	344	319	-	-	-	Porcs
Horses	107	109	109	-	-	-	Chevaux
Camels	283	286	316	-	-	-	Chameaux
Eggs (in million)	25	29	31	31	31	31	Oeufs (en millions)
Milk	55	61	61	61	87	87	Lait
Wool	540	550	600	600	600	600	Laine
<u>Others</u>							<u>Divers</u>
Beans	75	75	75	76	76	76	Fèves et féveroles
Peas and chick peas	84	84	140	150	150	150	Pois et pois chich.
Sugarbeets	9,5	9,5	12	13	13	13	Betterave à sucre
Tobacco	218	218	373	361	370	370	Tabac
Cork	33	33	33	33	33	33	Liège
Alfa	6	6	6	8	8	8	Alfa
Other cereals	35	35	35	35	35	35	Autres céréales
Other pulses	75	75	75	75	75	75	Autres légumineuses
Linseed	88	88	88	88	88	88	Graine de lin
Wood (m3)	3	3	3	3	3	3	Bois (m3)

Source : Ministère du Plan

Table/Tableau 14

Prices of Selected Agricultural Inputs, 1968-1976 (in dinars)  
Prix des principaux intrants agricoles, 1968-1976 (en dinars)

	1968	1972	1973	1974	1975	1976	
<u>Seeds</u>							<u>Semences</u>
Hard Wheat, standard	5.7	5.7	5.7	5.7	7.1	7.2	Blé dur ordinaire (qx)
Hard Wheat, premium	-	-	-	8.4	9.0	9.1	Blé dur sélectionné (qx)
Soft Wheat, standard	5.1	5.1	5.1	5.1	6.3	6.4	Blé tendre ordinaire (qx)
Soft Wheat, premium	-	-	-	7.3	8.1	8.0	Blé tendre sélectionné (qx)
Onions (kg)	2.5	3.2	4.5	10.8	14.0	14.0	Onions (kg)
Watermelon (kg)	2.3	3.0	3.5	4.2	4.2	5.0	Pastèques (kg)
Tomatoes (kg)	5.5	4.3	5.0	5.6	6.0	7.0	Tomates
Potatoes (qx)	7.0	8.0	11.0	12.2	12.2	30.0	Pommes de terre
<u>Equipment</u>							<u>Equipement</u>
Tractors D. Brown 46HP	1,703	2,900	n.a.	n.a.	3,600	4,200	Tracteurs D. Brown 46HP
Pump motor 6HP	n.a.	289	305	336	398	429	Moteurs de pompe 6HP
<u>Fertilizer</u>							
Amonium nitrate 33% (qx)	4.6	3.0	3.0	3.0	5.0	5.0	Amonium nitrate 33% (qx)
Sulphate ammonia (qx)	n.a.	2.0	2.0	2.0	3.3	3.3	Sulphate ammonia (qx)
Super 45 (qx)	4.0	3.6	3.6	3.6	3.6	3.6	Super 45 (qx)
Sulphate potassium (qx)	5.1	5.2	5.2	9.8	9.8	7.5	Sulphate potassium (qx)
<u>Chemicals</u>							<u>Produits chimiques</u>
Phosdrin (litre)	2.3	2.3	2.3	2.3	2.3	2.3	Phosdrin (litre)
2.4 D 501 (litre)	0.7	0.4	0.5	0.5	0.5	0.5	2.4 D 501 (litre)
<u>Animal Feed</u>							<u>Aliments composés</u>
Layer feed (qx)	n.a.	5.8	5.8	5.8	5.8	5.8	Pondeuses
Milk ration (qx)	n.a.	4.8	4.8	4.8	4.8	4.8	Vaches laitières
Sheep fattening (qx)	n.a.	3.4	3.4	3.4	3.4	3.4	Embouche (ovins)

Source : Ministère de l'Agriculture, Evolution des Prix des Principaux Intrants, Octobre 1976

Table / Tableau 15

Price Equalization Fund: Expenditure by Commodity, 1972-1977 (in millions of dinars)  
Dépenses de la Caisse de Compensation par biens, 1972-1977 (en millions de dinars)

	1972	1973	1974	1975	<u>Est./Esti.</u> 1976	<u>Proj./Prév.</u> 1977	
Sugar	1.7	3.6	15.6	15.0	1.7	--	Sucre
Fertilizers	0.1	1.8	4.8	4.9	1.0	1.5	Engrais
Cereals	--	--	--	20.0	14.2	15.7	Céréales
Oils	--	--	--	--	9.8	8.0	Huiles
Meat	--	0.9	1.8	2.6	2.2	2.4	Viande
Coffee	--	--	--	--	2.5	5.2	Café
Other non agric. products	<u>7.2</u>	<u>3.1</u>	<u>6.2</u>	<u>7.9</u>	<u>7.4</u>	<u>6.9</u>	Div. prod. non-agricoles
Total	9.0	9.4	27.3	50.4	38.2	39.7	Total

Source: Ministère du Plan

Table/Tableau 16

Production of Principal Agricultural Commodities, 1976 and 1981 (in thousand of tons)  
Production des biens agricoles principaux, 1976 et 1981 (en milliers de tonnes)

	Estimate/ Estimation 1976	Target/ Plan 1981	
<u>Cereals</u>			<u>Céréales</u>
Hard Wheat	700	900	Blé dur
Soft Wheat	180	265	Blé tendre
Barley	270	435	Orge
<u>Fruits</u>			<u>Arboriculture</u>
Olives	870	600	Olives
Citrus	163	200	Agrumes
Wine grapes	114	153	Raisin de cuve
Apricots	29	35	Abricots
Almonds	24	35	Amandes
Dates	50	65	Dattes
Other fruits	85	93	Divers
<u>Vegetables</u>			<u>Cultures maraîchères</u>
Tomatoes	250	370	Tomates
Potatoes	100	150	Pommes de terre
Peppers	100	185	Piments
Melons	250	272	Melons et Pastèques
Artichoke	13	24	Artichauts
Other vegetables	267	336	Divers
<u>Livestock</u>			<u>Elevage</u>
Beef	55	76	Bovins
Mutton	65	70	Ovins
Goats	10	16	Caprins
Poultry	27	52	Volaille
Other meats	4	5	Autres
Egg (in millions)	376	671	Oeufs (en millions)
Milk	27	364	Lait
<u>Industrial Crops</u>			<u>Cultures industrielles</u>
Sugar beet	83	400	Betterave à sucre
Tobacco	4	6	Tabac
Wood, construction (m3)	50	130	Bois de construction (m3)
Wood, fire (m3)	2,150	2,260	Bois de feu (m3)
Cork	11	10	Liège
Alfa	60	65	Alfa
Fish	34	88	Poissons



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 EMPLOYMENT CREATION BY SECTOR, 1973-1976  
 CREATION D'EMPLOIS PAR SECTEUR, 1973-1976  
 (in thousands/en milliers)

Creation d'emplois/Emp. Creation

	Emploi Total Total Employment	Actual/Realise			Est. Est.	Projection 1977-81 Provision 1977-81	
		1972	1973	1974	1975	1976	
Agriculture & Fisheries	700.0	0.9	1.0	1.0	1.1	35.5	Agriculture et pêche
Mining, energy	29.9	-0.8	0.6	0.4	0.1	3.0	Mines et energie
Manufacturing	176.1	11.6	15.3	15.9	17.7	100.0	Industries Manufacturieres
Construction and public works	94.0	7.4	8.1	7.6	8.0	50.0	Construction et travaux publics
Transport and Communication	44.7	1.5	1.5	3.0	1.9	12.5	Transports et telecommunications
Services	173.2	5.2	5.3	7.2	7.2	37.2	Services
Government Services	127.0	7.5	9.0	9.0	9.5	25.0	Administrations
Others (Precarious Employment)	-	13.1 <u>1/</u>	14.7 <u>1/</u>	20.3 <u>1/</u>	-	-	Autres (emplois precare)
Employment not classified elsewhere	60.0	-	-	-	-	-	Emploi non classifie
Total	1404.9	46.4	55.5	64.4	45.5	263.2	Total

1/ Of which 80 percent in textiles and 20 percent in construction. Dont 80 pourcent en textiles et 20 pourcent en construction.

Source: Ministere du Plan.

Table/Tableau 1.2  
 POPULATION, LABOR FORCE, EMPLOYMENT, 1972-1981  
 POPULATION, POPULATION ACTIVE, EMPLOI, 1972-1981  
 ( in thousands/en milliers )

	Actuals/Realisation					Estimate Estimation	
	1966	1972	1973	1974	1975	1976	
Resident Population (mid-year)	4550	5206	5327	5459	5594	5732	Population résidente (30 Juin de l'année)
Manpower (age 15 - 64)	2273	2702	2793	2885	2976	3084	Population d'age actif (15-64 ans milieu d'année)
of which Male	1144	1351	1397	1444	1490	1543	dont: Hommes
Female	1129	1351	1396	1441	1486	1541	Femmes
Labor force (end of year)	1343	1684	1730	1776	1825	1881	Population active (fin d'année)
of which Male	1027	1231	1265	1298	1334	1376	dont: Hommes
Female	316	453	465	478	491	505	Femmes
Employment (end of year)	1177	1405	1451	1507	1571	1617	Population employée(fin d'année)
of which Male	870	1020	1049	1086	1126	1161	dont: Hommes
Female	307	385	402	421	445	456	Femmes
Unemployment (end of year)	166	279	279	269	254	264	Population sans emploi
of which Male	157	211	216	212	208	215	dont: Hommes
Female	9	68	63	57	46	49	Femmes

Source Ministère du Plan

n a Not Available

Table/Tableau 2.1  
 MAJOR AGGREGATES AND SAVINGS, 1969 - 1976 (Millions of dinars)  
 PRINCIPAUX AGREGATES ET EPARGNE, 1969 - 1976 (en millions de dinars)

	Actuals/Réalisations						Est.		
	1969	1970	1971	1972	1973	1974	1975	1976	
Current prices/aux prix courants									
GDP at market prices	686.3	758.0	887.5	1077.6	1162.8	1527.0	1739.5	1943.1	P.I.B. aux prix du marché
± net factor income payment	-23.9	-20.4	-11.9	-10.8	-13.4	-8.0	-4.7	-22.0	± Revenus nets de l'extérieur
GNP at market prices	662.4	737.6	875.6	1066.8	1149.4	1519.0	1734.8	1921.1	P.N.B. aux prix du marché
- Depreciation	32.8	37.3	42.5	48.9	56.0	66.0	79.6	95.5	- Amortissement
- Indirect taxes	92.0	101.7	114.3	130.2	148.8	182.0	208.0	238.4	- Droits et taxes indirectes
National Income	537.6	598.6	718.8	887.7	944.6	1271.0	1447.2	1587.2	Revenu National
Consumption	560.9	638.3	723.4	853.2	963.8	1169.6	1288.7	1446.1	Consommation
Investment	155.8	153.7	181.9	236.7	227.4	352.0	534.9	606.0	Investissement
Domestic Savings	125.4	119.7	164.1	224.4	199.0	357.4	450.8	497.0	Épargne intérieure
Resource Gap	30.4	34.0	17.8	12.3	28.4	-5.4	84.1	109.0	Déficit en ressources
National Savings <sup>1/</sup>	105.6	104.5	160.7	216.5	187.1	349.7	444.9	476.0	Épargne Nationale
Current Account Balance (Deficit)	50.2	49.2	21.2	20.2	40.3	2.3	90.0	130.0	Balance au compte courant (Déficit)
1972 Constant prices/aux prix constants de 1972									
GDP at market prices	766.5	824.3	914.5	1077.6	1082.4	1181.4	1286.3	1443.7	P.I.B. aux prix du Marché
± net factor income payments	-26.1	-22.0	-12.2	-10.8	-12.5	-6.2	-3.5	-16.3	± Revenus nets de l'extérieur
GNP at market prices	740.4	802.3	902.3	1066.8	1069.9	1175.2	1282.8	1427.4	P.N.B. aux prix du marché
- Depreciation	37.8	41.0	44.6	48.9	53.1	58.1	64.0	70.4	- Amortissement
- Indirect Taxes	100.6	108.4	116.5	130.2	138.0	138.2	151.2	173.4	- Droits et taxes indirectes
National Income	602.0	652.9	741.2	887.7	878.8	978.9	1067.6	1183.6	Revenu National
Consumption	624.6	696.0	750.5	853.2	920.1	1032.8	1060.5	1184.7	Consommation
Investment	171.5	163.7	189.6	236.7	200.6	252.4	329.6	362.0	Investissement
Terms of Trade Adjustment <sup>2/</sup>	-4.1	-2.1	6.9	-	13.7	107.4	52.5	38.3	Ajustement des termes de l'échange <sup>2/</sup>
Domestic Savings	137.8	126.2	170.9	224.4	176.0	256.0	278.3	297.3	Épargne Intérieure
Resource Gap	37.8	39.6	11.8	12.3	24.6	-3.6	51.3	64.7	Déficit en ressources
National Savings	111.7	104.2	158.7	216.5	164.9	250.0	273.9	281.7	Épargne Nationale
Current Account Balance	59.8	59.2	30.9	20.2	35.7	2.4	55.7	80.3	Balance au compte courant
Price index for exports of goods and n.f. services (1972=100)	87.9	89.7	98.2	100.0	122.1	210.0	194.9	189.7	Indice des prix des exportations de biens et services (1972=100)
Price index for imports of goods and n.f. services (1972=100)	90.1	90.7	95.1	100.0	115.7	148.7	164.1	168.2	Indice des prix des importations de biens et services (1972=100)

<sup>1/</sup> of which net foreign transfers/  
 dont transferts nets provenant  
 de l'extérieur

4.1 5.2 8.5 2.9 1.5 0.3 -1.2 1.0

<sup>2/</sup> Bank calculation/Calcul de la Banque

Source Ministère du Plan

Table/Tableau 2.2

GROSS DOMESTIC PRODUCT BY ORIGIN 1969-1976 (Millions of Dinars; current prices)  
 PRODUIT INTERIEUR BRUT PAR SECTEUR D'ACTIVITE, 1969-1976 (en millions de dinars, aux prix courants)

	Actuals Realisation						Esti. Esti. 1976		
	1969	1970	1971	1972	1973	1974	1975		
Agriculture and Fisheries	108.3	126.8	167.4	228.2	219.3	289.3	305.3	349.6	Agriculture et pêche
Agriculture	105.3	122.7	161.8	221.6	212.0	279.2	291.9	334.2	Agriculture
Fisheries	3.0	4.1	5.6	6.6	7.3	10.1	13.4	15.4	Pêche
Extractive Industries	35.3	40.7	50.1	54.0	75.1	175.4	172.1	132.8	Industries extractives
Petroleum	26.0	31.9	40.0	43.7	63.9	117.8	116.2	101.3	Pétrole
Mining	9.3	8.8	10.1	10.3	11.2	57.6	55.9	31.5	Mines
Energy and Water	12.0	13.1	14.6	14.9	17.2	19.7	23.9	26.5	Energie et eau
Manufacturing	57.9	60.5	72.4	98.8	104.4	151.4	156.3	184.7	Industries manufacturières
Food Processing	22.4	21.8	29.7	42.2	37.6	55.6	56.5	60.9	Industries agricoles et alimentaires
Textiles, clothing and leather	11.0	11.8	14.1	18.4	22.2	28.5	36.8	49.0	Textile, habillement, cuir
Mechanical and electrical	8.0	8.4	8.8	12.7	14.3	16.8	19.1	25.1	Industries mécaniques et électriques
Construction materials and glass	5.3	5.4	5.8	6.7	7.8	8.5	10.7	15.5	Matériaux de construction, céramique, verre
Chemical	5.4	5.7	6.5	9.5	12.1	26.3	16.5	14.0	Chimie et caoutchouc
Other manufacturing	5.8	7.4	7.5	9.3	10.4	15.7	16.7	20.2	Industries diverses
Construction and public works	50.0	49.0	53.1	62.0	69.4	98.1	136.3	167.3	Bâtiment et travaux publics
Transport and communications	44.1	50.2	47.5	54.8	60.3	73.8	84.9	98.6	Transports et télécommunications
Services	192.8	212.3	256.9	314.5	334.1	376.7	462.7	518.2	Services (non administratifs)
Commerce	72.0	81.9	101.1	129.8	137.3	156.8	187.0	209.4	Commerce
Tourism	14.7	17.7	29.4	36.6	40.0	45.7	73.5	76.8	Tourisme
Housing	50.6	51.4	54.2	59.1	62.6	66.4	73.8	78.0	Loyer
Other Services	55.5	61.3	72.2	89.0	94.2	107.7	128.4	154.0	Divers
Government Wages and Salaries	<u>93.9</u>	<u>103.7</u>	<u>111.2</u>	<u>120.2</u>	<u>134.2</u>	<u>160.6</u>	<u>190.0</u>	<u>227.0</u>	Services administratifs
GDP at Factor Cost	594.3	656.3	773.2	947.4	1,014.0	1,345.0	1,531.5	1,704.7	P.I.B. au coût des facteurs
Indirect Taxes less Subsidies	<u>92.0</u>	<u>101.7</u>	<u>114.3</u>	<u>130.2</u>	<u>148.8</u>	<u>182.0</u>	<u>208.0</u>	<u>238.4</u>	Droits et taxes indirectes nettes de subventions
GDP at Market prices	686.3	758.0	887.5	1,077.6	1,162.8	1,527.0	1,739.5	1,943.1	P.I.B. aux prix du marché

Source. Ministère du Plan

Table/Tableau 2.3

GROSS DOMESTIC PRODUCT BY ORIGIN, 1969-1976 (Millions of Dinars; 1972 constant prices)  
 PRODUIT INTERIEUR BRUT PAR SECTEUR D'ACTIVITE, 1969-1976 (en millions de dinars, aux prix constants de 1972)

	Actuals Realisation						Esti. 1976		
	1969	1970	1971	1972	1973	1974			1975
Agriculture and Fisheries	136.8	146.0	177.9	228.2	206.7	231.4	238.1	272.8	Agriculture et pêche
Agriculture	130.5	140.7	171.8	221.6	199.7	223.3	229.2	263.1	Agriculture
Fisheries	6.3	5.3	6.1	6.6	7.0	8.1	8.9	9.7	Pêche
Extractive Industries	46.3	51.4	49.2	54.0	53.2	60.7	65.3	55.7	Industries extractives
Petroleum	35.8	42.7	40.8	43.7	43.1	45.3	50.8	43.3	Pétrole
Mining	10.5	8.7	8.6	10.3	10.1	15.4	14.5	12.4	Mines
Energy and Water	11.7	13.1	13.9	14.9	17.2	19.4	19.9	21.6	Energie et eau
Manufacturing	64.9	63.4	75.2	98.8	98.2	110.9	116.8	142.6	Industries manufacturières
Food Processing	25.2	21.7	31.5	42.2	34.4	41.7	42.5	49.8	Industries agricoles et alimentaires
Textiles, clothing and leather	12.7	12.9	14.6	18.4	21.2	22.9	29.5	38.3	Textile, habillement, cuir
Mechanical and electrical	9.1	9.1	8.9	12.7	14.1	14.7	15.5	19.3	Industries mécaniques et électriques
Construction materials and glass	5.7	5.4	5.8	6.7	7.5	7.1	8.3	12.0	Matériaux de construction, céramique, verre
Chemical	5.7	6.3	6.9	9.5	11.1	12.5	8.8	8.9	Chimie et caoutchouc
Paper and other manufacturing	6.5	8.0	7.5	9.3	9.9	12.0	12.2	14.3	Papier, impression, et industries diverses
Construction and Public Works	52.1	50.6	54.8	62.0	63.2	71.3	86.2	100.0	Bâtiment et travaux publics
Transport and Communications	42.4	50.0	48.4	54.8	60.9	63.3	69.6	79.5	Transports et télécommunications
Services	210.0	229.7	263.5	314.5	316.8	338.9	379.4	416.2	Services (non administratifs)
Commerce	78.6	88.4	103.3	129.8	132.8	145.8	158.9	176.0	Commerce
Tourism	19.0	21.3	31.6	36.6	32.2	31.3	48.5	50.6	Tourisme
Housing	52.8	53.8	54.9	59.1	60.8	61.9	63.2	64.9	Loyer
Other Services	60.6	66.2	73.7	89.0	91.0	99.0	108.8	124.7	Divers
Government Wages and Salaries	102.5	112.0	113.5	120.2	128.2	147.3	159.8	181.9	Services administratifs
GDP at Factor Cost	665.9	715.9	798.0	947.4	944.4	1,043.2	1,135.1	1,270.3	P.I.B. au coût des facteurs
Indirect Taxes less Subsidies	100.6	108.4	116.5	130.2	138.0	138.2	151.2	173.4	Droits et taxes indirectes (nettes de subventions)
GDP at Market Prices	766.5	824.3	914.5	1,077.6	1,082.4	1,181.4	1,286.3	1,443.7	P.I.B. au prix du marché
GDP price deflator (1972=100)	89.5	92.0	97.0	100.0	107.4	129.3	135.2	134.6	Coefficient de déflation du P.I.B. (1972=100)

Source: Ministère du Plan

Table/Tableau 2.4

RESOURCES AND USFS, 1969-1976 (Millions of Dinars)  
RESSOURCES ET EMPLOIS, 1969-1976 (millions de dinars)

	Actuals Realisations						Esti. Esti. 1976		
	1969	1970	1971	1972	1973	1974			1975
<b>Resources.</b>								<b>Ressources</b>	
GDP at market prices	686.3	758.0	887.5	1,077.6	1,162.8	1,527.0	1,739.5	1,943.1	P.I.B. aux prix du marché
Net imports of goods and n.f. services	30.4	34.0	17.8	12.3	28.4	-5.4	84.1	109.0	Importations nettes de biens et services
Imports of goods and n.f. services	180.3	200.2	230.2	282.9	328.4	542.0	629.7	678.0	Importation de biens et services
Exports of goods and n.f. services	149.9	166.2	212.4	270.6	300.0	547.4	545.6	569.0	Exportations de biens et services
<b>Total Resources and Uses</b>	<b>716.7</b>	<b>792.0</b>	<b>905.3</b>	<b>1,089.9</b>	<b>1,191.2</b>	<b>1,521.6</b>	<b>1,823.6</b>	<b>2,052.1</b>	<b>Total des Ressources et Emplois</b>
<b>Uses:</b>									<b>Uses:</b>
Consumption	560.9	638.3	723.4	853.2	963.8	1,169.6	1,288.7	1,446.1	Consommation
Private consumption	442.8	507.5	585.3	700.3	793.3	971.0	1,053.4	1,166.5	Consommation privée
Public consumption	118.1	130.8	138.1	152.9	170.5	198.6	235.3	279.6	Consommation publique
Gross fixed capital formation	148.0	151.5	172.6	214.2	237.0	316.0	450.0	600.0	Formation brute de capital fixe
Government	54.0	42.7	40.7	46.1	50.6	71.0	83.5	106.2	Administration publiques
Public and mixed enterprises	39.7	48.1	65.9	77.1	70.8	91.4	158.5	248.5	Entreprises publiques et mixtes
Private enterprises	35.1	38.8	44.2	65.0	88.2	110.3	137.3	154.3	Entreprises privées
Households	19.2	21.9	21.8	26.0	27.4	43.3	70.7	91.0	Ménages
Changes in Stocks	7.8	2.2	9.3	22.5	-9.6	36.0	84.9	6.0	Variations des Stocks
1972 Constant prices/aux prix constant 1972									
<b>Resources:</b>									<b>Ressources</b>
GDP at market prices	766.5	824.3	914.5	1,077.6	1,082.4	1,181.4	1,286.3	1,443.7	P.I.B. aux prix du marché
Terms of trade adjustment	-4.1	-2.1	6.9	-	13.7	107.4	52.5	38.3	Ajustement des termes de l'échange
GDY at market prices	762.4	822.2	921.4	1,077.6	1,096.1	1,288.8	1,338.8	1,482.0	R.I.B. aux prix du marché
Net imports of goods and n.f. services 1/	33.7	37.5	18.7	12.3	24.6	-3.6	51.3	64.7	Importations nettes de biens et services 1/
Imports of goods and n.f. services	200.1	220.7	242.0	282.9	283.9	364.5	383.8	403.0	Importations de biens et services
Exports of goods and n.f. services 1/	166.4	183.2	223.3	270.6	259.3	368.1	332.5	338.3	Exportations de biens et services 1/
<b>Total Resources and Uses</b>	<b>796.1</b>	<b>859.7</b>	<b>940.1</b>	<b>1,089.9</b>	<b>1,120.7</b>	<b>1,285.2</b>	<b>1,390.1</b>	<b>1,546.7</b>	<b>Total des Ressources et Emplois</b>
<b>Uses.</b>									<b>Emplois</b>
Consumption	624.6	696.0	750.5	853.2	920.1	1,032.8	1,060.5	1,184.7	Consommation
Private consumption	495.6	555.1	609.5	700.3	758.2	856.6	867.8	964.7	Consommation privée
Public consumption	129.0	140.9	141.0	152.9	161.9	176.2	192.7	220.0	Consommation publique
Gross fixed capital formation 2/	162.6	161.3	180.2	214.2	209.5	234.8	292.8	365.0	Formation brute de capital fixe 2/
Government	59.3	45.5	42.5	46.1	44.7	52.8	54.3	64.6	Administrations publiques
Public and mixed enterprises	43.6	51.2	68.9	77.1	62.5	67.9	103.2	151.1	Entreprises publiques et mixtes
Private enterprises	38.6	41.3	46.1	65.0	78.0	81.9	89.3	93.9	Entreprises privées
Households	21.1	23.3	22.7	26.0	24.2	32.2	46.0	55.4	Ménages
Changes in Stocks	8.9	2.4	9.4	22.5	-8.9	17.6	36.8	-3.0	Variations des stocks

1/ Including terms of trade adjustment/1/ compris l'ajustement des termes de l'échange.

2/ The overall deflator of GPCF has been used to deflate components of GPCF/Le coefficient de déflation du total de la F.B.C.F. a été utilisé pour amener la déflation des composantes de la F.B.C.F.

Source: Ministère du Plan

Table/Tableau 2.5

GROSS INVESTMENT BY SECTOR AND ITS FINANCING, 1969-1976 (Millions of Dinars; current prices)  
 INVESTISSEMENTS BRUT ET SON FINANCEMENT, 1969-1976 (Millions de Dinars; aux prix courants)

	Actuals/Realisations						Esti.		
	1969	1970	1971	1972	1973	1974	1975	Esti. 1976	
Gross fixed capital formation	148.0	151.5	172.6	214.2	237.0	316.0	450.0	600.0	Formation brute de capital fixe
Agriculture	34.5	26.7	26.8	30.7	38.0	45.4	54.9	63.2	Agriculture
Mining	2.2	5.5	6.0	5.4	3.5	6.6	17.5	22.4	Mines
Petroleum	8.8	8.8	13.2	20.8	23.1	38.0	59.1	86.1	Petrole
Energy, Power and water	7.1	10.0	17.3	23.2	16.6	19.2	32.6	47.5	Energie et eau
Manufacturing	16.0	17.8	19.9	25.7	33.4	58.5	84.2	107.1	Industries manufacturières
Transport and communications	16.2	20.2	30.6	37.3	42.9	46.7	68.4	102.7	Transports et telecommunications
Housing	19.9	22.3	22.4	26.0	27.4	44.3	71.7	92.3	Habitat
Tourism	14.8	14.5	17.8	23.7	24.6	13.4	8.0	6.8	Tourisme
Other services	3.7	4.6	1.9	3.2	1.1	1.5	2.7	2.8	Autres service
Infrastructure	24.8	21.1	16.7	18.2	26.4	42.4	50.9	69.1	Equipments collectifs
Changes in Stocks	7.8	2.2	9.3	22.5	-9.6	36.0	84.9	6.0	Variations des stocks
Gross Investment	155.8	153.7	181.9	236.7	227.4	352.0	534.9	606.0	Investissement brut
<u>Financing:</u>									<u>Financement</u>
National Savings	105.6	104.5	160.7	216.5	187.1	349.7	444.9	476.0	Epargne nationale
of which: Government	24.6	26.5	28.5	46.3	55.7	110.8	121.5	98.6	dont: Administrations publiques
External Resources	87.3	86.9	97.7	102.1	107.1	112.1	116.7	177.0	Financement extérieur
Public	57.3	56.9	65.1	65.6	67.7	71.8	79.4	98.0	Public
Private	30.0	30.0	32.6	36.5	39.4	40.3	37.3	79.0	Privé
Capital outflow	-27.3	-27.6	-29.3	-44.2	-33.4	-78.8	-37.8	-47.0	Sortie de capitaux
Changes in Foreign assets (increase = -)	-9.8	-10.1	-47.2	-37.7	-33.4	-31.0	11.1	-	Variation des réserves (augmentation = -)
Total Financing	155.8	153.7	181.9	236.7	227.4	352.0	534.9	606.0	Financement total

Source: Ministère du Plan

Table/Tableau 3.1

BALANCE OF PAYMENTS, 1969-1976 (Millions of Dinars)  
BALANCE DES PAIEMENTS, 1969-1976 (en millions de dinars)

	Actuals Realisations						Esti. Esti. 1976		
	1969	1970	1971	1972	1973	1974	1975		
<b>CURRENT ACCOUNT</b>								<b>COMPTE DES OPERATIONS COURANTES</b>	
Receipts Total	169.6	192.7	253.4	313.0	353.9	624.1	625.8	646.0	Recettes, total
Merchandise f.o.b.	89.2	98.8	117.2	160.5	178.8	397.7	345.6	346.0	Marchandises, f.o.b.
Non-factor services	60.7	67.4	95.2	110.1	121.2	149.7	200.0	223.0	Services
Factor services	13.5	19.0	30.5	36.1	50.3	69.3	75.5	70.0	Revenus du travail et du capital
Transfers	6.2	7.5	10.5	6.3	3.6	7.4	4.7	7.0	Transferts
Payments Total	219.8	241.8	274.6	333.2	394.2	626.4	715.8	776.0	Paiements, total
Merchandise f.o.b.	136.2	154.5	176.0	216.1	261.6	445.2	521.8	556.0	Marchandises, f.o.b.
Non-factor services	44.1	45.7	54.3	66.8	66.8	96.8	107.9	122.0	Services
Factor services	37.4	39.4	42.4	46.9	63.7	77.3	80.2	92.0	Revenus du travail et du capital
Transfers	2.1	2.2	1.9	3.4	2.1	7.1	5.9	6.0	Transferts
<u>Current Account Deficit (-)</u>	<u>-50.2</u>	<u>-49.1</u>	<u>-21.2</u>	<u>-20.2</u>	<u>-40.3</u>	<u>- 2.3</u>	<u>-90.0</u>	<u>-130.0</u>	<u>Déficit en compte courant (-)</u>
Balance of Trade (f.o.b.)	-47.0	-55.7	-58.8	-55.6	-82.8	-47.5	-176.2	-210.0	Balance commerciale
Non-factor services, net	16.6	21.7	40.9	43.3	54.4	52.9	92.1	101.0	Services, net
Factor services, net	-23.9	-20.4	-11.9	-10.8	-13.4	- 8.0	- 4.7	-22.0	Revenus du travail et du capital, net
Transfers, net	4.1	5.3	8.6	2.9	1.5	0.3	- 1.2	1.0	Transferts, net
<b>CAPITAL ACCOUNT</b>								<b>COMPTE DES OPERATIONS EN CAPITAL</b>	
Public Capital, net	50.2	44.6	52.9	50.9	54.4	56.8	60.5	77.0	Capitaux publics, net
Grants	22.7	22.4	18.4	17.8	18.9	18.7	20.2	18.0	Dons
Loans	34.6	31.4	44.7	45.1	48.8	53.1	59.2	80.0	Prêts
Less: repayments	7.1	9.2	10.2	12.0	13.3	15.0	18.9	21.0	Moins: remboursements
Private Capital, net <sup>1/</sup>	9.8	11.5	13.5	4.3	19.3	-23.5	18.4	53.0	Capitaux privés, net <sup>1/</sup>
Net short-term credits	0.4	-1.8	-3.8	-7.8	-1.1	-45.7	4.0	-5.0	Crédits à court terme, net <sup>1/</sup>
Net investment	10.5	10.2	12.5	14.8	23.9	21.4	19.3	27.0	Investissements directs, net
Suppliers credits	12.8	12.9	14.8	17.8	8.4	11.6	..	..	Crédits fournisseurs
Other credits	5.7	6.7	5.3	3.1	6.2	5.8	..	..	Autres crédits
Less: repayments	19.6	16.5	15.3	23.6	18.1	16.6	19.1	18.0	Moins: remboursements
<u>Total net Capital Inflow</u>	<u>60.0</u>	<u>56.1</u>	<u>66.4</u>	<u>55.2</u>	<u>73.7</u>	<u>33.3</u>	<u>78.9</u>	<u>130.0</u>	<u>Total des apports nets de capitaux</u>
SDR allocation	-	3.1	2.0	2.7	-	-	-	-	Allocation de D.T.S.
<u>Change in reserves (increase -)</u>	<u>-9.8</u>	<u>-10.1</u>	<u>-47.2</u>	<u>-37.7</u>	<u>-33.4</u>	<u>-31.0</u>	<u>11.1</u>	<u>-</u>	<u>Variation des réserves (-augmentation)</u>
Total net reserves	-2.1	8.0	55.2	92.9	126.3	157.3	146.2	146.2	Réserves nettes totales

<sup>1/</sup> Including errors and omissions / y compris les erreurs et les omissions  
Source: Ministère du Plan

Table/Tableau 3.2

VALUE OF EXPORTS 1969-1976 (Millions of Dinars, current prices)  
 EXPORTATIONS EN VALEUR 1969-1976 (en millions de dinars, aux prix courants)

	Actuals							L.S.C.I. 1976	
	1969	1970	1971	Realisations 1972	1973	1974	1975		
Seeds	0.1	0.6	0.8	0.6	0.8	1.1	0.7	0.8	Graines de semences
Citrus fruits	3.6	2.0	2.1	2.0	1.6	1.5	1.4	1.8	Agrumes
Dates	1.0	1.4	2.2	2.6	2.4	1.7	2.3	2.4	Dattes
Almonds	0.7	1.5	1.4	1.3	3.9	2.7	1.8	2.1	Amandes
Other fruits	0.3	0.4	0.3	0.3	0.2	0.2	0.3	0.3	Autres fruits
Live animals	0.9	1.9	0.5	0.5	0.6	1.0	1.3	1.0	Animaux
Fish and crustaceans	0.7	1.0	1.1	1.6	2.2	2.4	3.2	3.5	Poissons et crustacés
Olive oil	10.5	8.7	24.6	47.1	26.2	71.7	31.3	35.0	Huile d'olive
Wine and spirits	3.5	4.8	1.3	3.1	9.4	6.5	7.0	6.4	Vins et liqueurs
Canned fruits and vegetables	2.0	2.3	2.5	2.7	3.8	4.1	3.6	4.8	Conserves de légumes et de fruits
Canned fish	0.3	0.3	0.2	0.2	0.1	0.2	0.0	0.2	Conserves de poissons
Oats and bran	1.3	1.7	1.6	1.4	1.2	1.3	0.9	1.2	Sons et remoulages
Vegetables	0.9	0.9	0.1	1.1	1.2	0.8	1.6	1.7	Légumes
Sugar	-	-	1.6	2.5	2.3	2.8	9.4	6.0	Sucre
Other agricultural and foodstuffs	4.3	2.2	1.3	3.0	3.2	2.6	3.6	4.3	Autres produits agricoles et alimentaires
Sub Total	30.1	29.7	42.5	70.0	59.1	100.6	68.4	71.5	Sous Total
Rock Phosphate	8.7	12.5	11.6	10.3	11.2	46.8	46.4	32.1	Phosphates
Iron ore	1.7	1.9	2.8	2.2	1.4	2.4	1.7	1.0	Minerais de fer
Other minerals	0.8	0.9	1.6	2.2	0.9	1.8	1.1	2.9	Autres minerais
Lead	2.2	3.2	2.0	3.1	4.4	6.2	3.6	3.5	Plomb
Iron bars, Pig iron, Steel	2.6	4.3	1.9	3.8	7.9	10.2	4.2	4.5	Barre en fer, tréfilés fonte acier
Salt (sea)	0.4	0.4	0.4	0.6	0.8	0.9	0.9	0.8	Sel marin
Crude oil	21.2	23.5	28.7	38.8	52.1	136.9	144.6	127.0	Pétrole brut
Refined oil products	1.5	2.6	3.2	2.4	1.5	5.8	6.0	7.0	Produits pétroliers raffinés
Superphosphates	8.2	8.6	9.6	9.6	12.0	33.8	16.7	14.4	Superphosphates
Hyperphosphates	0.5	0.3	0.1	0.1	0.1	0.7	0.9	2.0	Hyperphosphates
Phosphoric acid	-	-	-	2.5	4.8	15.4	14.7	19.7	Acide phosphorique
Sub Total	47.8	58.2	61.9	75.6	97.1	260.9	240.8	214.9	Sous Total
Cellulose	1.9	1.9	1.9	1.6	2.3	2.8	1.3	1.5	Cellulose
Paper	-	-	0.1	0.4	1.2	3.3	1.1	1.5	Papier
Carpets and rugs	0.8	1.1	1.9	2.5	2.7	2.9	3.9	5.0	Tapis
Cloth	0.6	0.4	0.8	1.6	2.4	4.7	3.5	8.7	Tissus et couvertures
Ready made clothing and knitwear	0.3	0.5	1.6	2.5	4.1	11.7	17.8	22.0	Confection et bonneterie
Construction materials	1.6	1.2	1.0	1.4	1.1	1.5	0.9	1.0	Matériaux de construction
Other manufactured products	6.1	5.8	5.5	4.9	8.8	9.3	7.9	14.9	Autres produits manufacturés
Sub Total	11.3	10.9	12.8	14.9	22.6	36.2	36.4	59.6	Sous Total
Total exports	89.2	98.8	117.2	160.5	178.8	397.7	345.6	346.0	Exportations totales

Source: Ministère du Plan

Table/Tableau 3.3

VOLUME OF EXPORTS OF PRINCIPAL COMMODITIES, 1969-1976 (in thousands of metric tons)  
PRINCIPALES EXPORTATIONS EN VOLUME 1969-1976 (en milliers de tonnes)

	Actuals							Est. 1976	
	Revisions								
	1969	1970	1971	1972	1973	1974	1975		
Seeds	1.0	5.5	13.5	5.9	7.1	6.8	6.2	.	Graines de semences
Citrus fruits	46.0	29.6	29.3	30.6	25.1	31.7	23.4	30.0	Agrumes
Dates	3.9	4.9	6.6	7.0	6.9	4.0	5.1	5.5	Dattes
Almonds	1.3	2.3	1.9	1.7	3.5	2.7	2.6	3.0	Amandes
Other fruits	2.6	4.2	3.6	3.6	1.8	2.4	2.7	..	Autres fruits
Live animals	2.1	3.8	0.8	0.9	1.2	1.6	2.2	1.6	Animaux
Fish and crustaceans	1.1	1.3	1.4	1.9	3.0	2.9	3.7	4.0	Poissons et crustacés
Olive oil	30.2	24.9	69.5	111.0	51.8	93.0	42.2	70.0	Huile d'olive
Wine and spirits	67.5	83.4	19.0	59.1	143.7	91.5	89.1	60.0	Vins et liqueurs
Canned fruits and vegetables	15.3	16.3	19.6	15.0	18.1	17.2	15.9	..	Conserves de légumes et de fruits
Canned fish	1.3	1.0	0.4	0.4	0.3	0.3	..	..	Conserves de poissons
Cats and bran	62.1	76.7	55.2	57.0	42.9	32.8	24.6	30.0	Sons et remoulages
Vegetables	12.3	14.0	14.2	13.3	12.4	6.2	15.0	15.8	Légumes
Sugar	-	-	15.8	19.0	15.0	13.3	22.1	20.0	Sucre
Rock phosphate	1,820.6	2,336.0	2,560.0	2,461.2	2,365.5	2,615.9	2,009.6	2,380.0	Phosphates
Iron ore	567.5	628.5	812.2	664.1	423.8	526.4	295.6	190.0	Minéral de fer
Lead	14.7	19.4	14.5	21.8	25.8	23.6	20.1	23.0	Plomb
Iron bars	42.3	62.2	28.2	42.7	58.8	39.8	4.2	..	Fer ronds
Pig iron, Steel	31.2	18.2	3.3	17.0	43.3	31.9	..	..	Fonte, acier
Salt (sea)	265.1	234.3	220.0	355.0	307.0	259.3	197.7	190.0	Sel marin
Crude oil	2,864.4	3,170.6	2,942.8	3,699.1	3,674.3	3,726.8	4,759.7	3,900.0	Pétrole brut
Refined oil products	138.6	236.5	240.6	159.2	81.4	134.9	146.0	..	Produits pétroliers raffinés
Superphosphates	301.8	373.7	415.3	406.6	388.8	399.0	238.2	350.0	Superphosphates
Hyperphosphates	56.8	28.5	8.0	6.9	11.3	34.8	44.2	90.0	Hyperphosphates
Phosphoric acid	-	-	-	56.0	95.9	99.0	87.1	170.0	Acide phosphorique
Cellulose	20.8	18.5	19.1	16.9	21.9	14.6	6.1	..	Cellulose
Paper	-	-	-	3.3	7.6	11.7	3.8	..	Papier
Carpets and rugs	0.2	0.2	0.4	0.6	0.6	0.6	0.6	..	Tapis
Cloth	0.7	0.3	1.0	2.2	2.6	3.4	3.0	..	Tissus et couvertures
Ready made clothing	0.1	0.2	0.2	1.3	4.5	3.3	5.4	..	Confection

Source: Ministère du Plan

Table/Tableau 3.4

VALUE OF IMPORTS, 1969-1976 ( Millions of Dinars; current prices)  
 IMPORTATIONS EN VALEUR , 1969-1976 ( en millions de dinars; aux prix courants)

	Actuals Réalizations						Esti. Esti.		
	1969	1970	1971	1972	1973	1974	1975		1976
Capital Goods	30.5	38.6	52.9	65.8	80.0	112.4	172.8	210.0	Biens d'équipement
Raw materials and semi-finished products	52.4	59.3	57.5	66.4	83.6	166.4	165.5	176.0	Matières premières et demis-produits
Energy Products	5.7	6.7	7.0	17.9	23.3	56.8	56.3	60.0	Energie
Consumer Goods	21.2	21.3	25.2	32.9	36.1	63.0	87.7	93.0	Biens de consommation
Cereals	15.5	18.0	12.3	12.1	15.8	22.5	20.1	19.0	Céréales
Other foodstuffs	14.5	16.5	25.1	30.8	32.3	67.5	70.4	52.0	Biens alimentaires
Other Imports	<u>8.0</u>	<u>7.3</u>	<u>11.0</u>	<u>9.0</u>	<u>14.9</u>	-	-	-	Importations temporaires
Total imports (c.i.f.)	147.8	167.7	191.0	234.9	286.0	488.7	572.8	610.0	Total des importations ( C.A.F.)
Less: freight and insurance	<u>11.6</u>	<u>13.2</u>	<u>15.0</u>	<u>18.8</u>	<u>24.4</u>	<u>43.5</u>	<u>51.0</u>	<u>54.0</u>	Moins: fret et assurances
Total imports (f.o.b.)	136.2	154.5	176.0	216.1	261.6	445.2	521.8	556.0	Total des importations ( F.O.B.)

Source: Ministère du Plan

Table/Tableau 3.5

BREAKDOWN OF SERVICE RECEIPTS AND PAYMENTS, 1969-1976 (Millions of Dinars)  
 VENTILATION DES RECETTES ET DES PAIEMENTS AU TITRE DES SERVICES, 1969-1976 (en millions de dinars)

	Actuals Realisations						Esti. Esti.	
	1969	1970	1971	1972	1973	1974	1975	1976
<b>RECEIPTS</b>								
Non-factor services	<u>60.7</u>	<u>67.4</u>	<u>95.2</u>	<u>110.1</u>	<u>121.2</u>	<u>149.7</u>	<u>200.0</u>	223.0
Tourism and travel	28.3	34.3	56.5	71.5	77.6	82.9	126.9	145.0
Transportation and insurance	11.0	13.6	15.5	18.9	24.5	40.7	44.2	50.0
Government, n/a.	17.2	15.8	15.3	12.4	11.9	16.8	17.7	16.0
Other services	4.2	3.7	7.9	7.3	7.2	9.3	11.2	12.0
Factor services	<u>13.5</u>	<u>19.0</u>	<u>30.5</u>	<u>36.1</u>	<u>50.3</u>	<u>69.3</u>	<u>75.5</u>	70.0
Investment income	1.2	1.5	2.9	3.6	7.5	16.0	14.9	10.0
Wages and salaries	11.4	15.2	22.7	29.6	41.2	51.7	58.7	58.0
Other incomes	0.9	2.3	4.9	2.9	1.6	1.6	1.9	2.0
<b>RECETTES</b>								
Services								Services
Tourism and voyages								Tourisme et voyages
Transports et assurances								Transports et assurances
Gouvernement, n/a.								Gouvernement, n/a.
Autres services								Autres services
Revenus du travail et du capital								Revenus du travail et du capital
Revenus du capital								Revenus du capital
Traitements et salaires								Traitements et salaires
Autres revenus								Autres revenus
<b>PAYMENTS</b>								
Non-factor services	<u>44.1</u>	<u>45.7</u>	<u>54.3</u>	<u>66.8</u>	<u>66.8</u>	<u>96.8</u>	<u>107.9</u>	122.0
Tourism and travel	12.6	12.1	15.3	18.4	17.0	20.3	22.8	27.0
Transportation and insurance	24.0	25.5	28.5	33.3	36.6	57.4	60.5	70.0
Government, n/a.	3.3	3.8	3.5	5.7	5.6	7.1	8.3	9.0
Other services	4.2	4.3	7.0	9.4	7.6	12.0	16.3	16.0
Factor services	<u>37.4</u>	<u>39.4</u>	<u>42.4</u>	<u>46.9</u>	<u>63.7</u>	<u>77.3</u>	<u>80.2</u>	92.0
Interest payment	11.2	11.0	12.0	12.2	12.8	15.0	16.9	18.0
Other investment income	2.7	4.5	5.0	11.9	14.6	16.8	22.9	25.0
Technical assistance	10.6	10.3	10.9	8.5	11.5	10.8	7.2	9.0
Other wages and salaries	6.0	4.6	5.0	4.4	3.9	4.7	4.1	5.0
Other payments	6.9	9.0	9.5	9.9	20.9	30.0	29.1	35.0
<b>PAIEMENTS</b>								
Services								Services
Tourisme et voyage								Tourisme et voyage
Transports et assurances								Transports et assurances
Gouvernement, n/a.								Gouvernement, n/a.
Autres services								Autres services
Revenus du travail et du capital								Revenus du travail et du capital
Intérêts								Intérêts
Autres revenus du capital								Autres revenus du capital
Assistance technique								Assistance technique
Autres traitements et salaires								Autres traitements et salaires
Autres paiements								Autres paiements

Source: Ministère du Plan

## TUNISIA

Table/Tableau 4.1

COMMITMENTS RECEIVED BY ORIGIN, 1965-1975  
ENGAGEMENTS PAR ORIGINE, 1965-1975  
(In 000's of US dollars)

												Debt outstanding incl. undisbursed 12/31/75		
	1965	1966	1967	1968	1969	1970	1971	1972	1973	1974	1975	Total 1965-1975	Encours total de la dette au 31/12/1975	
A. Public Sources / Origine publique														
<u>1/</u>														
<u>DAC Countries</u>	<u>29,550</u>	<u>25,552</u>	<u>65,069</u>	<u>80,025</u>	<u>67,866</u>	<u>88,926</u>	<u>80,498</u>	<u>69,947</u>	<u>102,243</u>	<u>26,513</u>	<u>101,100</u>	<u>737,289</u>	<u>802,248</u>	<u>Pays du C.A.D.</u>
Belgium	-	-	-	-	-	-	513	1,136	-	2,571	-	4,220	4,426	Belgique
Canada	-	-	-	2,405	1,018	2,771	-	14,839	26,470	6,356	54,080	107,939	106,752	Canada
Denmark	-	-	-	1,866	2,001	-	-	2,867	-	-	-	6,734	8,565	Denmark
France	-	-	-	33,654	26,904	20,488	43,425	30,786	13,226	7,689	19,632	195,804	215,761	France
Germany (Fed. Rep. of)	10,000	10,000	9,500	21,688	3,837	23,770	4,620	10,506	29,791	5,800	24,249	153,761	172,504	Rep. Fed. d'Allemagne
Italy	2,000	-	9,600	-	-	-	-	-	-	-	-	11,600	5,586	Italie
Netherlands	-	552	829	-	1,989	994	1,028	3,427	-	4,097	-	12,916	16,720	Pays-Bas
Spain	-	-	-	-	5,039	-	-	-	5,039	-	-	10,078	9,557	Espagne
Sweden	-	-	2,900	-	6,118	9,375	-	-	6,197	-	3,139	27,729	32,014	Suède
United Kingdom	-	-	-	-	-	660	1,218	-	-	-	-	1,878	1,527	Royaume-Uni
United States	17,550	15,000	42,240	20,412	20,960	30,868	29,694	6,386	21,520	-	-	204,630	228,836	Etats-Unis
<u>East Bloc Countries</u>	<u>1,962</u>	<u>1,401</u>	<u>7,554</u>	<u>394</u>	<u>3,242</u>	<u>1,913</u>	<u>925</u>	<u>36,008</u>	<u>314</u>	<u>1,030</u>	<u>135</u>	<u>54,878</u>	<u>50,527</u>	<u>Pays de L'Est</u>
Bulgaria	-	-	-	-	-	1,536	-	-	-	740	-	2,276	2,018	Bulgarie
China (People Rep. of)	-	-	-	-	-	-	-	36,008	-	-	-	36,008	40,319	Rep. popul. de Chine
Czechoslovakia	259	-	-	95	492	-	-	-	-	-	-	846	8	Tchécoslovaquie
Germany (East)	-	-	1,075	-	-	-	-	-	-	-	-	1,075	290	Rep. Democ. d'Allemagne
Hungary	-	-	-	-	931	-	-	-	280	145	95	1,451	320	Hongrie
Rumania	-	-	-	-	1,746	-	574	-	-	2	40	2,362	1,467	Roumanie
USSR	1,703	1,401	6,479	299	73	377	351	-	34	143	-	10,860	6,105	U.R.S.S.
<u>Other Countries</u>	<u>5,395</u>	<u>1,048</u>	<u>12,921</u>	<u>-</u>	<u>82</u>	<u>8,960</u>	<u>2,538</u>	<u>-</u>	<u>35,467</u>	<u>40,218</u>	<u>28,793</u>	<u>135,422</u>	<u>141,696</u>	<u>Autres pays</u>
Iran	-	-	-	-	-	-	-	-	-	4,156	-	4,156	4,458	Iran
Iraq	-	-	-	-	-	-	-	-	-	-	15,000	15,000	15,000	Iraq
Kuwait	-	-	12,880	-	-	3,960	2,538	-	-	16,543	13,793	54,714	67,242	Koweït
Libya	2,839	959	41	-	-	-	-	-	35,467	-	-	39,306	35,467	Libye
Qatar	-	-	-	-	-	-	-	-	-	1,000	-	1,000	1,000	Qatar
Saudi Arabia	-	-	-	-	-	-	-	-	-	-	-	-	-	Arabie Séoudite
United Arab Emirates	-	-	-	-	-	-	-	-	-	18,519	-	18,519	18,402	Union des Emirats Arabes
Yugoslavia	2,556	89	-	-	82	-	-	-	-	-	-	2,727	127	Yugoslavia
<u>International Organizations</u>	<u>-</u>	<u>18,000</u>	<u>28,000</u>	<u>11,250</u>	<u>42,850</u>	<u>10,500</u>	<u>46,300</u>	<u>46,977</u>	<u>32,000</u>	<u>75,973</u>	<u>47,527</u>	<u>359,377</u>	<u>343,117</u>	<u>Organisations internationales</u>
AfDE	-	-	-	2,750	-	-	-	977	-	5,051	10,627	19,405	19,202	B.A.D.
IBRD	-	5,000	22,000	8,500	34,350	-	36,500	36,000	25,000	64,100	36,900	268,350	246,452	B.I.R.D.
IDA	-	13,000	6,000	-	8,500	10,500	9,800	10,000	7,000	-	-	64,800	70,664	A.I.D.
Arab Fund	-	-	-	-	-	-	-	-	-	6,822	-	6,822	6,799	Fonds Arabe
<u>TOTAL PUBLIC SOURCES</u>	<u>36,907</u>	<u>46,001</u>	<u>113,544</u>	<u>91,669</u>	<u>114,040</u>	<u>110,299</u>	<u>130,261</u>	<u>152,932</u>	<u>170,024</u>	<u>143,734</u>	<u>177,555</u>	<u>1,286,966</u>	<u>1,337,588</u>	<u>TOTAL D'ORIGINE PUBLIQUE</u>
B. Private sources / Origine privée														
<u>Countries</u>														
Algeria	-	-	-	-	600	-	-	-	-	-	-	600	155	Algérie
Austria	-	2,857	58	106	19,095	99	52	407	1,177	1,179	27,137	52,167	55,110	Autriche
Belgium	-	-	1,019	-	-	-	-	-	-	-	-	1,019	409	Belgique
Canada	-	-	-	-	-	-	820	-	-	-	-	820	-	Canada
France	5,871	8,059	28,651	17,724	18,727	17,070	574	9,657	21,846	12,118	19,853	160,150	91,453	France
Germany (Fed Rep. of)	1,823	3,139	1,504	1,833	-	-	-	204	-	-	-	8,503	1,438	Rep. Fed. d'Allemagne
Italy	37,191	11,602	28,517	19,601	25,328	3,463	24,226	9,232	-	-	-	159,160	64,780	Italie
Netherlands	-	-	5,000	-	-	-	-	-	-	-	-	5,000	-	Pays-Bas
Spain	-	-	-	-	5,480	-	-	-	-	-	-	5,480	2,551	Espagne
Sweden	-	547	-	3,176	-	-	895	-	5,477	1,085	-	11,180	7,201	Suède
Switzerland	-	263	63	1,478	66	409	1,527	814	216	-	-	4,836	75	Suisse
United Kingdom	6,871	-	7,322	60	48	931	129	-	-	-	-	15,361	221	Royaume Uni
United States	5,598	713	-	246	1,943	7,055	5,096	14,452	-	-	-	35,103	10,224	Etats Unis
<u>TOTAL PRIVATE SOURCES</u>	<u>57,354</u>	<u>27,180</u>	<u>72,134</u>	<u>44,224</u>	<u>71,287</u>	<u>29,027</u>	<u>33,319</u>	<u>34,766</u>	<u>28,716</u>	<u>14,382</u>	<u>46,990</u>	<u>459,379</u>	<u>233,617</u>	<u>TOTAL D'ORIGINE PRIVEE</u>
<u>GRAND TOTAL</u>	<u>94,261</u>	<u>73,181</u>	<u>185,678</u>	<u>135,893</u>	<u>185,327</u>	<u>138,666</u>	<u>162,363</u>	<u>187,698</u>	<u>199,277</u>	<u>158,245</u>	<u>225,614</u>	<u>1,746,202</u>	<u>1,571,205</u>	<u>TOTAL GENERAL</u>

1/ OECD, Development Assistance Committee/OCDE, Commission de l'Assistance au Développement.

Source IBRD/B.I.R.D.

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Table/ Tableau 4 2

DISBURSEMENTS BY ORIGIN, 1965-1975  
DEBOURSEMENTS PAR ORIGINE, 1965-1975  
(In 000's of US dollars)

	1965	1966	1967	1968	1969	1970	1971	1972	1973	1974	1975	Total 1965-1975	Debt outstanding and disbursed / Financ total de la dette 12/31/75	
A. Public Sources / Origine Publique														
<b>DAC Countries<sup>1/</sup></b>	<b>35,384</b>	<b>23,971</b>	<b>38,095</b>	<b>35,456</b>	<b>48,916</b>	<b>40,916</b>	<b>55,137</b>	<b>91,403</b>	<b>95,505</b>	<b>71,877</b>	<b>79,088</b>	<b>615,948</b>	<b>617,339</b>	<b>Pays du C.A.L.<sup>1/</sup></b>
Belgium	-	-	-	-	-	-	-	548	6	852	1,220	2,626	2,656	Belgique
Canada	-	-	-	401	1,353	151	1,136	1,158	10,869	9,355	9,537	35,960	35,025	Canada
Denmark	176	673	75	208	833	1,362	848	729	1,036	208	692	6,840	6,673	Denmark
France	7,531	1,540	678	3,125	12,340	11,639	18,270	40,137	37,658	21,377	18,127	170,422	174,059	France
Germany (Fed. Rep. of)	7,819	2,109	2,413	5,588	5,917	7,552	9,674	17,953	13,352	18,607	26,288	117,272	122,031	Rép. Fed. d'Allemagne
Italy	2,000	-	9,600	-	-	-	-	-	-	-	-	11,600	5,586	Italie
Netherlands	-	1,792	138	-	705	975	722	973	2,118	661	2,020	10,104	11,236	Pays-Bas
Spain	-	-	-	-	-	-	-	-	574	-	8,691	9,265	8,744	Espagne
Sweden	172	100	659	538	2,079	448	19	1,836	7,398	8,392	3,778	25,419	26,023	Suède
United Kingdom	-	-	-	-	-	-	-	-	537	129	1,063	1,729	1,527	Royaume-Uni
United States	17,886	17,757	24,532	25,596	25,689	18,789	24,468	28,069	21,957	12,296	7,672	274,711	223,779	Etats-Unis
<b>East Bloc Countries</b>	<b>3,526</b>	<b>5,150</b>	<b>9,536</b>	<b>1,983</b>	<b>1,671</b>	<b>495</b>	<b>2,208</b>	<b>-</b>	<b>529</b>	<b>2,054</b>	<b>10,777</b>	<b>37,929</b>	<b>19,761</b>	<b>Pays de l'Est</b>
Bulgaria	-	-	-	-	-	-	-	-	-	1,536	213	1,749	1,491	Bulgarie
China (People Rep. of)	-	-	-	-	-	-	-	-	-	-	10,407	10,407	10,080	Rep. popul. de Chine
Czechoslovakia	259	-	-	-	487	95	-	-	5	-	-	846	8	Tchécoslovaquie
Germany (East)	576	-	-	1,075	-	-	-	-	-	-	-	1,651	290	Rep. Democ. d'Allemagne
Hungary	-	-	-	-	931	-	-	-	158	246	117	1,452	320	Hongrie
Romania	-	-	-	-	-	-	1,857	-	332	129	40	2,358	1,467	Roumanie
USSR	2,691	5,150	9,536	908	253	400	351	-	34	143	-	19,466	6,105	U.R.S.S.
<b>Other Countries</b>	<b>8,585</b>	<b>4,487</b>	<b>7,082</b>	<b>5,879</b>	<b>1,545</b>	<b>1,182</b>	<b>285</b>	<b>1,682</b>	<b>2,339</b>	<b>6,516</b>	<b>20,954</b>	<b>60,536</b>	<b>54,707</b>	<b>Autres Pays</b>
Iran	-	-	-	-	-	-	-	-	-	4,156	-	4,156	4,458	Iran
Iraq	-	-	-	-	-	-	-	-	-	-	-	-	-	Iraq
Kuwait	4,536	2,627	5,995	5,465	1,022	1,182	285	1,682	2,339	2,360	7,898	35,391	37,085	Koweït
Libya	2,839	959	41	-	-	-	-	-	-	-	10,640	14,479	10,640	Libya
Qatar	-	-	-	-	-	-	-	-	-	-	333	333	333	Qatar
Saudi Arabia	-	-	-	-	-	-	-	-	-	-	-	-	-	Arabie Saoudite
United Arab Emirates	-	-	-	-	-	-	-	-	-	-	2,083	2,083	2,064	Union des Emirats Arabes
Yugoslavia	1,210	901	1,046	414	523	-	-	-	-	-	-	4,094	127	Yougoslavie
<b>International Organizations</b>	<b>2,971</b>	<b>4,642</b>	<b>5,025</b>	<b>9,062</b>	<b>9,636</b>	<b>13,092</b>	<b>20,398</b>	<b>21,109</b>	<b>26,780</b>	<b>29,579</b>	<b>45,756</b>	<b>188,120</b>	<b>173,731</b>	<b>Organisations Internationales</b>
AIDE	-	-	-	-	275	1,021	533	387	244	-	6,260	8,720	8,608	B.A.D.
IBRD	1,068	3,374	3,606	5,431	5,897	9,197	15,011	15,529	21,233	23,476	26,852	170,674	109,815	B.I.R.D.
TDA	1,903	1,268	1,489	3,631	3,464	2,874	4,854	5,193	5,303	6,103	12,644	48,726	55,308	A.I.D.
Arab Fund	-	-	-	-	-	-	-	-	-	-	-	-	-	Fonds Arabe
<b>TOTAL PUBLIC SOURCES</b>	<b>50,666</b>	<b>28,250</b>	<b>59,808</b>	<b>52,380</b>	<b>61,768</b>	<b>55,685</b>	<b>78,028</b>	<b>114,194</b>	<b>125,153</b>	<b>110,020</b>	<b>156,575</b>	<b>902,533</b>	<b>885,538</b>	<b>TOTAL D'ORIGINE PUBLIQUE</b>
B. Private sources / Origine privée														
<b>Countries</b>														<b>Pays</b>
Algeria	-	-	-	-	600	-	-	-	-	-	-	600	155	Algérie
Austria	-	2,857	58	106	-	99	-	-	-	-	29,020	27,137	59,740	Autriche
Belgium	101	54	1,043	-	-	-	-	463	-	-	-	1,198	409	Belgique
Canada	-	-	-	-	-	-	-	-	-	-	-	820	-	Canada
France	5,428	6,174	28,320	10,517	12,537	11,403	11,993	2,260	8,327	16,975	22,293	136,227	66,863	France
Germany (Fed. Rep.)	612	2,370	3,340	1,250	789	555	14	31	351	-	-	9,312	1,438	Rép. Fed. d'Allemagne
Italy	35,607	12,217	22,259	27,485	3,085	5,528	11,452	18,560	9,687	8,295	3,448	157,623	61,491	Italie
Netherlands	-	-	5,000	-	-	-	-	-	-	-	-	5,000	-	Pays Bas
Spain	-	-	-	-	4,252	-	614	-	-	-	-	-	-	Espagne
Sweden	-	547	-	300	621	529	1,147	407	1,102	5,594	-	4,866	2,551	Suède
Switzerland	-	263	60	1,478	56	409	1,527	-	1,006	27	-	10,247	7,201	Suisse
United Kingdom	8,663	358	7,306	74	48	931	129	-	-	-	-	4,816	75	Royaume-Uni
United States	5,927	380	349	1	2,189	6,900	1,044	3,880	7,779	5,000	2,000	35,449	221	Etats-Unis
<b>TOTAL PRIVATE SOURCES</b>	<b>56,338</b>	<b>25,220</b>	<b>67,735</b>	<b>41,211</b>	<b>24,187</b>	<b>26,354</b>	<b>28,740</b>	<b>25,601</b>	<b>28,252</b>	<b>64,911</b>	<b>54,878</b>	<b>443,427</b>	<b>205,738</b>	<b>TOTAL D'ORIGINE PRIVEE</b>
<b>GRAND TOTAL</b>	<b>107,004</b>	<b>83,470</b>	<b>127,543</b>	<b>93,591</b>	<b>85,955</b>	<b>82,039</b>	<b>106,768</b>	<b>139,795</b>	<b>153,405</b>	<b>174,931</b>	<b>211,453</b>	<b>1,345,960</b>	<b>1,091,276</b>	<b>TOTAL GENERAL</b>

Source: IBRD/B.I.R.D.

Table / Tableau 4.3

STRUCTURE AND TERMS OF EXTERNAL PUBLIC DEBT  
 COMMITMENTS JANUARY 1ST OF EACH YEAR TO DECEMBER 31ST OF SAME YEAR  
 DEBT REPAYABLE IN FOREIGN CURRENCY AND GOODS  
 ( In thousands of U.S. dollars )  
 STRUCTURE ET TERMES DE LA DETTE EXTERIEURE PUBLIQUE  
 ENGAGEMENTS AU 1ER JANVIER DE CHAQUE ANNEE JUSQU'AU 31 DECEMBRE DE LA MEME ANNEE  
 ( en milliers de US dollars )

<u>Years to Maturity</u>	<u>1973</u>	<u>1974</u>	<u>1975</u>	<u>Echéance</u>
1 - 5	1,057	145	95	1 - 5
5.1 - 10	12,780	12,568	20,620	5.1 -10
10.1 - 15	13,523	37,440	59,757	10.1 -15
15.1 - 20	34	21,376	6,073	15.1 -20
Over 20	171,346	86,587	138,000	plus de 20
<u>total loans</u>	198,740	158,116	224,545	prêts totaux
<u>Interest Rate (in percent)</u>				<u>Taux d'Intérêt (en pourcentage)</u>
00.0 - 03.0	147,749	60,794	58,921	00.0 - 03.0
03.1 - 06.0	15,224	17,593	45,707	03.1 - 06.0
06.1 - 09.0	35,767	79,729	62,698	06.1 - 09.0
Over 09.0	-	-	-	plus de 09.0
Unknown	-	-	-	Inconnu
Average interest (in percent)	2.946	4.805	5.403	Intérêt moyen (en pourcentage)
Average maturity (in years)	28.8	23.1	18.7	Echéance moyenne (années)
Average grace (in years)	7.5	5.6	4.8	Grâce moyenne (années)
Grant element (in percent)	54.9	36.2	29.2	Elément de concession (en pourcentage)
Total grants	59,190	78,130	...	Octroi total

Source: IBRD /B.I.R.D.

Table/Tableau 5.1  
 GENERAL GOVERNMENT CURRENT ACCOUNTS, 1972 - 1976 (Millions of Dinars)  
 OPERATIONS COURANTES DES ADMINISTRATIONS PUBLIQUES, 1972 - 1976 (en millions de dinars)

	Actuals				Estimate	
	1972	1973	1974	1975	1976	
Current Receipts	252.8	290.3	400.6	491.9	518.8	Recettes Courantes
1. By category						1. Par Catégorie
Direct taxes and other receipts	68.5	74.9	124.8	185.7	177.9	Impôts directs et autres recettes
Indirect taxes	141.8	166.0	205.8	231.6	252.0	Impôts indirects
Interest and dividends	14.0	14.0	26.0	17.1	23.5	Intérêts et dividendes
Social security receipts	26.4	31.5	40.4	54.1	62.4	Cotisations sociales
Miscellaneous transfers	2.1	3.9	3.6	3.4	3.0	Transferts divers
2. By agency						2. Par administration
Central government	216.3	248.4	348.6	424.6	441.7	Gouvernement Central
Local government	8.7	8.9	10.1	11.0	12.1	Collectivités locales
Social security	27.5	33.0	42.3	56.3	65.0	Sécurité sociale
Extra-budgetary accounts	0.3	-	-	-	-	Comptes Hors Budget
Current Payments	206.5	234.6	289.8	370.4	420.2	Dépenses Courantes
1. By category						1. Par catégorie
Consumption (goods and services), net	31.5	35.0	36.5	43.6	53.8	Consommation (biens et services), nette
Salaries	120.2	134.2	160.5	201.7	225.7	Salaries
Social security payments	16.4	18.2	23.3	29.2	41.6	Prestations sociales
Interest payments-domestic	6.6	7.1	7.6	7.8	8.3	Intérêts sur la dette intérieure
Interest payments-foreign	5.9	6.0	9.3	9.4	11.0	Intérêts sur la dette extérieure
Subsidies to households	11.5	13.4	32.1	59.5	52.5	Subventions aux ménages
Subsidies to enterprises	11.5	17.2	18.3	16.9	25.4	Subventions aux entreprises
Miscellaneous transfers	2.9	3.5	2.2	2.3	1.9	Transferts divers
2. By agency						2. Par administration
Central government	168.6	194.3	240.9	313.1	349.1	Gouvernement central
Local government	9.1	9.3	12.8	17.0	18.3	Collectivités locales
Social security	17.5	20.0	25.1	31.3	43.8	Sécurité sociale
Extra-budgetary accounts	11.3	11.0	11.0	9.0	9.0	Comptes Hors Budget
Current Surplus	46.3	55.7	110.8	121.5	98.6	Epargne Des Administrations
of which:						dont:
Central government	47.7	54.1	107.3	111.5	92.6	Gouvernement Central
Local government	- 0.4	- 0.4	- 2.7	- 6.0	- 6.2	Collectivités Locales
Social security	10.0	13.0	17.2	25.0	21.2	Sécurité sociale
Extra-budgetary accounts	- 11.0	- 11.0	- 11.0	- 9.0	- 9.0	Comptes Hors Budget

Source Ministère du Plan

Table/Tableau 5.2  
 GENERAL GOVERNMENT CAPITAL ACCOUNTS, 1972 - 1976 (Millions of Dinars)  
 OPERATIONS EN CAPITAL DES ADMINISTRATIONS, 1972 - 1976 (en millions de dinars)

	Actuals				Estimates	
	1972	1973	1974	1975	1976	
Capital Expenditure	86.4	96.9	176.0	193.8	246.0	Depenses en Capital
Urban Water Works	3.4	4.7	5.5	5.1	5.7	Travaux urbains et hydrauliques
Education	8.3	7.8	8.9	12.1	13.5	Educacion
Health and Sports	3.6	4.0	8.0	10.2	14.1	Santé publique et sports
Adm. Construction and Equipment	4.6	6.5	11.0	12.4	15.1	Bâtiments et matériel pour l'adm.
Agriculture and fishing	12.8	9.5	12.2	16.8	21.6	Agriculture et pêche
Transportation	15.8	15.1	16.5	16.6	21.9	Transports
Housing	-	-	1.0	1.0	2.0	Logement
Tourism	-	-	-	-	-	Tourisme
Rural development	-	3.0	7.9	9.3	12.3	Developpement rural
New Projects	-	-	-	-	-	
Subtotal (GFCF)	48.5	50.6	71.0	83.5	106.2	Sous-total (FBCF)
Transfers to enterprises	22.3	29.1	48.9	59.7	62.9	Subvention aux entreprises
Transfers to households	1.8	2.3	1.2	1.7	1.8	Subvention aux ménages
Land purchases	0.4	0.7	1.1	1.1	2.2	Achats de terrains
Loans and participation	13.4	14.2	53.8	47.8	72.9	Prêts et participation
External Financing	18.6	29.8	30.8	34.7	43.5	Financement Extérieur
Grants	16.5	14.9	18.4	19.0	17.5	Dons
Loans	25.0	27.7	27.3	31.1	42.0	Prêts
Less: repayments	-22.9	-12.8	-14.9	-15.4	-16.0	Moins: remboursement
Domestic Financing	67.8	67.1	145.2	159.1	202.5	Financement Intérieur
Current surplus	46.3	55.7	110.8	121.5	98.6	Epargne
Land sales	1.4	1.9	2.5	1.7	3.4	Ventes de Terrains
Transfers from enterprises	1.7	0.2	-	-	-	Transferts provenant des entreprises
Loans and advances	4.6	5.4	6.9	12.3	19.0	Prêts et avances (recouvrements)
Long-term borrowing	20.0	12.4	27.0	15.9	53.9	Emprunt à long terme
Less: repayments	-8.4	-12.2	-16.2	-18.9	-18.6	Moins: remboursements
Treasury deposits, net	6.2	8.5	3.7	16.4	-5.5	Depôts au Trésor, nets
Receivables, net	27.6	12.2	24.9	27.1	17.3	Comptes à recevoir, nets
Bank borrowing, net	-31.1	-16.5	-13.9	-16.9	34.4	Comptes bancaires, nets
Cash balances, net	-0.5	-0.5	-0.5	-	-	Caisse

Source: Ministère du Plan

Table/Tableau 5.3  
 CENTRAL GOVERNMENT CURRENT RECEIPTS; 1972 - 1976 (Millions of Dinars)  
 RECETTES COURANTES DU GOUVERNEMENT CENTRAL, 1972 - 1976 (en millions de dinars)

	Actuals/Realisations				Estimate 1976	
	1972	1973	1974	1975		
Direct Taxes	42.6	48.3	59.2	78.1	79.6	Impôts directs
Income taxes	39.0	45.7	54.3	73.9	76.0	Impôts sur les revenus
Agricultural Taxes	3.6	2.6	4.9	4.2	3.6	Impôts agricoles
Indirect Taxes	120.6	138.5	170.5	190.1	205.0	Impôts indirects
Excise taxes on goods and transport						Droits sur les produits et les transports
Import duties	16.7	18.0	19.8	22.3	24.1	Droits de douanes à l'importation
Export custom fees	13.6	17.4	23.2	26.2	26.2	Taxes à l'exportations
Import custom fees	1.8	1.8	4.4	3.8	4.2	Taxes à l'importations
Turnover taxes	4.9	6.0	9.0	11.4	12.2	Taxes sur le chiffre d'affaires
55.1	64.6	80.4	89.2	95.2		
of which :						Dont:
Imports for production	27.4	34.1	46.5	51.8	55.2	Importations pour la production
Imports for consumption	5.8	6.5	7.8	6.2	6.5	Importations pour la consommation
Domestic production	12.1	13.6	13.4	17.9	19.0	Taxes à la production intérieure
Domestic consumption	3.5	3.6	4.0	2.5	2.5	Taxes de consommation
Services	6.3	6.8	8.7	10.8	12.0	Taxes sur les services
Registration tax	7.6	8.7	10.7	13.7	15.4	Taxes d'enregistrement
Fiscal Monopolies	20.9	22.0	23.0	23.5	27.7	Monopoles fiscaux
Petroleum Revenues	20.4	20.0	60.4	63.4	54.2	Revenus d'origine pétrolière
Pipeline dues	3.9	3.6	3.5	3.5	3.4	Redevances pétrolières
Oil production profits	16.5	16.4	56.9	59.9	50.8	Bénéfices de l'exploitation pétrolière
Other taxes and revenue	15.4	18.2	21.7	27.2	31.2	Autre impôts et revenus
Total (title I)	199.0	225.0	311.8	358.8	370.0	Total (title I)
Other Treasury receipts						Autres recettes courantes du trésor
Revenue from new fiscal measures	17.3	23.4	36.4	65.8	71.7	Revenus de mesures fiscales nouvelles
Total Current Revenue	216.3	248.4	348.2	424.6	441.7	Total des recettes courantes

Source: Ministère du Plan

Table/Tableau 5.4  
 CENTRAL GOVERNMENT ACCOUNTS 1/ 1972 - 1976 (Million of Dinars)  
 COMPTES DU GOUVERNEMENT CENTRAL 1/ 1972 - 1976 (en millions de dinars)

	Actuals/Realisations				Estimate	
	1972	1973	1974	1975	1976	
Current Revenue	216.3	248.4	348.2	424.6	441.7	Recettes ordinaires
Current Expenditure	168.6	194.3	240.9	313.1	349.1	Dépenses ordinaires
Current Surplus	47.7	54.1	107.3	111.5	92.6	Epargne du Gouvernement
Capital Expenditure	99.8	105.5	190.9	212.1	261.5	Dépenses en capital
Gross fixed investment	32.0	36.0	56.2	69.3	88.5	Formation brute de capital fixe
Transfers to enterprises	33.1	40.0	98.7	104.1	131.0	Transferts aux entreprises
Debt Amortization	31.8	25.4	31.8	35.4	36.6	Amortissement de la dette
Transfers to local governments and Household	2.5	3.4	3.1	3.2	3.2	Transferts aux collectivités locales et aux ménages
Others	0.4	0.7	1.1	1.1	2.2	Divers
Cash Deficit	52.1	51.4	83.6	101.6	168.9	Déficit de Trésorerie
Domestic Financing	29.9	25.7	51.5	63.6	120.4	Financement intérieur
Central bank, net	-28.2	-15.3	8.3	1.3	39.3	Banque centrale, net
Equipment bonds	19.5	15.3	28	24.9	70.0	Bonds d'équipement
Other sources, net <u>2/</u>	38.6	25.7	15.2	37.4	11.1	Autres sources, net <u>2/</u>
External Financing	22.2	25.7	32.1	38.0	48.5	Financement extérieur

1/ Excluding transfers to and from local authorities and Social Security as well as extra-budgetary accounts/Non compris les transferts entre l'état, les collectivités locales et la sécurité sociale, ainsi que les comptes hors budget.

2/ Changes in net receivables and cash balances of the Treasury/Variations des comptes à recevoir et des encaisses du Trésor, net.

Source: Ministère du Plan

**TABLE/TABLEAU 6.1**

MONETARY SURVEY, 1969-1975 (millions of dinards)  
SITUATION MONETAIRE, 1969-1975 (millions de dinars)

	1969	1970	1971	1972	1973	1974	1975	1976	
<b>Assets</b>									<b>Actif</b>
Foreign Assets (net)	-2.1	8.0	55.2	93.0	126.4	157.4	147.8	132.2	Avoirs extérieurs (net)
Claims on Government (net) <sup>1/</sup>	94.4	93.4	87.2	75.2	72.8	88.7	105.7	77.5	Créances nettes sur l'Etat <sup>1/</sup>
Claims on enterprises and households	234.8	255.6	285.6	331.6	397.1	519.5	674.7	763.4	Concours à l'économie
<b>Assets = Liabilities</b>	327.1	357.0	428.0	499.8	596.3	765.6	928.2	1072.1	<b>Actif=Passif</b>
<b>Liabilities</b>									<b>Passif</b>
Money	180.8	192.7	241.2	278.7	323.1	404.3	475.4	514.0	Disponibilités monétaires, dont:
of which Currency	64.6	67.3	80.4	94.2	111.5	139.6	163.0	185.0	Monnaie fiduciaire
Demand Deposits <sup>2/</sup>	116.2	125.4	160.8	184.5	211.6	264.7	312.4	329.0	Monnaie scripturale <sup>2/</sup>
Quasi-Money <sup>3/</sup>	57.0	66.8	73.5	90.2	121.3	165.2	228.6	311.2	Quasi-Monnaie <sup>3/</sup>
Long-term Fx lending Funds	14.6	18.1	24.8	27.3	34.8	45.7	49.7	57.1	Fonds de prêts extérieurs à long terme
Counterpart funds	14.2	16.9	12.1	13.0	15.0	14.6	17.4	12.9	Fonds de contre-partie
Government Lending Funds	16.2	17.0	19.0	27.7	29.6	37.9	41.5	42.8	Fonds de prêts de l'Etat
Capital Accounts	29.8	32.9	36.1	39.1	47.8	67.4	83.9	95.5	Capitaux propres
Other items (net)	14.5	12.6	21.3	23.8	24.7	30.5	31.7	38.6	Autres postes nets

<sup>1/</sup> Including the counterpart of Post Office checking deposits, Saving Bank deposits and deposits under the Housing Deposit Scheme.  
Y compris la contrepartie des dépôts aux Comptes Chèques Postaux, à la Caisse d'Épargne, et à la Caisse d'Épargne Logement.

<sup>2/</sup> Including the Post Office checking deposits/Y compris les dépôts aux Comptes chèques postaux.

<sup>3/</sup> Including the Saving Bank deposits and deposits under the Housing Deposit Scheme/ Y compris les dépôts à la Caisse d'Épargne,

Source: Banque Centrale de Tunisie

Table/Tableau 6.2

MEDIUM AND LONG-TERM RESOURCES AND USES OF COMMERCIAL BANKS, 1970-1975 (millions of dinars)  
 RESSOURCES ET EMPLOIS A MOYEN ET LONG TERME DES BANQUES DE DEPOTS, 1970-1975 (millions de dinars)

	<u>1970</u>	<u>1971</u>	<u>1972</u>	<u>1973</u>	<u>1974</u>	<u>1975</u>	<u>1976</u>	
<u>Medium and long-term resources</u>	<u>132.1</u>	<u>148.4</u>	<u>175.5</u>	<u>215.7</u>	<u>279.4</u>	<u>342.8</u>	<u>427.2</u>	<u>Ressources a moyen et long terme</u>
Capital accounts	28.9	31.6	34.0	38.5	44.2	50.0	59.8	Fonds propres
Special resources <sup>1/</sup>	45.0	54.0	65.0	74.2	93.2	100.4	108.9	Fonds spéciaux <sup>1/</sup>
Term and saving deposits	} 58.2	62.8	65.8	92.0	125.4	171.7	224.5	Dépôts a terme et comptes d'épargne
Other components of quasi-money			10.7	11.0	16.6	20.7	34.0	Autres éléments quasi-monétaires
<u>Medium and long-term uses</u>	<u>86.5</u>	<u>101.1</u>	<u>120.1</u>	<u>151.3</u>	<u>198.3</u>	<u>237.1</u>	<u>297.5</u>	<u>Emplois à moyen et long terme</u>
Government equipment bonds (net)	20.3	22.6	32.1	34.9	47.4	47.4	70.1	Bons d'équipement (nets)
Investment portfolio	7.1	8.2	10.6	12.3	22.1	32.2	33.5	Portefeuille-titres
Credit from special resources	34.1	40.4	54.4	65.4	79.5	87.4	94.3	Crédits sur fonds spéciaux
Credit from ordinary resources	25.0	29.9	23.0	38.7	49.3	70.1	99.6	Crédits sur fonds ordinaires
<u>Surplus of resources over uses</u>	<u>45.6</u>	<u>47.3</u>	<u>55.4</u>	<u>64.4</u>	<u>81.1</u>	<u>105.7</u>	<u>129.7</u>	<u>Excédent des ressources sur les emplois</u>

<sup>1/</sup>Long-term FX lending funds; counterpart funds; Government lending funds/Fonds de prêts extérieurs à long-terme; fonds de contrepartie; fonds de prêts de l'Etat.

Source: Banque Centrale de Tunisie et Ministère du Plan

Table/Tableau 6.3

DISTRIBUTION OF BANK CREDIT BY ECONOMIC SECTOR AND TERM, 1970-1975 (millions of dinars)  
 VENTILATION DES CREDITS BANCAIRES PAR SECTEUR ET PAR TERME, 1970-1975 (en millions de dinars)

	1970	1971	1972	1973	1974	1975	
<u>Agriculture</u>	23.4	26.5	26.6	32.1	41.3	52.1	<u>Agriculture</u>
<u>Industry</u>	75.5	83.2	93.4	125.3	191.6	265.6	<u>Industrie</u>
Mining	5.6	7.3	8.9	9.9	5.1	7.5	Mines
Petroleum	0.8	1.2	2.0	1.2	0.1	4.3	Pétrole
Energy and water	0.8	0.6	---	2.4	2.4	5.7	Electricité et eau
Manufacturing	57.0	63.0	69.5	95.8	158.3	210.4	Industries manufacturières
Food processing	9.6	13.3	15.3	20.5	34.4	43.8	Industries agricoles et alimentaires
Textiles, clothing and leather	16.5	18.3	20.5	27.7	40.1	49.9	Textile, habillement, cuir
Mechanical and electrical	15.0	15.1	15.6	23.4	34.0	49.0	Industries mécaniques et électrique
Construction materials	6.1	6.9	6.6	8.1	16.0	24.7	Matériaux de construction
Woodworking	2.5	2.3	2.6	3.2	6.0	6.8	Bois, liège, ameublement
Chemical	2.6	2.3	2.5	4.7	18.1	25.3	Chimie
Paper and other manufacturing	4.7	4.8	6.4	8.2	9.6	10.9	Papier, impression et divers
Construction and public works	11.3	11.2	13.1	16.0	25.7	37.8	Bâtiments, travaux publics
<u>Services</u>							<u>Services</u>
Transport and communications	4.3	3.6	6.7	16.2	20.1	31.3	Transport et télécommunications
Tourism	34.5	40.0	45.6	56.9	60.4	77.3	Tourisme
Commerce	35.5	44.0	56.7	77.3	104.8	149.0	Commerce
Other services	16.5	17.9	25.3	30.7	55.6	75.4	Autres
<u>Total registered credit <sup>1/</sup></u>	<u>189.6</u>	<u>215.1</u>	<u>254.3</u>	<u>338.3</u>	<u>474.0</u>	<u>650.6</u>	<u>Total des crédits recensés <sup>1/</sup></u>
Non-registered credit	58.1	61.5	66.0	45.2	22.0	-9.1	Crédits non-recensés
<u>Overall total</u>	<u>247.7</u>	<u>276.6</u>	<u>320.3</u>	<u>383.5</u>	<u>496.0</u>	<u>641.0</u>	<u>Total des crédits à l'économie</u>
of which: rediscounted at the Central Bank	16.1	11.8	22.2	29.7	35.5	84.8	(i) dont: réescomptés à la Banque
of which:							(ii) dont:
1. Short-term credits	180.4	198.8	235.2	270.3	358.4	473.0	1. Crédits à court terme
2. Medium-term credit	37.7	43.6	48.5	69.6	84.3	109.8	2. Crédits à moyen terme
3. Long-term credit	29.5	34.1	36.6	43.5	53.2	58.2	3. Crédits à long terme

<sup>1/</sup> By the "Service des risques" at the Central Bank/Par le Service des risques de la Banque Centrale.

Source: Banque Centrale de Tunisie

Table/ Tableau 7.1

VOLUME OF AGRICULTURAL PRODUCTION, 1969-1976 (in thousands tons)  
 PRODUCTION AGRICOLE EN VOLUME, 1969-1976 (en milliers de tonnes)

	Actuals										Exp.
	1969	1970	1971	1972	1973	1974	1975	1976	1976		
Hard wheat	220	300	460	707	655	655	776	800			
Soft wheat	80	142	260	258	235	202	200	200			
Barley	96	150	160	245	282	228	260	300			
Artichokes	10	7	11	16	10	15	16	17			
Tomatoes	153	165	167	173	227	238	267	280			
Pumpkins	61	68	90	99	71	100	110	126			
Peppers	85	91	86	86	92	103	105	134			
Melons	75	107	138	162	171	200	210	220			
Other vegetables	215	214	248	256	232	258	270	300			
Citrus	108	101	77	120	75	107	104	120			
Olive	275	125	450	900	375	650	468	800			
Dates	18	46	39	42	32	52	60	60			
Wine grapes	87	73	125	142	133	155	160	150			
Table grapes	23	17	20	20	24	25	29	30			
Apricots	16	19	20	22	19	22	23	24			
Almonds	6	11	13	15	20	23	25	26			
Other fruits	56	57	65	66	73	78	72	75			
Esparto grass	74	79	76	75	75	75	75	75			
Tobacco	3	2	2	2	2	2	3	3			
Cork	6	9	8	12	8	16	15	15			
Sugar beet	32	36	24	35	44	45	50	80			
Legumes and pulses	30	26	57	56	56	71	86	91			
Animal products:											
Cattle	33	31	28	40	45	49	52	56			
Sheep	44	42	37	56	56	59	62	64			
Goats	7	7	8	6	7	7	9	10			
Poultry	11	12	14	17	21	25	29	32			
Fishing	36	28	31	33	37	43	46	53			

Source: Ministère du Plan

Table/Tableau 7.2

VALUE OF AGRICULTURAL PRODUCTION, 1969-1976 (millions of Dinars, current prices)  
VALEUR DE LA PRODUCTION AGRICOLE, 1969-1976 (en millions de dinars, aux prix courants)

	Actuals Realisations						Est./ Est.	1976	
	1969	1970	1971	1972	1973	1974	1975		
<b>Cereals: Adjusted total <sup>1/</sup></b>	<b>19.8</b>	<b>29.3</b>	<b>37.4</b>	<b>51.6</b>	<b>49.4</b>	<b>57.4</b>	<b>71.7</b>	<b>74.9</b>	<b>Céréales: Total ajusté <sup>1/</sup></b>
Total	(17.2)	(25.5)	(32.5)	-	-	-	-	-	Total
Hard wheat	10.6	14.4	19.2	33.9	31.4	38.0	48.9	50.4	Blé dur
Soft wheat	3.4	6.1	8.6	10.8	10.1	10.7	11.6	11.6	Blé tendre
Barley	3.2	5.0	4.7	6.9	7.9	8.7	11.2	12.9	Orge
<b>Vegetables</b>	<b>25.2</b>	<b>26.9</b>	<b>27.4</b>	<b>32.0</b>	<b>42.3</b>	<b>49.3</b>	<b>55.8</b>	<b>62.3</b>	<b>Cultures maraîchères</b>
Artichokes	0.7	0.5	0.7	0.7	0.6	1.1	1.0	1.0	Artichauts
Tomatoes	4.3	4.0	4.2	5.2	5.2	6.2	8.0	9.0	Tomates
Potatoes	3.2	4.1	4.1	3.7	5.0	6.0	7.8	9.0	Pommes de terre
Peppers	5.2	6.6	5.4	6.0	7.6	9.3	10.5	12.4	Piments
Melons and watermelons	4.5	4.8	4.8	6.2	8.0	10.4	10.9	11.4	Melons et pastèques
Other vegetables	7.3	6.9	8.2	10.2	15.9	16.3	17.6	19.5	Autres légumes
<b>Fruits</b>	<b>26.5</b>	<b>24.4</b>	<b>38.0</b>	<b>74.6</b>	<b>53.3</b>	<b>95.6</b>	<b>86.3</b>	<b>93.8</b>	<b>Cultures fruitières</b>
Citrus	4.4	3.6	3.2	6.4	4.7	4.7	6.2	7.2	Agrumes
Olives	9.6	4.6	16.2	42.3	19.1	58.5	46.8	52.0	Olives
Dates	1.5	4.2	3.5	4.7	5.4	5.4	6.7	6.7	Dattes
Wine grapes	2.1	1.7	3.0	5.8	5.9	7.0	6.3	6.8	Raisin de cuve
Table grapes	1.2	1.0	1.2	1.3	2.2	2.5	3.2	3.3	Raisin de table
Apricots	1.1	1.3	1.1	1.2	1.5	1.7	1.7	1.8	Abricots
Almonds	1.5	2.5	3.3	4.3	4.5	5.1	5.3	5.5	Amandes
Other fruits	5.1	5.5	6.5	8.6	10.0	10.7	10.1	10.5	Autres fruits
<b>Industrial cultures</b>	<b>1.2</b>	<b>1.3</b>	<b>1.1</b>	<b>1.6</b>	<b>1.6</b>	<b>2.0</b>	<b>2.4</b>	<b>2.8</b>	<b>Cultures industrielles</b>
Esparto grass	0.4	0.4	0.4	0.5	0.5	0.5	0.6	0.6	Alfa
Tobacco	0.4	0.4	0.3	0.4	0.4	0.5	0.6	0.6	Tabac brut
Cork	0.2	0.3	0.2	0.4	0.3	0.5	0.5	0.5	Liege
Sugar beet	0.2	0.2	0.2	0.3	0.4	0.5	0.7	1.1	Betteraves à sucre
<b>Legumes and Pulses</b>	<b>1.4</b>	<b>1.3</b>	<b>2.7</b>	<b>4.4</b>	<b>4.4</b>	<b>5.6</b>	<b>6.8</b>	<b>7.1</b>	<b>Légumineuses</b>
<b>Animal products</b>	<b>33.6</b>	<b>40.2</b>	<b>47.7</b>	<b>63.6</b>	<b>68.7</b>	<b>79.4</b>	<b>85.9</b>	<b>91.7</b>	<b>Produits d'origine animale</b>
Cattle	9.0	10.7	13.9	18.9	21.3	24.6	26.0	28.0	Bovins
Sheep	14.8	17.3	20.9	29.8	29.1	33.9	35.7	36.8	Ovins
Poultry	4.6	5.9	7.4	8.3	10.4	12.6	14.8	16.3	Volailles
Eggs	5.2	6.3	5.5	6.6	7.9	8.3	9.4	10.6	Oeufs
<b>Other agricultural products )</b>									<b>( Autres produits agricoles )</b>
<b>Forestry products )</b>	<b>10.8</b>	<b>12.3</b>	<b>15.6</b>	<b>21.7</b>	<b>23.8</b>	<b>25.9</b>	<b>28.1</b>	<b>30.6</b>	<b>( Produits forestiers )</b>
<b>Total</b>	<b>118.5</b>	<b>135.7</b>	<b>169.7</b>	<b>249.5</b>	<b>243.5</b>	<b>315.2</b>	<b>337.0</b>	<b>363.2</b>	

<sup>1/</sup> Before 1972 total value of cereals has been adjusted up by 15 percent to offset the underestimation of quantities. / Avant 1972, la valeur totale des céréales a été augmentée de 15 pourcent pour tenir compte de la sous-estimation des quantités produites.

Source: Ministère du Plan

Table / Tableau 8.1  
 VOLUME OF MAIN INDUSTRIAL PRODUCTS, 1969 - 1976 (in thousands of tons unless indicated otherwise)  
 PRINCIPAUX PRODUITS INDUSTRIELS EN QUANTITE, 1969 - 1976 (en milliers de tonnes ou autre unité spécifique)

SECTORS/PRODUCTS	Actuals/Realisations						Est./Est. 1976	SECTEURS/PRODUITS
	1969	1970	1971	1972	1973	1974		
<b>Mining</b>								<b>Mines</b>
Crude Oil	3707	4146	4097	3977	3870	4130	4400	Pétrole brut
Phosphate rock	2600	3023	3162	3387	3476	3823	3456	Phosphate
Iron Ore	945	773	935	884	809	795	614	Minéral de fer
Lead concentrate	38	37	34	33	25	21	18	Concentré de plomb
Zinc Concentrate	17	22	22	20	16	11	14	Concentré de zinc
Natural Gas (10 <sup>6</sup> m <sup>3</sup> )	-	-	-	19	112	199	210	Gas naturel (10 <sup>6</sup> m <sup>3</sup> )
Salt (sea)	283	245	250	284	355	300	423	Sel marin
Chemical fluor-spar	-	17	28	41	43	28	34	Spaath-fluor chimique
Barite and others	12	14	6	30	19	17	15	Baryt et divers
<b>Food Processing</b>								<b>Industries Alimentaires</b>
Cereal Products	n.a.	n.c.	n.a.	691	752	795	852	Dérivés céréalières
Olive oil	55	25	90	180	75	130	117	Huile d'olive
Sugar	54	78	81	88	80	77	86	Sucre
Wine (1000 hl)	847	600	950	1000	1100	1200	1000	Vins (1000 hl)
Beer (1000 hl)	169	201	265	330	375	363	320	Bière (1000 hl)
Canned fruit and vegetable	29	32	34	31	43	48	50	Conserves fruits et légumes
Biscuits, chocolates	6	7	9	8	9	9	10	Biscuits, chocolat
Tobacco	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	Tabac
<b>Textiles, Clothing, Leather</b>								<b>Textiles, Habillement, Cuir</b>
Yarn <sup>1</sup> (tons)	5220	6679	8002	11070	12265	13218	14430	Filés <sup>1</sup> (tonnes)
Fabric <sup>2</sup> (1000 m <sup>3</sup> )	27087	32069	35298	64263	69361	75373	81100	Tissus <sup>2</sup> (1000 m <sup>3</sup> )
Shoes (1000 pairs)	3303	3848	4200	4857	4853	4054	5072	Chaussures (1000 paires)
Carpets (ton)	764	901	1000	1190	1261	1020	1314	Tapis (tonnes)
<b>Construction Materials</b>								<b>Matériaux de Construction</b>
Cement	605	547	584	628	525	538	613	Ciment
Red Ceramics	230	270	269	296	285	315	521	Céramique rouge
Lime	194	213	234	223	243	260	290	Chaux
Tile (1000 m <sup>2</sup> )	-	-	-	276	510	585	723	Carreaux de faïence (1000 m <sup>2</sup> )
<b>Chemicals</b>								<b>Chimie</b>
Hyperphosphate	58	28	7	9	23	58	10	Hyperphosphates
Single Superphosphate	33	33	36	41	50	29	52	Super simple
Triple Superphosphate	333	372	424	414	400	410	305	Super triple
Phosphoric acid	9	7	1	62	93	124	102	Acide phosphorique
Fertilizer	-	-	-	9	11	14	17	Engrais Composés
<b>Paper and others</b>								<b>Papier et divers</b>
Pulp	20	19	20	22	23	23	22	Pâte à papier
Newsprint	-	2	12	14	18	22	15	Papier d'impression
Packaging	12	13	14	16	15	15	18	Emballage en papier

1/ Series since 1970 do not correspond with previous series/ Les series depuis 1970 ne correspondent pas aux series antérieures

Source: Ministère du Plan

Table/ Tableau 8.2  
 VALUE OF MAIN INDUSTRIAL PRODUCTS, 1969-1976 (Millions of dinars at current prices)  
 PRINCIPAUX PRODUITS INDUSTRIEL EN VALZUR, 1969-1976 (en Millions de dinars, aux prix courants)

Sectors/Products	Actuals/Realizations						Est./Est.
	1969	1970	1971	1972	1973	1974	
<b>Mining</b>							
Crude oil	27.7	32.8	44.0	41.8	62.5	119.7	17.0
Phosphate rock	11.8	12.5	13.3	13.8	18.5	68.3	66.5
Iron ore	2.5	2.5	3.1	2.7	2.6	3.4	3.4
Lead concentrate	2.3	2.6	1.8	1.7	1.5	2.1	0.9
Zinc concentrate	0.8	1.0	1.0	0.9	0.9	1.0	1.1
Natural Gas	-	-	-	0.1	0.9	1.5	1.6
Salt (ass)	1.1	1.1	1.2	1.4	1.8	1.4	1.9
Chemical fluor-spar	-	0.5	1.0	1.4	1.3	0.8	1.3
Barite and others	0.2	0.2	0.1	0.2	0.1	0.2	0.3
<b>Food Processing</b>							
Cereal products	n.a.	n.a.	n.a.	48.4	52.5	55.6	64.3
Olive oil	15.9	8.4	28.2	57.1	31.7	79.3	66.1
Sugar	5.8	7.6	8.0	11.2	9.5	11.0	15.9
Wine	4.3	3.3	5.2	5.5	7.2	8.4	7.8
Beer	2.1	2.4	3.2	3.8	4.3	4.7	4.0
Canned fruit and vegetable	5.6	6.5	7.1	8.1	10.6	13.2	13.1
Canned fish	0.9	0.9	1.8	1.2	1.3	1.9	3.4
Biscuits, chocolate	2.3	2.7	3.5	3.1	3.9	5.0	4.6
Tobacco	n.a.	n.a.	n.a.	5.9	7.2	9.9	11.8
<b>Textiles, Clothing, Leather</b>							
Yarn <sup>1/</sup>	4.4	6.4	8.0	8.5	10.1	18.2	20.8
Fabric <sup>1/</sup>	17.5	19.4	21.8	23.3	27.1	34.6	37.5
Shoes	3.4	3.8	5.4	5.0	5.7	5.9	8.1
Carpets	3.2	3.8	4.5	6.0	7.1	7.1	7.4
Clothing	9.4	11.1	12.2	18.0	24.8	40.1	61.6
Leather	1.3	2.0	2.5	2.9	3.1	3.7	4.2
<b>Construction Materials</b>							
Cement	4.0	3.9	4.2	4.3	3.7	4.4	5.1
Red Ceramics	1.8	2.1	2.1	2.1	2.2	2.8	5.2
L/ram	1.0	1.1	1.2	1.1	1.3	1.6	1.8
Floor Tile	n.a.	n.a.	n.a.	0.4	0.8	1.0	1.3
Mosaic Tile	n.a.	n.a.	n.a.	1.2	2.0	2.5	3.1
<b>Mechanical and Electrical Industry</b>							
Steel and Metallurgy	n.a.	n.a.	n.a.	15.4	18.3	23.0	23.3
of which: steel	7.5	8.0	9.0	9.1	11.6	13.4	15.2
Mechanical and hardware	n.a.	n.a.	n.a.	9.1	9.7	13.7	18.5
of which: car assembling	3.5	2.5	4.7	5.4	5.0	9.0	12.8
Metallic Construction and Boiler	n.a.	n.a.	n.a.	8.7	10.2	12.5	15.6
Electric Industry	n.a.	n.a.	n.a.	6.6	8.0	10.4	13.4
<b>Chemicals</b>							
Hyperphosphates	0.4	0.3	0.1	1.1	0.2	1.1	0.2
Single Superphosphate	0.5	0.5	0.5	0.5	0.7	0.4	0.7
Triple Superphosphate	9.9	9.6	10.3	11.8	13.0	34.1	21.4
Phosphoric acid	0.6	0.4	0.0	3.5	5.4	19.2	17.3
Paints	1.4	1.7	1.9	2.3	2.4	3.5	4.7
Tires	2.0	2.0	2.2	2.6	2.5	3.7	4.7
Pharmaceuticals	0.9	1.0	1.1	1.4	1.6	1.6	1.6
Soap	1.7	1.6	1.6	1.5	1.5	1.9	2.2
Detergents	0.9	1.2	1.7	2.0	2.2	2.8	3.5
Refined Oil	n.a.	n.a.	n.a.	16.2	17.0	19.9	20.2
<b>Paper and others</b>							
Pulp	2.0	1.8	2.2	2.2	2.6	4.0	3.7
Newspaper	-	0.4	1.8	2.2	3.5	6.3	4.4
Packaging	2.0	2.1	2.1	2.7	2.6	4.5	5.4
Printing	2.8	3.8	4.2	4.3	4.7	6.1	7.1
Plastic products <sup>1/</sup>	1.9	1.8	2.7	3.2	4.1	6.0	7.3
Furniture (Wood) <sup>1/</sup>	1.8	3.3	3.0	3.2	3.7	4.7	5.4
<b>Sectors/Products</b>							
<b>Mines</b>							
Petrole brut							102.0
Phosphate							43.9
Minerals de fer							2.6
Concentré de plomb							0.9
Concentré de zinc							1.2
Gas naturel (10 <sup>6</sup> m <sup>3</sup> )							1.9
Sel marin							1.9
Spath-fluor chimique							1.3
Baryt et divers							0.3
<b>Industries Alimentaires</b>							
Dérivés Céréalières							75.7
Huile d'olive							66.1
Sucre							15.1
Vins (1000 hl)							7.8
Bière (1000 hl)							4.7
Conservés fruits et légumes							15.7
Conservés de poissons							3.4
Blancs, chocolat							5.5
Tabac							13.0
<b>Textiles, Habillement, Cuir</b>							
Filés <sup>1/</sup>							21.0
Tissés <sup>1/</sup>							42.0
Chaussures							10.5
Tapis							11.1
Habillement							94.2
Cuir							4.7
<b>Matériaux de Construction</b>							
Ciment							4.8
Ceramique rouge							9.5
Chaux							1.8
Carreaux de faïence							1.8
Carreaux Mosaïque							4.3
<b>Industries Mécaniques et Electrique</b>							
Siderurgie et Metallurgie							28.8
dont: siderurgie							19.9
Mécanique et quincaillerie							26.4
dont montage autoc							19.1
Construction Metallique et Chaudière							18.3
Industrie Electrique							18.9
<b>Chimie</b>							
Hyperphosphates							2.0
Super simple							0.7
Super triple							13.9
Acide phosphorique							25.5
Peintures							6.3
Pneumatiques							5.1
Produits pharmaceutiques							2.1
Savon							2.4
Détergents							4.0
<b>Pétrole raffiné</b>							18.8
<b>Papier et divers</b>							
Pâte à papier							3.8
Papier d'impression							4.7
Emballage en papier							5.9
Imprimerie							8.3
Ouvrages en plastique <sup>1/</sup>							9.9
Mobilier <sup>1/</sup>							6.2

<sup>1/</sup> Series since 1970 do not correspond with previous series./ Les series depuis 1970 ne correspondent pas aux series antérieures.

Source: Ministère du Pien.

Table/ Tableau: 8.3

## INDUSTRIAL PRODUCTION INDEX, 1966-1975

## INDICE DE LA PRODUCTION INDUSTRIELLE, 1966-1975

(1966-1970: 1966 = 100) <sup>1/</sup>  
(1970-1975: 1970 = 100)

	<u>1966</u>	<u>1967</u>	<u>1968</u>	<u>1969</u>	<u>1970</u>	<u>1971</u>	<u>1972</u>	<u>1973</u>	<u>1974</u>	<u>1975</u>	
<u>Manufacturing</u>	<u>100</u>	<u>112</u>	<u>116</u>	<u>114</u>	<u>124</u>	<u>109.9</u>	<u>120.1</u>	<u>124.6</u>	<u>133.6</u>	<u>134.3</u>	<u>Industries manufacturières</u>
Food processing	100	119	110	89	109	120.5	127.3	135.2	146.7	142.5	Alimentation
textiles	100	118	129	142	146	101.8	107.0	119.2	120.6	110.4	Textiles
Leather and shoes	100	93	100	115	120	98.4	107.1	113.3	97.6	110.3	Chaussures et cuirs
Mechanical and electrical industries	100	108	107	113	127	110.3	140.8	143.0	166.7	181.0	Industries mécaniques et électriques
Construction materials and glass	100	101	111	120	119	110.9	122.0	120.7	119.2	124.5	Matériaux de construction et verre
Chemical industries	100	114	125	121	133	106.2	114.5	118.2	127.8	124.6	Industries chimiques
Petroleum refining	100	105	122	125	131	100.9	94.1	91.3	98.4	105.8	Dérivés du pétrole
Paper	100	114	117	124	116	112.0	129.6	132.0	137.2	129.6	Papier et carton
<u>Mining</u>	<u>100</u>	<u>92</u>	<u>112</u>	<u>100</u>	<u>111</u>	<u>100.5</u>	<u>100.7</u>	<u>102.4</u>	<u>109.7</u>	<u>114.0</u>	<u>Industries extractives</u>
of which: crude oil	100	145	207	240	269	98.7	95.8	93.4	99.7	111.0	dont: pétrole
phosphates	100	90	107	83	96	104.7	112.2	115.0	126.7	116.3	phosphates
<u>Electricity, Gas</u>	<u>100</u>	<u>110</u>	<u>122</u>	<u>138</u>	<u>150</u>	<u>112.0</u>	<u>125.5</u>	<u>139.4</u>	<u>158.5</u>	<u>173.4</u>	<u>Electricité et gaz</u>
<u>GENERAL INDEX</u>	<u>100</u>	<u>108</u>	<u>115</u>	<u>113</u>	<u>123</u>	<u>107.7</u>	<u>115.7</u>	<u>120.7</u>	<u>130.6</u>	<u>134.1</u>	<u>INDICE GENERAL</u>

<sup>1/</sup> Index revised in 1970/L'index a été révisé en 1970

Source: Institut National de la Statistique

Table/Tableau 9.1

WHOLESALE PRICE INDEX, 1970-1976  
INDICE DES PRIX DE GROS, 1970-1976  
(1970 = 100)

	GENERAL INDEX INDICE GENERAL			By Nature/Selon Nature			Raw Materials Matières premiè.
	Local Locaux	Imports Importés	Total	Food Aliment.	Indust. Prod. Prod. indust.	Energy Prod. énergé.	
1970	100.0	100.0	100.0	100.0	100.0	100.0	100.0
1971	109.4	103.9	107.4	111.6	102.0	103.8	111.1
1972	111.1	105.3	109.0	113.6	102.3	106.0	116.4
1973	116.5	111.8	114.8	119.8	109.1	105.8	118.2
1974	133.4	149.2	139.1	132.0	140.4	111.1	210.9
1975	145.2	164.8	152.3	144.5	152.0	138.4	230.2
1974							
I	130.1	124.8	128.1	132.5	121.3	106.8	151.7
II	129.1	146.6	135.5	124.4	137.6	109.2	231.2
III	136.1	162.2	145.6	133.5	150.6	112.5	237.5
IV	138.3	163.3	147.4	137.4	152.1	115.8	223.0
1975							
I	144.9	171.0	154.4	143.6	157.6	137.0	233.9
II	142.3	164.6	150.4	139.8	153.0	136.8	229.4
III	147.2	162.6	152.8	146.4	149.7	141.0	232.6
IV	147.3	160.8	151.6	146.8	147.6	138.9	225.0
1976							
I	149.7	159.0	153.1	152.1	144.5	143.7	222.9
II	148.8	160.7	153.1	151.7	145.2	146.3	219.8
III	150.7	163.2	155.3	156.0	145.4	146.1	219.3

Source: Institut National de la Statistique

Table/Tableau 2.2

COST OF LIVING INDEX, 1966 - 1976 (1970 = 100)  
 INDICE DU COUT DE LA VIE 1966 - 1976 (1970 = 100)

	<u>GENERAL INDEX</u> <u>INDICE GENERAL</u>	<u>Food</u> <u>Alimentation</u>	<u>Housing</u> <u>Habitation</u>	<u>Transportation</u> <u>Transport</u>	<u>Clothing</u> <u>Habillement</u>	<u>Personal care</u> <u>Hygiene et soins</u>	<u>Leisure &amp; Sundry</u> <u>Distraction</u> <u>et divers</u>
<u>Weights/Pondération</u>	100	51	18	5	12	6	8
1966	90.0	88.6	93.3	80.7	96.6	90.1	88.9
1967	92.7	91.5	93.1	84.5	97.6	98.6	88.6
1968	95.0	93.6	95.5	92.6	98.5	100.6	93.5
1969	98.9	98.6	100.7	99.4	98.8	98.5	94.2
1970	100.0	100.0	100.0	100.0	100.0	100.0	100.0
1971	106.0	110.3	102.3	100.6	101.1	101.8	100.8
1972	108.0	113.0	102.1	102.3	102.7	103.6	103.3
1973	113.1	120.5	106.0	103.0	105.3	103.9	107.0
1974	117.7	121.5	110.6	128.5	115.2	114.9	109.2
1975	128.9	133.1	120.2	137.5	125.2	133.2	120.2
1976	135.8	141.5	123.0	140.7	132.2	137.5	130.0
1974 I	118.9	127.5	107.8	116.8	113.1	107.6	108.0
II	115.3	118.5	108.7	126.5	113.5	114.3	108.2
III	116.6	118.2	111.0	135.3	115.1	117.5	109.2
IV	120.0	121.8	115.0	135.3	119.2	120.2	111.3
1975 I	123.8	125.6	119.1	137.0	121.3	129.2	113.9
II	127.2	130.9	119.6	137.3	124.1	131.5	116.3
III	131.4	137.1	120.5	137.3	124.8	135.5	123.9
IV	133.4	138.7	121.5	138.5	130.5	137.0	126.7
1976 I	135.5	141.7	122.8	139.1	131.7	135.8	128.3
II	134.5	139.1	122.8	139.6	132.2	138.1	129.5
III	136.3	142.1	123.2	141.0	132.5	138.1	130.6
IV	137.0	143.2	123.2	143.0	132.5	138.1	131.5

Source: Institut National de la Statistique

Table/Tableau 9.3  
 TOURISM MAIN DATA AND PROJECTIONS, 1968-1976  
 TOURISME PRINCIPAUX INDICATEURS ET PREVISIONS, 1968-1976

	<u>1968</u>	<u>1969</u>	<u>1970</u>	<u>1971</u>	<u>1972</u>	<u>1973</u>	<u>1974</u>	<u>1975</u>	<u>Esti. 1976</u>	
Annual investment (million of dinars) <sup>1/</sup>	17.0	14.9	14.7	17.8	19.4	23.9	12.3	6.3	8.8	Investissement annuel (millions de dinars) <sup>1/</sup>
Total bed capacity (beds) <sup>2/</sup>	23,263.0	30,421.0	35,297.0	41,252.0	46,306.0	52,924.0	55,748.0	62,397.0	64,000.0	Capacité d'hébergement totale (lits) <sup>2/</sup>
Employment	9,305.0	12,168.0	14,119.0	16,500.0	18,522.0	21,170.0	22,299.0	24,959.0	25,400.0	Emploi
Visitors (thousands)	330.0	373.0	411.0	608.0	780.0	722.0	716.0	1,014.0	1,010.0	Valeurs (milliers)
Visitors bednights (thousands)	3,082.0	3,400.0	3,819.0	5,821.0	6,778.0	5,883.0	5,636.0	8,889.0	9,000.0	Nuitées de touristes (milliers)
Resident bednights (thousands)	262.0	274.0	295.0	296.0	327.0	371.0	437.0	538.0	500.0	Nuitées de résidents (milliers)
Average length of stay visitors (days)	9.3	9.1	9.3	9.6	8.7	8.1	7.9	8.8	8.8	Durée moyenne de séjour (jours)
Occupancy rate (%) <sup>3/</sup>	39.9	33.6	32.4	41.1	42.6	32.8	30.3	42.0	41.2	Taux d'occupation (%) <sup>3/</sup>
Foreign exchange receipts from tourism (millions of dinars)	22.2	26.1	31.6	53.8	68.4	72.4	80.9	118.8	130.0	Recettes du tourisme en devises (millions de dinars)
Receipts per bed (dinars)	954.0	858.0	895.0	1,304.0	1,478.0	1,368.0	1,451.0	1,904.0	2,063.0	Recettes par lit (dinars)
Total merchandise exports (millions of dinars)	83.1	89.2	98.8	117.2	160.5	178.8	397.7	345.6	346.0	Exportations totales de marchandises (millions de dinars)
Tourism receipts as percentage of merchandise exports	26.7	29.3	32.0	45.9	42.6	40.4	20.3	34.4	37.6	Recettes du tourisme par rapport aux exportations de marchandises en pourcent

<sup>1/</sup> Superstructure only/uniquement en superstructure.  
<sup>2/</sup> Available during the year/capacité offerte pendant l'année considérée.  
<sup>3/</sup> Calculated on a 360 days basis/calculée sur 360 jours.

Source: Office National du Tourisme

Table 10.1  
ECONOMIC DEVELOPMENT DATA

	1976	1977	1978	1979	1980	1981
<b>A. National Accounts</b> (in millions of dinars) constant 1972 prices)						
Gross domestic product	1,443.7	1,526.6	1,655.1	1,779.6	1,935.9	2,083.7
Gains from terms of trade <u>1/</u>	38.8	36.3	35.8	39.3	48.7	59.9
Gross domestic income	1,482.5	1,562.9	1,690.9	1,818.9	1,984.6	2,143.6
Consumption	1,190.9	1,280.4	1,394.6	1,507.6	1,634.6	1,758.7
Fixed Investment	365.0	342.0	360.0	382.5	405.0	423.0
Changes in stocks	-3.0	4.1	6.4	6.2	7.8	7.4
Exports	300.0	333.0	361.1	386.9	426.8	467.8
Exports adjusted <u>2/</u>	338.8	369.3	396.9	426.2	475.5	527.7
Imports	409.2	432.9	467.0	503.6	538.3	573.1
Resource gap	70.4	63.6	70.1	77.5	62.8	45.4
Domestic savings	291.6	282.6	296.3	311.2	350.0	385.0
National savings	280.1	267.8	276.1	285.2	317.4	346.8
<b>B. Prices (1972 = 100)</b>						
Export price index	189.6	201.8	219.8	237.1	256.0	276.6
Import price index	167.9	182.0	200.0	215.3	229.8	245.2
Terms of trade index	112.9	110.9	109.9	110.1	111.4	112.8
GDP deflator	142.0	153.4	164.3	178.1	190.5	203.9
Investment deflator	164.6	178.4	192.7	207.2	221.7	237.2
<b>C. Selected Indicators</b>						
Incremental Capital output ratio	2.7	4.4	2.7	2.9	2.5	2.8
Import elasticity	0.5	1.0	0.9	1.0	0.8	0.8
Domestic savings/GDP	20.2	18.5	17.9	17.5	18.1	18.5
Imports/GDP	28.3	28.4	28.2	28.3	27.8	27.5
Investment/GDP	24.4	22.1	21.7	21.4	20.8	20.1

1/ Difference between exports adjusted 2/ and exports in constant prices.

2/ Exports in constant prices times terms of trade index.

Source: Mission estimates

Table 10.2  
EXPORT DETAIL

	1976	1977	1978	1979	1980	1981
<b>A. Constant 1972 prices</b> (millions of dinars)						
Olive Oil	25.2	18.0	18.0	18.0	18.0	18.0
Crude Petroleum	40.9	46.2	51.5	53.6	39.3	28.3
Refined Petroleum	2.3	2.1	2.3	2.6	13.4	25.8
Phosphate Rock	9.9	11.0	11.3	11.7	14.2	14.6
Phosphate Derivates	16.8	22.4	23.4	24.8	40.2	49.0
Agricultural Products	21.0	23.9	25.8	27.8	30.9	34.9
Textiles	11.0	11.9	14.9	18.9	24.2	31.5
Other Manufactured Goods	12.4	15.6	18.1	20.0	21.4	23.7
Non Factor Services	160.5	181.9	195.8	209.5	225.2	242.0
Total Exports	300.0	333.0	361.1	386.9	426.8	467.8
<b>B. Price Indices (1972 = 100)</b>						
Olive Oil	139.0	139.0	144.6	151.8	159.4	167.3
Crude Petroleum	310.7	335.6	362.4	389.6	416.9	446.0
Refined Petroleum	308.8	333.5	360.2	387.2	414.3	443.3
Phosphate Rock	323.0	226.1	241.9	258.9	274.4	296.3
Phosphate Derivates	235.4	266.0	292.0	321.9	354.0	382.4
Agricultural Products	173.8	170.3	184.0	195.0	208.6	221.2
Textiles	350.7	378.8	405.3	429.6	455.4	482.7
Other Manufactured Goods	242.7	262.1	280.5	297.3	315.1	334.0
Non Factor Services	138.9	150.6	162.6	174.8	187.0	200.1
Total Exports	189.6	201.8	219.8	237.1	256.0	276.6
<b>C. Current Values</b> (millions of dollars)						
Olive Oil	81.6	58.3	60.6	63.7	66.8	70.2
Crude Petroleum	296.1	361.2	434.9	486.5	381.7	294.1
Refined Petroleum	16.5	16.3	19.3	23.5	129.4	266.5
Phosphate Rock	74.5	57.9	63.7	70.6	90.8	100.8
Phosphate Derivates	92.1	138.8	159.5	186.5	331.6	436.6
Agricultural Products	85.0	94.8	110.6	126.3	150.2	179.8
Textiles	89.9	105.0	140.7	189.2	256.8	354.3
Other Manufactured Goods	70.1	95.3	118.3	138.5	157.1	184.5
Non Factor Services	519.4	638.1	741.9	853.3	981.5	1,128.5
Total Exports	1,325.4	1,565.09	1,849.4	2,137.5	2,545.9	3,015.2

Source: Mission estimates

Table 10.3  
IMPORT DETAIL

	1976	1977	1978	1979	1980	1981
<b>A. In Constant 1972 Prices</b> (in millions of dinars)						
Foodstuffs, c.i.f.	52.5	57.4	62.7	67.8	73.7	79.3
Other consumer goods, c.i.f.	56.1	62.6	68.4	74.0	80.4	86.5
Energy, c.i.f.	25.6	26.0	26.0	26.0	20.0	15.0
Intermediate goods, c.i.f.	100.7	110.7	122.7	136.1	150.9	167.2
Capital goods, c.i.f.	123.2	119.7	126.0	133.9	141.8	148.1
Other nonfactor services	51.1	56.5	61.3	65.8	71.6	77.1
Total imports	409.2	432.9	467.0	503.6	538.3	573.1
<b>B. Price Indices (1972 = 100)</b>						
Foodstuffs, c.i.f.	153.3	168.0	210.0	229.8	252.1	272.2
Other consumer goods, c.i.f.	165.8	179.7	194.1	208.7	223.3	238.9
Energy, c.i.f.	234.0	256.5	276.7	297.2	317.4	339.6
Intermediate goods, c.i.f.	174.8	189.5	204.6	220.0	235.4	251.9
Capital goods, c.i.f.	170.4	184.7	199.5	214.5	229.5	245.5
Other nonfactor services	133.0	144.2	155.7	167.4	179.1	191.6
Total imports	167.9	182.0	200.0	215.3	229.8	245.2
<b>C. Current Values</b> (in millions of dollars)						
Foodstuffs, c.i.f.	187.5	224.7	306.8	363.2	432.7	502.8
Other consumer goods, c.i.f.	216.7	262.2	309.3	359.8	418.2	481.4
Energy, c.i.f.	139.0	155.0	167.0	180.0	147.0	118.0
Intermediate goods, c.i.f.	410.1	488.6	585.1	697.4	827.3	981.5
Capital goods, c.i.f.	489.1	515.2	585.7	668.9	757.9	847.0
Other nonfactor services	158.4	189.7	222.2	256.8	298.9	344.9
Total imports	1,600.9	1,835.5	2,176.0	2,526.2	2,882.0	3,274.8

Source: Mission Estimates.

Table 10.4  
BALANCE OF PAYMENTS  
(in millions of dollars)

	1976	1977	1978	1979	1980	1981
Exports	1,325.4	1,565.9	1,849.4	2,137.5	2,545.9	3,015.2
Imports	1,600.9	1,835.5	2,176.0	2,526.2	2,882.0	3,274.8
Resource Balance	-275.5	-269.6	-326.6	-388.6	-336.1	-259.6
Net Interest Payments	-42.5	-50.2	-65.1	-85.7	-113.7	-139.9
Net Direct Investment Income	-35.0	-46.6	-58.3	-69.9	-81.6	-93.2
Workers' Remittances	135.1	141.9	148.9	156.4	164.2	172.4
Other Factor Services	-107.4	-118.1	-130.0	-142.9	-157.2	-173.0
Net Factor Services	-49.6	-73.1	-104.5	-142.1	-188.3	-233.7
Net Transfers	2.3	7.0	7.0	7.0	7.0	7.0
Current Account Balance	-322.7	-335.7	-424.0	-523.8	-517.4	-486.3
Net Direct Foreign Investment	62.9	74.6	86.2	109.6	121.2	132.9
Grants	45.0	45.0	40.0	40.0	40.0	38.0
Medium and Long Term Borrowing	284.5	407.3	469.8	590.2	621.9	661.1
of which :						
Governments	152.7	150.8	145.9	133.4	139.0	139.8
International Organizations	56.2	61.8	65.2	79.2	87.8	88.2
Suppliers Credits	49.2	77.3	87.9	133.8	189.5	211.7
Financial Institutions	26.4	117.4	170.8	243.8	205.6	221.4
Amortization	-69.7	-72.9	-86.8	-128.5	-176.6	-247.5
Net Borrowing	214.8	334.4	383.0	461.7	445.3	413.6
Capital Account Balance	322.7	453.9	509.2	611.3	606.4	584.5
Charges in Reserves (increase:-)	-	-118.2	-85.2	-87.5	89.0	-98.2
Memorandum item :						
Net Reserves (end of period)	340.6	458.8	544.0	651.5	720.5	818.7

1/ Because of rounding parts may not add to totals.

Source : Mission Estimates

Table 10.5  
DEBT AND CREDITWORTHINESS  
(in millions of US dollars)

	1976	1977	1978	1979	1980	1981	1977-81
<u>Commitments</u>	248.5	399.7	485.9	608.6	643.1	698.1	2,835.4
Multilateral	89.0	88.0	93.0	92.0	92.0	102.0	467.0
Bilateral	159.5	311.7	392.9	516.6	551.1	596.1	2,368.4
Public Sources (governments)	104.0	122.0	137.0	139.0	156.0	163.0	717.0
Private Sources	55.5	189.7	255.9	377.6	395.1	433.1	1,651.4
Suppliers	48.9	77.3	87.9	133.8	189.5	211.7	700.2
Financial Institutions	6.6	112.4	168.0	243.8	205.6	221.4	951.2
<u>Disbursements</u>	284.5	407.3	469.8	590.2	621.8	661.1	2,750.2
Amortization	-69.7	-72.9	-86.8	-128.5	-176.6	-247.5	-712.3
Interest	-40.1	-48.0	-68.9	-93.7	-126.1	-156.8	-493.5
<u>Net Disbursements</u>	174.7	286.4	314.1	368.0	319.1	256.8	1,544.4
<u>Total Debt Outstanding</u> (end of period)	1,280.3	1,614.6	1,997.7	2,459.4	2,904.5	3,318.2	3,318.2
<u>Total Debt Incl. Undisbursed</u> (end of period)	1,738.3	2,059.0	2,451.2	2,924.2	3,382.6	3,825.3	3,825.3
<u>Debt Service Ratio</u> 1/ (end of period)	10.9	10.7	11.6	13.7	15.1	16.5	16.5

1/ Including net direct investment income; in percent of exports of goods and nonfactor services.

Source: Mission estimates.