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To: Members of the Executive Board  
From: The Secretary  
Subject: Tunisia - Recent Economic Developments

This paper provides background information to the staff report for the 1983 Article IV consultation discussions with Tunisia, which was circulated as SM/83/100 on May 25, 1983.

If Executive Directors have technical or factual questions relating to this paper prior to the Board discussion, they should contact Mr. Rothman, ext. 73393.

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INTERNATIONAL MONETARY FUND

TUNISIA

Recent Economic Developments

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Approved by the African Department

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TUNISIA - Basic Data

Area, population, and

GDP per capita

Area:	164,154 square kilometers
Population: Total (1982)	6.68 million
Growth rate (1982)	2.6 per cent
GDP per capita (1982)	SDR 1,072

	<u>1979</u>	<u>1980</u>	<u>1981</u>	<u>1982</u>	<u>1983</u>
				Prelim.	Forecast
	(In millions of dinars)				
<u>Gross domestic product at 1980 prices</u>	3,365	3,510	3,685	3,722	3,945
Agriculture and fishing	448	490	523	477	510
Energy, power, and water	413	432	396	384	405
Mining	41	45	53	42	48
Manufacturing	368	416	444	459	514
Construction and public works	201	207	224	232	233
Services and other	1,266	1,446	1,566	1,626	1,713
Indirect taxes minus subsidies	528	474	479	502	522
<u>GDP at current prices</u>	2,935	3,510	4,088	4,670	5,415
Domestic expenditure	3,081	3,700	4,453	5,135	5,915
Private consumption	1,775	2,171	2,519	2,935	3,377
Public consumption	444	510	619	800	938
Gross capital formation	862	1,019	1,315	1,400	1,600
Resource gap	-146	-190	-365	-465	-500
<u>Increase in consumer prices (per cent)</u>	7.7	10.0	9.9	12.6	11.0
<u>Government finance 1/</u>					
Revenue and grants	952.0	1,131.2	1,334.6	1,654.2	1,834.4
Current expenditure	-728.2	-784.1	-909.9	-1,253.7	-1,472.4
Government savings	213.0	325.1	419.3	390.3	360.5
Direct investment	-265.4	-333.3	-443.5	-507.9	-602.4
Capital transfers, participations, and net lending	-98.0	-112.7	-86.7	-133.4	-117.5
Overall deficit (-)	-139.6	-98.9	-105.5	-240.8	-357.9
Financing					
Foreign (net)	136.8	80.4	108.7	109.4	176.3
Domestic (net)	2.8	18.5	-3.2	131.4	181.6
Of which: banking system	(36.2)	(-0.3)	(24.4)	(41.7)	(75.5)

1/ Consolidated operations of the Central Government.

TUNISIA - Basic Data (concluded)

	<u>1979</u>	<u>1980</u>	<u>1981</u>	<u>1982</u>	<u>1983</u>
				<u>Prelim.</u>	<u>Forecast</u>
<u>(In millions of dinars)</u>					
<u>Money and credit (end of period)</u>					
Foreign assets (net)	165	191	236	252	232
Domestic credit	1,353	1,591	1,978	2,440	2,918
Central Government	(215)	(219)	(255)	(307)	(391)
Economy	(1,138)	(1,372)	(1,723)	(2,133)	(2,527)
Money and quasi-money	1,219	1,445	1,724	2,050	2,353
Money	(786)	(950)	(1,115)	(1,379)	(1,593)
Quasi-money	(433)	(495)	(609)	(671)	(760)
Other items (net)	299	337	490	642	797
<u>(In millions of SDRs)</u>					
<u>Balance of payments</u>					
Exports, f.o.b.	1,169	1,386	1,789	1,544	1,573
Imports, f.o.b.	-1,942	-2,213	-2,696	-2,629	-2,784
Balance	-773	-827	-907	-1,085	-1,211
Net services and transfers	439	487	493	529	527
Current account	-334	-340	-414	-556	-684
Grants	38	65	17	28	19
Direct investment	59	192	313	293	282
Public and private enterprises	234	121	186	169	257
Central Government	52	67	51	26	96
Other <sup>1/</sup>	48	-49	-76	65	--
Capital account	431	396	491	581	654
Allocation of SDRs	7	7	6	--	--
Overall balance	-104	63	83	25	-30
<u>Outstanding external debt</u>	2,210	2,321	2,457	2,775	3,125
<u>Debt service ratio</u>	11.0	12.1	13.6	16.8	17.0
<u>Gross official reserves</u>	446	469	467	556	424 (March)
<u>Terms of trade (percentage changes)</u>					
Export prices (in SDRs)	35.6	37.6	-5.0	-4.5	-9.0
Import prices (in SDRs)	20.4	17.0	3.1	-3.2	1.8
Terms of trade	12.8	14.3	6.2	-0.7	-10.6
<u>Exchange rates (period averages)</u>					
D/SDR	0.5252	0.5271	0.5823	0.6516	<u>March</u> 0.6940
D/F	0.0955	0.0958	0.0909	0.0899	0.0918
Trade-weighted (nominal; 1975 = 100)	98.9	99.9	100.7	96.3	94.2
Trade-weighted (real; 1975 = 100)	86.2	84.6	82.7	81.2	84.0

<sup>1/</sup> Including short-term capital, commercial banks, and errors and omissions.



## I. Income and Production

### 1. Background

Tunisia is a country with limited natural resources. Much of its land is arid or semi arid, and only 3 per cent of its arable land is irrigated. Rainfed agriculture suffers from wide yearly fluctuations in rainfall and therefore in output. Tunisia's most important raw materials are petroleum, natural gas, and phosphates. Although there are indications of new oil reserves, hydrocarbons are progressively reaching depletion, and phosphate deposits, although plentiful, are of poor quality. There is, however, a considerable tourism potential, which is being developed.

Tunisia's main asset, besides its close proximity to the European market, is its human resources, which have been developed successfully since its independence in 1956. Major government programs have raised the health, nutritional, and educational standards of the population, with a corresponding increase in the quality of the labor force. This should permit further development of tourism, services, and manufacturing for export. A substantial decline in infant mortality has more than offset a fall in the birth rate, leading to a high rate of population growth (2.6 per cent). Since the economy's growth (in terms of job creation) has not kept pace with the rise in population, unemployment has become a major problem.

### 2. Macroeconomic developments, 1982-83

During the first year of the Sixth Development Plan (1982-86), Tunisia's economic performance was less satisfactory than during the Fifth Plan (1977-81) <sup>1/</sup>. Based on provisional data, growth in real gross domestic product (GDP) was only 1 per cent, compared to 6.1 per cent annually under the previous plan (Table 1 and Appendix Table I). This weakening in economic performance was caused mainly by a drought-induced decline in agricultural output and agro-based industry, and slackened hydrocarbon and phosphate production, reflecting weakened world demand. Concurrently, following a substantial increase in wages (the minimum nonagricultural wage was raised by 32 per cent in February 1982), nominal domestic consumption expanded rapidly, and the ratio of national savings to GNP declined from over 22 per cent during the Fifth Plan (and 23 per cent in 1981) to 20 per cent in 1982. The investment ratio in 1982 declined by only 2 percentage points to 30 per cent, and the increasing gap between savings and investment led to a rise in the resource gap from less than 8 per cent of GDP in 1977-81 (9 per cent in 1981) to 10 per cent in 1982 (Chart 1). The decline in the rate of growth of physical output in conjunction with an increase in demand-pull and cost-push pressures and some price liberalization measures led to an acceleration in the rate of

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<sup>1/</sup> For a detailed discussion of Tunisia's performance under the Fifth Plan, see SM/81/33 and SM/82/110, pp. 1-10 and 12-16, respectively.

Table 1. Tunisia: Supply and Use of Resources, 1979-83

(In millions of dinars)

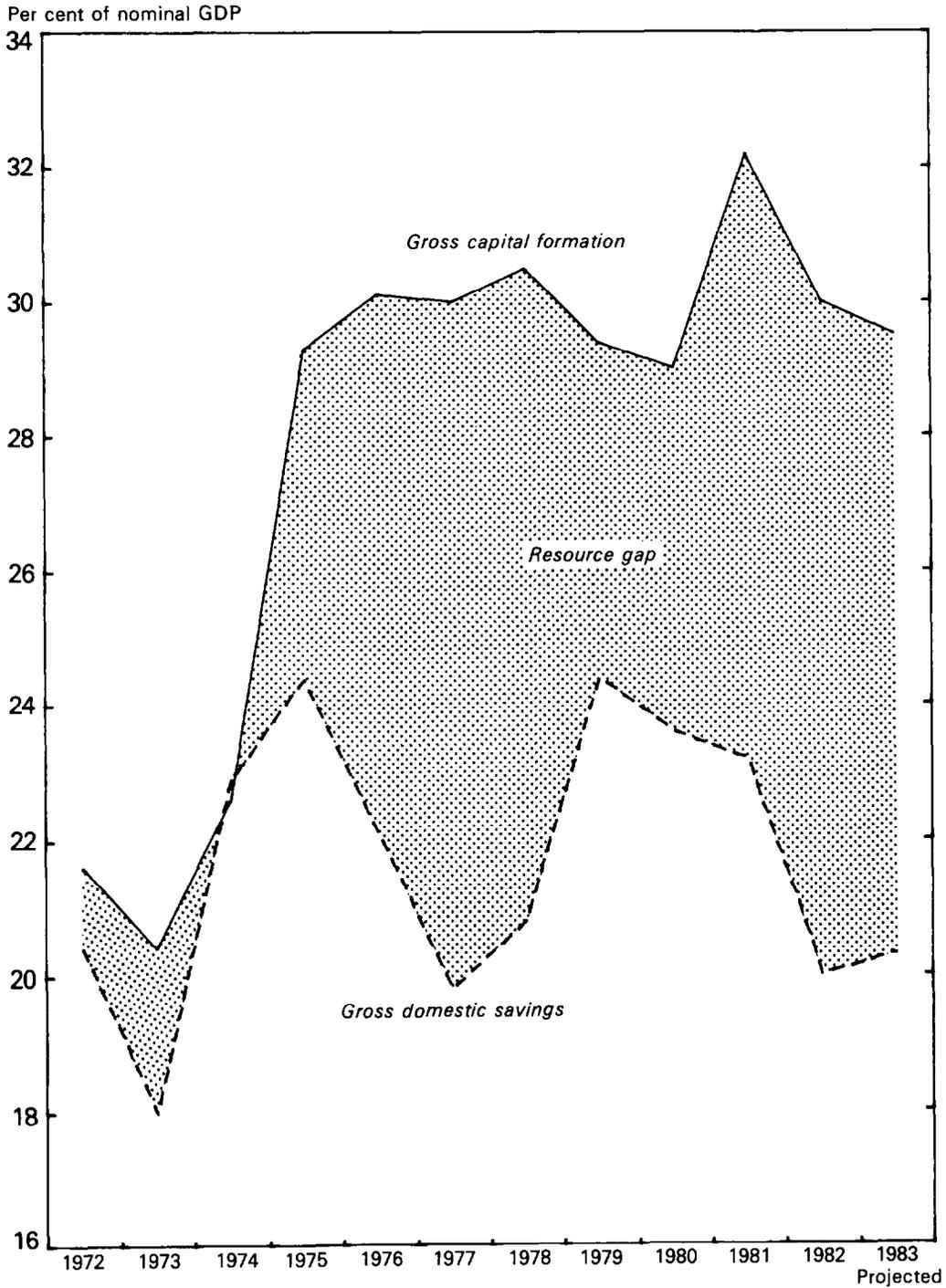
	1979	1980	1981	1982 <u>1/</u>	1983 <u>2/</u>
<u>Aggregates at current prices</u>					
GDP at market prices	2,935	3,510	4,088	4,670	5,415
Gross domestic expenditure	3,081	3,700	4,453	5,135	5,915
Consumption	2,219	2,681	3,138	3,735	4,315
Private	1,775	2,171	2,519	2,935	3,377
Public	444	510	619	800	938
Gross fixed capital formation	894	982	1,250	1,470	1,600
Changes in stocks	-32	37	65	-70	--
Resource gap	-146	-190	-365	-465	-500
Exports of goods and nonfactor services	1,139	1,425	1,723	1,738	1,845
Imports of goods and nonfactor services	1,285	1,615	2,088	2,203	2,345
<u>Aggregates at 1980 prices</u>					
GDP at market prices	3,365	3,510	3,684	3,722	3,945
Gross domestic expenditure	3,457	3,700	4,042	4,123	4,341
Consumption	2,447	2,681	2,875	2,999	3,161
Private	1,952	2,171	2,310	2,380	2,488
Public	495	510	565	619	673
Gross fixed capital formation	970	982	1,110	1,170	1,180
Changes in stocks	40	37	57	-46	--
Resource gap	-92	-190	-358	-401	-396
Exports of goods and nonfactor services	1,414	1,425	1,468	1,390	1,408
Imports of goods and nonfactor services	1,506	1,615	1,826	1,791	1,804

Source: Ministry of Planning and Finance.

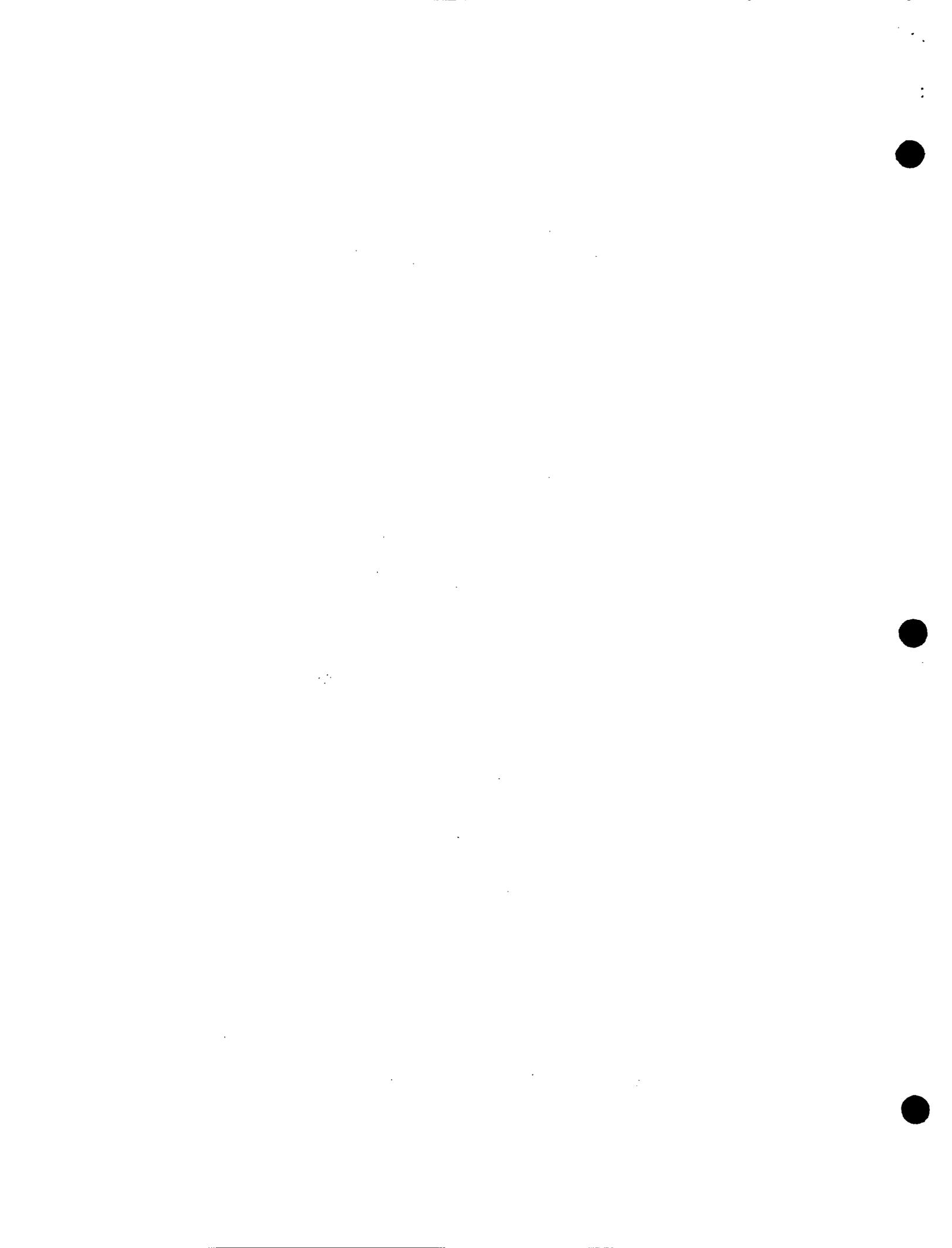
1/ Provisional estimates.

2/ Projections.

CHART 1  
TUNISIA  
INDICATORS OF GROSS DOMESTIC  
EXPENDITURES, 1972-83



Source: Data provided by the Tunisian authorities.



consumer price inflation from 7.8 per cent during 1977-81 (9.9 per cent in 1981) to 12.6 per cent in 1982, and an increase in the GDP deflator from 9.5 per cent in 1977-81 (10.9 per cent in 1981) to 13.2 per cent in 1982.

The stagnation of the economy in 1982 was caused by declining real value added in agriculture, mining, energy, food processing, chemicals, and tourism, for which changes in output ranged from -22 per cent to -3 per cent. On the other hand, there were increases in overall manufacturing, mechanical and electrical industries, construction, transport, and services, for which the growth rates ranged from 3 to 13 per cent (Table 2 and and Appendix Table II).

It is anticipated that in 1983 the performance of the economy will improve; GDP is projected to grow by 6 per cent, mainly due to a forecast 7 per cent growth of agricultural output, based on good rainfall during the critical planting season, and a rise in hydrocarbon production. In nominal terms, GDP is projected to grow by 16 per cent in 1983 and nominal consumption by the same rate. Gross capital formation is projected to rise at a slightly lower rate (14 per cent), leading to a 15 per cent increase in gross domestic expenditure. Thus, the domestic resource gap as a proportion of GDP would drop from 10 per cent in 1982 to 9 per cent in 1983.

### 3. Changes in output in 1982 and prospects for 1983

#### a. Agriculture

Despite substantial investment in agriculture during the last several economic plans, Tunisian agriculture remains fundamentally dependent on weather conditions. Consequently, there are wide variations in output. The most important products are cereals, olives, grapes, cotton, fruits, and vegetables. Cereals are the most important staple food, while olives are processed into olive oil, which is one of the most important export items.

After having risen by 6.6 per cent in 1981, agricultural output declined in 1982 by 8.7 per cent because of drought conditions. In spite of poor weather, cereal production increased slightly to 1.3 million tons above the 1981 level on account of a rise in barley production, which is irrigated. The production of hard wheat, however, was down by 6 per cent, while soft wheat output rose by 3 per cent (Appendix Table III). Production of all other agricultural produce was down sharply, including olive oil, which declined by 45 per cent because of the weather and production cycles. Based on improved climatic conditions, agricultural output is projected to rise by 7 per cent in 1983, but no breakdown of this increase is available at this time.

Several institutional and policy measures were implemented in 1982-83 to stimulate additional farm output, in particular in the areas of producer prices, credit facilities, and cooperatives. In December 1982

Table 2. Tunisia: Real Value Added of Manufacturing  
by Major Industries, 1979-83 1/

(In millions of dinars)

	1979	1980	1981	1982 <u>2/</u>	1983 <u>3/</u>
Food processing	93.6	101.6	113.4	104.4	113.5
Construction materials and glass	47.8	60.0	67.0	72.6	84.0
Mechanical and electrical industries	49.2	54.3	60.2	66.4	75.5
Chemical and rubber industries	39.6	49.5	38.1	32.3	41.0
Textiles, clothing, and leather	89.3	99.3	108.3	119.0	128.0
Woodwork, paper, and other	48.3	50.9	57.0	64.3	72.0
Total	367.8	415.6	444.0	459.0	514.0

Source: Data provided by the Tunisian authorities.

1/ In 1980 prices.

2/ Provisional estimates.

3/ Projections.

producer prices for cereals were raised by 15-26 per cent, and further increases are contemplated in 1983 (Appendix Table IV). Also, an agricultural investment code has been adopted to provide incentives for agricultural projects similar to those given to industry, and an agency, the Agence de promotion des investissements agricoles (APIA), was set up to promote investments in agriculture. A national agricultural bank is also being established to extend credit to large farmers, while the activities of the Fonds social pour le développement agricole (FOSDA) are being expanded to cover the needs of small farmers. Finally, the authorities are improving extension services, encouraging the development of marketing cooperatives, and establishing buffer stock facilities to stabilize prices.

b. Industry

Overall industrial production (mining, energy, and manufacturing) stagnated in 1982 on account of a fall in the output of the mining and energy sectors, which more than offset the rise in the output of the manufacturing sector (3 per cent). In 1983 industrial production is expected to recover; a rise of 8 per cent is projected to be led by a 12 per cent increase in manufacturing output.

Tunisia's principal mineral product, excluding petroleum, is phosphate rock, which is produced, marketed, and exported by a public enterprise (SFAX-GAFSA). Because of serious financial and technological difficulties facing this enterprise and weakened world demand, phosphate production declined sharply in 1982, leading to a 22 per cent fall in real value added of the mining sector. Phosphate rock, which in the past was almost totally exported, is increasingly being processed domestically into fertilizers (superphosphates, phosphoric acid, and monoammonium phosphates), which in turn are exported. It is expected that part of the decline in the output of the mining sector will be reversed in 1983, as real value added is projected to rise by 15 per cent.

Tunisia's main source of energy is petroleum, which is exported, while refined oil and a lower quality of crude is imported for domestic refining. During the last two years, however, there has been a tendency to substitute domestic crude for imported crude in the refining process. Hydrocarbon exports contribute about 50 per cent of export earnings and 25 per cent on a net export basis (when imports are subtracted). The output of crude petroleum declined in 1981 and 1982 after having increased steadily prior to 1981. Output in 1982 is estimated at 5.1 million tons, down 5 per cent from 1981, but it is projected to increase to 5.6 million tons in 1983, as the authorities strive to offset some of the world price decline and maintain export receipts (Table 3). Imports of crude declined in 1982 because of the aforementioned substitution and are forecast to be nil in 1983, as all of the domestically refined oil will be based on local crude. The net exportable surplus of crude rose only marginally in 1982, but is forecast to rise by 13 per cent in 1983 to over 4 million tons, based on an anticipated higher level of production and continued

Table 3. Tunisia: Energy Production and Consumption, 1979-83

	1979	1980	1981	1982 <u>1/</u>	1983 <u>2/</u>
<u>(In thousands of metric tons)</u>					
Petroleum					
Crude oil					
Production	5,552	5,570	5,393	5,100	5,600
Imports	1,455	1,504	1,521	1,300	--
Domestic supply	7,007	7,074	6,914	5,400	5,600
Exports	5,254	5,460	4,981	3,900	4,050
Domestic consumption <u>3/</u>	1,753	1,614	1,933	1,500	1,500
Net exports	3,799	3,956	3,460	3,600	4,050
Refined oil					
Production	1,490	1,521	1,511	1,450	1,450
Imports	862	1,076	1,177	1,170	1,350
Domestic supply	2,352	2,597	2,688	2,620	2,800
Exports	264	215	163	180	200
Domestic consumption <u>4/</u>	2,088	2,382	2,525	2,440	2,600
Net exports	-598	-861	-977	-990	-1,150
Overall net exports (crude and refined)	3,201	3,095	2,806	2,610	2,900
<u>(In millions of cubic meters)</u>					
Natural gas production	331	355	388	400	400
<u>(In millions of kwh)</u>					
Electricity production	1,809	2,071	2,370	2,700	...

Source: Data provided by the Tunisian authorities.

1/ Provisional estimates.

2/ Projections.

3/ For refining and stocks.

4/ For final consumption and stocks.

reduced domestic consumption compared to 1981. The latter is the result of lower demand by the phosphate and cement industries and a temporary closing down of the oil refinery at Bizerte. The production of refined petroleum has stabilized since 1979 at about 1.5 million tons, as the oil refinery has reached its maximum capacity.

An important characteristic of Tunisia's oil industry over the last few years has been the sharp rise in domestic demand for petroleum products caused by the rapid industrialization of the economy (see SM/82/110, p. 6, for estimated values of the elasticity for petroleum). The relatively high elasticity of demand led to a steady decline in the net overall exportable surplus of both crude and refined through 1982 to 2.6 million tons. In 1983, however, a 11 per cent rise in this surplus is forecast because of the projected increase in crude production. This exportable surplus is expected to stabilize at around the 1983 level (2.9 million tons) through 1986, resulting from the Government's efforts to restrain domestic oil consumption. However, several deposits have been discovered recently at Chott el Jerid in central Tunisia and offshore in the Gulf of Gabés; should these finds prove important, the surplus could rise well above the 3 million ton level after 1986 to 4-5 million tons annually by 1990.

The output of natural gas, entirely from the El Borma field, increased from 388 million cubic meters in 1981 to 400 million cubic meters in 1982 and is forecast to remain at the same level in 1983). The expansion of natural gas production has been much lower than envisaged, as a result of delays in implementing new projects. In particular, the Miskar offshore natural gas project in the Gulf of Gabés has not materialized. It is one of the most important natural gas projects in Tunisia; it was scheduled to start in 1978, but has now been postponed until the mid-eighties. In mid-1983 a pipeline transporting Algerian natural gas through Tunisian territory to the Italian market is to start operation. The pipeline, however, will have only a balance of payments incidence on the Tunisian economy, as royalties are to be paid to Tunisia.

Over the last several years manufacturing output has grown at a faster rate than overall GDP, reflecting the large investments which have benefited this sector. The authorities have attached great importance to manufacturing as a source of both employment and export earnings. During 1982, however, two important manufacturing activities registered sharp declines--chemicals and rubber, and food processing industries. Output in the other activities increased, with growth rates ranging from 8 per cent for construction materials to 13 per cent for woodwork and paper. The overall growth in manufacturing was 3 per cent. Projections for 1983 point to a 12 per cent rise in manufacturing, based mainly on a 27 per cent rise in the output of chemicals.

Recently, the authorities have encouraged the role of the private sector in manufacturing. The Agence de promotion des investissements (API) plays an important role in promoting investments in the export-oriented and labor-intensive industries. The objectives of the API are

to attract domestic as well as foreign capital through special incentives (e.g., preferential interest rates and tax advantages); it also centralizes all of the required administrative authorizations for investment requests.

c. Tourism

Tourism has been one of the most important sectors of the Tunisian economy in terms of both foreign exchange receipts and employment. In 1982, however, although the dinar value of tourism receipts increased by 11 per cent (mostly because of foreign exchange fluctuations), the change in real value added in this sector was negative (-9.6 per cent) (Appendix Tables II and V). The poor performance in 1982 is attributed principally to the world recession. The tourism sector is expected to recover in 1983, with growth projected at 3 per cent, but this forecast was made prior to the April 1983 limits imposed by the French Government on foreign exchange allocations for French tourists, who account for almost 30 per cent of all foreigners visiting Tunisia.

II. Prices, Wages, and Employment

Price movements in Tunisia are recorded by a wholesale price index (WPI) and a consumer price index (CPI). Commodity prices in both indices, but to a greater extent in the latter, reflect controls and subsidies extended mainly by the Price Stabilization Fund (PSF). During 1981 and 1982 both indices rose at average annual rates somewhat higher than in the past, 13 per cent and 21 per cent for the WPI and 10 per cent and 13 per cent for the CPI (Appendix Table VI and Table 4). The sharp rise of wholesale prices in 1982 reflected a larger increase than in the past for all the components of the index, with the highest increase registered by food prices (24 per cent), which account for about 50 per cent of the index; this was caused principally by the poor performance of the agricultural sector and certain increases in administered prices. Generally, movements in the WPI are reflected in the CPI with a time lag. The CPI is composed of a basket of goods and services consumed by the low-income groups in Tunis and its suburbs. The higher rate of inflation in 1982, as measured by the CPI, was due to an acceleration in the rise of prices of food, housing, clothing, hygiene, and transportation, with increases ranging from 12 to 19 per cent. Several factors were responsible for this sharper increase in prices, including the widening of the fiscal deficit, the high rate of monetary expansion, the large wage increases, the slow-down in economic activity, some liberalization in the procedures for increasing prices, and an increase in the prices of several "essential" commodities subsidized by the PSF. These increases were necessary to ease the deficit of the PSF (see Section IV).

Price developments during 1982 led the authorities to intensify the price control mechanism, which had been liberalized earlier in 1982, late in the year. Persuasion was used by price inspectors to encourage producers and sellers to reduce prices by a range of 5-15 per cent. This

Table 4. Tunisia: Index of Consumer Prices, 1974-82

(Annual averages; 1977=100)

	Weights	1974	1975	1976	1977	1978	1979	1980	1981	1982
Food	50.852	82.0	89.9	95.5	100.0	106.2	116.2	131.9	145.1	162.8
Housing	15.270	87.8	95.4	97.6	100.0	103.2	109.4	117.0	128.7	146.9
Clothing	10.962	82.1	89.2	94.2	100.0	103.5	109.1	115.8	124.3	136.5
Hygiene	5.914	70.1	81.3	83.9	100.0	103.1	109.0	120.3	134.4	159.5
Transportation	5.594	78.6	84.1	86.1	100.0	113.3	119.7	123.2	136.6	154.3
Other (incl. services)	11.408	73.8	81.2	87.8	100.0	103.7	111.1	116.4	128.7	143.8
General index	100.000	81.2	89.0	93.7	100.0	105.4	113.5	124.9	137.3	154.6
Per cent change		4.1	9.6	5.3	6.7	5.4	7.7	10.0	9.9	12.6

Source: Central Bank of Tunisia, Statistiques Financières.

resulted in a sharp curtailment of price increases during the first two months of 1983; the CPI increased by 0.3 per cent in January and declined by 0.8 per cent in February. On an annual average basis, consumer prices are expected to rise by about 11 per cent during 1983 and by 8 per cent through the 12-month period ending December 1983.

Table 5 presents the evolution of nominal minimum wages in the agricultural (SMAG) and nonagricultural (SMIG) sectors as well as their values deflated by consumer prices. In February 1982 the SMAG was raised by 20 per cent and the SMIG by almost 32 per cent. On an annual basis the increases in real terms were 10 and 19 per cent, respectively. Based on negotiations carried out in early March 1983 between the Government and the trade unions, both the SMAG and the SMIG were again raised by 12 per cent but income taxes have to be paid on the increase. On an annual basis the real increases are projected at only 0.2 per cent and 0.8 per cent, respectively based on anticipated inflation of 11 per cent during the year. These developments would represent a reversal of the sharp increases in real wages which have characterized the Tunisian economy over the last several years and which were granted net of income taxes and were in excess of gains in productivity.

During the period of the Fifth Plan (1977-81) the labor force grew by 142,000, or at an annual rate of 2.7 per cent (Table 5). During the same period employment rose by about 105,000 (2.2 per cent annually), absorbing about 75 per cent of the rise in the labor force. By and large, the employment objectives of the plan (in the nonagricultural sectors) were met, even though the percentage of the labor force totally or partially unemployed was estimated at 25 per cent in 1981. The contribution of the agricultural sector to increased employment was negligible, accounting for less than 0.5 per cent of all jobs created.

During 1982 the expansion of employment is estimated at 50,000, while the labor force grew by 57,000. The services sector provided almost one half of increased employment, reflecting the growth in the retail trade and government sectors, while manufacturing provided about 40 per cent construction 9 per cent, mining and energy 1 per cent, and agriculture about 2 per cent. During the period of the Sixth Plan the objective is to create an additional 320,000 jobs, which would maintain the unemployment rate at its 1981 level. The authorities are also trying to mitigate the unemployment problem by encouraging emigration, especially to the Gulf States.

### III. Economic Planning and Investment Activity

#### 1. The Sixth Development Plan (1982-86)

The Fifth Development Plan, which ended in 1981 and was discussed in some detail in SM/82/110, was replaced by the Sixth Plan, approved by Parliament in July 1982. The Sixth Plan is focused on three issues -- employment, income distribution including regional development, and

Table 5. Tunisia: Wages and Employment, 1979-83

	<u>1979</u> May	<u>1980</u> Jan.      May		<u>1981</u> April	<u>1982</u> Feb.	<u>1983</u> March
SMAG (dinars per day) <u>1/</u>	1.440	1.483	1.631	2.000	2.400	2.681
Per cent change	8.1	3.0	10.0	22.6	20.0	11.7
SMAG (dinars per day; yearly average) <u>1/</u>	1.404	1.582		1.908	2.368	2.633
Per cent change	9.0	12.7		20.6	24.1	11.2
Per cent change (real terms)	1.2	2.5		9.7	10.2	0.2
SMIG (millimes per hour) <u>2/</u>	232.00	238.96	263.00	311.00	409.00	457.00
Per cent change	8.3	3.0	10.1	18.3	31.5	11.7
SMIG (millimes per hour; yearly average) <u>2/</u>	226.143	255.067		299.000	401.160	448.840
Per cent change	9.1	12.8		17.2	34.2	11.9
Per cent change (real terms)	1.3	2.5		6.6	19.2	0.8
Labor force (in thousands) <u>3/</u>	1,564	1,577		1,625	1,680	1,737

Source: Data provided by the Tunisian authorities.

1/ Minimum wage in the agricultural sector.

2/ Minimum wage in the nonagricultural sector.

3/ Data refer to calendar years.

medium- and long-term balance of payments equilibrium. Its principal objectives are to alleviate unemployment and reduce regional income disparities while maintaining a viable external debt position at a time when hydrocarbon resources and thus the capacity to export hydrocarbons are diminishing.

The Sixth Plan assumes no major new oil discovery and a gradual reduction of the net exportable energy surplus, which would turn Tunisia into a net importer of energy by the late 1980s. The plan also assumes a deterioration in Tunisia's terms of trade. Thus, the two factors which permitted Tunisia to increase rapidly its national income, investment, consumption, and imports rapidly during the 1970s, will no longer be operating, and, consequently, appropriate adjustment policies will be necessary to maintain a viable balance of payments and debt posture in the medium term.

The initial macroeconomic objectives of the plan postulated that the annual rise in real GDP would not decline below 6 per cent during the period 1982-86 (6.3 per cent during the Fifth Plan), that the rise in real consumption would decline by 1 percentage point to 6.6 per cent annually, and that the resource gap as a percentage of GDP would fall to 6.4 per cent (7.4 during 1977-81), through a rapid increase in non-hydrocarbon exports and a marked slowdown in the growth of imports. These objectives implied the maintenance of domestic savings at about 20 per cent of GDP, with the investment rate to be reduced by five percentage points to 25 per cent. However, based on the relatively poor outturn of the economy in 1982, the projected performance in 1983, and recent developments in the international oil market, the Tunisian authorities have started to reassess the plan's initial targets and policies. This exercise is expected to take several months; what is known at this time is that the initial annual growth rate of 6.1 per cent will probably be lowered to about 5 per cent, with a corresponding adjustment in the rise in real consumption in a manner that would maintain it at par with the increase in output. Without an adjustment in consumption, the effort to maintain the resource gap at a sustainable level would not be possible.

The investment package for the Sixth Plan anticipates a doubling of expenditures to D 8.2 billion (Appendix Table VII). The emphasis is being placed on labor-intensive activities, tourism, and export-oriented industries, with particular attention to achieving a high degree of vertical integration in industry and reducing dependence on imported intermediate imports, such as equipment goods. Whereas in the Fifth Plan labor-intensive industries were to receive 20 per cent of all investment spending, the ratio is to rise to 33 per cent in the Sixth Plan. With regard to the financing of investment, the Sixth Plan envisages a considerably larger share to be undertaken by the private sector and a smaller reliance on foreign financing. The plan calls for 44 per cent of expenditure to be effected by the private sector, compared with 34 per cent in

the previous plan. About 56 per cent of the investment is projected to be undertaken by the public sector, of which almost two thirds will be investment by the Government. Financing is to be provided mainly by domestic savings, which are projected to total D 6.4 billion under the plan's initial objectives, while foreign financing is projected at D 2.2 billion, or double the actual level during the Fifth Plan period.

## 2. The investment program for 1983

For 1983 the Tunisian authorities have set the investment program at D 1.6 billion, or about 9 per cent more than the level achieved during 1982, with about 57 per cent of these expenditures to be undertaken by the public sector. Within the public sector, the largest share is investment by the public enterprises, which accounts for more than three fourths of total public spending.

With regard to the sectoral allocation of investment, the industrial sector is to receive 44 per cent (D 707 million) of the total, a 5 per cent rise over realized investment expenditures in 1982; services 42 per cent (D 664 million), a 10 per cent rise over 1982; and the agricultural sector 14 per cent (D 229 million), a 17 per cent rise over 1982. Within the industrial sector, investment in hydrocarbons is planned to decline by 24 per cent, reflecting a slowing down in the exploration efforts, while investment in mining is planned to rise by 35 per cent, followed by electricity and water (30 per cent) and manufacturing (23 per cent). Within the manufacturing sector, investment in the food processing industries is expected to decline by 27 per cent. The sharpest rise in manufacturing investment is expected in the mechanical and electrical industries (52 per cent), as the authorities attempt to expand these activities, which are becoming increasingly geared to the export sector. Within services, investment expenditure for tourism is targeted to rise by 45 per cent, in view of the greater importance of this sector in the Sixth Plan. For commerce, the rise in investment is set at 17 per cent, while for transport, telecommunications, and infrastructure the target increase is 7 per cent.

## IV. Government Finance

Since the previous consultation, there has been no change in the organization of the Central Government, a detailed description of which is presented in SM/81/33 (Tunisia - Recent Economic Developments). In the following sections, fiscal developments and prospects are presented for the first time on a consolidated basis comprising all operations in the Treasury accounts, extrabudgetary investment financed by external assistance, and the operations of the social security schemes 1/. The

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1/ Although this presentation permits a more comprehensive coverage, there may be subsequent revisions within the revenue, expenditure, and financing aggregates due to refinements in classification.

operations in the Treasury accounts include those of the Central Government's current and capital budgets; the special accounts, the most important of which is the Price Stabilization Fund (Caisse Générale de Compensation); the annexed budgets (i.e., those of the post office and the office of radio and television); and the special assistance funds (fonds de concours). Most Treasury operations are carried out within Central Government's budgets (current and capital), which, over the period 1979-82, accounted for 78 per cent of consolidated receipts and 75 per cent of consolidated expenditures (Appendix Table VIII).

#### 1. Fiscal developments in 1982

Fiscal developments in 1982 were marked by a sharp acceleration in the growth of expenditures and a pronounced widening of the consolidated fiscal deficit. Total expenditures rose by 32 per cent (17 per cent in 1981), and, notwithstanding an increase in the rate of growth of revenues and grants (24 per cent, compared with 18 per cent in 1981), the consolidated deficit widened from D 105.5 million (2.6 per cent of GDP) to D 240.8 million (5.2 per cent of GDP)(Table 6).

The large increase in total outlays reflected high rates of growth for both current and capital expenditures, 38 per cent and 21 per cent, respectively. Regarding current expenditures, over one third of the increase was attributable to a rise of 30 per cent in outlays for wages and salaries as a result mainly of the large pay increase granted in February (Table 7). There was also a rapid rise in payments for goods and other services (59 per cent), accounting for almost one fourth of the increase in current expenditures, but this increase followed two years of declining outlays in this category. On the other hand, the level of subsidies and other current transfers--the second largest current expenditure component--declined by 3 per cent due to a drop in transfers to national administrative institutions. For capital expenditure, fixed investment (the largest category) recorded an increase of 32 per cent and accounted for almost three fourths of the total rise in capital outlays. Net loans and equity participations both increased rapidly, by 55 per cent and 51 per cent, respectively, but capital transfers, the second largest component of capital expenditures, declined by 9 per cent. This fall stemmed from a drop in transfers other than to the nonfinancial public enterprises, as transfers to the latter rose sharply (44 per cent) and accounted for 80 per cent of total capital transfers.

The rapid rate of growth in revenues and grants resulted from large increases in collections of import taxes (39 per cent) and taxes on petroleum production (46 per cent), which, combined, accounted for 71 per cent of the rise in total receipts (Table 8). These are the two largest revenue components, and, in 1982, provided 46 per cent of total receipts. The large rise in import taxes stemmed mainly from a general adjustment of customs duty rates, an increase from 3 per cent to 5 per cent in the minimum duty rate for all imports, and the introduction of

Table 6. Tunisia: Consolidated Financial Operations of the Central Government, 1/ 1979-83

(In millions of dinars)

	1979	1980	1981	1982 Prov.	1983		
					Budget	Possible modifi- cations	
Total revenues and grants	952.0	1,131.2	1,334.6	1,654.2	1,861.6	-27.2 2/	1,834.4
Revenues	941.2	1,109.2	1,329.2	1,644.0	1,860.1	-27.2 2/	1,832.9
Grants	10.8	22.0	5.4	10.2	1.5	--	1.5
Total expenditures	1,091.6	1,230.1	1,440.1	1,895.0	2,173.3	19.0 3/	2,192.3
Current expenditures	728.2	784.1	909.9	1,253.7	1,453.4	19.0 3/	1,472.4
Capital expenditures	363.4	446.0	530.2	641.3	719.9	--	719.9
Direct investment	(265.4)	(333.3)	(443.5)	(507.9)	(602.4)	--	(602.4)
Capital transfers, participations, and net lending	(98.0)	(112.7)	(86.7)	(133.4)	(117.5)	--	(117.5)
Deficit (-)	<u>-139.6</u>	<u>-98.9</u>	<u>-105.5</u>	<u>-240.8</u>	<u>-311.7</u>	<u>-46.2</u>	<u>-357.9</u>
Financing	<u>139.6</u>	<u>98.9</u>	<u>105.5</u>	<u>240.8</u>	<u>311.7</u>	<u>46.2</u>	<u>357.9</u>
External (net)	<u>136.8</u>	<u>80.4</u>	<u>108.7</u>	<u>109.4</u>	<u>126.3</u>	<u>50.0</u>	<u>176.3</u>
Drawings	(...)	(...)	(167.2)	(170.2)	(215.0)	(50.0)	(265.0)
Repayments	(...)	(...)	(-58.5)	(-60.8)	(-88.7)	(--)	(-88.7)
Domestic (net)	<u>2.8</u>	<u>18.5</u>	<u>-3.2</u>	<u>131.4</u>	<u>185.4</u>	<u>-3.8</u>	<u>181.6</u>
Banking system (net)	(36.2)	(-0.3)	(24.4)	(41.7)	(90.5)	(-15.0)	(75.5)
Central Bank	-0.6	-31.8	-16.4	2.3	24.0	--	24.0
Deposit money banks	36.8	31.5	40.8	39.4	66.5	-15.0	51.5
Private sector 4/	(5.2)	(10.4)	(25.5)	(29.4)	(20.8)	(-)	(20.8)
Public sector	(12.3)	(3.3)	(0.8)	(22.5)	(45.6)	(11.2)	(56.8)
Other 5/	(-50.9)	(5.1)	(-53.9)	(37.8)	(28.5)	(--)	(28.5)
<u>Ratios (in per cent of GDP)</u>							
Total revenues and grants	32.4	32.2	32.6	35.4	34.4	-0.5	33.9
Total expenditures	37.1	35.0	35.3	40.6	40.1	0.4	40.5
Current expenditures	(24.8)	(22.3)	(22.3)	(26.9)	(26.8)	(0.4)	(27.2)
Capital expenditures	(12.3)	(12.7)	(13.0)	(13.7)	(13.3)	(-)	(13.3)
Deficit (-)	-4.7	-2.8	-2.6	-5.2	-5.8	-0.8	-6.6

Source: Data provided by the Tunisian authorities.

1/ Includes all operations in the Treasury accounts, extrabudgetary investment financed by external assistance, and the operations of the social security schemes.

2/ Adjusted for lower expected petroleum revenues (-D 24 million) and royalties from Algerian gas pipeline (-D 3.2 million).

3/ Adjustment for higher expected outlays for wages and salaries.

4/ Including deposits in postal checking system.

5/ Mainly changes in the consolidated liabilities of the Treasury and social security schemes.

Table 7. Tunisia: Economic Classification of Consolidated Expenditures  
of the Central Government, 1/ 1979-83

(In millions of dinars)

	1979	1980	1981	<u>1982</u> Prov.	<u>1983</u> Proj. <u>2/</u>	As per cent of total expenditures
Current expenditures	<u>728.2</u>	<u>784.1</u>	<u>909.9</u>	<u>1,253.7</u>	<u>1,472.4</u>	<u>67.2</u>
Wages and salaries	235.9	326.0	410.7	533.9	615.4 <u>2/</u>	28.1
Goods and other services	153.4	145.3	132.8	211.3	252.3	11.5
Interest on debt	48.1	50.4	64.7	80.5	101.8	4.6
Subsidies and other current transfers	300.2	267.4	431.2	418.5	488.0	22.3
Consumer subsidies	(...)	(...)	(142.6)	(153.0)	(145.0)	(6.6)
Transfers to public enterprises	(...)	(...)	(13.1)	(21.9)	(46.2)	(2.1)
Transfers to households	(...)	(...)	(150.3)	(178.8)	(220.5)	(10.1)
Other	(...)	(...)	(125.2)	(64.8)	(76.3)	(3.5)
Other (including adjustments) <u>3/</u>	-9.4	-5.0	-129.5	9.5	14.9	0.7
Capital expenditures	<u>363.4</u>	<u>446.0</u>	<u>530.2</u>	<u>641.3</u>	<u>719.9</u>	<u>32.8</u>
Fixed investment	165.6	185.1	254.4	335.9	378.2	17.2
Capital transfers	99.8	148.2	189.1	172.0	224.2	10.2
To public enterprises	(...)	(...)	(95.4)	(137.5)	(169.1)	(7.7)
Other	(...)	(...)	(93.7)	(34.5)	(55.1)	(2.5)
Net loans )			59.3	92.0	56.0	2.6
To public enterprises )			(38.7)	(42.0)	(29.3)	(1.3)
Other )	(98.0)	(112.7)	(20.6)	(50.0)	(26.7)	(1.3)
Participations )			27.4	41.4	61.5	2.8
To public enterprises )			(7.6)	(17.7)	(38.8)	(1.8)
Other )			(19.8)	(23.7)	(22.7)	(1.0)
Total expenditures	<u>1,091.6</u>	<u>1,230.1</u>	<u>1,440.1</u>	<u>1,895.0</u>	<u>2,192.3</u>	<u>100.0</u>

Source: Data provided by the Tunisian authorities.

1/ Includes all expenditures in the Treasury accounts, extrabudgetary investment financed by external assistance, and expenditures of the social security schemes.

2/ Budget for 1983 adjusted for higher expected outlays for wages and salaries (D 19.0 million).

3/ Comprises expenditures not classified and adjustments for differences between commitments and cash outlays.

Table 8. Tunisia: Consolidated Revenues and Grants of the Central Government, 1/ 1979-83

(In millions of dinars)

	1979	1980	1981	1982 Prov.	1983 Proj. 2/	1983 As per cent of total revenues and grants
Revenues	<u>941.2</u>	<u>1,109.2</u>	<u>1,329.2</u>	<u>1,644.0</u>	<u>1,832.9</u>	<u>99.9</u>
Taxes on net income and profits	125.4	162.2	203.0	241.8	252.9	13.8
Social security contributions	98.1	102.9	117.3	150.9	177.7	9.7
Property taxes	19.7	25.9	26.2	34.6	34.2	1.9
Taxes on goods and services	243.0	264.5	310.6	342.0	384.1	20.9
Turnover taxes	(50.7)	(56.3)	(67.4)	(80.6)	(108.9)	(5.9)
Excise on goods	(75.7)	(79.9)	(116.4)	(124.8)	(151.9)	(8.3)
Taxes on services	(31.1)	(35.4)	(38.5)	(51.9)	(55.1)	(3.0)
Fiscal monopolies	(49.7)	(52.4)	(50.1)	(43.7)	(16.5)	(0.9)
Taxes on use of goods	(35.8)	(40.5)	(38.2)	(41.0)	(51.7)	(2.8)
Taxes on international trade and transactions	234.1	273.3	329.6	450.5	557.3	30.4
Import taxes	(227.1)	(263.6)	(316.8)	(439.4)	(544.3)	(29.7)
Export taxes	(7.0)	(9.7)	(12.8)	(11.1)	(13.0)	(0.7)
Revenues from property	175.4	214.4	291.6	377.6	359.7	2/ 19.5
Petroleum revenues 3/	(129.7)	(173.4)	(225.9)	(329.6)	(296.0)	4/ (16.1)
Other	(45.7)	(41.0)	(65.7)	(48.0)	(63.7)	5/ (3.4)
Other revenues	45.5	66.0	50.9	46.6	67.0	3.7
Grants	<u>10.8</u>	<u>22.0</u>	<u>5.4</u>	<u>10.2</u>	<u>1.5</u>	<u>0.1</u>
Total revenues and grants	<u>952.0</u>	<u>1,131.2</u>	<u>1,334.6</u>	<u>1,654.2</u>	<u>1,834.4</u>	<u>100.0</u>

Source: Data provided by the Tunisian authorities.

1/ Includes revenues in all Treasury accounts plus those of the social security schemes.

2/ Budget for 1983 adjusted for lower expected petroleum revenues (-D 24.0 million) and royalties from Algerian gas pipeline (-D 3.2 million).

3/ Taxes on production, which comprise profits of the Tunisian Petroleum Company, royalty payments, and complementary surtax payments.

4/ Budgeted level adjusted by -D 24.0 million.

5/ Budgeted level adjusted by -D 3.2 million.

a 1.5 per cent special duty on imports, all of which went into effect during the course of 1982. In 1982 the ratio of import taxes to total imports (c.i.f.) increased from 16.9 per cent to 22.7 per cent. The significant rise in revenues from petroleum production derived principally from an upward adjustment in the domestic prices of petroleum products and some profits of the Tunisian Petroleum Compagny carried over from the previous year. Other large increases in receipts were recorded for social security contributions (29 per cent), in line with the large rise in labor incomes, and for income and profits taxes (19 per cent), which together accounted for almost another one fourth of the increase in total revenues and grants. A more modest increase (10 per cent) was obtained from taxes on goods and services--the remaining major revenue category.

In 1982 there was a pronounced change in the composition of the financing of the consolidated fiscal deficit toward domestic sources. Net external borrowing (D 109.4 million) was essentially unchanged from the 1981 level, but its contribution to the total financing requirement fell to 45 per cent from an average of 95 per cent during the previous three years. In 1982, for the first time in several years, the external financing component included borrowing from the international financial market; a drawing of US\$30 million (D 20.2 million) was made from a loan of US\$125 million. Domestic borrowing in 1982 increased from -D 3.2 million to D 131.4 million. Borrowing from the banking system (D 41.7 million) was significantly higher than the amount in 1981 (D 24.4 million), and borrowing from the public sector also showed a sharp increase (D 22.5 million, compared with only D 0.8 million in 1981), largely due to increased deposits of various nongovernment public sector institutions with the Treasury. The largest change in domestic financing, however, occurred in the category "other," which recorded a change from -D 53.9 million in 1981 to D 37.8 million in 1982. This shift resulted mainly from an increase in the consolidated liabilities of the Treasury and social security schemes.

## 2. Outlook for 1983

Based on the various budgets (as contained in the Finance Law) and more recently available information, the consolidated fiscal deficit is projected to widen sharply further in 1983 to the equivalent of 6.6 per cent of GDP. Pronounced decelerations are projected for the rates of growth of both revenues and expenditures, but, with receipts still increasing at a much lower rate (11 per cent) than that of outlays (16 per cent), the overall deficit is forecast to increase from D 240.8 million in 1982 to D 357.9 million. Regarding revenues, the projected slowdown is attributable almost exclusively to a decline in revenues from petroleum production and to only marginal growth in taxes on income and profits. For expenditures, the moderation is projected to result from much smaller increases in outlays for wages and salaries and for capital expenditures.

Due to the decline in world market prices for petroleum, revenues from petroleum production are currently projected to be some 10 per cent below the 1982 level. Taxes on income and profits are projected to increase by only about 4.5 per cent, compared with an increase of 19 per cent in 1982, due largely to the implementation of the first phase of a tax reform <sup>1/</sup>, in which some rates were lowered in anticipation of expanding the tax base over time. For example, in 1983 tax rates for self-employed individuals were lowered. The projected decline in petroleum revenues (D 33.6 million) plus the estimated loss in revenue due to the implementation of the tax reform (D 24 million) is equivalent to 3.5 per cent of total receipts in 1982. The largest gain in revenues is projected to derive again from import taxes (24 per cent), which would account for almost 60 per cent of the growth of total receipts. However, a significant part of the increase reflects the elimination of the monopoly tax on tobacco and the redistribution of this tax among various domestic excise and import taxes. Reflecting also in part this redistribution, taxes on goods and services are expected again to rise only moderately (12 per cent), despite the forecast quickened pace of economic activity. Social security contributions, the remaining major tax category, are budgeted to continue to grow relatively rapidly (18 per cent), but at a rate considerably less than that recorded in 1982 (29 per cent), reflecting the forecast moderation in the growth of labor incomes.

On the expenditure side, most recent projections for current outlays show an increase of 15 per cent for wages and salaries, compared with the rise of 30 per cent in 1982, reflecting mainly the anticipated much lower upward adjustment in pay scales. Expenditures on goods and services are budgeted to rise by 19 per cent, and the level of subsidies and other transfers is budgeted to increase by 17 per cent, due mainly to an increase in transfers to households; consumer subsidies are budgeted to decline by 5 per cent. Capital expenditures are budgeted to rise by 12 per cent, compared with the increase of 21 per cent recorded in 1982. This moderation would stem from a sharp deceleration in the growth of outlays on fixed investment to 12.5 per cent (from 32 per cent in 1982) and from a fall in net loans by almost 40 per cent, as the other components of capital expenditure are budgeted to increase sharply. After declining in 1982, capital transfers are budgeted to rise by 30 per cent, with significant increases to both public enterprises (23 per cent) and other institutions (40 per cent). Equity participations are budgeted to rise by 49 per cent, due to a more than doubling of those in respect of public enterprises.

The consolidated fiscal deficit is projected to be financed almost equally from external and domestic sources. An increase of D 66.9 million is projected for external financing, with drawings rising by D 94.8 million

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<sup>1/</sup> The tax reform aims at the simplification of all taxes; a restructuring into a global income tax system and some relief from cumulative corporate taxation on the direct tax side; and a value-added tax reform on the indirect tax side.

to D 265 million. The drawings would include the use of the remaining D 50 million under the existing international financial market loan plus D 50 million from another such loan likely to be negotiated later in the year. Two thirds of the increase in domestic financing (D 50.2 million) would be obtained from the banking system in the form of sales of equipment bonds to the deposit money banks and a drawdown of deposits with the Central Bank, and government borrowing from the banking system in 1983 would almost double the level in 1982. The remainder of the increase in domestic financing is projected to be provided by the subscription to equipment bonds by the national savings institution (Caisse d'Epargne Nationale Tunisienne) and increased deposits of nongovernment public sector institutions with the Treasury.

### 3. Operations of the Price Stabilization Fund

The Price Stabilization Fund (PSF) moderates the prices of selected imported foodstuffs, principally cereals, and basic raw materials such as fertilizers. Thus, the PSF in effect subsidizes the prices of a number of commodities. The fund's accounts, as summarized in Table 9, also record certain financial operations with the Treasury.

In 1982 the total expenditures of the PSF declined by 29 per cent to D 165.1 million, equivalent to 3.5 per cent of GDP. This decline, however, followed a more than tripling of the fund's outlays in 1981 as a result of the settlement by the PSF of accumulated arrears (D 95 million), mainly in respect of cereal subsidies. Adjusting for the settlement of arrears, the PSF's outlays in 1982 increased by D 28.9 million (21 per cent), as current subsidies for cereals (mainly wheat) increased by D 41.4 million (53 per cent) and accounted for 78 per cent of the PSF's total subsidy expenditure. The rise in cereal subsidies thus offset rather significant declines in subsidies for all other products except milk, for which there was a marginal increase (3 per cent). In 1982 subsidies for sugar were discontinued.

Projections for 1983 show a decline in the PSF's total expenditures by D 15.1 million (9 per cent) to D 150 million (2.8 per cent of GDP). Subsidies for cereals are expected to decline by D 15.8 million, following a substantial increase in administered prices in late 1982. Subsidies for fertilizers (the second most heavily subsidized commodity by the PSF) are projected to decline by 26 per cent. The sharp declines projected for subsidies in these two categories would thus more than offset a 41 per cent increase projected for subsidies for meat and other foods and a 30 per cent rise foreseen for miscellaneous expenditure.

During 1982 the resources of the PSF showed a decline of 27 per cent to D 179.4 million from the extraordinarily high level in 1981, when the Fund received a Treasury loan of D 95 million to settle its accumulated arrears. Adjusting for this loan, the PSF's resources registered an increase of D 30.1 million (20 per cent), which was accounted for almost entirely by increases in earmarked funds from the minimum customs duty on imports (included under "other current receipts") and in the accumulated

Table 9. Tunisia: Operations of the Price Stabilization Fund, 1979-83

(In millions of dinars)

	1979	1980	1981	1982 Prov.	1983 Proj.
Subsidies and other expenditures	<u>60.0</u>	<u>67.0</u>	<u>231.2</u> <sup>1/</sup>	<u>165.1</u>	<u>150.0</u>
Fertilizers	4.0	6.0	13.8	13.6	10.0
Sugar	--	5.0	19.5	-- <sup>2/</sup>	--
Cereals	15.0	19.0	160.9 <sup>3/</sup>	119.3	103.5
Olive oil	19.0	19.5	17.0	9.0	8.0
Coffee	0.3	--	--	--	--
Milk	--	2.0	3.7	3.8	4.0
Meat and other foods	2.2	1.5	10.1	7.0	9.9
Cement	1.1	1.4	--	--	--
Petroleum products	15.0	8.0	-- <sup>4/</sup>	--	--
Reimbursement of Treasury loans	--	--	--	5.0	5.0
Miscellaneous expenditures	3.4	4.6	6.2	7.4	9.6
Total resources	<u>70.4</u>	<u>71.2</u>	<u>244.3</u>	<u>179.4</u>	<u>164.3</u>
Accumulated past surplus	8.8	10.4	4.2	13.1	14.3
Taxes on olive oil	0.8	--	--	--	--
Taxes on petroleum products	21.2	22.3	43.1	46.0	49.0
Taxes on alcoholic beverages	5.2	5.4	5.4	6.4	5.4
Taxes on cement	2.6	3.3	2.7	3.4	3.0
Profits from sales of sugar and tea	3.3	--	--	--	3.0
Special tax on selected imports	28.1	28.8	0.8 <sup>5/</sup>	--	--
Other current receipts	0.4	1.0	53.1 <sup>6/</sup>	65.5	69.6
Current budget subsidy	--	--	40.0	37.0	20.0
Treasury loans and other	--	--	95.0	8.0 <sup>7/</sup>	--
Overall surplus	<u>10.4</u>	<u>4.2</u>	<u>13.1</u>	<u>14.3</u>	<u>14.3</u>

Source: Ministry of Planning and Finance.

<sup>1/</sup> Including D 95 million for payment of accumulated arrears, of which D 83 million was for cereal subsidies.

<sup>2/</sup> Discontinued in 1982.

<sup>3/</sup> Including D 83 million for payment of accumulated arrears.

<sup>4/</sup> Discontinued in 1981, but petroleum products continue to be subsidized through the Tunisian Petroleum Company.

<sup>5/</sup> Discontinued in 1981.

<sup>6/</sup> Starting in 1981, mainly receipt of 40 per cent of yield from minimum rate of duty (5 per cent) on all imports.

<sup>7/</sup> Transfer from one of the Treasury's special funds.

past surplus, and the receipt of a transfer from one of the Treasury's special funds. In 1982 the overall operations of the PSF showed a surplus of D 14.3 million, compared with a surplus of D 13.1 million in 1981.

The PSF's operations in 1983 (excluding the accumulated past surplus) are forecast to be in balance, as a result mainly of the increases in administered prices of cereals in the fall of 1982. These were required to close an initially projected gap in 1983 of about D 30 million. On the resources side, modest absolute increases are projected for collections of taxes on petroleum products (D 3 million), profits on sugar and tea sales (D 3 million), and other current receipts, and the expected improvement in the PSF's current operations is expected to enable the Government to reduce its current budget subsidy payments by D 17 million to D 20 million.

#### V. Public Enterprise Sector

The public enterprise sector has been an important instrument used by the Tunisian Government to accelerate the development of the country. Since 1960 numerous enterprises have been established in activities which the Government considers strategic for the country (mainly public utilities and transportation), or which require a level of investment beyond the capacity of the private sector (such as iron and steel, hydrocarbons, and mining), or where the state wishes to commence new activities (such as textiles and tourism in the 1970s), or to ensure a regular supply of basic commodities at reasonable prices (cereals). At present, there are about 300 firms under direct government control, with about 10 per cent engaged in agriculture and fishing, 40 per cent in the industrial and mining sectors, and 50 per cent in services.

No data are available covering the operations of the entire public enterprise sector, but information is available through 1982 covering almost 90 of the most important public enterprises, a summary of which is provided in Table 10. In 1982 the total value added of the reporting enterprises <sup>1/</sup> was D 529.6 million, equivalent to 11.3 per cent of GDP. The largest contributing sector was energy (which includes the Tunisian Petroleum Company), which provided one half of the enterprises' total value added. The other important activities were mechanical and electrical products (12 per cent of value added), mining (10 per cent), construction materials (9 per cent), and chemicals (6 per cent). In terms of profitability, as measured by net income after taxes, the energy sector dominated with 121 per cent of total net income, as enterprises in the other sectors, as has generally been the case, incurred

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<sup>1/</sup> For a description of the institutional aspects of Tunisia's monetary and financial system, including the instruments of monetary and credit control, see SM/82/110 (Tunisia - Recent Economic Developments).

Table 10. Tunisia: Summary Statistics of the Public Enterprise Sector, 1/ 1978-82

	1978	1979	1980	1981	<u>1982</u> Prelim.
Number of enterprises	87	91	88	89	86
Value added (in millions of dinars)	234.4	314.1	464.1	491.4	529.6
(as a percentage of GDP)	9.4	10.7	13.2	12.0	11.3
Wage bill (in millions of dinars)	116.8	117.3	142.5	167.4	185.4
(as a percentage of economy's wage bill)	12.8	11.2	11.9	12.3	10.7
(as a percentage of public enterprise value added)	49.8	37.3	30.7	34.1	35.0
Employment (thousands)	73.5	76.6	79.5	82.4	79.7
(as a percentage of public sector employment)	...	...	...	41.0	37.2
(as a percentage of nonagricultural wage earners)	7.4	7.4	7.6	7.5	7.0
(as a percentage of total employment)	4.8	7.9	5.0	5.1	4.7
Average annual wage (in thousands of dinars)	1,589	1,531	1,792	2,032	2,326
(percentage change)	...	-3.7	17.0	13.4	14.5
Net income after taxes (in millions of dinars)	29.9	57.8	71.6	117.0	114.9
Of which: energy sector	(35.1)	(60.3)	(67.9)	(126.2)	(139.4)
Investment (in millions of dinars)	222.5	233.2	160.1	300.3	279.0
(as a percentage of investment of private and public enterprises)	34.8	30.6	19.4	28.4	23.1
(as a percentage of total investment)	29.1	26.1	16.2	24.5	19.9

Sources: Data provided by the Tunisian authorities; and staff calculations.

1/ Public enterprises under the supervision of the Ministry of the National Economy.

aggregate losses. The public enterprises in this coverage are responsible for about three fourths of total exports, particularly of strategic products such as petroleum, phosphate, and fertilizers.

In 1982 developments in the public enterprise sector--that is, comparing the results of the 86 reporting enterprises in 1982 with those of the same enterprises in 1981--show a moderate increase in value added, a marginal decline in net income, and a continued high level of investment. Nominal value added of the reporting enterprises rose by 10 per cent, with 61 per cent of the gain accounted for by enterprises in the energy sector, whose value added increased by 12 per cent. Significant advances were also recorded for mechanical and electrical products (26 per cent); commerce (144 per cent), attributable principally to the effects of increases in administered prices of the major state trading company; and textiles and leather products (24 per cent). On the other hand, substantial declines in value added were recorded for mining (mainly phosphate) (14 per cent) and for construction materials (8 per cent).

The net income of reporting enterprises fell by 2 per cent, with only energy, mechanical and electrical products, and commerce showing appreciable gains. For energy, the increase was from D 126.2 million to D 139.4 million, or 10 per cent; for mechanical and electrical products, the improvement was from -D 0.5 million to a positive D 4.9 million; and for commerce the increase was from D 1.2 million to D 9.7 million. For the most part, the other activities showed sharp deteriorations, especially mining (from -D 2.6 million to -D 22.6 million); construction materials (from -D 2.2 million to -D 8.0 million); and chemicals (mainly phosphate derivatives) (from -D 3.0 million to -D 6.7 million).

In addition to activity-specific reasons for the decline in public enterprise net income in most sectors, rapid increases in the wage bill of most enterprises as a result of sharp increases in pay scales intensified pressures on profit margins. In 1982, as in 1981, the increase in the public enterprise wage bill (16 per cent) exceeded the increase in value added (10 per cent), with the share of the wage bill in the value added of the 86 reporting enterprises rising by 2 percentage points to 35 per cent.

In 1982 public sector enterprise investment continued at a high level --about 20 per cent of total investment. The level in 1982 for the reporting enterprises (D 279 million) was 5 per cent below that in 1981 (D 293.4 million), due to a decline of almost D 60 million in the capital outlays of the Tunisian Petroleum Company. Thus, excluding that of the Tunisian Petroleum Company, public enterprise investment increased by 22 per cent. Apart from investment in energy, which accounted for 53 per cent of public enterprise capital spending in 1982, significant investment levels were shown for chemicals (15 per cent of the total), mining (9 per cent), mechanical and electrical products (8 per cent), and construction materials (5 per cent). In 1982 central government budgetary transfers (to all

nonfinancial public enterprises) increased sharply by 42 per cent to D 219.1 million, equivalent to 12 per cent of consolidated central government expenditures. Current transfers to help compensate for operating losses rose by two thirds to D 21.9 million. Transfers for investment (including net loans and equity participations) increased by 39 per cent to D 197.2 million. The enterprises' financing needs in 1982 were also accommodated by a large increase in banking system credit.

Efforts are being made to improve the financial position of public enterprises and thus to reduce their burden on the Government. It is expected that over time the new development banks will provide an increasing share of public enterprise capital financing. Moreover, in conjunction with the Sixth Development Plan, attempts are being made to improve the monitoring of activities of public enterprises. This involves the identification of enterprises to be monitored; the establishment of a body of administrators, with well-defined responsibilities; and the appointment of financial controllers, who will monitor the enterprises' performance on a continuous rather than periodic basis. Also, there has been a start in identifying a limited number of enterprises which should remain under direct government control.

## VI. Money and Credit

### 1. Policy measures in 1982 <sup>1/</sup>

The Central Bank has been constantly revising its instruments of credit and monetary control in the pursuit of two major objectives: (a) to regulate the volume and quality of bank credit, and (b) to mobilize additional savings and encourage the banks to participate more actively in the financing of investments included in the development plans. During 1982, changes in monetary and credit instruments were relatively limited and were aimed primarily at increasing the ability of the deposit money banks to accommodate the increasing credit requirements of the economy (the private and nongovernment public sectors). Thus, the major policy changes were: (a) a reduction in the general reserve requirement <sup>2/</sup> from 3 per cent at end-1981 to 1 per cent in March 1982 to nil in May 1982; (b) an increase in June 1982 from 15 per cent to 17.5 per cent in the global ceiling limiting deposit money banks' total borrowing from the Central Bank (through rediscount facilities and through the money market) as a percentage of the banks' demand, time, and savings deposits; (c) a combined increase in the basic and seasonal rediscount ceilings of D 21 million, or 22 per cent, compared with those in effect at end-1981; and (d) a large increase (D 133 million, or 53 per cent) in rediscount facilities accorded outside the basic and seasonal ceilings. Also, the Central

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<sup>1/</sup> Three enterprises under the supervision of the Ministry of the National Economy had not yet provided information on their operations in 1982.

<sup>2/</sup> Applied to demand deposits and time deposits of one year or less.

Bank was very active in its money market interventions to support the liquidity position of the banks, especially during the March-October period, when such interventions averaged D 78 million. In addition, to help provide sufficient credit to small artisanal, manufacturing, and other enterprises, the banks were required to hold minimum specified percentages of their demand, time, and savings deposits in medium-term loans to these activities. The specified level was 0.5 per cent for end-September 1982, which was increased to 1 per cent for end-March 1983. This new required lending was incorporated within the existing requirement that 18 per cent of banks' deposits be utilized for private sector medium-term credits or debentures issued by the Tunisian Economic Development Bank.

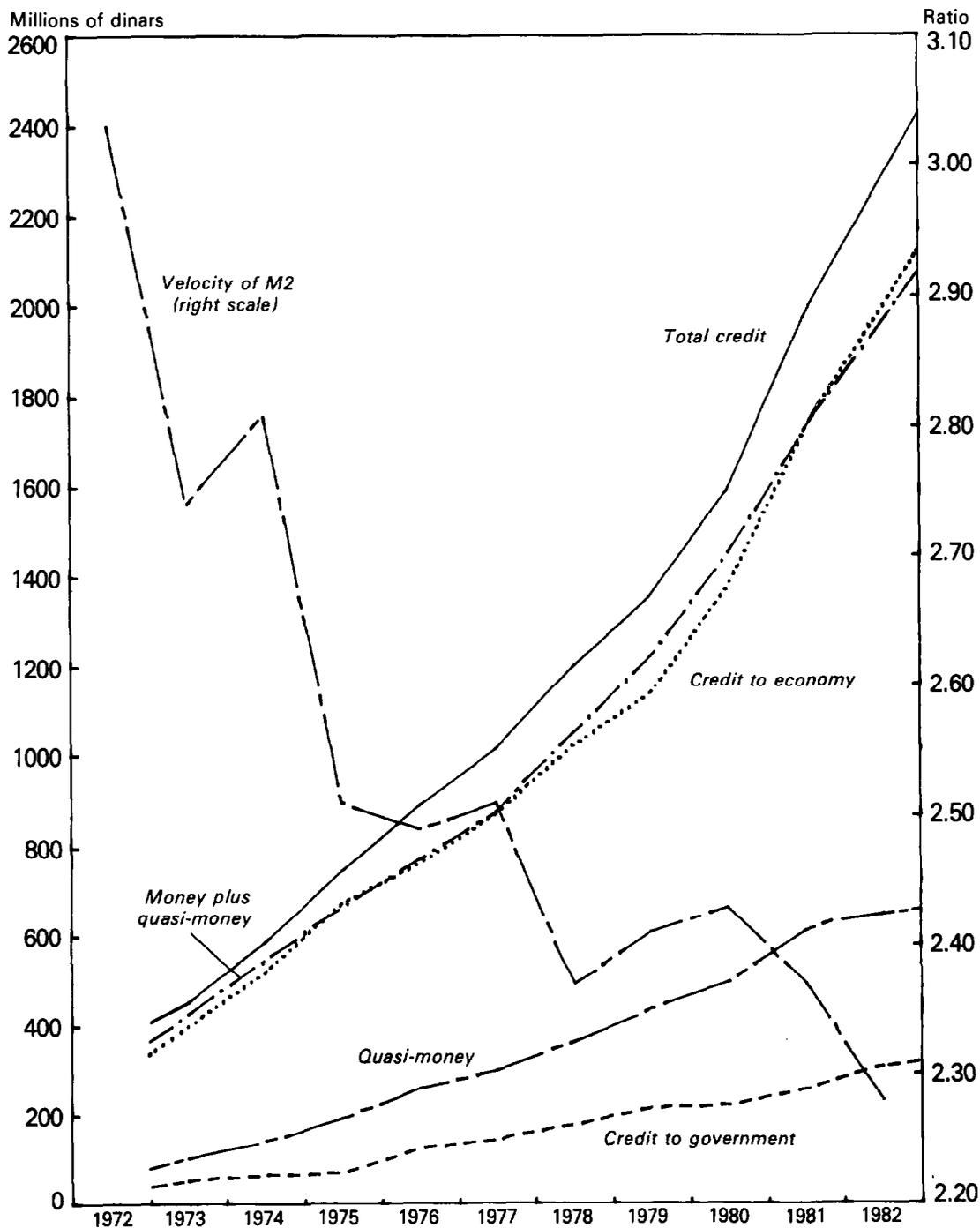
There were no changes during 1982 in the lending or deposit rates of either the Central Bank or the deposit money banks as shown in Appendix Tables XXVIII and XXIX of SM/82/110. Based on the increase in consumer prices during 1982, both the real rate of return to depositors and the real cost to borrowers were moderately negative (e.g., -6 per cent on one-year time deposits and -5 per cent on commercial bank short- and medium-term rediscountable loans).

## 2. Monetary and credit developments in 1982

In 1982, money plus quasi-money (M2) increased by 19 per cent, the same rate as that recorded in both 1981 and 1980 (Table 11 and Chart 2). As the growth in M2 continued to exceed the growth in nominal GDP, the income velocity of circulation fell further to 2.28 from 2.37 in 1981 and 2.43 in 1980. Money rose by 24 per cent in 1982, with currency in circulation increasing by 28 per cent (compared with a rate of 14 per cent in 1981). On the other hand, quasi-money rose by only 10 per cent, compared with an increase of 23 per cent in 1981. Although savings deposits continued to rise rapidly--an increase of 30 per cent following growth of 33 per cent in 1981--there was a drop of 6 per cent in time deposits, compared with an increase of 17 per cent in 1981. This decline was attributable to a fall in deposits of the social security funds, which incurred sharply higher expenditures and purchased government bonds.

As in the previous two years, the growth in domestic liquidity resulted principally from sharp increases in banking system credit to the economy. In 1982 such credit rose by 24 per cent, following increases of 26 per cent and 21 per cent in 1981 and 1980, respectively. Regarding the maturity structure of credit to the economy, close to two thirds of the increase was accounted for by short-term credit, which rose by 24 per cent. Medium-term credit to the economy rose by 31 per cent, and long-term credit increased by 9 per cent. On a sectoral basis, industry continued to absorb the largest portion of credit to the economy, followed closely by services. Appendix Table IX provides a breakdown of the maturity and sectoral distribution of deposit money bank credit to the economy through September 1982. Credit to the Government (including

CHART 2  
TUNISIA  
MONETARY AND CREDIT DEVELOPMENTS, 1972-82



Source: Central Bank of Tunisia, *Statistiques Financieres*.



Table 11. Tunisia: Monetary Survey, 1978-83

(In millions of dinars; end of period)

	1978	1979	1980	1981	1982	1983 Proj. 1/
Foreign assets (net)	114.0	164.5	190.7	235.7	251.9	232.0
Central Bank (net)	143.8	181.4	215.2	250.3	251.9	...
Deposit money banks (net)	-29.8	-16.9	-24.5	-14.6	--	...
Domestic credit	1,199.6	1,352.6	1,591.2	1,977.8	2,439.9	2,918.0
Credit to Government (net)	178.4	214.5	219.4	255.3	306.6	391.0
Central Bank	16.8	16.2	-15.6	-32.0	-29.7	-5.7
Deposit money banks	135.8	172.6	204.1	244.9	284.3	335.8
Counterpart of CCP deposits 2/	25.8	25.7	30.9	42.4	52.0	60.9
Credit to the economy	1,021.2	1,138.1	1,371.8	1,722.5	2,133.3	2,527.0
Central bank claims	18.4	18.9	19.2	28.1	48.0	48.0
Deposit money banks' claims	1,002.8	1,119.2	1,352.6	1,694.4	2,085.3	2,479.0
Of which: with central bank resources	(163.8)	(156.6)	(195.6)	(325.5)	(484.8)	(...)
Money and quasi-money	1,049.8	1,219.4	1,444.6	1,724.0	2,050.0	2,353.0
Money	688.2	785.8	949.9	1,114.6	1,378.5	1,593.2
Currency outside banks	249.8	265.1	299.6	342.8	440.0	490.9
Demand deposits at Central Bank	0.4	2.1	0.4	0.5	0.7	0.7
Demand deposits at deposit money banks	412.2	492.9	619.0	728.9	885.8	1,040.7
CCP deposits	25.8	25.7	30.9	42.4	52.0	60.9
Quasi-money	361.6	433.6	494.7	609.4	671.5	759.8
Special resources	144.4	164.9	186.4	219.2	261.1	296.0
Other items (net)	119.4	132.8	150.9	270.3	380.7	501.0

Sources: Central Bank of Tunisia, Statistiques Financières; and data provided by the Tunisian authorities.

1/ Staff projections based on policies as of April 1, 1983.

2/ Deposits of individuals and enterprises with the Postal Checking System (CCP).

deposits of individuals and enterprises with the postal checking system) increased in 1982 by D 51.3 million, with most of the increase (D 38.9 million) accounted for by the deposit money banks from the purchase of government bonds; banks are required to hold a level of government equipment bonds equivalent to 20 per cent of their demand, time, and savings deposits (Table 12). Total domestic credit in 1982 rose by 23 per cent, compared with increases of 24 per cent in 1981 and 18 per cent in 1980.

Net foreign assets of the banking system recorded a modest increase of D 16.2 million in 1982, compared with increases of D 45 million in 1981 and D 26.2 million in 1980.

As the growth in the deposit money banks' credit to the economy in 1982 (D 390.9 million) considerably exceeded the increase (D 180.1 million) in their net deposit liabilities (i.e., after taking into account the required purchase of government equipment bonds), the banks sharply increased their recourse to central bank credit. Such credit increased by D 159.3 million, or 49 per cent, and was equivalent to 41 per cent of the increase in bank credit to the economy (Table 13).

With the establishment of three new development banks in 1981 and another two during the first quarter of 1982, <sup>1/</sup> the activities of nonmonetary financial institutions increased briskly in 1982. Although the increase in such institutions' credit to the Government (D 16.5 million) from the purchase of equipment bonds was comparable to that recorded in 1981 (D 18.1 million), their accomodation of the economy's financing requirements increased rapidly by D 99.8 million, or 29 per cent (21 per cent in 1981) (Table 14). In 1982 the total credit expansion of the nonmonetary financial institutions was D 115.8 million. Their augmented resources derived mainly from increased capital (D 69 million) and a rise in time and savings deposits (D 46.2 million) and to lesser but nevertheless significant extents from both foreign borrowing (D 29.6 million) and government lending funds (D 11.3 million). Reflecting the substantial increase in capital, in 1982 the ratio of capital funds to total credit rose to 28 per cent from 20 per cent in 1981.

### 3. Projected monetary and credit developments for 1983

For 1983 the monetary authorities are aiming at a lower rate of monetary expansion, mainly through a deceleration in the growth of credit to the economy. Banking system credit to the economy is forecast to increase by 18.5 per cent--about 5 percentage points lower than the rate recorded in 1982--with the moderating factors including an anticipated reduction in lending for stockbuilding and possibly increased self-financing by enterprises. On the other hand, in view of the prospective larger fiscal deficit, credit to the Government is projected to rise by D 84.4 million (D 51.3 million in 1982), accounted for largely by increased deposit money bank holdings of equipment bonds (D 51.5 million)

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<sup>1/</sup> For details, see Appendix Table XXXI of SM/82/110.

Table 12. Tunisia: Assets and Liabilities of Deposit  
Money Banks, 1978-82

(In millions of dinars; end of period)

	1978	1979	1980	1981	1982
Reserves	32.0	48.3	39.8	51.9	36.4
Currency	5.3	8.1	7.5	9.3	10.1
At Central Bank	26.7	40.2	32.3	42.6	26.3
Foreign assets	24.9	41.4	52.5	83.6	120.4
Claims on Government	135.8	172.6	204.1	244.9	284.3
Of which: equipment bonds	(131.7)	(169.2)	(201.4)	(242.5)	(281.4)
Claims on economy	1,002.8	1,119.2	1,352.6	1,694.4	2,085.3
Of which: investment portfolio	(36.2)	(40.2)	(39.2)	(45.0)	(50.4)
Assets = Liabilities	1,195.5	1,381.5	1,649.0	2,074.8	2,526.4
Demand deposits	412.2	492.9	619.0	728.9	885.8
Quasi-money liabilities	361.6	433.6	494.7	609.4	671.5
Foreign liabilities	54.7	58.3	77.0	98.2	120.4
Long-term foreign borrowing	72.9	81.3	94.7	109.5	120.5
Counterpart funds	8.9	9.1	9.3	9.4	9.6
Government lending fund	59.7	72.4	80.4	95.7	111.5
Credit from Central Bank	168.3	156.6	195.6	325.5	484.8
Capital accounts	77.1	85.7	96.3	133.7	157.7
Other items (net)	-19.9	-8.4	-18.0	-35.5	-35.4

Source: Central Bank of Tunisia, Statistiques Financières.

Table 13. Tunisia: Assets and Liabilities of the Central Bank, 1978-82

(In millions of dinars; end of period)

	1978	1979	1980	1981	1982
Foreign assets	165.9	199.8	219.8	258.8	261.4
Claims on Government	52.2	45.7	47.4	47.9	72.9
Claims on economy	18.4	18.9	19.2	28.1	48.0
Claims on deposit money banks	166.7	153.1	195.6	325.5	484.8
Assets = Liabilities	403.2	417.5	482.5	660.3	867.1
Reserve money	274.4	300.9	337.7	426.4	524.8
Currency outside banks	249.8	265.1	299.6	342.8	440.0
Currency in deposit money banks	5.3	8.1	7.5	9.3	10.1
Bankers' deposits <sup>1/</sup>	18.9	25.6	30.2	73.8	74.0
Private sector deposits	0.4	2.1	0.4	0.5	0.7
Foreign liabilities	22.1	18.4	4.6	8.5	9.5
Government deposits	35.4	29.5	63.0	79.9	102.6
Counterpart funds	2.9	2.1	1.9	4.4	19.6
Allocation of SDRs	7.7	11.2	14.6	18.0	18.0
Capital accounts	51.4	52.0	62.8	72.1	110.4
Other items (net)	9.3	3.4	-2.1	51.0	82.2

Source: Central Bank of Tunisia, Statistiques Financières.

<sup>1/</sup> Including term deposits of new development banks.

Table 14. Tunisia: Consolidated Accounts of Nonmonetary  
Financial Institutions, 1978-82

(In millions of dinars; end of period)

	1978	1979	1980	1981	1982
<b>Assets</b>					
Claims on Government (net)	45.2	54.0	62.4	80.5	96.5
Claims on economy	205.3	254.8	290.8	350.6	450.4
<b>Liabilities</b>					
Monetary deposits	15.3	15.3	16.3	21.4	22.3
Time and savings deposits	113.0	138.3	148.6	183.7	229.9
Long-term foreign borrowing	79.7	101.7	111.6	130.2	159.8
Government lending funds	6.0	9.5	18.6	34.6	45.9
Capital accounts	28.9	31.3	32.7	84.7	153.7
Other items (net)	7.6	12.7	25.4	-23.5	-64.7

Source: Central Bank of Tunisia, Statistiques Financières.

and a draw-down of D 24 million in the Government's deposits with the Central Bank. Total domestic credit would rise by 20 per cent (23 per cent in 1982). Taking into account a forecast balance of payments deficit of about D 20 million, this would imply growth in M2 of 15 per cent. If the projected increases in both M2 and nominal GDP (16 per cent) are realized, velocity would increase slightly to 2.30 from 2.28 in 1982--the first increase since 1980. Money is projected to rise by 16 per cent and quasi-money by 13 per cent, with stagnation in time deposits but continued rapid growth (29 per cent) in savings deposits.

However, the increase in money plus quasi-money in 1983 could well exceed the present projection if, as currently anticipated, the development banks sharply increase their activities. The development banks' long-term lending and equity participations are forecast to increase by D 183 million, equivalent to 9 per cent of M2 at end-1982. This expanded activity would be financed in large part by the banks' own resources, of which it is estimated that D 120 million is currently unutilized (including a high level of deposits with the Central Bank), and also by further foreign borrowing.

## VII. The External Sector

### 1. Balance of payments developments in 1982 and prospects for 1983

In 1982 Tunisia's overall balance of payments surplus declined by over two thirds to SDR 25 million, reflecting a 34 per cent rise in the current account deficit and only an 18 per cent rise in capital inflows (Table 15 and Appendix Table X). Export receipts fell by 14 per cent to SDR 1,544 million, mainly on account of a decline in hydrocarbon exports, while imports on an f.o.b. basis declined marginally (2 per cent) to SDR 2,629 million, reflecting the slowdown in domestic economic activity. Thus, the trade deficit rose by 20 per cent to SDR 1,085 million.

During 1982 the surplus on net services and transfers rose by 7 per cent to SDR 529 million, reflecting a 16 per cent rise in net transfer receipts (because of higher workers' remittances), which more than offset an 8 per cent decline in the services account resulting from an increase in freight and insurance payments and larger interest payments on the external debt. Tourism receipts increased only marginally in SDR terms (1 per cent); the increase in dinar terms, at 13.5 per cent, was similar to that in 1982, despite a decline in the number of foreign visitors; receipts from tourism in 1982 represented 17 per cent of total receipts on goods, services, and transfers, which compares with a share of 21 per cent on average during 1977-80.

Despite declines in both the flow of direct investment and long-term borrowing by public and private enterprises of 6 per cent and 9 per cent, respectively, and a halving of borrowing by the Government, net capital

Table 15. Tunisia: Balance of Payments Summary, 1979-83

(In millions of SDRs) <sup>1/</sup>

	1979	1980	1981	1982	1983 Proj.
Goods, services, and transfers					
Exports, f.o.b.	1,169	1,386	1,789	1,544	1,573
Imports, f.o.b.	1,942	2,213	2,696	2,629	2,784
Trade balance	-773	-827	-907	-1,085	-1,211
Services (net)	209	231	172	158	150
Of which: tourism receipts	(417)	(492)	(507)	(514)	(529)
Transfers (net)	230	256	321	371	377
Of which: receipts from workers' remittances	(221)	(245)	(306)	(344)	(346)
Current account	-334	-340	-414	-556	-684
Capital movements (net)					
Grants	38	65	17	28	19
Direct and portfolio investment	59	192	313	293	282
Public and private enterprises	234	121	186	169	257
Central Government	52	67	51	26	96
Short-term capital <sup>2/</sup>	48	-49	-76	65	--
Capital account	431	396	491	581	654
Allocation of SDRs	7	7	6	--	--
Overall surplus or deficit (-) <sup>3/</sup>	-104	63	83	25	-30

Source: Central Bank of Tunisia.

<sup>1/</sup> Converted at the following average annual exchange rates: for 1979, D 0.5252 per SDR 1; for 1980, D 0.5271 per SDR 1; for 1981, D 0.5823 per SDR 1; for 1982, D 0.6516 per SDR 1; and for 1983, D 0.68 per SDR 1.

<sup>2/</sup> Including commercial banks, bilateral payments agreements, and errors and omissions.

<sup>3/</sup> Including changes in reserves and valuation adjustments.

flows rose by 18 per cent to SDR 581 million. This improvement resulted from an inflow of short-term capital (SDR 65 million), in contrast with an outflow in 1981 (SDR 76 million), apparently associated with leads and lags in trade payments. The inflow of direct foreign investment, although somewhat lower than in 1981, remained at a historically high level, in connection with large hydrocarbon exploration expenditures and foreign participation in the capital of newly established development banks; the latter resulted in a capital inflow of about SDR 50 million, similar to that in 1981.

In 1983 the overall balance of payments is projected to register a deficit of SDR 30 million. Exports are expected to recover marginally to SDR 1,573 million (an increase of 2 per cent) due to an anticipated increase in the volume of exports (11 per cent); nevertheless, the value of exports is forecast to be 12 per cent below that recorded in 1981. Imports are projected to rise by 6 per cent to SDR 2,784 million in line with the expected recovery of the economy. Based on these projected movements, the trade deficit is estimated to widen further by 12 per cent to SDR 1,211 million. Since the surplus on net services and transfers is forecast to stabilize at the 1982 level, the current account deficit is projected to increase by SDR 128 million to SDR 684 million, a 23 per cent rise over 1982. Net capital inflows are forecast to increase by 13 per cent to SDR 654 million, principally on account of a speedup in long-term borrowing by the public and private enterprises; such borrowing is expected to increase by over 50 per cent. Given the larger projected current account deficit in 1983, additional borrowing in the international market is anticipated, and central government borrowing is projected to rise almost fourfold to SDR 96 million. In 1982 an international financial market loan of US\$125 million was contracted, of which US\$30 million was drawn. For 1983 the remaining amount is expected to be drawn as well as the proceeds of another loan to be negotiated later in the year.

## 2. Foreign trade

### a. Exports

According to preliminary customs data, export receipts in 1982 declined by 6 per cent to D 1,139 million (-16 per cent in SDRs) (Table 16 and Appendix Table XI). This outcome followed a sharp rise of over 25 per cent in 1981 (13 per cent in SDRs) due to a near doubling of agricultural exports to D 118 million and an 18 per cent rise in hydrocarbon exports (Appendix Table XII). The 1982 decline was due to a number of factors, such as the fall in agricultural exports because of poor weather conditions, the decline in the export price of phosphate and chemical products, and a sharp decline in hydrocarbon exports to D 512 million from D 642 million in 1981 due to a lower export volume. The latter resulted from the increased use of domestic hydrocarbons for internal consumption and was accompanied by lower hydrocarbon imports; net export of hydrocarbons in

Table 16. Tunisia: Foreign Trade Indicators, 1979-83

(Changes in per cent)

	1979	1980	1981	<u>1982</u> Prel.	<u>1983</u> Proj.
Exports <u>1/</u>					
Value (in dinars)	55.1	33.5	25.0	-6.2	4.9
Volume	13.4	-0.6	3.2	-12.8	10.5
Unit value (in dinars)	36.8	34.3	21.1	7.5	-5.0
Value (in SDRs)	53.8	33.0	13.1	-16.2	0.5
Unit value (in SDRs)	35.6	37.6	-5.0	-4.5	-9.0
Imports <u>1/</u>					
Value (in dinars)	28.6	26.8	28.1	2.8	5.1
Volume	6.0	7.9	12.4	-5.1	-1.1
Unit value (in dinars)	21.3	17.5	14.0	8.3	6.3
Value (in SDRs)	27.6	26.3	15.9	-8.2	0.7
Unit value (in SDRs)	20.4	17.0	3.1	-3.2	1.8
Terms of trade (in SDRs)	12.8	14.3	6.2	-0.7	-10.6

Sources: Data provided by Tunisian authorities; and staff estimates.

1/ Customs data.

terms of dinars remained at a level close to that of 1981. Textile exports, mainly clothing, which represent Tunisia's second largest merchandise export, rose by 19 per cent in dinar terms and have thus far not been affected adversely by EC quotas, as these have been set well above Tunisia's production capacity. Exports of mechanical and electrical products, though representing only 5 per cent of all exports, rose sharply by 47 per cent in dinar terms.

In 1983 the growth in the value of exports (in dinars) on a customs basis is projected at 5 per cent (0.5 per cent in SDRs), based mainly on a 15 per cent rise forecast for textiles and increases of 22 per cent and 19 per cent, respectively, forecast for the export of chemicals and mechanical and electrical products. Hydrocarbon exports are expected to decline further by 6 per cent, because of the decline in export prices, while their volume is expected to increase by about 10 per cent, as a result of higher production.

The destinations of Tunisia's exports are shown in Appendix Table XIII.

b. Imports

Based on provisional customs data, in 1982 dinar denominated imports rose only marginally by 3 per cent (-8 per cent in SDRs), compared to 28 per cent in 1981, reflecting a decline in hydrocarbon imports and lower international prices of agricultural goods. Import volume declined by 5 per cent, mainly because of a sharp fall in hydrocarbon imports, while unit values increased by 8 per cent (-3 per cent in SDRs). Raw material imports continued to represent the largest proportion of imports (32 per cent), followed by investment goods (29 per cent) and consumer durables (18 per cent). Of these commodity groups, the largest increase was registered by the latter (18 per cent in dinar terms), followed by raw materials (17 per cent) and investment goods (16 per cent). The rise in investment goods imports during 1982 was substantially lower than in 1981, when it recorded a 58 per cent increase related to extensive hydrocarbon exploration and to the completion of several chemical plants.

In 1983 the growth in the value of imports (in dinars) on a customs basis is expected to accelerate to 5 per cent (0.7 per cent in SDRs). A further decline in import volume (1 per cent) is projected, reflecting mainly a decline in energy imports. The higher rate of expansion in the value of imports reflects mainly growth in imports of raw materials and products (14 per cent), which would account for almost two thirds of the increase in imports. Nonfood consumer goods, which are projected to rise by 12 per cent, would account for almost another 30 per cent of the total increase in imports. Food imports are expected to rise by 10 per cent, following their decline in 1982, and investment goods imports would increase only marginally (3 per cent), implying a decline in volume terms.

The origins of Tunisia's imports are shown in Appendix Table XIII. The evolution of Tunisia's terms of trade is presented in Table 16. Based on provisional estimates in 1982, the terms of trade in SDRs declined by almost 1 per cent and are forecast to fall by an additional 11 per cent in 1983, reflecting mainly weaker hydrocarbon export prices.

### 3. External debt

Tunisia's outstanding public and publicly guaranteed external debt, which increased at an average rate of 9 per cent during 1978-81, lower than that of nominal GDP, rose more sharply in 1982 by 13 per cent to an estimated SDR 2,775 million, reflecting mainly a deterioration in the current account position and the resultant additional foreign borrowing (Table 17). While no official projections are available for 1983, it is anticipated that the external debt would rise by about SDR 350 million, based on the drawing down of the balance (about SDR 85 million) on a loan in the international financial market contracted in 1982 and additional borrowing associated with the investment program. The ratio of outstanding debt to GDP, after having declined from 40 per cent in 1978 to 35.3 per cent in 1980, reflecting an improvement in the current account position and large capital inflows in the form of direct investment, rose to 40.4 per cent in 1982. Since 1978 the part of the external debt held by the Central Government has fallen, while that held by the enterprise sector has increased, as net borrowing by the Government declined.

The recourse to loans from private creditors (suppliers' and buyers' credits and credits from private financial institutions), after having increased as a share of total external borrowing between 1977 and 1979, declined in 1980 and remained stable in 1981; in 1982 it increased again, partly reflecting the loan contracted on the international financial market by the Government. Borrowing from multilateral organizations has increased very rapidly since 1976, at an average rate of 25 per cent per year, far in excess of the rate of total borrowing; in 1981 and 1982 such borrowing rose on average by about 20 per cent per year. On the other hand, recourse to bilateral official loans declined as a share of total borrowing in 1981 and 1982, so that the share of total official loans in total debt fell from 60.5 per cent at end-1980 to 56.3 per cent at end-1982.

With the structure of Tunisia's external debt still characterized by a large reliance on official loans at favorable interest rates, the average interest rate on outstanding debt is at a relatively favorable level, amounting to about 7.5 per cent during 1982. The average interest rate on new external debt commitments, however, has increased in recent years, rising from 7.1 per cent in 1979 to 8.3 per cent in 1981, reflecting international interest rate developments. At the same time, the average grant element and grace period on new commitments have also declined, the former from 18.7 per cent in 1979 to 13.3 per

Table 17. Tunisia: Outstanding External Public  
and Publicly Guaranteed Debt, 1979-82

(In millions of SDRs; end of year)

	1979	1980	1981	1982 Prel.
<u>By lender</u>	2,210.0	2,321.3	2,457.5	2,775.3
Official loans (including international organizations)	1,311.6	1,405.6	1,477.5	1,563.6
Private loans	898.4	915.7	980.0	1,211.7
<u>By borrower</u>	2,210.0	2,321.3	2,457.5	2,775.3
Central Government	873.6	914.2	930.4	935.8
Public and private enterprises	1,336.4	1,407.1	1,527.1	1,839.5
	(As per cent of total)			
Official loans	59.3	60.5	60.1	56.3
Private loans	40.6	39.5	39.9	43.7
Central Government	39.5	39.4	37.9	33.7
Public and private enterprises	60.5	60.6	62.1	66.6
Outstanding balance/GDP	39.2	35.3	36.1	40.4
<u>Average terms on new external debt commitments</u>				
Average maturity (years)	15.8	17.2	15.4	...
Average interest rate (in per cent)	7.1	6.9	8.3	...
Grant element (in per cent)	18.7	21.5	13.3	...
Average grace period (years)	4.4	5.0	4.1	...

Source: Data provided by the Tunisian authorities.

cent in 1981, the latter from 4.4 per cent in 1979 to 4.1 per cent in 1981; data for 1982 are not yet available, but are likely to indicate a continuation of these trends.

The debt service ratio, after having remained broadly stable between 1978 and 1980 in the range between 11 per cent and 12 per cent (Table 18), rose in the two following years to 16.8 per cent in 1982 as a result of a substantial increase in scheduled amortization and a decline in current receipts in 1982. In 1983 the ratio is expected to stabilize at 17 per cent, as amortizations are expected to remain stable and current receipts to increase modestly.

### VIII. Exchange and Trade System

#### 1. Exchange rate system

The currency of Tunisia is the Tunisian dinar, whose exchange value is determined by a basket of currencies, which, as of March 1981, contained the French franc, the U.S. dollar, the deutsche mark, and the Italian lira. The French franc/dinar rate is fixed daily on the basis of rates quoted on the Paris foreign exchange market for the currencies included in the basket. The Central Bank quotes spot exchange rates for 18 other currencies on the basis of market rates for the French franc and these currencies on the Paris exchange market. Moreover, since February 1979 the Central Bank has quoted forward exchange rates for merchandise trade for the U.S. dollar, the French franc, and the deutsche mark. The buying and selling rates of authorized banks are identical with those of the Central Bank.

In 1982 the small appreciation of the nominal effective exchange rate (weighted on the basis of the geographical pattern of trade, tourism receipts, and workers' remittances) that had taken place in 1981 (1 per cent) was reversed, with the index of the effective rate declining by about 4 per cent, as a result of the continued appreciation of the U.S. dollar, which accounts for an important proportion of the currency basket (Appendix Table XIV). In view of the higher rate of inflation in Tunisia during 1982 as compared to its major trading partners, the real effective exchange rate of the dinar declined by only about 2 per cent. A different pattern is obtained when the effective exchange rate is adjusted for the relative changes in unit labor costs of manufacturing. Although international comparisons are limited by the nature and the availability of data, unit labor costs appear to have increased faster in Tunisia than in partner countries, and, therefore, the real effective exchange rate adjusted for relative unit labor costs is estimated to have increased by about 7 per cent during 1982. By March 1983 the nominal effective rate showed a further depreciation in nominal terms of over 1 per cent (compared to the fourth quarter of 1982), but an equivalent appreciation in real terms was registered.

Table 18. Tunisia: Service Payments on Public and Publicly  
Guaranteed External Debt, 1979-83

(In millions of SDRs)

	1979	1980	1981	<u>1982</u> Prel.	<u>1983</u> Proj.
Total service payments	268.7	370.5	458.9	526.4	536.7
Amortization	142.8	204.3	279.6	342.2	345.6
Central Government	(50.1)	(47.8)	(101.3)	(127.3)	(132.3)
Public and private enterprises	(92.7)	(156.5)	(178.3)	(214.9)	(213.3)
Interest	125.9	166.2	179.3	184.2	191.1
Central Government	(41.9)	(66.2)	(68.0)	(85.0)	(90.3)
Public and private enterprises	(84.0)	(100.0)	(111.3)	(99.2)	(100.8)
	(In per cent)				
Ratio of service payments to export of goods, services, and transfers	11.0	12.1	13.6	16.8	17.0

Source: Ministry of Planning and Finance.

2. Trade and payments system <sup>1/</sup>

Tunisia continues to maintain a relatively complex and comprehensive system of controls on trade and payments. Some relaxation of trade and payments restrictions has taken place in recent years, through an extension of the system of annual import authorizations and simpler payments procedures for liberalized imports.

Tunisia's imports may be broadly classified into two regimes: (a) liberalized imports, and (b) imports which require prior licensing, including a payments authorization. The first category covers mainly raw materials, semifinished goods, spare parts, and machinery, which may be imported freely by registering the commercial contract with an authorized bank to ensure the regularity of the payment procedure. A revised list of liberalized products was published in early 1982. In 1981 these imports amounted to 24 per cent of total imports by value against 28 per cent in 1979. The import procedure applied to the second category of imports has been significantly simplified through annual authorizations issued to industrialists and large-scale traders on the basis of their import programs. Since 1981 annual authorizations have also been issued to retail merchants, by allocating among them a share of an annual quota of products established on the basis of global import needs. Imports of basic agricultural products and raw materials, such as cereals, vegetable oil, dairy products, fertilizers, and petroleum products, which are the monopoly of public agencies, are carried out under licenses issued by a special commission, which examines the bids of suppliers and decides upon the quantities to be imported. While licenses for most products whose import is not liberalized are issued on the basis of an assessment of domestic need, for a limited number of products which are domestically produced, mainly textiles, an annual import quota is established to protect domestic producers. The export of a relatively large number of products, mainly cereals, semifinished products, and equipment goods, is subject to license, to prevent re-exports and export of products needed domestically. At the end of 1982 the procedures for requesting import certificates had been decentralized through the country, thereby speeding up the procedure. In early 1983 some tightening has occurred in granting import licenses, as annual import authorizations for industrial purposes were limited, in a first stage, to below the 1982 level, and the import program for wholesalers and retailers was limited to the previous year's total.

Restrictions on current payments arise from the requirement of payments authorizations for nonliberalized imports and the limits on the sale of foreign exchange for a number of current invisibles, such as expenses for travel and study abroad, the remittance of salaries by foreign workers, and certain dividends. All payments for invisibles

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<sup>1/</sup> A detailed description of Tunisia's trade and payments system is contained in SM/79/156, Appendix II, and in the "Survey on Tunisia" in the Annual Report on Exchange Arrangements and Exchange Restrictions for 1983.

require the approval of the Central Bank, for some transactions this authority has been delegated to authorized banks. The monthly allowance for studying abroad was raised in 1982 from D 140 to D 200. In November 1982 the annual travel allowance was doubled to D 200 for travelers to Morocco. The Central Bank grants authorization for allocations for travel abroad in excess of the statutory limit in a relatively liberal manner.

Table I. Tunisia: Nominal and Real Gross Domestic Product  
by Major Sectors, 1979-83

(In millions of dinars)

	1979	1980	1981	1982 <u>1/</u>	1983 <u>2/</u>
<u>Value added at current prices</u>					
Value added by economic sector	<u>2,198.0</u>	<u>2,667.5</u>	<u>3,111.2</u>	<u>3,488.0</u>	<u>4,044.0</u>
Agriculture and fishing	395.4	490.0	557.0	57.0	686.0
Mining	28.3	45.4	64.9	54.8	61.3
Energy, power, and water	286.5	431.5	511.4	575.8	647.5
Manufacturing	332.1	415.6	487.9	549.3	668.1
Construction and public works	217.0	207.0	249.0	288.0	315.0
Transport and telecommunications	170.0	170.2	192.3	233.4	277.5
Tourism	122.6	138.8	160.6	163.3	180.4
Commerce and other services	646.0	769.0	888.1	1,029.4	1,208.2
Government wages and salaries	326.0	368.5	447.8	565.0	656.0
GDP at factor cost	2,524.0	3,036.0	3,559.0	4,053.0	4,700.0
Indirect taxes minus subsidies	411.0	474.0	524.0	617.0	715.0
GDP at market prices	2,935.0	3,510.0	4,088.0	4,670.0	5,415.0
<u>Value added at 1980 prices</u>					
Value added by economic sector	<u>2,477.1</u>	<u>2,667.5</u>	<u>2,795.0</u>	<u>2,782.0</u>	<u>2,962.0</u>
Agriculture and fishing	447.9	490.0	522.5	477.0	510.0
Mining	40.5	45.4	53.4	41.6	48.0
Energy, power, and water	413.3	431.5	395.6	384.4	405.0
Manufacturing	367.8	415.6	444.0	459.0	514.0
Construction and public works	201.4	207.0	224.0	232.0	233.0
Transport and telecommunications	161.2	170.2	175.2	188.4	205.3
Tourism	130.3	138.8	143.8	130.0	134.0
Commerce and other services	714.7	769.0	836.5	896.6	912.7
Government wages and salaries	360.2	368.5	411.0	438.0	461.0
GDP at factor cost	2,837.3	3,036.0	3,206.0	3,220.0	3,423.0
Indirect taxes minus subsidies	527.7	474.0	479.0	502.0	522.0
GDP at market prices	3,365.0	3,510.0	3,685.0	3,722.0	3,945.0

Source: Data provided by the Tunisian authorities.

1/ Provisional estimates.

2/ Projections.

Table II. Tunisia: Real Growth Rates of Value Added  
by Major Sectors, 1979-83 1/

(In per cent)

	1979	1980	1981	1982 <u>2/</u>	1983 <u>3/</u>
Agriculture and fishing	-4.1	9.4	6.6	-8.7	6.9
Mining	11.5	12.1	17.6	-22.1	15.4
Energy, power, and water	21.8	4.4	-8.3	-2.8	5.4
Manufacturing	14.2	13.0	6.8	3.4	12.0
Food processing	2.6	8.5	11.6	-7.9	8.7
Construction materials and glass	19.8	25.4	11.7	8.4	15.7
Mechanical and electrical industries	20.8	10.4	10.9	10.3	13.7
Chemical and rubber industries	31.2	25.0	-23.0	-15.2	26.9
Textiles, clothing, and leather	16.4	11.2	9.1	9.9	7.6
Woodwork, paper, and other	15.6	12.2	12.0	12.8	12.0
Construction and public works	10.3	2.8	8.2	3.6	0.4
Transport and telecommunications	8.5	5.6	2.9	7.5	9.0
Tourism	27.1	6.5	3.6	-9.6	3.1
Commerce and other services	7.4	7.6	8.8	4.0	5.0
Government wages and salaries	5.1	2.3	11.5	6.6	5.3
GDP (at market prices)	8.4	4.3	5.0	1.0	6.0

Source: Data provided by the Tunisian authorities.

1/ In 1980 prices.

2/ Provisional estimates.

3/ Projections.

Table III. Tunisia: Production of Major  
Agricultural Products, 1978-82

(In thousands of metric tons)

	1978	1979	1980	1981	1982
Cereals <sup>1/</sup>	9,000	9,500	11,650	12,330	12,550
Hard wheat	5,700	6,000	7,400	8,040	7,530
Soft wheat	1,500	800	1,290	1,590	1,630
Barley	1,800	2,700	2,960	2,700	3,390
Fruit and vegetables					
Citrus fruit	220	183	160	220	165
Dates	45	27	47	46	22
Tomatoes	260	280	280	380	260
Red peppers	130	130	115	124	90
Potatoes	105	125	120	140	110
Artichokes	15	14	13	14	15
Almonds	35	30	37	46	22
Grapes and wine					
Table grapes	15	25	30	35	28
Wine	45	61	60	59	48
Olive oil	130	85	85	145	80
Other					
Meat	101	101	114	114	116
Sugar beets	52	52	73	62	83
Milk	276	222	245	264	238

Source: Ministry of Agriculture.

<sup>1/</sup> In thousands of quintals.

Table IV. Tunisia: Price Structure of Principal Agricultural Commodities, 1974-82

(In dinars per ton)

	1974	1975	1976	1977	1978	1979	1980	1981	1982
<u>Cereals</u>									
Hard wheat	61.00	66.00	66.06	71.35	76.00	76.00	86.00	96.00	110.00
Soft wheat	55.00	60.00	60.00	65.35	70.00	70.00	77.00	87.00	110.00
Barley	40.00	45.00	45.00	50.35	55.00	55.00	59.00	69.00	80.00
<u>Sugar beets</u>	12.25	12.25	13.50	13.50	13.50	13.50	13.50	13.50	19.00
<u>Olive oil</u>									
High grade	400.00	550.00	380.00	390.00	400.00	430.00	470.00	530.00	580.00
Low grade	360.00	500.00	340.00	350.00	360.00	380.00	410.00	450.00	500.00
<u>Tomatoes</u>	20.00	25.00	25.00	28.00	28.00	28.00	30.00	35.00	42.00
<u>Wine</u>									
(dinars per hectoliter)									
12 degrees of alcohol	6.00	6.00	6.00	7.20	8.40	8.40	8.40	8.40	9.60

Source: Data provided by the Tunisian authorities.

Table V. Tunisia: Indicators of Tourism Activity, 1979-82

	1979	1980	1981	1982
Annual fixed investment in tourism (in millions of dinars)	16.3	25.5	33.0	40.0
Accommodation available (in thousands of beds)	68.8	71.5	75.8	80.2
Number of foreign visitors (in thousands)	1,356.0	1,602.0	2,151.0	2,135.5
Visitor bed-nights (in thousands)	12,017.0	12,792.0	13,227.0	12,110.0
Of which: foreigners	(11,171.0)	(12,098.0)	(12,507.0)	(11,159.0)
Average length of stay (in days)	8.2	7.5	6.4	6.4
Average occupancy rate (in per cent)	47.8	48.3	51.4	59.0
Tourism receipts (in millions of dinars)	219.2	367.0	295.2	328.0
Daily expenditure per tourist (in dinars)	19.6	21.5	23.6	29.2

Source: Office National du Tourisme.

Table VI. Tunisia: Index of Wholesale Prices, 1974-82

(Annual averages; 1970=100)

	Weights	1974	1975	1976	1977	1978	1979	1980	1981	1982 <sup>1/</sup>
Foodstuffs										
Domestic	37.945	128.7	139.2	148.3	155.0	160.7	172.0	190.7	207.3	268.6
Imported	11.478	142.7	160.6	171.6	182.4	187.5	203.1	236.6	246.6	268.2
Total	49.423	132.0	144.2	153.7	161.4	166.9	179.2	201.4	216.4	268.5
Industrial products										
Domestic	18.305	136.2	150.5	150.7	165.1	171.2	183.0	197.7	212.8	253.4
Imported	20.826	144.1	153.2	140.5	139.4	140.7	151.2	170.1	188.5	209.8
Total	39.131	140.4	152.0	145.2	151.4	155.0	166.1	183.0	199.9	230.2
Energy products										
Domestic	4.345	105.8	119.4	125.9	152.2	160.8	181.2	197.8	245.7	372.6
Imported	0.840	138.2	237.1	249.5	249.5	249.8	249.3	247.0	244.7	244.7
Total	5.185	111.1	138.4	145.9	168.0	175.2	192.2	205.8	245.5	276.7
Raw materials										
Domestic	2.980	214.8	226.5	200.5	192.0	193.0	201.1	210.5	220.6	274.6
Imported	3.281	207.3	233.6	238.8	250.4	265.5	282.8	300.8	561.2	642.7
Total	6.261	210.9	230.2	220.6	222.6	231.1	244.0	260.4	399.1	465.5
General index										
Domestic	63.575	133.4	145.2	149.9	159.5	165.2	177.2	194.1	212.1	271.6
Imported	36.425	149.2	164.8	161.6	165.5	169.2	181.7	205.1	241.7	268.0
Total	100.000	139.1	152.3	154.2	161.7	166.7	178.8	198.1	222.9	270.3

Source: Central Bank of Tunisia, Statistiques Financières.<sup>1/</sup> Data refer to the month of November 1982.

Table VII. Tunisia: Gross Fixed Investment by Economic Sectors and Financing, 1979-86

(In millions of dinars)

	1979	1980	1981	1982	1983 1/ Planned	V Plan (1977-81)		VI Plan (1982-86)
						Planned	Realized	Planned 2/
Agriculture and fishing	108.5	147.4	173.0	195.7	229.0	500.0	584.4	1,550.0
Industry	391.5	332.8	538.3	671.6	707.0	2,035.0	1,812.5	3,290.0
Mining	34.9	22.0	23.4	27.5	37.0	130.0	167.5	240.0
Hydrocarbons	89.0	98.1	203.2	270.0	205.0	373.0	490.2	800.0
Electricity and water	104.4	71.9	89.5	105.1	137.0	532.0	357.0	640.0
Manufacturing	162.1	130.8	210.2	256.0	315.0	950.0	790.8	1,600.0
Food processing	24.2	27.5	51.5	52.0	38.0	130.0	164.1	240.0
Construction materials and glass	49.0	38.2	56.9	64.6	88.5	290.0	257.8	300.0
Mechanical and electrical industries	23.2	20.6	26.4	42.3	64.2	170.0	104.9	385.0
Chemicals and rubber	42.3	15.6	36.3	48.0	65.0	220.0	141.9	360.0
Textiles and leather	12.2	15.7	23.0	25.6	34.8	100.0	72.5	165.0
Woodwork and other	11.2	13.2	16.1	23.5	24.5	40.0	49.6	150.0
Construction and public works	1.1	10.0	12.0	13.0	13.0	50.0	6.2	10.0
Services	394.0	501.8	538.7	602.7	664.0	1,665.0	2,142.1	3,360.0
Transport and telecommunications	138.0	211.0	233.0	243.0	260.0	575.0	770.1	1,100.0
Tourism	16.3	25.5	33.0	40.0	58.0	95.0	117.1	450.0
Housing	155.0	174.0	191.0	212.0	230.0	600.0	820.0	1,000.0
Commerce and other	3.4	5.1	5.8	6.0	7.0	24.0	19.8	55.0
Infrastructure	21.3	86.2	75.9	101.7	109.0	371.0	415.1	755.0
Total	894.0	982.0	1,250.0	1,470.0	1,600.0	4,200.0	4,539.0	8,200.0
Public sector	528.5	510.5	627.6	796.0	915.7	2,786.5	2,543.8	4,600.0
Government	(131.5)	(163.5)	(175.0)	(196.7)	(226.2)	(622.0)	(703.0)	(2,957.0)
Public enterprises	(397.0)	(347.0)	(452.6)	(599.3)	(689.5)	(2,164.5)	(1,840.8)	(1,643.0)
Private sector	365.5	471.5	622.4	674.0	684.3	1,413.5	1,995.2	3,600.0
<u>Financing 3/</u>								
Gross domestic savings	716.0	829.0	950.0	935.0	1,100.0	3,115.0	3,474.0	6,405.0 4/
(in per cent of GDP)	(18.2)	(23.6)	(23.2)	(20.0)	(20.3)	(20.5)	(22.8)	(20.0)
Foreign resources	146.0	190.0	365.0	465.0	500.0	1,210.0	1,093.0	2,185.0 4/
(in per cent of GDP)	(3.7)	(5.4)	(8.9)	(10.0)	(9.2)	(8.0)	(7.2)	(6.8)

Source: Data provided by the Tunisian authorities.

1/ Budget Economique, 1983.

2/ The sectorial distribution of investment expenditures in the Sixth Plan may be revised in the context of the current reappraisal of the plan's objectives and policies.

3/ Includes changes in stocks.

4/ Initial objectives.

Table VIII. Tunisia: Central Government Budgetary Operations, 1979-83

(In millions of dinars)

	1979	1980	1981	1982 Prov.	1983		
					Budget	Possible modifi- cations	Proj.
Revenues	727.9	864.8	1,038.0	1,307.0	1,440.0	-27.2	1,412.8
Fiscal revenues	516.6	608.3	734.4	887.3	1,014.0	--	1,014.0
Direct taxes	(129.3)	(163.7)	(206.6)	(244.0)	(257.0)	(--)	(257.0)
Indirect taxes	(375.5)	(430.7)	(511.2)	(625.4)	(739.0)	(--)	(739.0)
Other	(12.0)	(13.9)	(16.6)	(17.9)	(18.0)	(--)	(18.0)
Nonfiscal revenues	211.3	256.5	303.6	419.7	426.0	-27.2	398.8
Petroleum revenues <u>1/</u>	(129.7)	(173.4)	(225.9)	(329.6)	(320.0)	(-24.0) <u>2/</u>	(296.0)
Other	(81.6)	(83.1)	(77.7)	(90.1)	(106.0)	(-3.2) <u>3/</u>	(102.8)
Expenditures	793.8	913.8	1,127.8	1,383.0	1,582.0	19.0	1,601.0
Current expenditures	475.3	538.3	672.4	848.0	954.0	19.0	973.0
Wages and salaries	(300.9)	(336.0)	(405.8)	(527.9)	(600.2)	(19.0) <u>4/</u>	(619.2)
Goods and other services	(69.7)	(75.8)	(84.2)	(102.4)	(116.6)	(--)	(116.6)
Contribution to special funds	(5.1)	(6.2)	(44.1)	(44.6)	(28.5)	(--)	(28.5)
Of which:							
Price Stabilization Fund	--	--	40.0	37.0	20.0	--	20.0
Subsidies	(27.9)	(33.9)	(41.1)	(50.6)	(56.2)	(--)	(56.2)
Interest on debt	(44.7)	(57.4)	(64.7)	(86.5)	(105.0)	(--)	(105.0)
Other	(27.0)	(29.0)	(32.5)	(36.0)	(47.5)	(--)	(47.5)
Capital expenditures	318.5	375.5	455.4	535.0	628.0	--	628.0
Direct investment	(157.5)	(196.1)	(222.9)	(303.0)	(357.4)	(--)	(357.4)
Financial operations	(161.0)	(179.4)	(232.5)	(232.0)	(270.6)	(--)	(270.6)
Deficit (-)	-65.9	-49.0	-89.8	-76.0	-142.0	-46.2	-188.2
Financing	65.9	49.0	89.8	-76.0	142.0	46.2	188.2
External borrowing (net)	14.9	7.5	4.0	-0.5	16.3	50.0	66.3
Drawings	(35.9)	(30.9)	(40.6)	(60.3)	(105.0)	(50.0)	(155.0)
Repayments	(-21.0)	(-23.4)	(-36.6)	(-60.8)	(-88.7)	(--)	(-88.7)
Domestic borrowing (net)	51.0	41.5	85.8	76.5	125.7	-3.8	121.9
Deposit money banks (net)	(37.5)	(32.2)	(41.1)	(38.9)	(67.0)	(-15.0)	(52.0)
Other	(13.5)	(9.3)	(44.7)	(37.6)	(58.7)	(11.2)	(69.9)
<u>Ratios (as per cent of GDP)</u>							
Revenues	24.8	24.6	25.4	28.0	26.6	-0.5	26.1
Of which:							
petroleum revenues <u>1/</u>	(4.4)	(4.9)	(5.5)	(7.1)	(5.9)	(-0.4)	(5.5)
Expenditures	27.0	26.0	27.6	29.6	29.2	0.4	29.6
Deficit (-)	-2.2	-1.4	-2.2	-1.6	-2.6	-0.9	-3.5

Source: Data provided by the Tunisian authorities.

1/ Taxes on production, which comprise profits of the Tunisian Petroleum Company, royalty payments, and complementary surtax payments.2/ Adjustment for recent decline in world market prices.3/ Adjustment for lower expected royalties from Algerian gas pipeline.4/ Adjustment for new wage and salary agreement.

Table IX. Tunisia: Breakdown of Short-, Medium-, and Long-Term  
Credit of Deposit Money Banks by Economic Sector, 1978-82

(In millions of dinars)

	1978	1979	1980	1981	<u>1982</u> Sept.
I. Agriculture	81.3	107.8	128.1	157.8	175.3
Short-term	25.8	35.7	44.2	53.3	52.4
Medium- and long-term	55.5	72.1	83.9	104.5	122.9
II. Industry	497.6	591.4	722.9	911.1	1,084.1
Short-term	322.8	373.5	455.8	554.6	708.4
Medium- and long-term	174.8	217.9	267.1	356.5	375.7
Mining	25.6	36.9	49.3	58.0	71.7
Short-term	14.1	17.9	23.9	34.1	48.4
Medium- and long-term	11.5	19.0	25.4	23.9	23.3
Energy	13.0	11.6	20.8	27.2	45.8
Short-term	9.6	6.7	8.8	5.8	24.2
Medium- and long-term	3.4	4.9	12.0	21.4	21.6
Food processing	79.5	101.5	129.5	157.2	157.7
Short-term	53.1	67.9	86.9	96.5	92.6
Medium- and long-term	26.4	33.6	42.6	60.7	65.1
Mechanical and electrical industries	80.1	104.5	141.5	175.5	197.5
Short-term	49.2	62.4	87.8	105.5	124.4
Medium- and long-term	30.9	42.1	53.7	70.0	73.1
Textiles	61.9	67.4	62.9	65.3	69.0
Short-term	47.3	52.7	47.7	43.6	47.9
Medium- and long-term	14.6	14.7	15.2	21.7	21.1
Construction and public works	70.6	76.0	80.2	99.6	125.4
Short-term	58.9	61.5	65.0	81.6	106.5
Medium- and long-term	11.7	14.5	15.2	18.0	18.9
Other industries	166.9	193.5	238.7	328.3	417.0
Short-term	90.6	104.4	135.7	187.5	264.4
Medium- and long-term	76.3	89.1	103.0	140.8	152.6
III. Services	474.9	509.4	619.3	770.0	918.7
Short-term	313.1	327.9	402.5	470.9	572.4
Medium- and long-term	161.8	181.5	216.8	299.1	346.3
Tourism	98.0	101.7	107.0	116.3	131.3
Short-term	48.7	47.4	51.0	43.0	47.8
Medium- and long-term	49.3	54.3	56.0	73.3	83.5
Commerce	177.5	168.7	230.1	288.0	362.0
Short-term	169.5	160.4	222.3	269.2	328.4
Medium- and long-term	8.0	8.3	7.8	18.8	33.6
Other services <u>1/</u>	199.4	239.0	282.2	365.7	425.4
Short-term	94.9	120.1	129.2	158.7	196.2
Medium- and long-term	104.5	118.9	153.0	207.0	229.2
IV. Overall total <u>1/</u>	1,053.7	1,208.6	1,470.3	1,838.9	2,178.0
Short-term	661.7	737.1	902.5	1,078.8	1,333.2
Medium- and long-term	392.0	471.5	567.8	760.1	844.8

Source: Central Bank of Tunisia, Statistiques Financières.1/ Includes credit for the management and transfer of real estate, which is excluded in the monetary survey.

Table X. Tunisia: Balance of Payments, 1979-82

(In millions of dinars)

	1979			1980			1981			1982 1/		
	Credit	Debit	Total	Credit	Debit	Total	Credit	Debit	Total	Credit	Debit	Total
Goods, services and transfers												
Merchandise trade (exports f.o.b., imports, f.o.b.)	613.8	1,020.0	-406.2	730.6	1,167.0	-436.4	1,042.0	1,570.0	-528.0	1,006.0	1,713.0	-707.0
Freight and insurance	86.4	114.4	-28.0	98.0	133.0	-35.0	122.0	162.0	-40.0	138.0	191.0	-53.0
Tourism 2/	219.2	24.3	194.9	260.0	27.0	233.0	295.0	35.0	260.0	335.0	60.2	274.8
Other travel	26.1	13.0	13.1	16.0	16.0	--	17.0	19.0	-2.0	28.0	24.8	3.2
Interest on external debt	--	66.1	-66.1	--	75.0	-75.0	--	104.0	-104.0	45.0	170.0	-12.5
Other investment income	18.3	17.8	0.5	32.6	25.3	7.3	42.0	37.0	5.0	--	--	--
Other government	34.6	16.3	18.3	35.9	45.8	-9.9	35.0	49.0	-14.0	40.0	54.0	-14.0
Other services	48.0	64.3	-16.3	69.0	63.0	6.0	81.0	80.0	1.0	116.0	92.0	-24.0
Balance on services			116.4			128.2			106.0			110.0
Balance on goods and services			-289.8			-308.2			-422.0			-597.0
Current transfers	126.5	12.0	114.5	140.0	11.0	129.0	196.0	15.0	181.0	253.0	18.0	235.0
Of which :												
workers' remittance	(115.5)	(5.8)	(109.7)	(129.0)	(6.0)	(123.0)	(178.0)	(6.0)	(172.0)	(224.0)	(7.0)	217.0
Current account			-175.3			-179.2			-241.0			-362.0
Nonmonetary capital												
Grants	20.0	--	20.0	34.0	--	34.0	10.0	--	10.0	20.0	2.0	18.0
Direct and portfolio investment	61.0	30.0	31.0	108.0	7.0	101.0	202.0	20.0	182.0	216.0	24.9	191.1
Public and private enterprises	172.0	49.0	123.0	135.0	71.0	64.0	226.0	118.0	108.0	250.0	140.0	110.0
Central Government	53.0	26.0	27.0	60.0	25.0	35.0	75.0	45.0	30.0	110.0	93.5	16.5
Short-term capital (net) 3/	50.0	25.0	25.0	--	26.0	-26.0	47.0	91.0	-44.0	120.0	77.6	42.4
Nonmonetary capital account			226.0			208.0			286.0			378.0
Allocation of SDRs	3.4	--	3.4	3.7	--	3.7	4.1	--	4.1	--	--	--
Overall surplus or deficit (-) 4/			54.1			32.5			49.1			16.0

Source: Central Bank of Tunisia.

1/ Provisional data.

2/ Includes business travel.

3/ Includes errors and omissions.

4/ Excludes valuation changes.

Table XI. Tunisia: Foreign Trade by Commodity Classes, 1979-83

(On customs basis)

	1979	1980	1981	<u>1982</u> Prel.	<u>1983</u> Proj.	1979	1980	1981	<u>1982</u> Prel.	<u>1983</u> Proj.
	(Values in millions of dinars)					(Growth rates in per cent)				
<u>Exports, f.o.b.</u>	<u>726.7</u>	<u>970.0</u>	<u>1,213.3</u>	<u>1,139.0</u>	<u>1,195.0</u>	<u>55.1</u>	<u>33.5</u>	<u>25.0</u>	<u>-6.2</u>	<u>4.9</u>
Agricultural products	94.9	68.8	117.8	107.4	110.0	20.4	-27.5	71.2	-8.8	2.4
Of which : olive oil	(45.9)	(24.9)	(50.1)	(57.2)	(48.0)	(25.8)	(-45.7)	(201.2)	(14.2)	(-16.0)
Hydrocarbons	353.0	545.6	641.8	512.0	480.0	95.8	54.6	17.6	-20.2	-6.2
Phosphates	18.2	22.1	22.7	24.2	25.0	-3.7	21.4	2.7	6.6	3.3
Textiles and leather	143.9	170.4	197.8	235.7	270.0	41.2	18.4	16.1	19.2	14.9
Chemical products	71.2	119.7	157.5	174.6	213.0	36.4	68.1	31.8	10.9	22.0
Mechanical and electrical products	27.7	30.7	40.0	58.8	70.0	29.4	10.8	30.3	47.0	19.1
Other	17.8	12.7	35.7	26.3	27.0	19.5	-44.8	281.1	-26.3	2.7
<u>Imports, c.i.f.</u>	<u>1,156.8</u>	<u>1,467.1</u>	<u>1,879.5</u>	<u>1,932.0</u>	<u>2,070.0</u>	<u>28.6</u>	<u>26.8</u>	<u>28.1</u>	<u>2.8</u>	<u>7.1</u>
Investment goods	279.3	300.5	474.2	552.0	570.0	-1.0	7.6	57.8	16.4	3.2
Raw materials and semi- finished products	322.3	445.0	524.4	612.0	700.0	31.7	38.2	17.8	16.8	
Energy imports	199.3	323.7	382.0	242.0	215.0	211.5	62.4	18.0	-36.6	-11.1
Foodstuffs	149.8	157.1	211.4	186.0	205.0	42.0	4.9	34.6	-12.0	10.2
Other consumer goods	205.9	240.8	287.5	340.0	380.0	18.9	16.9	19.4	18.2	11.8

Source: Ministry of Planning and Finance, Budget Economique, 1983.

Table XII. Tunisia: Trends in Major Exports, 1979-83

(Percentage changes; unit values in terms of dinars; on customs basis)

	1979		1980		1981		Preliminary 1982		Projections 1983	
	Volume	Unit value	Volume	Unit value	Volume	Unit value	Volume	Unit value	Volume	Unit value
Olive oil	8.5	15.9	-49.6	7.6	67.3	20.3	-12.5	30.5	-15.8	-0.1
Other agricultural products	-5.5	28.6	-25.8	20.6	17.6	31.1	-34.5	14.9	15.5	6.9
Phosphate	-4.2	--	-17.6	47.3	-19.4	27.4	1.6	4.9	29.8	-20.4
Chemical products	-3.6	41.4	34.3	25.2	25.3	5.2	9.3	1.5	17.4	3.9
Hydrocarbons	7.6	82.0	1.8	51.9	-8.4	28.4	-24.5	5.7	6.9	-12.2
Textiles	44.1	-2.0	5.8	11.9	12.1	3.6	1.3	17.7	15.9	-0.8
Mechanical products	20.0	7.9	2.0	8.6	20.0	8.6	45.0	1.4	10.0	8.3

Sources: Ministry of Planning and Finance; and staff calculations.

Table XIII. Tunisia: Direction of Foreign Trade, 1978-81

(In per cent)

	1978	1979	1980	1981
Exports, f.o.b.				
EC countries	57.4	58.4	54.4	49.1
Of which:				
France	(16.8)	(19.3)	(15.7)	(15.4)
Italy	(15.9)	(20.2)	(16.1)	(19.7)
Germany, Fed. Rep. of	(16.4)	(10.4)	(13.1)	(8.3)
Netherlands	(4.1)	(4.4)	(4.5)	(2.0)
Belgium/Luxembourg	(3.3)	(3.0)	(3.0)	(2.4)
United Kingdom	(0.7)	(0.8)	(1.7)	(1.0)
Denmark	(0.1)	(0.1)	(0.2)	(0.1)
Other countries	42.6	41.6	45.6	50.9
Of which:				
United States	(8.5)	(8.8)	(14.7)	(15.5)
Greece	(10.0)	(15.7)	(18.4)	(7.4)
Turkey	(1.3)	(0.7)	(1.2)	(0.7)
Spain	(0.3)	(0.3)	(0.5)	(0.3)
U.S.S.R.	(0.4)	(0.2)	(0.2)	(—)
Libya	(6.0)	(2.7)	(0.8)	(3.4)
Algeria	(1.3)	(1.7)	(1.9)	(1.6)
Japan	(0.1)	(—)	(—)	(—)
Imports, c.i.f.				
EC countries	63.3	55.8	57.8	54.9
Of which:				
France	(33.2)	(25.7)	(25.0)	(24.0)
Italy	(10.0)	(13.3)	(15.7)	(14.5)
Germany, Fed. Rep. of	(11.7)	(9.8)	(9.4)	(8.9)
Netherlands	(3.0)	(2.7)	(2.5)	(2.5)
Belgium/Luxembourg	(3.1)	(2.4)	(2.7)	(2.4)
United Kingdom	(1.9)	(1.5)	(2.0)	(1.8)
Denmark	(0.4)	(0.3)	(0.2)	(0.7)
Other countries	36.7	46.2	42.2	45.1
Of which:				
United States	(4.6)	(6.0)	(5.9)	(6.0)
Canada	(1.5)	(1.2)	(1.7)	(2.0)
Brazil	(0.7)	(0.8)	(0.9)	(0.7)
Argentina	(0.6)	(0.6)	(0.4)	(0.2)
Austria	(1.0)	(2.6)	(0.9)	(0.7)
Greece	(4.0)	(5.8)	(5.5)	(5.0)
Turkey	(1.5)	(1.0)	(0.9)	(0.5)
Spain	(3.1)	(3.9)	(3.3)	(3.1)
Sweden	(0.8)	(0.9)	(1.1)	(1.4)
Switzerland	(1.1)	(0.9)	(1.2)	(1.0)
U.S.S.R.	(0.7)	(0.8)	(0.8)	(0.7)
Yugoslavia	(0.9)	(8.8)	(0.7)	(0.6)
Japan	(1.0)	(0.7)	(1.2)	(2.6)
Saudi Arabia	(2.1)	(4.5)	(8.6)	(11.5)
Iraq	(1.4)	(2.6)	(0.3)	(—)

Source: IMF, Direction of Trade.

Table XIV. Tunisia: Spot Rates and Indices of Selected Exchange Rates, 1975-83

(Period averages)

	Spot rate expressed in Tunisian dinars per unit of foreign currency			Foreign currency per unit of Tunisian dinars (1975 average = 100)				
	U.S. dollar	French franc	SDR	U.S. dollar	French franc	SDR	Nominal effective exchange rate	Real effective exchange rate
1975	.4023	.0939	.4884	100.0	100.0	100.0	100.0	100.0
1976	.4288	.0897	.4950	93.9	104.7	98.7	103.9	99.4
1977	.4290	.0873	.5008	93.8	107.6	97.5	105.2	97.2
1978	.4162	.0922	.5211	96.6	101.8	93.7	101.3	90.7
1979 I	.4074	.0955	.5251	98.6	98.3	92.9	99.2	87.6
II	.4119	.0941	.5252	97.5	99.6	92.9	99.5	86.9
III	.4055	.0958	.5281	99.0	98.0	92.4	98.2	85.5
IV	.4010	.0968	.5219	100.1	96.9	93.5	98.4	85.3
Year	(.4065)	(.0955)	(.5252)	(99.0)	(98.3)	(93.0)	(98.9)	(86.3)
1980 I	.4011	.0967	.5228	100.1	97.0	93.4	98.7	85.9
II	.4048	.0961	.5251	99.2	97.6	92.9	99.6	84.4
III	.4006	.0972	.5287	100.2	96.5	92.3	99.2	83.1
IV	.4134	.0935	.5316	97.2	100.3	91.8	101.7	85.2
Year	(.4050)	(.0958)	(.5271)	(99.3)	(98.0)	(92.6)	(99.9)	(84.6)
1981 I	.4327	.0890	.5377	92.8	105.3	90.8	105.0	88.6
II	.4996	.0922	.5903	80.5	101.7	82.8	99.3	80.7
III	.5788	.0910	.5995	76.0	103.0	81.4	99.7	80.4
IV	.5141	.0910	.5970	78.1	103.1	81.8	99.1	82.0
Year	(.4938)	(.0909)	(.5823)	(81.5)	(103.3)	(83.9)	(100.7)	(82.7)
1982 I	.5377	.0897	.6111	74.7	104.6	79.9	99.2	82.9
II	.5723	.0911	.6394	70.2	102.8	76.4	96.6	79.8
III	.6215	.0895	.6749	64.6	104.8	72.3	94.5	79.9
IV	.6314	.0893	.6803	63.6	105.1	71.7	95.0	82.2
Year	(.5907)	(.0899)	(.6521)	(68.1)	(104.4)	(74.9)	(96.3)	(81.2)
1983 I	.6394	.0912	.6940	63.7	102.5	84.5	94.2	83.3

Sources: IMF, International Financial Statistics; and staff calculations.

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